

SALT LAKE COUNTY
COUNTYWIDE POLICY
ON
CONTRIBUTIONS, IN-KIND ASSISTANCE,
AND FEE WAIVERS

Purpose –

The purpose of this policy is to provide guidelines to process requests from nonprofit entities for money, in-kind assistance, and fee waivers for the benefit of Salt Lake County citizens.

1.0 Policy

- 1.1 Salt Lake County may provide money, in-kind assistance, or fee waivers to nonprofit entities if the Council finds that the requested assistance furthers the health, safety, and welfare of county citizens consistent with the County's policy priorities and objectives and subject to budget restraints.
- 1.2 Salt Lake County shall process requests from nonprofit entities in a fair and equitable manner for the benefit of Salt Lake County citizens.

2.0 Definitions

- 2.1 Fee Waiver - Any dismissal of required fees for the use of County facilities, property, buildings, equipment, or personnel services.
- 2.2 In-Kind Assistance – A contribution of resources in the form of services or property.
- 2.3 Nonprofit entity – Any benevolent, artistic, educational, philanthropic, humane, patriotic, social welfare, public health, environmental conservation, civic, or other similar organization that is entitled to tax exempt status under the laws of either the United States or the State of Utah.
- 2.4 Public Purpose - Salt Lake County government's authority or responsibility to promote the safety, health, prosperity, moral well-being, peace, order, comfort, or convenience of County inhabitants.

3.0 Procedures

- 3.1 A nonprofit entity may request money, in-kind assistance, or a fee waiver by submitting the appropriate application to the Salt Lake County Council or the Salt Lake County Mayor.
- 3.2 An applicant shall set forth the public purpose for which the assistance is requested. The Council may not approve any request for money, in-kind assistance, or a fee waiver if the assistance will result in commercial gain to an organization or to an individual.
- 3.3 The County Council and the County Mayor may set forth specific criteria for considering applications for money, in-kind assistance, or fee waivers.
- 3.4 The Council and Mayor may respond to applications under this policy within ninety days. If the Council or Mayor fails to respond to an application within ninety days, the application shall be deemed denied.
- 3.5 The Council and Mayor may set forth internal policies, procedures, and practices to process requests for assistance.
- 3.6 Requests for money, in-kind assistance, or fee waivers submitted to the Mayor's Office may be forwarded to the Council with the Mayor's recommendation.
- 3.7 All requests for money, in-kind assistance, or fee waivers must be approved by the County Council prior to disbursement. The Council may not approve a request without making a finding that the money, in-kind assistance, or fee waiver will contribute to a public purpose.
- 3.8 All organizations receiving contributions of more than \$2,500 will be required to submit a "Disbursement of Funds Report" within six months of receipt of the contribution outlining what was accomplished with the funds. The report is to be submitted to the Council and Mayor and any failure to submit the report on a timely basis will subject the organization to potential legal action for recovery of the contributed amounts.

4.0 Audit

- 4.1 The Council or Mayor may request that the Auditor perform a financial or performance audit on the use of any money, in-kind contribution, or fee waiver contributed under this policy. Any audits performed under this policy may occur within two years from the time the disbursement was made.
- 4.2 An applicant shall agree to submit to an audit as described herein as a part of the application. An application for assistance may not be processed or considered for

approval unless the applicant agrees to submit to an audit as provided on the applicable application form.

5.0 Budget Appropriations and Disbursement

- 5.1 Payment of money authorized under this policy shall be made by the Mayor's Office of Financial Administration upon receipt of budget documents establishing that the Council has approved the request in the adopted budget or in a budget adjustment.
- 5.2 Assistance requiring a contract may not be disbursed or provided until the contract has been approved as to form by the District Attorney's Office and entered into by Salt Lake County and the charitable organization.

APPROVED AND ADOPTED in Salt Lake City, Salt Lake County, Utah, this _____ day of _____, 2017.

SALT LAKE COUNTY COUNCIL


By: 

Steve DeBry, Chair

ATTEST:

Sherrie Swensen
Salt Lake County Clerk
Date: _____

APPROVED AS TO FORM:


Rena Beckstead
Deputy District Attorney
Date: 11-1-17



RECIPIENT ORGANIZATION'S DISBURSEMENT OF FUND REPORT

This report is **REQUIRED** for all **contributions more than \$2,500.**

This report is to be filed with the Council and Mayor's Offices within six months of receipt of the money. If further contributions are desired, the report must be filed with the Council and Mayor by September 1st of each year.

