



**Consolidated Financial Statements**

June 30, 2021 and 2020

**Salt Lake Area Chamber of Commerce**



## Independent Auditor's Report

The Board of Directors  
Salt Lake Area Chamber of Commerce  
Salt Lake City, Utah

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Salt Lake Area Chamber of Commerce and Subsidiaries (collectively "the Chamber"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and our 2021 audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The 2020 audit was not required to be conducted in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 consolidated financial statements.

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

**Consolidated Statements of Financial Position**  
**June 30, 2021 and 2020**

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	\$ 5,354,846	\$ 3,487,781
Accounts and contributions receivable, net of allowance for doubtful accounts of \$0 and \$0, respectively	694,520	639,947
Accounts receivable - related party	31,914	-
Prepaid expenses	86,828	91,061
Total current assets	6,168,108	4,218,789
Intangible Assets, Net	6,670	10,667
Property and Equipment, Net	312,911	110,420
Operating Lease Right-of-Use Asset	2,389,941	-
Finance Lease Right-of-Use Asset	29,631	-
Total assets	\$ 8,907,261	\$ 4,339,876

**Consolidated Statement of Activities**  
**Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total 2021
Revenue, Support, and Gains			
Membership dues	\$ 2,310,681	\$ -	\$ 2,310,681
Contract revenue	4,107,617	132,420	4,240,037
Grants and contributions	963,627	-	963,627
Sponsorship revenue for events and programs and includes in-kind contributions of \$469,691	2,370,962	-	2,370,962
Direct benefit to donors	(198,035)	-	(198,035)
Total sponsorship revenue	2,172,927	-	2,172,927
Event and programs participation revenue	551,294	-	551,294
Other revenue	291,405	-	291,405
Net assets released from restriction	358,447	(358,447)	-
Total revenue	10,755,998	(226,027)	10,529,971
Expenses			
Program services			
Chamber Policy	2,684,817	-	2,684,817
Chamber Events	326,472	-	326,472
WBC Program	742,527	-	742,527
UJOF Program	206,662	-	206,662
Utah Community Builders	368,023	-	368,023
Alliance Programs	2,771,840	-	2,771,840
Total program services expenses	7,100,341	-	7,100,341
Supporting services			
General and administrative	1,971,372	-	1,971,372
Fundraising	373,947	-	373,947
Total supporting services expenses	2,345,319	-	2,345,319
Total expenses	9,445,660	-	9,445,660
Change in Net Assets	1,310,338	(226,027)	1,084,311
Net Assets, Beginning of Year	2,230,641	460,519	2,691,160
Net Assets, End of Year	\$ 3,540,979	\$ 234,492	\$ 3,775,471



