

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

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A PROFESSIONAL CORPORATION
ESTABLISHED 1974

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board and Management
Utah Valley Family Support Center, Inc.
Orem, Utah

We have reviewed the accompanying financial statements of Utah Valley Family Support Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the supplementary statements of support, revenues, and expenses -- budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. We have not reviewed such information, and, accordingly, we do not express an opinion or a conclusion, nor do we provide any assurance on it.

Gilbert & Stewart

Provo, Utah

January 31, 2019

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2018 AND 2017

<u>Assets</u>	<u>2018</u>	<u>2017</u>
<u>Current Assets</u>		
Cash	\$ 78,328	\$ 138,409
Grants and contributions receivable	52,655	64,429
Therapy fees receivable, net of allowance for uncollectibles	29,627	59,753
Sales tax refund receivable	342	959
Total current assets	160,952	263,549
 <u>Property and Equipment</u>		
Land	250,000	250,000
Building	956,218	956,218
Building improvements	63,407	63,407
Furniture and equipment	120,293	103,966
Less: Accumulated depreciation	(308,812)	(282,040)
Net property and equipment	1,081,107	1,091,551
Total assets	\$ 1,242,059	\$ 1,355,100
 <u>Liabilities and Net Assets</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 2,866	\$ 13,078
Accrued liabilities	5,868	4,472
Accrued salaries/wages	19,152	21,157
Payroll taxes payable	2,566	2,874
United Way pledges withheld	180	276
Accrued compensated absences	21,250	24,650
Current portion of long-term liabilities	18,011	14,680
Total current liabilities	69,892	81,186
 <u>Long-term Liabilities</u>		
Mortgage payable	268,759	287,718
Less current portion	(18,011)	(14,680)
Total long-term liabilities	250,748	273,038
Total liabilities	320,641	354,224
Total net assets - unrestricted	921,418	1,000,875
Total liabilities and net assets	\$ 1,242,059	\$ 1,355,100

See accompanying notes and accountants' review report.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

Changes in Unrestricted Net Assets	2018	2017
Revenues and support		
Prevention and general support:		
Utah DHS-Division of Child and Family Services	\$ 194,299	\$ 214,008
Utah DWS-Temporary Assistance for Needy Families	192,608	321,075
United Way	2,409	13,359
Other cash donations	84,798	97,345
Donations-in-kind	39,556	48,547
Miscellaneous revenue	1,952	1,623
Total prevention and general support revenue	515,621	695,957
Therapy fees and other fees for services:		
Utah DHS-Division of Child and Family Services	-	38,770
Utah DWS-Temporary Assistance for Needy Families	92,317	177,368
Crime Victims Reparation	2,834	3,180
Mountainlands Association of Governments	9,310	8,314
Provo City	20,525	-
City of Orem	10,945	10,988
Medicaid	36,282	19,906
Other therapy fees, net of uncollectibles	400,175	292,445
Total therapy and other service fees	572,388	550,971
Total unrestricted revenue	1,088,010	1,246,929
Functional Expenses		
Program:		
Prevention	434,420	493,463
Treatment	520,630	482,134
Supporting services:		
Management and general	195,656	198,615
Fundraising	17,244	10,258
Total expenses	1,167,951	1,184,470
Increase (Decrease) in net assets	-79,942	62,459
Net assets at beginning of year	1,001,360	938,901
Net assets at end of year	\$ 921,418	\$ 1,001,360