NAME OF ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PERSON: _____

PHONE NUMBER: _____ E-MAIL: _____

CONTRIBUTION AMOUNT: _____

DATE RECEIVED: _____

Please describe how the money was spent and how this funding contributed to the success of your organization.

Dated this _____ day of _____, _____. Recipient _____



APPLICATION FOR CONTRIBUTION

NAME OF ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PERSON: _____ PHONE NUMBER: _____ EMAIL: _____

ORGANIZATION OVERVIEW (which could include mission, history, and demographics served):

TYPE OF REQUEST: Money _____ In-Kind _____

Have you previously requested money from SLCo? _____

If yes, when and how much (previous three years)? _____

What is the amount of your request? _____

The amount you are requesting is _____ of your annual agency budget.

What is the purpose of the money you are requesting?:

PLEASE ATTACH:

Copy of organizations nonprofit status.

Copy of independent audit. If you do not have one, please enclose a copy of current financial statements.

You will be expected to report to the Salt Lake County Mayor on how the money was used and the success of the project.

The undersigned hereby acknowledges that he or she has authority to bind the organization listed in the application. The applicant accepts the following terms and conditions as a condition of receiving and using County funds or the waiver of fees: County funds will be used solely for the purposes approved by the Mayor of Salt Lake County as applied for in this application. Any expenditure for purposes other than those approved will require a return of the entire grant amount and may disqualify the grantee from receiving any additional County funds. It is further understood that no grant fund will be made available to any County officer or employee or in violation of the requirements of the Public Employees Ethics Act (67-16-1 et seq.). No grant funds will be used for political or campaign purposes. As a further condition of the grant, all County funds may be subject to an audit as required by Salt Lake County. The applicant is required to complete the Disbursement of Funds Report Form for contributions more than \$2,500.

Dated this _____ day of _____, _____.

Applicant 



APPLICATION FOR FEE WAIVER

NAME OF ORGANIZATION: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP CODE: _____

CONTACT PERSON: _____ PHONE NUMBER: _____ EMAIL: _____

ORGANIZATION OVERVIEW (which could include mission, history, and demographics served):

Have you previously requested a fee waiver from SLCo?

If yes, when and for what facility? _____

What fees are you requesting be waived? _____

Fee waiver value \$ _____

Please describe your justification for requesting the fee waiver:

PLEASE ATTACH:

Copy of organization's nonprofit status.

Flyer, invitation or event announcement.

Copy of independent audit. If you do not have one, please enclose a copy of current financial statements.

The undersigned hereby acknowledges that he or she has authority to bind the organization listed in the applicant. The applicant accepts the following terms and conditions as a condition of receiving and using County funds or the waiver of fees: County funds will be used solely for the purposes approved by the Mayor of Salt Lake County as applied for in this applicant. Any expenditure for purposes other than those approved will require a return of the entire grant amount and may disqualify the applicant from receiving any additional County funds. It is further understood that no grant fund will be made available to any County officer or employee or in violation of the requirements of the Public Employees Ethics Act (67-16-1 et seq.). No grant funds will be used for political or campaign purposes. As a further condition of the grant, all County funds may be subject to an audit as required by Salt Lake County. The grantee is required to complete the Disbursement of Funds Report Form for contributions more than \$2,500.00.

Dated this _____ day of _____, _____.

Applicant _____

Internal Revenue Service

Department of the Treasury

**P. O. Box 2508
Cincinnati, OH 45201**

Date: July 9, 2003

Person to Contact:

Stephanie Swartzbaugh 31-07594

Customer Service Specialist

Toll Free Telephone Number:

8:00 a.m. to 6:30 p.m. EST

877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

74-2434274

Prevent Child Abuse Utah
2955 Harrison Blvd., Ste. 104
Ogden, UT 84403

Dear Sir or Madam:

This letter is in response to your organization's Articles of Amendment filed with the state on February 28, 2003. We have updated our records to reflect the name and address change as shown above.