**Salt Lake Area Chamber of Commerce  
June 30, 2021 and 2020**

**Consolidated Statement of Functional Expenses – Year Ended June 30, 2021**

	Program Services						Total Program Services	Supporting Services		Total Supporting Services	Total Expenses
	Chamber Policy	Chamber Events	WBC Program	UJOF Program	Utah Community Builders	Alliance Programs		General and Administrative	Fundraising		
Payroll, taxes and benefits	\$ 576,185	\$ 116,279	\$ 471,274	\$ -	\$ 89,182	\$ 787,899	\$ 2,040,819	\$ 1,310,271	\$ 339,382	\$ 1,649,653	\$ 3,690,472
Rent and utilities	25,834	34,041	48,750	-	11,085	85,052	204,762	161,777	12,109	173,886	378,648
Telephone and cell phones	2,485	1,644	2,399	-	521	5,466	12,515	9,889	1,199	11,088	23,603
Equipment rental, repairs and maintenance	4,989	4,828	11,906	-	2,261	12,070	36,054	53,076	4,828	57,904	93,958
Software subscriptions	8,721	1,673	9,906	-	6,011	26,311	26,311	50,356	-	50,356	76,667
Insurance	1,931	1,239	-	-	(232)	2,938	2,938	18,256	1,239	19,495	22,433
Supplies	905	960	26,690	-	556	6,937	36,048	92,423	1,044	93,467	129,515
Postage	339	-	26	110	50	1,127	1,652	4,179	-	4,179	5,831
Dues and subscriptions	4,076	-	20,235	-	-	-	24,311	29,489	-	29,489	53,800
Printing, design and photography	54,647	20,359	9,603	6,776	2,970	51,417	145,772	1,800	525	2,325	148,097
Marketing and public relations	1,074,734	23,726	14,995	99,250	5,849	331,635	1,550,189	28,308	-	28,308	1,578,497
Meetings, entertainment and travel	360	34	4,633	-	-	1,052	6,079	24,436	1,699	26,135	32,214
Bank and credit card processing fees	12,069	5,494	732	24	-	4,259	22,578	11,427	11,159	22,586	45,164
Contributions and grants given	118,500	-	25,200	88,900	227,050	484,454	944,104	-	-	-	944,104
Event/program operating expenses	129,001	280,416	62,688	16,602	986	115,609	605,302	1,435	-	1,435	606,737
Event/program contractors	21,402	5,637	14,262	5,000	-	871,847	918,148	-	-	-	918,148
Professional services	656,097	475	25,593	-	66,875	749,040	749,040	59,643	475	60,118	809,158
Depreciation and amortization	-	-	-	-	593	6,997	7,590	69,007	-	69,007	76,597
Other expenses	2,048	8,200	271	-	45	3,600	14,164	45,600	288	45,888	60,052
<b>Total expenses</b>	<b>2,694,323</b>	<b>505,005</b>	<b>749,163</b>	<b>216,662</b>	<b>408,023</b>	<b>2,775,200</b>	<b>7,348,376</b>	<b>1,971,372</b>	<b>373,947</b>	<b>2,345,319</b>	<b>9,693,695</b>
Less expenses eliminated in consolidation	-	-	-	(10,000)	(40,000)	-	(50,000)	-	-	-	(50,000)
Less expenses included with revenue on the consolidated statement of activities	(9,506)	(178,533)	(6,636)	-	-	(3,360)	(198,035)	-	-	-	(198,035)
<b>Total expenses included in the expense section on the consolidated statement of activities</b>	<b>\$ 2,684,817</b>	<b>\$ 326,472</b>	<b>\$ 742,527</b>	<b>\$ 206,662</b>	<b>\$ 368,023</b>	<b>\$ 2,771,840</b>	<b>\$ 7,100,341</b>	<b>\$ 1,971,372</b>	<b>\$ 373,947</b>	<b>\$ 2,345,319</b>	<b>\$ 9,445,660</b>

See Notes to Consolidated Financial Statements

**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2021 and 2020**

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 1,084,311	\$ 1,329,600
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	76,597	74,030
Loss on sale of property and equipment	19,233	-
Forgiveness of PPP loan	(197,600)	-
Changes in operating assets and liabilities		
Accounts and contributions receivable	67,427	(402,107)
Accounts receivable - related party	(31,914)	-
Prepaid expenses	4,233	(37,865)
Accounts payable	314,565	(213,567)
Accrued liabilities	98,181	(39,694)
Deferred revenue	74,348	82,663
Lease abatement liability	-	(44,389)
Operating lease assets and liabilities	9,371	-
<b>Net Cash from Operating Activities</b>	<b>1,518,752</b>	<b>748,671</b>
Cash Flows from Investing Activities		
Cash paid for property and equipment	(91,770)	(32,497)
Cash paid for intangible assets	-	(12,000)
<b>Net Cash used for Investing Activities</b>	<b>(91,770)</b>	<b>(44,497)</b>
Cash Flows from Financing Activities		
Proceeds from issuance of PPP loans payable	444,752	197,600
Payments made on finance lease obligations	(4,669)	(8,233)
<b>Net Cash from Financing Activities</b>	<b>440,083</b>	<b>189,367</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>1,867,065</b>	<b>893,541</b>
Cash and Cash Equivalents, Beginning of Year	3,487,781	2,594,240
Cash and Cash Equivalents, End of Year	\$ 5,354,846	\$ 3,487,781
Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Finance lease obligation and right-of-use asset recorded	\$ 33,600	\$ -
Property and equipment acquired from former tenant	175,000	-
Operating lease obligation recorded	2,758,595	-
Operating right-of-use asset recorded	2,434,041	-
Supplemental Disclosure of Cash Flow Activities		
Cash paid during the year for interest	\$ 482	\$ 393

