



Financial Statements

And

Independent Auditor's Report

**As of June 30, 2020
and for the year then ended
with summarized comparative information for June 30, 2019**

Wasatch Adaptive Sports, Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wasatch Adaptive Sports, Inc.
Snowbird, Utah

Financial Statements

We have audited the accompanying financial statements of Wasatch Adaptive Sports, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Wasatch Adaptive Sports, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Wasatch Adaptive Sports, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 27, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bountiful Peak Advisors

Bountiful, Utah
February 5, 2021

Wasatch Adaptive Sports, Inc.

Statement of Financial Position

June 30, 2020

With Summarized Comparative Information as of June 30, 2019

ASSETS	<u>06/30/2020</u>	<u>06/30/2019</u>
Current assets		
Cash and cash equivalents	\$ 705,008	\$ 782,129
Accounts receivable, including promises to give	9,100	65,000
Prepaid expense	<u>8,697</u>	<u>12,088</u>
Total current assets	<u>722,805</u>	<u>859,217</u>
Restricted cash and cash equivalents	531,788	-
Property and equipment, net of accumulated depreciation	<u>75,524</u>	<u>82,946</u>
Total assets	<u>\$ 1,330,117</u>	<u>\$ 942,163</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 50,886	\$ 566
Credit cards payable	6,293	3,545
Accrued payroll	108,577	67,415
Current portion of note payable	<u>9,631</u>	<u>-</u>
Total current liabilities	<u>175,387</u>	<u>71,526</u>
Note payable	<u>105,328</u>	<u>-</u>
Total liabilities	<u>280,715</u>	<u>-</u>
Net assets		
Without donor restrictions		
Undesignated	208,790	779,210
Board-designated	431,788	-
With donor restrictions	<u>408,824</u>	<u>91,427</u>
Total net assets	<u>1,049,402</u>	<u>870,637</u>
Total liabilities and net assets	<u>\$ 1,330,117</u>	<u>\$ 942,163</u>

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.

Statement of Activities

Year Ended June 30, 2020

With Summarized Comparative Information for the Year Ended June 30, 2019

	June 30, 2020		6/30/2020 Total	06/30/2019 Total
	Without Donor Restrictions	With Donor Restrictions		
REVENUES AND SUPPORT				
Revenues				
Tuition and fees	\$ 29,553	\$ -	\$ 29,553	\$ 27,085
Other income	5,664	-	5,664	3,393
Interest	2,448	-	2,448	2,621
Investment income, net	-	-	-	2,570
Gain (loss) on disposal	(794)	-	(794)	(15,739)
Total revenues	<u>36,871</u>	<u>-</u>	<u>36,871</u>	<u>19,930</u>
Support				
Foundation and corporate contributions	436,774	393,824	830,598	842,681
In-kind contributions	284,671	-	284,671	325,289
Individual contributions	139,581	15,000	154,581	97,017
Net assets released from restrictions	<u>91,427</u>	<u>(91,427)</u>	<u>-</u>	<u>-</u>
Total support	<u>952,453</u>	<u>317,397</u>	<u>1,269,850</u>	<u>1,264,987</u>
Total revenues and support	<u>989,324</u>	<u>317,397</u>	<u>1,306,721</u>	<u>1,284,917</u>
EXPENSES				
Program services	870,590	-	870,590	850,836
Management and general	108,702	-	108,702	97,076
Fundraising	<u>148,664</u>	<u>-</u>	<u>148,664</u>	<u>120,250</u>
Total expenses	<u>1,127,956</u>	<u>-</u>	<u>1,127,956</u>	<u>1,068,162</u>
Change in net assets	(138,632)	317,397	178,765	216,755
Net assets, beginning of year	<u>779,210</u>	<u>91,427</u>	<u>870,637</u>	<u>653,882</u>
Net assets, end of year	<u>\$ 640,578</u>	<u>\$ 408,824</u>	<u>\$ 1,049,402</u>	<u>\$ 870,637</u>

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020
With Summarized Comparative Information for the Year Ended June 30, 2019