See accompanying notes and accountants' review report.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
Cash Flows From Operating Activities		
Increase (Decrease) in net assets	\$ (79,942)	\$ 61,974
Adjustments to reconcile change in net assets to net cash provided by (used by) operating activities:		
Depreciation	26,772	26,715
In Kind Donation of Equipment	0	0
(Increase) Decrease in receivables	42,515	(15,074)
Increase (Decrease) in accounts payable	(10,212)	11,158
Increase (Decrease) in accrued liabilities	1,396	762
Increase (Decrease) in accrued salaries/wages	(2,005)	4,712
Increase (Decrease) in payroll taxes payable	(307)	(464)
Increase (Decrease) in pledges owed United Way	(96)	(201)
Increase (Decrease) in accrued compensated absences	(3,400)	3,501
Net cash provided by (used in) operating activities	(25,279)	93,083
Cash flows from investing activities		
Purchase of property & equipment	(15,843)	(10,479)
Net cash used in investing activities	(15,843)	(10,479)
Cash flows from financing activities		
Principal paid on mortgage note	(18,959)	(16,314)
Net cash provided (used) by financing activities	(18,959)	(16,314)
Net increase (decrease) in cash and cash equivalents	(60,081)	66,290
Cash and cash equivalents at beginning of year	138,409	72,119
Cash and cash equivalents at end of year	\$ 78,328	\$ 138,409
Actual Interest Paid	\$ 14,586	\$ 17,187
Note: The Agency receives significant noncash in-kind donations, as follows:		
Given to Clients	\$9,392	\$5,118
Program Supplies	23,641	35,358
Shared with Other Agencies	1,595	1,462
Equipment	0	79
Food	4,928	3,672
Other	0	2,858
Total Donations In Kind	\$39,556	\$48,547

See accompanying notes and accountants' review report.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Program Services		Supporting Services		Total
	Prevention	Treatment	Management and General	Fundraising	
Personnel Expenses:					
Executive Director	\$ 17,147	\$ 2,858	\$ 28,579	\$ 8,574	\$ 57,158
Strategy Director	8,553	39,200	17,818	5,702	\$ 71,274
Clinical Director	1,215	55,282	4,252		\$ 60,750
Prevention Coordinator	42,134	-	3,171	-	\$ 45,305
Business Manager	204	204	40,317	-	\$ 40,724
Client Services Specialist	13,262	577	14,992	-	\$ 28,830
Prevention Specialists	57,699	-	-	-	\$ 57,699
Adoption Respite	20,971	-	-	-	\$ 20,971
Parent Advocate	28,830	-	-	-	\$ 28,830
Therapists	-	233,167	-	-	\$ 233,167
Receptionist	5,887	11,381	21,977	-	\$ 39,245
Graduate Students	4,011	22,731	-	-	\$ 26,742
House Parents	79,089	-	-	-	\$ 79,089
Janitorial	-	-	4,577	-	\$ 4,577
Fringe Benefits	41,540	52,617	19,616	1,615	\$ 115,388
Payroll Taxes	21,965	27,823	10,373	854	\$ 61,015
Total personnel expenses	342,507	445,840	165,673	16,745	970,765
Travel/mileage	9,751	3,483	697	-	\$ 13,930
Telephone	4,529	3,605	832	277	\$ 9,242
Postage	167	167	555	222	\$ 1,110
Advertising	1,683	1,683	-	-	\$ 3,366
Bank Charges			3,760		\$ 3,760
Utilities	9,146	7,317	1,829		\$ 18,293
Repairs and maintenance	2,625	2,625	1,312		\$ 6,562
Equipment lease	926	926	463		\$ 2,314
Supplies-program	10,378	22,834			\$ 33,212
Supplies-food and household	13,856				\$ 13,856
Conferences/workshops	374	6,731	374		\$ 7,479
Printing/copying	2,904	2,323	581		\$ 5,809
Insurance			9,272		\$ 9,272
Licenses and permits	7,756	449	629		\$ 8,834
Professional services	2,444	1,410	5,545		\$ 9,399
In-kind contribution to clients	4,696	4,696			\$ 9,392
Interest expense	7,293	5,834	1,459		\$ 14,586
Depreciation	13,386	10,709	2,677		\$ 26,772
Total expenses	\$ 434,420	520,630	195,656	17,244	\$1,167,951