WBC was organized to assist women entrepreneurs, current and potential business owners with the skills, knowledge, tools and support necessary to increase their success and strengthen the economy of Utah. This is accomplished through education, training, counseling, and mentoring in all aspects of planning, forming, and operating a business.

Utah Community Builders was formed to address Utah's most pressing challenges by providing a platform for the business community and others to engage on social issues. It strengthens partnerships between business leaders, service providers, academic and subject matter experts, and government agencies on social issues affecting Utah. Promoting research and policy work through community outreach to improve social mobility for Utahns. Utah Community Builders will mobilize Utah's rich resources and expertise to address current concerns such as behavioral health, immigration and affordable childcare.

### **Principles of Consolidation**

All of the entities listed above are governed by, or significantly influenced by, Salt Lake Chamber's Board of Directors and management team. The accompanying consolidated financial statements include the accounts and transactions of Salt Lake Chamber and all of its above listed subsidiaries, collectively known as "the Chamber." Intercompany accounts and transactions have been eliminated in consolidation.

### **Cash and Cash Equivalents**

The Chamber considers 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.

### **Accounts and Contributions Receivable**

Accounts receivable consist primarily of noninterest-bearing amounts due for various programs. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2021 and 2020, the allowance was \$0 and \$0, respectively.

Contributions receivable expected to be collected within one year are recorded at net realizable value. Contributions receivable 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. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. The allowance for doubtful accounts for contributions receivable was \$0 at June 30, 2021 and 2020.

Accounts and contributions receivable were \$237,840 at July 1, 2020.



### Revenue and Revenue Recognition

Membership dues, which are nonrefundable, are comprised of an exchange element based on the benefits received, and a contribution element for the difference. The Chamber recognizes the exchange portion of membership dues over the membership period, and the contribution portion immediately. This revenue totaled \$2,310,681 and \$2,110,550 for the years ended June 30, 2021 and 2020, respectively.

Event and program participation revenue consists of vendor booth fees, ticket sales, and concession revenue related to events. This revenue is recognized when the event is held, or the concessions are sold. In addition to this revenue, an amendment to a contract discussed below was also determined to be an exchange transaction. The total revenue recognized at a point in time for the years ended June 30, 2021 and 2020, was \$753,074 and \$735,424, respectively.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contract revenue, sponsorship revenue, and grants and contributions have been determined to meet the definition of contributions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Deferred revenue is recorded for funds received in exchange transactions for which the Chamber has not yet provided services. Deferred revenue at July 1, 2020, was \$742,073.

### Management Contracts

The Alliance has a contract with the City for the funding from the Central Business Economic Improvement District of Salt Lake City Corporation. The current contract provides for support of the Alliance in the amount of \$4,500,000 paid quarterly over a three-year term expiring April 21, 2022. The use of funds and the activities of the Alliance are subject to compliance audits by the City. Any future liability for reimbursement which may arise as the result of these audits is not believed to be material. No reimbursements have been required in the past. The contract has been determined to be a contribution with donor restrictions and revenue is recognized when cash is received. An amendment to the contract was made during the year ended June 30, 2021, which was funded by money from the CARES Act totaling \$606,100. The amendment was determined to be an exchange transaction. Revenue is recognized as services are performed under this agreement.