	June 30, 2020							
	Program Services			Support Activities			6/30/2020 Total	06/30/2019 Total
	Summer	Winter	Total	Management and General	Fundraising	Total		
Salaries and wages	\$ 179,968	\$ 160,471	\$ 340,439	\$ 44,956	\$ 94,847	\$ 139,803	\$ 480,242	\$ 411,227
Payroll taxes and benefits	59,706	49,590	109,296	14,491	30,174	44,665	153,961	122,094
Lift tickets and admissions	-	169,975	169,975	-	-	-	169,975	148,762
Occupancy	42,500	57,340	99,840	6,189	4,068	10,257	110,097	91,514
Equipment rental and small equipment	8,071	44,818	52,889	-	-	-	52,889	100,032
Contract labor	-	34,345	34,345	-	-	-	34,345	49,107
Insurance	2,085	1,942	4,027	19,099	-	19,099	23,126	21,329
Depreciation	10,533	5,895	16,428	1,170	77	1,247	17,675	24,464
Communications	4,928	4,250	9,178	1,828	1,829	3,657	12,835	11,056
Bank and merchant fees	124	143	267	3,033	8,195	11,228	11,495	7,382
Professional fees	-	-	-	10,243	-	10,243	10,243	8,453
Marketing	4,322	1,109	5,431	1,758	2,340	4,098	9,529	10,309
Travel	5,648	2,981	8,629	780	75	855	9,484	17,513
Information technology	4,083	4,319	8,402	326	118	444	8,846	10,481
License and fees	1	250	251	1,190	6,228	7,418	7,669	8,474
Supplies	6,148	-	6,148	-	-	-	6,148	1,538
Conferences and training	619	2,099	2,718	2,031	26	2,057	4,775	6,169
Food and beverage	1,441	659	2,100	1,506	677	2,183	4,283	9,073
Miscellaneous	-	227	227	102	10	112	339	9,185
Total expenses	\$ 330,177	\$ 540,413	\$ 870,590	\$ 108,702	\$ 148,664	\$ 257,366	\$ 1,127,956	\$ 1,068,162

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.

Statement of Cash Flows

Year Ended June 30, 2020

With Summarized Comparative Information for the Year Ended June 30, 2019

	<u>06/30/2020</u>	<u>06/30/2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 178,765	\$ 216,755
Items not requiring cash		
Depreciation	17,675	24,464
(Gain) or loss on disposal	794	15,739
Collection of contributions restricted for long-term purposes	(100,000)	-
Changes in		
Accounts receivable, including promises to give	55,900	(65,000)
Prepaid expenses	3,391	(12,088)
Accounts payable	50,320	566
Credit cards payable	2,748	3,493
Accrued payroll	<u>41,162</u>	<u>30,744</u>
Net cash provided by operating activities	<u>250,755</u>	<u>214,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	<u>(11,047)</u>	<u>(19,933)</u>
Net cash used in investing activities	<u>(11,047)</u>	<u>(19,933)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	114,959	-
Collection of contributions restricted for long-term purposes	<u>100,000</u>	<u>-</u>
Net cash provided by financing activities	<u>214,959</u>	<u>-</u>
Net change in cash and cash equivalents	454,667	194,740
Cash and restricted cash and cash equivalents, beginning of year	<u>782,129</u>	<u>\$ 587,389</u>
Cash and restricted cash and cash equivalents, end of year	<u>\$ 1,236,796</u>	<u>\$ 782,129</u>
Cash and cash equivalents	705,008	782,129
Cash and cash equivalents, restricted	<u>531,788</u>	<u>-</u>
Total cash and cash equivalents shown in the statement of cash flow	<u>\$ 1,236,796</u>	<u>\$ 782,129</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.

Notes to Financial Statements

June 30, 2020

1. ORGANIZATION HISTORY

Wasatch Adaptive Sports, Inc. (the "Organization") was incorporated as a nonprofit corporation in the State of Utah on September 14, 1982. The Organization is a non-profit public charity with a mission to encourage individuals with adaptive needs and their families to realize their potential and engage in active living through recreational, educational, and social programs. The Organization's programming focuses on increasing independence and mobility in a social environment. The organization provides full or partial scholarships to students based on financial need. The Organization's major sources of revenue include contributions and tuition and fees.

Summer Programs

The Wasatch Adaptive Sports cycling program empowers children and adults through private and group instruction on a variety of adaptive bikes including recumbent trikes and handcycles. During each lesson, students have the opportunity to work toward personal goals while cycling on a variety of paved trails along the Wasatch Front. Other summer programs include paddle boarding and kayaking, fishing, hiking, mountain biking, and seated yoga.

Winter Programs

The Wasatch Adaptive Sports ski and snowboard programs enable students to achieve their winter goals at a variety of Utah ski resorts including Snowbird, Alta, and Sundance. Through a combination of adaptive equipment and private instruction, students experience success and learning in a family-like atmosphere centered around a love for the outdoors. Other winter programs include snowshoeing, indoor cycling, and seated yoga.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Cash and Cash Equivalents and Restricted 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. Restricted cash and cash equivalents consist of amounts that have been donor-restricted for long-term purposes or board-designated.

