Financial Statements
September 30, 2019

Utah Pride Center

Independent Auditor's Report

To the Board of Directors
Utah Pride Center
Salt Lake City, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of Utah Pride Center, which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

Utah Pride Center has recorded in-kind donations of $194,425 and related expenses in the statement of activities. In addition, the entity has recorded accounts receivable of $0 and revenue of $46,812 relating to certain program revenue services provided. We were unable to obtain sufficient appropriate audit evidence about the balance of in-kind donations, certain accounts receivable and program revenue for the year ended September 30, 2019. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Utah Pride Center as of September 30, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Salt Lake City, Utah
May 17, 2021

Statement of Financial Position

		2019
ASSETS		
Cash and Cash Equivalents	$	496,476
Promises to Give		11,825
Other Current Assets		1,454
Fixed Assets		1,705,754
Total	$	2,215,509
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	$	12,467
Credit Cards Payable		13,047
Other Current Liabilities		48,953
Total	$	74,467
Net Assets		
Without Donor Restrictions		
Undesignated	$	339,843
Invested in Fixed Assets		1,705,754
Total		2,045,597
With Donor Restrictions		
Purpose Restrictions		95,445
Total	$	2,141,042
TOTAL LIABILITIES AND NET ASSETS	$	2,215,509

Statement of Activities

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Revenue From Program-Related Sales & Fees	$ 798,186	$ -	$ 798,186
Revenue from Direct Contributions	517,605	-	517,605
Corporate Sponsorships	345,849	-	345,849
Revenue From Non-Government Grants	238,424	95,445	333,869
In Kind Donations	194,425	-	194,425
Revenue From Government Grants	42,000	-	42,000
Revenue From Indirect Contributions	16,137	-	16,137
Revenue From Other Sources	938	-	938
Total Revenue, Support, Gains and Losses	**$ 2,153,564**	**$ 95,445**	**$ 2,249,009**
Expenses			
Program Services Expense			
Education Services	$ 1,274,938	$ -	$ 1,274,938
Health and Wellness Services	241,586	-	241,586
Total Program Services	1,516,524	-	1,516,524
Supporting Services			
Management and General	$ 492,458	$ -	$ 492,458
Fundraising	150,257	-	150,257
Total Supporting Services	642,715		642,715
Total Expenses	**$ 2,159,239**	$ -	**$ 2,159,239**
Change in Net Assets	**$ (5,675)**	**$ 95,445**	**$ 89,770**
Net Assets, Beginning of Year	$ 2,051,272	$ -	$ 2,051,272
Net Assets, End of Year	**$ 2,045,597**	**$ 95,445**	**$ 2,141,042**

Statement of Functional Expenses

Description	Education Services	Health and Wellness Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total Expenses
			2019		
Salaries and Related Expenses	$ 257,606	$ 150,794	$ 249,519	$ 99,146	$ 757,065
Contract Service Expenses	261,352	12,535	61,571	9,450	344,908
Facility & Equipment Expenses	201,888	10,111	93,036	98	305,133
Nonpersonnel Expenses	143,814	22,916	20,890	13,076	200,696
Other Expenses	190,957	4,123	1,273	316	196,669
Operating/ Business Expenses	135,307	15,390	2,421	2,824	155,942
Travel & Meetings	23,234	10,954	18,348	2,794	55,330
Grants, Contracts & Direct Assistance	3,829	295	10,645	8,362	23,131
Licenses & Permits	14,095	-	(268)	275	14,102
Deprecation Expense	42,856	14,468	35,023	13,916	106,263
Total	$ 1,274,938	$ 241,586	$ 492,458	$ 150,257	$ 2,159,239

Statement of Cash Flows

		2019
OPERATING ACTIVITIES		
Change in Net Assets	$	89,770
Adjustments to reconcile to Net Cash provided by operations:		
Depreciation		106,263
Changes in Operating Assets and Liabilities		
Promises to Give		-11,825
Other Current Assets		-1,454
Accounts Payable		-1,449
Credit Cards Payable		-33,014
Other Current Liabilities		20,549
Total Adjustments to reconcile to Net Cash provided by operations:	**$**	**79,070**
Net cash provided by operating activities	**$**	**168,840**
Net Change in Cash and Cash Equivalents	**$**	**168,840**
Cash and Cash Equivalents, Beginning of Year	**$**	**327,636**
Cash and Cash Equivalents, End of Year	**$**	**496,476**