Downtown SLC Presents has entered into a contract with Salt Lake City and Salt Lake County jointly to enhance marketing, branding, development and improvement of arts and cultural activities within a defined area of downtown Salt Lake City referred to as the "Cultural Core." This contract has a term of five years and began on July 28, 2017. Funds are subject to annual appropriation from the City and County governments. Annual funding may vary from year to year. Year one appropriations were approved for up to \$765,000. Year two appropriations were \$917,000 with \$500,000 in years three, four and five. The contract requires that an annual independent audit be performed. The contract has been determined to be an exchange transaction and is recognized as services are performed under the agreement. Salt Lake County did not fund its \$250,000 share under the agreement during the year ended June 30, 2021, citing budget constraints incident to the pandemic.

## Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated 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

The Chamber manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Chamber has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and contributions is considered to be limited due to high historical collection rates.

## Changes in Accounting Principle

Effective July 1, 2020, the Chamber adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* (Topic 842). The Chamber elected to apply the guidance as of July 1, 2020, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, ASC 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the statement of activities as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Chamber has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Chamber accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Chamber recognized on July 1, 2020, the beginning of the adoption period, no cumulative effect adjustment to retained earnings, an operating lease liability of \$236,157, and an operating right-of-use asset of \$236,157. The finance lease right of use asset and liabilities were recorded as of July 1, 2020 at the carrying value under prior guidance. The adoption of the new standard did not materially impact the Chamber's statements of activities or statements of cash flows. See Note 7 for further disclosure of the Chamber's lease contracts.

The Chamber has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received and has early adopted the provisions of contributions made. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the Chamber in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2019, the Chamber has implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption.



**Note 4- Property and Equipment**

	2021	2020
Leasehold improvements	\$ 141,600	\$ 293,148
Equipment, furniture and fixtures	366,837	841,475
Vehicles	15,600	15,600
	524,037	1,150,223
Less accumulated depreciation and amortization	(211,126)	(1,039,803)
	\$ 312,911	\$ 110,420

**Note 5- Concentrations of Business Risk**

During the years ended June 30, 2021 and 2020, approximately 14% and 16%, respectively, of the total revenue earned by the Chamber was a result of the Alliance's CBID contract with the City.

Also, during the years ended June 30, 2021 and 2020, approximately 6% and 6%, respectively, was received from Downtown SLC Presents' Cultural Core Contract with Salt Lake City and Salt Lake County jointly.

**Note 6- Accrued Liabilities**

Accrued liabilities consist of the following at June 30, 2021 and 2020:

	2021	2020
Accrued vacation	\$ 52,996	\$ 48,994
Accrued wages	286,048	229,226
Other accruals	60,937	23,580
	\$ 399,981	\$ 301,800

**Note 7- Leases**

The Chamber leases certain office facilities and equipment for various terms under long-term, non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2032 and provide for renewal options for two periods of five years. The Chamber included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The leases provide for increases in future minimum annual rental payments at 2.5% annually. Also, the agreements generally require the Chamber to pay real estate taxes, insurance, and repairs.

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2021.

	June 30, 2021	
	Operating	Finance
2022	\$ 280,573	\$ 7,887
2023	287,588	7,887
2024	294,777	7,887
2025	302,147	7,887
2026	309,700	3,943
Thereafter	1,936,279	-
Total lease payments	\$ 3,411,064	35,491
Less interest	(652,469)	(5,860)
Present value of lease liabilities	<u>\$ 2,758,595</u>	<u>\$ 29,631</u>

Future minimum payments determined under the guidance in Topic 840 for operating leases as of June 30, 2020, were as follows:

2021	<u>\$ 236,157</u>
Total minimum lease payments	<u>\$ 236,157</u>

Future minimum payments determined under the guidance in Topic 840 and leased property under capital leases were immaterial as of June 30, 2020.