See accompanying notes and accountants' review report.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	Program Services		Supporting Services		Total
	Prevention	Treatment	Management and General	Fundraising	
Personnel Expenses:					
Executive Director	\$23,448	\$3,908	\$42,988	\$7,816	\$78,159
Strategy Director	10,456	45,309	13,941		\$69,706
Clinical Director		53,486	5,943		\$59,429
Prevention Coordinator	37,162		1,956		\$39,118
Business Manager	3,960	3,960	31,682		\$39,602
Client Services Specialist	26,811	564	847		\$28,222
Prevention Specialists	61,564				\$61,564
Adoption Respite	22,853				\$22,853
Parent Advocate	29,219				\$29,219
Therapists		201,278			\$201,278
Receptionist	14,948	14,948	7,474		\$37,370
Graduate Students		16,010			\$16,010
House Parents	85,908				\$85,908
Executive Assistant Intern	2,800				\$2,800
Janitorial			4,725		\$4,725
Fringe Benefits	41,918	50,087	15,497	1,155	\$108,658
Payroll Taxes	23,534	28,206	8,788	656	61,183
Total personnel expenses	384,581	417,757	133,840	9,627	945,805
Travel/mileage	14,256				14,256
Telephone	3,900	4,388	1,268	195	9,751
Postage	138	138	642		917
Advertising	873	873		436	2,182
Bank Charges			4,012		4,012
Utilities	9,024	7,220	1,805		18,049
Repairs and maintenance	3,525	3,525	7,049		14,098
Equipment lease			1,810		1,810
Supplies-program	32,459	14,121			46,580
Supplies-food and household	12,069				12,069
Conferences/workshops		11,763			11,763
Printing/copying	181	187	181		549
Miscellaneous	1,469	1,469	1,959		4,896
Insurance			15,291		15,291
Licenses and permits	9,266	1,158	1,158		11,582
Professional services			20,014		20,014
In-kind contribution to clients	3,665	3,665			7,330
Interest expense	5,186	5,186	6,915		17,288
Depreciation	13,357	10,686	2,672		26,714
Total expenses	\$ 493,948	\$482,134	\$198,615	\$10,258	\$1,184,955

See accompanying notes and accountants' review report.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

Note 1 – Summary of Significant Accounting Policies

Utah Valley Family Support Center, Inc. is a nonprofit organization which maintains a crisis respite nursery for victims and potential victims of child abuse, operates programs teaching abuse prevention and parenting skills, provides respite services and provides therapy for victims and their families. The two general categories of program expenses, as reflected in the statement of activities, are prevention and treatment.

These financial statements are prepared using the accrual method of accounting. The accounting policies used conform to generally accepted accounting principles for voluntary health and welfare organizations.

Items of property and equipment, with significant cost or value, are recorded at cost, or if donated, at estimated fair market value at date of donation. The land and building, acquired in May, 2009 is recorded at estimated fair market value, based on a valuation performed by Zions Bank, in connection with their provision of financing for the acquisition, as described in Note 8. Depreciation/Amortization is computed on a straight-line basis over estimated useful lives of 5-10 years for furniture and equipment, 30 years for building improvements, and 50 years for the building.

Receivables are recorded for therapy fees unpaid at the time the therapy service is rendered. Receivables for United Way indirect contributions and other program revenue are recorded each month in amounts representing 1/12 of the estimated annual amounts communicated to the Agency. Receivables are recorded for earned grant revenue when the conditions of the grants have been fulfilled. An allowance for uncollectible accounts has been provided to reflect, based on historical experience and a specific review of individual therapy accounts receivable balances, the amount of receivables for which collection is not expected. The allowance account was \$24,048 and \$19,674 as of June 30, 2018 and June 30, 2017, respectively. Top management reviews and approves individual account balances proposed for write-off.

Preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates by management. Actual results may differ from those estimates. The significant estimates made for these financial statements include the above-noted allowance for uncollectible accounts, depreciation methods for fixed assets and fair market value for in-kind donations of supplies and services. These estimates may change in the future and the change may be material.