Our records indicate that a determination letter issued in October 1986 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Prevent Child Abuse Utah
74-2434274

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

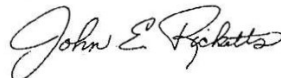
Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

A handwritten signature in black ink that reads "John E. Ricketts". The signature is written in a cursive, flowing style.

John E. Ricketts, Director, TE/GE
Customer Account Services



Financial Statements
June 30, 2018 and 2017

Prevent Child Abuse Utah

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Independent Auditor's Report

The Board of Directors
Prevent Child Abuse Utah
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Prevent Child Abuse Utah, 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.

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 audits. We conducted our audits 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 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 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 audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prevent Child Abuse Utah as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Ogden, Utah
October 17, 2018

Prevent Child Abuse Utah
Statements of Financial Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 348,920	\$ 451,307
Investments	874,619	814,128
Contributions receivable	132,622	68,138
Prepaid expenses	<u>5,676</u>	<u>4,933</u>
Total current assets	<u>1,361,837</u>	<u>1,338,506</u>
Furniture, Equipment and Software		
Furniture, equipment and software	97,169	82,065
Accumulated depreciation	<u>(69,993)</u>	<u>(62,576)</u>
Furniture, equipment and software, net	<u>27,176</u>	<u>19,489</u>
Deposits	<u>1,020</u>	<u>1,020</u>
	<u><u>\$ 1,390,033</u></u>	<u><u>\$ 1,359,015</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 11,221	\$ 2,847
Accrued liabilities	49,819	35,515
Deferred revenue	<u>24,500</u>	<u>2,500</u>
Total current liabilities	<u>85,540</u>	<u>40,862</u>
Net Assets		
Unrestricted	1,226,672	1,191,071
Temporarily restricted	<u>77,821</u>	<u>127,082</u>
Total net assets	<u>1,304,493</u>	<u>1,318,153</u>
	<u><u>\$ 1,390,033</u></u>	<u><u>\$ 1,359,015</u></u>

Prevent Child Abuse Utah
Statement of Activities
Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue, Support and Gains			
Grants and governmental assistance	\$ 476,090	\$ -	\$ 476,090
Fundraising event revenue	114,675	77,821	192,496
Public support	1,300	271,500	272,800
Donated professional services and materials	4,102	-	4,102
Net investment return	70,273	-	70,273
Less cost of direct benefit to donors	(9,011)	-	(9,011)
Net assets released from restrictions	398,582	(398,582)	-
	<u>1,056,011</u>	<u>(49,261)</u>	<u>1,006,750</u>
Total revenue, support and gains			
Expenses			
Program services	913,725	-	913,725
General and administrative	109,060	-	109,060
Fundraising	(2,375)	-	(2,375)
	<u>1,020,410</u>	<u>-</u>	<u>1,020,410</u>
Total expenses			
Change in Net Assets	35,601	(49,261)	(13,660)
Net Assets, Beginning of Year	<u>1,191,071</u>	<u>127,082</u>	<u>1,318,153</u>
Net Assets, End of Year	<u>\$ 1,226,672</u>	<u>\$ 77,821</u>	<u>\$ 1,304,493</u>

Prevent Child Abuse Utah
Statement of Activities
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue, Support and Gains			
Grants and governmental assistance	\$ 307,918	\$ -	\$ 307,918
Fundraising event revenue	122,228	116,750	238,978
Public support	107,500	183,129	290,629
Donated professional services and materials	9,537	-	9,537
Net investment return	87,502	-	87,502
Less cost of direct benefit to donors	(13,465)	-	(13,465)
Net assets released from restrictions	630,597	(630,597)	-
	<u>1,251,817</u>	<u>(330,718)</u>	<u>921,099</u>
Total revenue, support and gains			
Expenses			
Program services	861,014	-	861,014
General and administrative	84,115	-	84,115
Fundraising	6,362	-	6,362
	<u>951,491</u>	<u>-</u>	<u>951,491</u>
Total expenses			
Change in Net Assets	300,326	(330,718)	(30,392)
Net Assets, Beginning of Year	890,745	457,800	1,348,545
Net Assets, End of Year	<u>\$ 1,191,071</u>	<u>\$ 127,082</u>	<u>\$ 1,318,153</u>