#### Note 8- Retirement Plan

The Chamber has adopted a retirement plan under Section 401(k) of the Internal Revenue Code for its employees. An employee is eligible to participate in the plan after the completion of one year of employment with one thousand hours of service. Safe Harbor Non-Elective contributions are made to every eligible employee account regardless of employee's level of participation. Employees are segregated by class. Safe Harbor employer contributions given to lowest class must be at least one third that of employees in the highest class, with a minimum of 3% for those in the lowest class. Profit sharing employer contributions, those that exceed the safe harbor contribution have been declared at 6% of eligible salary limits. Employer contributions are 100% vested on the date of contribution. Employer contributions to the 401(k) plan for the years ended June 30, 2021 and 2020, were \$83,387 and \$64,124, respectively. Profit sharing contributions for the years ended June 30, 2021 and 2020, were \$17,400 and \$16,800, respectively.

#### Note 9- Political Action Committee

On March 1, 2019, the Chamber formed a political action committee called Utah Business PAC also known as BIZ PAC. The PAC was formed to provide financial support to candidates that are running for city, county and statewide offices, and that recognize the importance of economic and community prosperity. Contributions received for the year ended June 30, 2021 and 2020, were \$0 and \$0 respectively, with no expenditures being made.



Supplementary Information

June 30, 2021

**Salt Lake Area Chamber of Commerce, Inc.**

**Consolidating Schedule of Activities Year Ended June 30, 2021**

	Downtown Alliance and Subsidiaries	Women's Business Center	Utah Job Opportunities Foundation	Utah Community Builders	Salt Lake Chamber	Eliminated In Consolidation	Consolidated Total
<b>Revenue</b>							
Membership dues	\$ -	\$ -	\$ -	\$ -	\$ 2,310,681	\$ -	\$ 2,310,681
Contract revenue	2,157,801	444,144	25,000	-	1,613,092	-	4,240,037
Grants and contributions	510,672	40,449	1,740	180,000	230,766	-	963,627
Sponsorship revenue for events and programs and includes in-kind contributions of \$469,691	366,967	84,672	381,737	128,575	1,459,011	(50,000)	2,370,962
Direct benefit to donors	(3,360)	(6,636)	-	-	(188,039)	-	(198,035)
<b>Total sponsorship revenue</b>	363,607	78,036	381,737	128,575	1,270,972	(50,000)	2,172,927
Event and programs participation revenue	196,464	20,262	-	-	334,568	-	551,294
Other revenue	94,145	85,740	278	21,010	90,232	-	291,405
<b>Total revenue</b>	3,322,689	668,631	408,755	329,585	5,850,311	(50,000)	10,529,971
<b>Expenses</b>							
Program services	2,771,849	742,527	206,662	368,023	3,011,280	-	7,100,341
Supporting services	360,671	23,882	11,579	42,261	1,956,926	(50,000)	2,345,319
<b>Total expenses</b>	3,132,520	766,409	218,241	410,284	4,968,206	(50,000)	9,445,660
<b>Change in Net Assets</b>	190,169	(97,778)	190,514	(80,699)	882,105	-	1,084,311
<b>Net Assets, Beginning of Year</b>	554,863	216,863	415,234	330,927	1,173,273	-	2,691,160
<b>Net Assets, End of Year</b>	\$ 745,032	\$ 119,085	\$ 605,748	\$ 250,228	\$ 2,055,378	\$ -	\$ 3,775,471





CPAs & BUSINESS ADVISORS

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Board of Directors  
Salt Lake Area Chamber of Commerce  
Salt Lake City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Salt Lake Area Chamber of Commerce (the Chamber), which comprise the consolidated statement of financial position as of June 30, 2021 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 1, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Chamber's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Chamber's internal control. Accordingly, we do not express an opinion on the effectiveness of the Chamber's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.





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## **Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance**

The Board of Directors  
Salt Lake Area Chamber of Commerce  
Salt Lake City, Utah

### **Report on Compliance for the Major Federal Program**

We have audited Salt Lake Area Chamber of Commerce's (the Chamber) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Chamber's major federal program for the year ended June 30, 2021. The Chamber's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance of the Chamber's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Chamber's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Chamber's compliance.