The Agency is exempt from federal income taxes as a non-profit charitable organization under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

(Continued)

Note 2 – Building Lease /Improvements/Acquisition

Prior to March, 1999 the Agency leased the building from United Way of Utah County and paid rent substantially equal to United Way's debt service on financing used to make initial improvements to the building. The Agency also made improvements to the building. From March of 1999 through April of 2009, the Agency leased a building from a foundation which had acquired the building, during which time the foundation paid for significant improvement and expansion of the building to accommodate the growing operating needs of the Agency. During the time the foundation owned the building, the Agency leased the building for a payment of \$2,000 per month. Annual fair market rent during this time was estimated to be approximately \$96,000 per year. The difference between the actual lease payments and the fair market rent was recorded as an in-kind donation. In May of 2009, the Agency acquired the building from the foundation. The foundation required that the Agency pay the foundation \$380,000 for the land and building in order for the foundation to basically recover its cost in the facility. To facilitate the acquisition of the property, the Agency secured a \$390,000 loan from Zions Bank. The bank performed an internal evaluation of the property which estimated the value of the land and building to be \$1,200,000. The difference of \$820,000 between this estimated market value and the \$380,000 required by the foundation was recorded as an in-kind donation from the foundation in the year ended June 30, 2009.

Note 3 – Economic Dependence

The Agency receives a significant portion of its funding from government grants, and is economically dependent on the continuation of these revenue sources.

Note 4 – Changes in Property and Equipment

The changes in property and equipment for the years ended June 30, 2018 and June 30, 2017 were as follows:

	Balance <u>6/30/17</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>6/30/18</u>
Land	\$ 250,000			\$ 250,000
Building	956,218			956,218
Furniture and equipment	103,966	\$ 16,327		120,293
Building improvements	63,407			63,407
Depreciation/Amortization	<u>(282,040)</u>	<u>(26,772)</u>		<u>(308,812)</u>
Net property and equipment	<u>\$1,091,551</u>	<u>\$ (10,445)</u>		<u>\$1,081,107</u>

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

(Continued)

Note 4 – Changes in Property and Equipment (continued)

	Balance 6/30/16	<u>Additions</u>	<u>Retirements</u>	Balance 6/30/17
Land	\$ 250,000			\$ 250,000
Building	956,218			956,218
Furniture and equipment	93,488	\$ 13,379		103,966
Building improvements	63,407			63,407
Depreciation/Amortization	<u>(255,325)</u>	<u>(26,715)</u>		<u>(282,040)</u>
Net property and equipment	<u>\$1,107,787</u>	<u>\$ (13,336)</u>		<u>\$1,091,551</u>

Note 5 – Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in a checking account and 2 small cash funds. All monetary investments with maturities of less than 30 days are considered cash equivalents. Management believes the organization is not exposed to any significant credit risk on cash and cash equivalents, as all balances were covered by FDIC insurance.

Note 6 – Contributed Services

The Agency periodically receives donated services for its program functions in the form of unpaid interns. These volunteers assist in therapy functions. The Agency recognized revenue in the amounts of \$12,849 and \$18,537 for intern services for the years June 30, 2018 and June 30, 2017, respectively. The value of other volunteer services is not recorded due to lack of specialized skills.

Note 7 - Retirement Plan

Beginning in July, 2001, the Agency began participating in a defined contribution retirement plan qualified under section 403(b) of the Internal Revenue Code, covering all eligible full-time employees. Employees are allowed to make elective deferrals from their compensation, subject to statutory limits. The Agency contributes 3% of compensation to the plan for eligible employees. The Agency's contributions to the plan were \$16,334 and \$11,865 for the years June 30, 2018 and June 30, 2017, respectively.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

(Continued)

Note 8- Long-term Debt

In May of 2009 the Agency borrowed \$390,000 from Zions First National Bank to purchase the building where their operations are located. The mortgage loan is secured by the land and building. The loan bears interest at an initial rate of 6.49%. A minimal payment is required to be made monthly, beginning in June, 2009, equal to the monthly accrued interest on the loan. The loan became due and payable on May 8, 2014, at which time it was automatically extended and converted to an amortizing term loan due May 8, 2029, at a rate equal to the 5 year LIBOR plus 4%, assuming no events of default have occurred and there has been no material adverse change in the Agency's financial condition. The Agency was originally required to reduce the principal balance of the loan by at least \$11,000 by each year end, for the initial 5-year period, if a revolving feature of the loan was used, allowing for extra principal payments to be made, then drawn back as needed. Since the Agency has not used this revolving feature, the bank, in June of 2010 waived the requirement of the \$11,000 annual principal reduction. The Agency makes monthly loan payments of \$2,792, based on a normal 20-year amortization.