Prevent Child Abuse Utah
Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 557,402	\$ 47,765	\$ -	\$ 605,167
Public education	127,631	-	-	127,631
Payroll taxes and benefits	80,172	6,198	-	86,370
Rent	41,082	2,622	-	43,704
Training and travel	17,592	-	-	17,592
Event costs	10,456	-	3,302	13,758
Program material costs	4,797	-	-	4,797
Office supplies and expenses	25,734	1,643	-	27,377
Mileage and car allowance	15,391	6,281	-	21,672
Telephone	10,567	675	-	11,242
Professional services	-	26,037	-	26,037
Fees	-	7,750	2,122	9,872
Equipment	5,375	3,970	-	9,345
Depreciation	6,972	445	-	7,417
Printing	5,155	-	409	5,564
Dues and subscriptions	5,083	1,115	-	6,198
Meals and entertainment	-	4,069	-	4,069
Postage	316	126	-	442
Marketing	-	-	803	803
Miscellaneous	-	364	-	364
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 913,725</u>	<u>\$ 109,060</u>	6,636	<u>\$ 1,029,421</u>
Less direct benefit to donors at events			<u>(9,011)</u>	
			<u>\$ (2,375)</u>	

Prevent Child Abuse Utah
Statement of Functional Expenses
Year Ended June 30, 2017

	Program Services	General and Administrative	Fundraising	Total
Salaries	\$ 464,637	\$ 28,847	\$ -	\$ 493,484
Public education	138,337	-	-	138,337
Payroll taxes and benefits	66,189	15,386	-	81,575
Rent	48,043	3,067	-	51,110
Training and travel	26,886	-	-	26,886
Event costs	26,691	-	16,540	43,231
Program material costs	26,086	-	-	26,086
Office supplies and expenses	19,983	1,276	-	21,259
Mileage and car allowance	12,516	5,293	-	17,809
Telephone	11,500	734	-	12,234
Professional services	-	12,190	-	12,190
Fees	-	7,759	2,982	10,741
Equipment	5,639	3,970	-	9,609
Depreciation	5,345	341	-	5,686
Printing	5,137	69	245	5,451
Dues and subscriptions	3,805	1,235	-	5,040
Meals and entertainment	-	3,074	-	3,074
Postage	220	285	-	505
Marketing	-	-	60	60
Miscellaneous	-	589	-	589
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total functional expenses	<u>\$ 861,014</u>	<u>\$ 84,115</u>	19,827	<u>\$ 964,956</u>
Less direct benefit to donors at events			<u>(13,465)</u>	
			<u>\$ 6,362</u>	

Prevent Child Abuse Utah
Statements of Cash Flows
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Activities		
Change in net assets	\$ (13,660)	\$ (30,392)
Adjustments to reconcile change in net assets		
net cash used for operating activities		
Depreciation	7,417	5,686
Realized and unrealized gain on investments	(45,136)	(65,923)
Changes in assets and liabilities		
Contributions receivable	(64,484)	(41,338)
Prepaid expenses	(743)	3,157
Accounts payable	8,374	(6,023)
Accrued liabilities	14,304	5,758
Deferred revenue	22,000	(2,500)
Net Cash used for Operating Activities	<u>(71,928)</u>	<u>(131,575)</u>
Investing Activities		
Proceeds from sale of investments	-	128,955
Purchases of investments	(15,355)	-
Purchase of furniture and equipment	(15,104)	(2,086)
Net Cash from (used for) Investing Activities	<u>(30,459)</u>	<u>126,869</u>
Net Change in Cash and Cash Equivalents	(102,387)	(4,706)
Cash and Cash Equivalents, Beginning of Year	<u>451,307</u>	<u>456,013</u>
Cash and Cash Equivalents, End of Year	<u>\$ 348,920</u>	<u>\$ 451,307</u>

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Prevent Child Abuse Utah (Organization) is a nonprofit organization established to provide educational services and training for the prevention of child abuse.

Cash and Cash Equivalents

The Organization 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.

Contributions Receivable

The Organization records contributions receivable expected to be collected within one year at net realizable value. The Organization determines the allowance for contributions receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Contributions receivable are written off when deemed uncollectable. There was no allowance at June 30, 2018 and 2017.