### **Basis for Qualified Opinion on the Major Federal Program**

As described in the accompanying schedule of findings and questioned costs, the Chamber did not comply with requirements regarding Federal Financial Assistance Listing 21.019 Coronavirus Relief Fund as described in finding number 2021-001 for Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for the Chamber to comply with the requirements applicable to that program.

Salt Lake Area Chamber of Commerce  
 Consolidated Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<b>U.S. Department of Treasury</b>			
Passed through Salt Lake County			
COVID-19 Coronavirus Relief Fund	21.019	CPGP2020014	\$ 100,000
Passed through State of Utah			
COVID-19 Coronavirus Relief Fund	21.019	203705	1,330,000
COVID-19 Coronavirus Relief Fund	21.019	None provided	<u>645,461</u>
<b>Total U.S. Department of Treasury</b>			<u>2,075,461</u>
<b>U.S. Small Business Administration</b>			
Women's Business Ownership Assistance	59.043	None provided	311,278
COVID-19 Women's Business Ownership Assistance	59.043	None provided	<u>283,388</u>
<b>Total U.S. Small Business Administration</b>			<u>594,666</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 2,670,127</u>

**Section I – Summary of Auditor’s Results**

**CONSOLIDATED FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None reported
Type of auditor's report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	Yes

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing/CFDA Number</u>
Coronavirus Relief Fund	21.019
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	No

**Salt Lake Chamber**  
**Profit & Loss**  
**July 1, 2022 through January 24, 2023**

Jul 1, '22 - Jan 24, 23

Ordinary Income/Expense		
Income		
30000 · Membership		1,142,122.50
30100 · Renewals		15,000.00
30110 · Trade/In-Kind Renewals		295,000.00
30200 · New Sales		133,000.00
30210 · Upgrades		50.00
30220 · Member Logos & Highlights		
<b>Total 30000 · Membership</b>		<b>1,585,172.50</b>
32000 · Program/Event Participation-Fee		
32100 · Attendance Fees		422,984.00
32110 · Sponsorships		535,398.81
32120 · Committee Dues		0.00
32140 · Exhibitor Fees		8,175.00
<b>Total 32000 · Program/Event Participation-Fee</b>		<b>966,557.81</b>
35000 · Front Desk		
35100 · Certificates of Origin		26,791.00
<b>Total 35000 · Front Desk</b>		<b>26,791.00</b>
36200 · Membership Affinity Programs		
36220 · Office Depot		3,701.17
<b>Total 36200 · Membership Affinity Programs</b>		<b>3,701.17</b>
37000 · Other Revenues		
37200 · Interest Income		1,032.67
37900 · Miscellaneous Revenue		12,197.57
<b>Total 37000 · Other Revenues</b>		<b>13,230.24</b>
<b>Total Income</b>		<b>2,595,452.72</b>
Gross Profit		2,595,452.72
Expense		
60000 · Payroll, Taxes & Benefits		881,409.91
60110 · Salary and Wages		4,875.00
60120 · Wages--Cell Phone Reimbursement		5,406.26
60130 · Overtime		
60140 · Sales Commissions		128,203.91