The combined minimum aggregate maturities for the Zions Bank Mortgage are as follows:

<u>Year ended</u>	<u>Principal payments</u>	<u>Interest payments</u>	<u>Total payments</u>
June 30, 2019	18,011	15,489	33,500
June 30, 2020	19,103	14,397	33,500
June 30, 2021	20,262	13,238	33,500
June 30, 2022	21,490	12,010	33,500
June 30, 2023	22,906	10,594	33,500
Thereafter	<u>166,987</u>	<u>31,263</u>	<u>198,250</u>
	\$ <u>268,759</u>	\$ <u>96,992</u>	\$ <u>365,751</u>

Note 9 – Subsequent Events

Subsequent events were evaluated up the date the financial statements were available for issuance which was January 31, 2019. There were no known subsequent events at that time.

UTAH VALLEY FAMILY SUPPORT CENTER, INC.
SUPPLEMENTAL STATEMENT OF SUPPORT, REVENUES AND EXPENSES-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budget <u>As Amended</u>	<u>Actual</u>	Favorable (Unfavorable)
<u>Prevention and general support revenue</u>			
Utah DHS-DFS - Crisis Respite Nursery	\$ 135,000	\$ 135,000	\$ -
Utah DHS-DFS - CRN Adoption Respite	25,000	24,999	(1)
Utah DHS-DFS - Shelter Care/Foster Care Respite	445	2,995	2,550
Utah DHS-DFS - Community Base Prevention	30,000	30,000	-
Utah DHS-DFS - In-home Parenting Education	19,000	21,518	2,518
Utah DWS-Temporary Assistance for Needy Families	136,000	172,394	36,394
United Way - cash donations	-	2,409	2,409
Other cash donations	103,953	84,798	(19,155)
Donations in-kind -Materials	64,458	39,566	(24,892)
Miscellaneous	4,020	1,952	(2,068)
Total prevention and general support revenue	<u>517,876</u>	<u>515,631</u>	<u>(2,245)</u>
<u>Therapy fees and other fees for services</u>			
Utah DHS-Division of Family Services	25,000	-	(25,000)
Utah DWS-Temporary Assistance for Needy Families	127,106	92,317	(34,789)
Crime Victim Reparations	3,213	2,834	(379)
Mountainlands Association of Governments	9,410	9,310	(100)
Provo City-CDBG	20,000	20,525	525
City of Orem-CDBG	11,000	10,945	(55)
Medicaid	17,275	36,282	19,007
Other therapy fees, net of uncollectibles	380,546	400,175	19,629
Total therapy and other service fees	<u>593,550</u>	<u>572,388</u>	<u>(21,162)</u>
Total revenues	<u>1,111,426</u>	<u>1,088,019</u>	<u>(23,407)</u>
<u>Expenses</u>			
Salaries and wages	791,714	794,362	(2,648)
Fringe benefits	136,478	115,388	21,090
Payroll taxes	61,400	61,015	385
Travel/mileage	14,485	13,930	555
Telephone	9,477	9,242	235
Postage	1,200	1,110	90
Advertising	3,366	3,366	-
Utilities	17,974	18,293	(319)
Repairs and maintenance	-	6,562	(6,562)
Equipment lease	2,436	2,314	122
Program supplies	9,219	33,210	(23,991)
Food/household supplies	11,508	13,856	(2,348)
Conferences and workshops	5,928	7,479	(1,551)
Printing	402	5,809	(5,407)
Miscellaneous	2,107	3,760	(1,653)
Insurance	8,354	9,272	(918)
Licenses and permits	8,882	8,834	48
Professional fees	7,593	9,399	(1,806)
In-kind contributions to clients/outside entities	11,025	9,392	1,633
Depreciation	26,772	26,772	-
Interest expense	16,291	14,586	1,705
Total budget-basis expenses	<u>1,146,611</u>	<u>1,167,951</u>	<u>(21,340)</u>
Excess of support and revenues over expenses	<u>\$ (35,185)</u>	<u>\$ (79,932)</u>	<u>\$ (44,747)</u>

See accompanying notes and accountants' review report