Concentrations of Credit Risks

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains its cash and cash equivalents in various financial institution accounts that, at times, may exceed federally insured limits. At June 30, 2020, cash in bank deposit accounts exceeded federally insured limits by \$886,409. These assets have been placed with high credit quality financial institutions and the Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are carried at their estimated collectible amounts. The Organization's accounts receivable are generally short-term in nature; thus accounts receivable do not bear interest.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts related to accounts receivable has not been established at June 30, 2020 because management believes that all accounts receivable will be fully collectible.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for doubtful promises has not been established at June 30, 2020 because management believes that all promises to give will be fully collectible.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Therefore, investments are reported at their fair values in the statement of financial position. Net investment return is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$2,500. If donors stipulate how long the assets must be used, the contributions are recorded as revenue with donor restrictions. In the absence of such stipulations, contributions of property and equipment are recorded as revenue without donor restrictions. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets or lease terms. Estimated useful lives by type of property and equipment are as follows:

Buildings and structures	15 – 39 years
Equipment	3 – 7 years
Furniture and fixtures	7 – 15 years
Improvements	7 – 15 years

Management reviews the carrying value of property and equipment 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.

Classes of Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Contributions- Contributions are recognized as support when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give (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. Contributions are considered to be without donor restrictions unless restricted by the donor.

In-Kind Contributions- Contributed goods, use of facilities, and services that either create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at fair value at the date of donation.

Program Service Revenue- Revenue is measured on the consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Taxes, if any, assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by the Organization from a customer, are excluded from revenue. Program service revenue consists of tuition and fees. Program service revenue is recognized at a point in time, when the services are provided. Payments received in advance, if any, are deferred to the applicable period in which the related services are provided.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(ii) and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2017.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended June 30, 2020 was \$1,077. Advertising costs are included in marketing in the statement of functional expenses.

Functional Allocation of Expenses

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

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, communications and occupancy, which are allocated on the basis of estimated time and effort.

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Reclassifications

Certain items from June 30, 2019 have been reclassified to conform to the June 30, 2020 presentation.

3. LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet annual operating needs and other commitments. The following chart reflects the Organization's financial assets available as of June 30, 2020 for general expenditure over the next twelve months.

Cash and cash equivalents	\$	705,008
Accounts receivable, including promises to give		<u>9,100</u>
Current financial assets		<u>714,108</u>
Less those unavailable for general expenditure within one year, due to donor-imposed purpose restrictions		<u>(303,324)</u>
Total financial assets available to meet cash needs for general expenditure within one year	\$	<u>410,784</u>

To help manage unanticipated liquidity needs, the Organization maintains credit cards with an aggregate credit limit of \$43,000, which it could draw upon. Additionally, the Organization has cash which has been designated by the board as an operating reserve and which is included in non-current assets on the statement of financial position. Although the Organization does not intend to spend from their board-designated reserves, these amounts could be made available through board appropriation, if necessary.

4. RESTRICTED CASH AND CASH EQUIVALENTS

The Organization's restricted cash and cash equivalents consisted of the following at June 30, 2020:

With Donor Restrictions	\$ 100,000
Without Donor Restrictions, Board-Designated	<u>431,788</u>
Total restricted cash and cash equivalents	<u>\$ 531,788</u>

5. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE

Accounts receivable, including promises to give, consisted of the following at June 30, 2020:

Unconditional promises to give	\$ 5,500
Government cost reimbursement grants receivable	3,000
Accounts receivable	
Tuition and fees	<u>600</u>
Total accounts receivable, including promises to give	<u>\$ 9,100</u>

Accounts receivable, including promises to give, are expected to be collected in full within the next year. At June 30, 2020, the Organization's Paycheck Protection Loan was considered to be a conditional promise to give, as described in Note 7.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2020:

Property and equipment	
Equipment	\$ 301,431
Building structures	15,844
Vehicles	40,716
Improvements	9,490
Furniture and fixtures	<u>674</u>
Total property and equipment	<u>368,155</u>
Less: accumulated depreciation	<u>(292,631)</u>
Total property and equipment, net of accumulated depreciation	<u>\$ 75,524</u>

Depreciation expense for the year ended June 30, 2020 was \$17,675.

7. NOTE PAYABLE

On May 5, 2020, the Organization received loan proceeds in the amount of \$114,959 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the PPP provides for loans to qualifying businesses and organizations in amounts up to 2.5 times monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. The Organization intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period.