**Salt Lake Chamber  
 Profit & Loss  
 July 1, 2022 through January 24, 2023**

	Jul 1, '22 - Jan 24, 23
60200 · Benefits	
60210 · Health Insurance	43,644.81
60220 · Life, Disability, Dental Vision	6,022.82
60240 · HSA Expense	12,501.20
60250 · 401(k) Retirement	27,288.63
60270 · Staff Parking	7,790.00
60280 · Workers Compensation	2,000.39
<b>Total 60200 · Benefits</b>	<b>99,247.85</b>
60300 · Payroll Taxes	57,395.34
60400 · Temporary Labor	17,120.11
60600 · intercompany Employee Sharing	-51,099.93
<b>Total 60000 · Payroll, Taxes &amp; Benefits</b>	<b>1,142,558.45</b>
70000 · Office Expenses	
71100 · Rent and Utilities	125,004.67
71200 · Telephone	5,555.95
71300 · Cell Phones	1,657.80
71400 · Repairs and Maintenance	8,793.89
71500 · Equipment Rental	2,908.28
71600 · Parking	53.25
71700 · Liability Insurance	14,354.09
72000 · Office Expense	
72100 · Supplies	
72150 · Shared Office Supplies	3,667.03
72175 · Inventoriable Supplies	5,503.29
72100 · Supplies - Other	509.59
<b>Total 72100 · Supplies</b>	<b>9,679.91</b>
72200 · Postage	805.69
72400 · Dues & Subscriptions	11,245.72
72700 · Printing (not event related)	179.30
72800 · Non Program Marketing	655.52
72000 · Office Expense - Other	17.15
<b>Total 72000 · Office Expense</b>	<b>22,583.29</b>
72300 · Awards, Gifts, Flowers	1,686.72
72450 · Software Licenses Annual/Monthl	27,199.25
<b>Total 70000 · Office Expenses</b>	<b>209,797.19</b>



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Accrual Basis

# Salt Lake Chamber Profit & Loss

July 1, 2022 through January 24, 2023

Jul 1, '22 - Jan 24, 23

73000 · Meetings, Entertainment, Travel		
73100 · Meetings & Entertainment	17,930.53	
73200 · Travel, Lodging, Meals	11,694.96	
73210 · Convention & Education Fees	1,984.34	
73310 · Mileage	842.44	
<b>Total 73000 · Meetings, Entertainment, Travel</b>	<b>32,452.27</b>	
74000 · Bank & Finance Fees		
74100 · Bank Fees	634.29	
74300 · Credit Card Processing Fees	22,874.56	
74000 · Bank & Finance Fees - Other	23.35	
<b>Total 74000 · Bank &amp; Finance Fees</b>	<b>23,532.20</b>	
75000 · Professional Services		
75200 · Audit & Tax Services	17,000.00	
75500 · Payroll Services	2,506.99	
<b>Total 75000 · Professional Services</b>	<b>19,506.99</b>	
76000 · Other Expenses		
76100 · Depreciation	36,000.00	
76400 · Property Taxes and Gvt. Fees	412.88	
<b>Total 76000 · Other Expenses</b>	<b>36,412.88</b>	
80000 · Event Operating Expenses		
81000 · Marketing		
81100 · Printing	37,074.28	
81110 · Design	2,532.80	
81120 · Photography	4,500.00	
81300 · Web Design & Support	10,000.00	
81400 · Marketing and Public Relations	133,100.00	
81600 · Video Production	30,800.00	
<b>Total 81000 · Marketing</b>	<b>218,007.08</b>	
83000 · Facilities and Equipment		
83100 · Facility and Equipment Rental	32,237.37	
<b>Total 83000 · Facilities and Equipment</b>	<b>32,237.37</b>	
84000 · Catering and Hotel	376,077.69	
84100 · Event Travel	42,675.58	

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Accrual Basis

# Salt Lake Chamber Profit & Loss

July 1, 2022 through January 24, 2023

Jul 1, '22 - Jan 24, 23

85000 · Other Event Expenses		
82500 · Contract Labor & Entertainers	40,059.20	
85100 · Contributions & Grants Given	2,500.00	
85150 · Intercountry Contributions	5,460.00	
85210 · Prog/Event Software & Licenses	8,117.44	
85300 · Event Parking	4,546.54	
85350 · Event Mileage	47.94	
85400 · Event Supplies	51,652.04	
85800 · Event Planning	992.15	
<b>Total 85000 · Other Event Expenses</b>	<b>113,375.31</b>	
80000 · Event Operating Expenses - Other	115.77	
<b>Total 80000 · Event Operating Expenses</b>	<b>782,488.80</b>	
<b>Total Expense</b>	<b>2,246,748.78</b>	
<b>Net Ordinary Income</b>	<b>348,703.94</b>	
<b>Net Income</b>	<b>348,703.94</b>	