Furniture, Equipment and Software

The Organization records furniture, equipment and software additions over \$5,000 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 thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. 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 statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of furniture, equipment and software 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. There were no indicators of asset impairment during the years ended June 30, 2018 and 2017.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment gain (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and board-designated endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditure by our Board of Directors.

Contributions are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

The Organization had no permanently restricted net assets at June 30, 2018 and 2017.

Revenue and Revenue Recognition

Revenue is recognized when earned. 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.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to the Organization's program services, administration, and fundraising; 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. Donated professional services are recorded at the respective fair values of services received (Note 6).

Advertising Costs

Advertising costs are expensed as incurred, and were \$803 and \$60 for the years ended June 30, 2018 and 2017, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is organized as a nonprofit organization 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 organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The Organization has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Management believes that the Organization 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. The Organization 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.

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

The Organization manages 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, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and 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. Investments are made by diversified investment managers whose performance is monitored by us and the Investment Committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Subsequent events have been evaluated through October 17, 2018, the date the financial statements were available to be issued.

Note 2 - Fair Value Measurements and Disclosures

The Organization reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

Our investment assets are classified within Level 1 because they are comprised of open-end mutual funds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, at June 30, 2018:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 874,619	\$ 874,619	\$ -	\$ -

The following table presents assets measured at fair value on a recurring basis, at June 30, 2017:

Assets	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 814,128	\$ 814,128	\$ -	\$ -

Note 3 - Net Investment Return

Net investment return consists of the following for the years ended June 30, 2018 and 2017:

	2018	2017
Interest and dividends	\$ 25,137	\$ 21,579
Realized gains (losses)	(66,999)	(6,181)
Unrealized gains (losses)	112,135	72,104
	<u>\$ 70,273</u>	<u>\$ 87,502</u>

Note 4 - Leases

The Organization leases office space and equipment under various operating leases expiring at various dates through 2021.

Future minimum lease payments are as follows:

Years Ending June 30,	Amount
2019	\$ 22,712
2020	22,200
2021	16,650
	<u>\$ 61,562</u>

Rent expense for the years ended June 30, 2018 and 2017 totaled \$43,704 and \$51,110, respectively.

Note 5 - Restricted Net Assets

Temporarily restricted net assets at June 30, 2018 and 2017, consist of:

	<u>2018</u>	<u>2017</u>
Restricted by board for		
Promise to protect campaign public education	\$ -	\$ 14,582
Time restrictions		
Adopt a School program	<u>77,821</u>	<u>112,500</u>
	<u><u>\$ 77,821</u></u>	<u><u>\$ 127,082</u></u>

Net assets were released from restrictions as follows during the years ended June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Satisfaction of purpose restrictions		
Adopt a School	\$ 112,500	\$ -
Promise to Protect	14,582	-
Salt Lake Chapter	-	187,300
Expiration of time restrictions	<u>271,500</u>	<u>443,297</u>
	<u><u>\$ 398,582</u></u>	<u><u>\$ 630,597</u></u>

Note 6 - Donated Professional Services and Materials

The Organization received donated professional services and materials as follows during the years ended June 30, 2018 and 2017:

	Program Services	General and Administrative	Fundraising	Total
<u>June 30, 2018</u>				
Professional services	\$ -	\$ 4,004	\$ -	\$ 4,004
Computer Services	-	98	-	98
	<u>\$ -</u>	<u>\$ 4,102</u>	<u>\$ -</u>	<u>\$ 4,102</u>
	Program Services	General and Administrative	Fundraising	Total
<u>June 30, 2017</u>				
Rent	\$ 5,144	\$ 328	\$ -	\$ 5,472
Professional services	-	4,005	-	4,005
Office supplies and expenses	60	-	-	60
	<u>\$ 5,204</u>	<u>\$ 4,333</u>	<u>\$ -</u>	<u>\$ 9,537</u>

Note 7 - Employee Benefits

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code covering substantially all full-time employees. The plan provides that employees who have attained the age of 21 and completed one year of service may voluntarily contribute a percentage of their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During the years ended June 30, 2018 and 2017, the Organization matched employee voluntary contributions up to 3%, resulting in contributions to the plan of \$883 and \$3,503, respectively.