To the extent that the Organization is not granted forgiveness, it will be required to pay interest on the PPP loan at an annual rate of 1%. If the application for forgiveness is not made within 10 months of the end of the covered period, payments of principal and interest will be required as follows:

<u>Year Ended June 30,</u>	
2021	\$ 9,631
2022	105,328
Thereafter	<u> -</u>
	<u>\$ 114,959</u>

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2020:

Subject to expenditure for specified purpose	
Customer relationship management software	\$ 150,000
Cycling	65,350
Skiing and snowboarding	45,017
Veterans programing	32,133
Yoga	4,031
Summer rentals	<u>6,793</u>
Total subject to expenditure for specified purpose	303,324
Subject to the passage of time	
Long-term reserves	100,000
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>5,500</u>
Total subject to passage of time	<u>105,500</u>
Total net assets with donor restrictions	<u>\$ 408,824</u>

Long-term reserves represent a donor-imposed restriction to hold contributed funds as a long-term reserve that is not considered to be an endowment. No explicit or implicit restrictions have been made on the use of the reserve’s principal.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as following for the year ended June 30, 2020:

Satisfaction of purpose restrictions		
Cycling	\$	19,445
Veterans		6,982
Satisfaction of time restrictions		<u>65,000</u>
Total net assets released from donor restrictions	\$	<u>91,427</u>

9. NET ASSETS WITHOUT DONOR RESTRICTIONS, BOARD-DESIGNATED

The board of directors has designated certain net assets without donor restrictions as an operating reserve. Net assets without donor restrictions that are board-designated for an operating reserve totaled \$431,788 at June 30, 2020 and consisted of restricted cash. Although the Organization does not intend to spend from their board-designated reserves, these amounts could be made available through board appropriation, if necessary.

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Organization’s revenue from contracts with customers include tuition and fees revenue, which are presented in the statement of activities. Contract balances associated with tuition and fees revenue consisted of accounts receivable totaling \$600 at June 30, 2020. There was no deferred revenue at June 30, 2020.

11. IN-KIND CONTRIBUTIONS

During the year ended June 30, 2020, the Organization received the following in-kind contributions:

Donated goods		
Marketable securities	\$	1,100
Other		3,000
		5,249
Donated services		
Training instructors		34,345
Donated use of facilities and equipment		
Lift tickets and admissions		169,975
Equipment rental		28,432
Office space		<u>42,570</u>
Total in-kind contributions	\$	<u>284,671</u>

12. COMMITMENTS AND CONTINGENCIES

The Organization leases its Salt Lake City office space under a non-cancellable operating lease. This lease requires monthly payments of \$3,849 and expires in June 2022. Future minimum payments required under this lease are as follows:

<u>Year ending June 30,</u>		
2021	\$	46,188
2022		47,340
Thereafter		<u> -</u>
Total future minimum payments	\$	<u>93,528</u>

The Organization leases its Snowbird office space under a cancellable operating lease that requires no rent payments. Rent expense during the year ended June 30, 2020 was \$102,817, of which \$42,570 represented in-kind rent expense. Rent expense is included in occupancy in the statement of functional expenses.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have had and are likely to continue to have a negative impact on the Organization. Certain activities the Organization typically uses to accomplish its mission have been disrupted. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration.

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

13. CONCENTRATIONS

During the year ended June 30, 2020, contributions from Donors A, B, and C represented approximately 19%, 20%, and 19%, respectively, of the Organization’s total revenue and support. Contributions from Donor A were in-kind contributions. Contributions from Donor B were generated through the Steve Young Ski Classic, a fundraising event which had several hundred unique donors.

14. COMPARATIVE FINANCIAL INFORMATION

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended June 30, 2019 from which the summarized information was derived.

15. SUBSEQUENT EVENTS

Subsequent events were evaluated through February 5, 2021, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

16. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended June 30, 2020, the Organization adopted the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, as well as other disclosures. Analysis of the provisions of this standard resulted in no significant change in the way the Organization recognized exchange revenue, and therefore, no changes to the previously issued financial statements were required. The presentation and disclosure of revenue has been enhanced in accordance with the standard.

For the year ended June 30, 2020, the Organization adopted FASB's ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*. This clarifies that a contribution is conditional if the agreement includes both a barrier (or barriers) that must be overcome for the Organizations to be entitled to the resources and a right of return for the assets transferred (or a right of release of the promisor's obligation to transfer assets). Analysis of the provisions of this standard resulted in no significant change in the way the Organization recognized exchange revenue, and therefore, no changes to the previously issued financial statements were required.

For the year ended June 30, 2020, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) – Restricted Cash*. This guidance requires that the statement of cash flows explain the change during the period in restricted cash and cash equivalents, in addition to cash and cash equivalents.