Note 1 – Principal Activity and Significant Accounting Policies

Organization

Utah Pride Center (the Center) is a nonprofit corporation organized under the laws of the State of Utah to assist the gay, lesbian, bisexual, transgender and queer community. Many programs and services are generated through the collaborations with other community organizations and allies operating in the broader Utah community. The mission of the Center is to be a catalyst for personal growth, acceptance and equality for gay, lesbian, bisexual, transgender and queer (LGBTQ) people in Utah. We fulfill our mission by focusing our efforts in two primary service areas:

Health and Wellness

The Health and Wellness Program is the Center's offered therapy services for insured/uninsured clients along with a suicide prevention hotline with licensed therapists. The Center also offers a tobacco program (funded by its tobacco grant) in which individuals are provided literature and information on cessation programs given at events and shows. The Center also offers free HIV/STD testing for the community approximately twice a month.

Education

The Education Program consists of several training events and programs offered to families, health care workers, government employees, the academic community, law enforcement and the general community. The Center provides information and needed resources in many different areas such as LGBTQ adult and children education, diversity education, legal help, and various specialized programs to promote the safety and education for families. This program includes contacting local media concerning the LGBTQ community and giving input or the correction of inaccuracies.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Promises to Give

The Organization records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At September 30, 2019 we estimated $3,000 of promises to give to be uncollectable and have made the appropriate adjustments.

Property and Equipment

In 2019 we changed the policy of recording additions to Fixed Assets based on value from $500 and over to $2,500 and over. We record property and equipment additions at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statement of activities. After a period when assets have been fully depreciated, these assets are removed from the balance sheet. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. The Organization has determined that there is no impairment for fiscal year 2019.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue is recognized when earned on a month-to-month basis. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred monthly. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

We have not been able to determine the appropriate timing for revenue recognition of mental health services as required by accounting principles generally accepted in the United States of America (GAAP). As a result, we have recorded revenues for these services when cash is received.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received (Note #5).

We were unable to find sufficient historical documentation to determine all the services rendered and the fair values of the services received as required by GAAP and have estimated those services and values.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Center is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Center is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. We have determined that the Center is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

We believe that the Center has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. We would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Advertising Costs

Advertising costs are expensed as incurred. Such costs approximated $161,000 for the year ended September 31, 2019.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

We manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission.

Change in Accounting Policy

As of October 1, 2018, we adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-For-Profit Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions) and enhance the disclosure requirements for the Organization's donor restricted endowment funds and underwater endowments. The ASU introduces new disclosure requirements to provide information about what is included or excluded from the Organization's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Organization's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses.

The amendments should be applied on a retrospective basis; however, we are not presenting comparative financial statements and there was no material impact on beginning net assets.

The Organization has adopted this standard as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	$ 496,476
Promises to Give	11,825
Sub Total	508,301
Less Net Assets With Donor Restrictions	95,445
	$ 412,856

Note 3 – Promises to Give

Unconditional promises to give are estimated to be collected as follows at September 30, 2019:

Within One Year	$ 14,825
In one to five years	-
Total	14,825
Less allowance for uncollectable promises to give	3,000
	$ 11,825

Note 4 – Property and Equipment

Property and equipment consist of the following at September 30, 2019:

Buildings	$ 1,807,094
Furniture and fixtures	97,173
Total	1,904,267
Less accumulated depreciation	198,513
	$ 1,705,754

Note 5 – Donated Professional Services and Materials

Donated professional services and materials received during the year ended September 30, 2019 are an estimate based on donations received in 2018:

	Program Services	Management and General	Fundraising	Total
Advertising Media	$ 92,227	$ 27,548	$ -	$ 119,775
Hotel Rooms and Stays	15,283	8,134	1,233	24,650
Other Services	38,500	11,500	-	50,000
	$ 146,010	$ 47,182	$ 1,233	$ 194,425

Note 6 – Restricted Net Assets

Net Asset, With Donor Restrictions consist of the following as of September 30, 2019.

Subject to Expenditure for Specified Purpose	
Health and Wellness Services	$ 95,445

Note 7 – Subsequent Events

We have evaluated subsequent events through May 17, 2021, the date the financial statements were available to be issued.

During the year ended September 30, 2020, UPC was granted a $167,415 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) lender. In February 2021 we obtained notice from the SBA that it has approved $167,415 of loan forgiveness. In February of 2021, we received notice of being awarded another PPP loan under the 2nd round of SBA funding. The total loan amount is $153,000.