



Financial Statements

And

Independent Auditor's Report

**As of June 30, 2021
and for the year then ended
with summarized comparative information for June 30, 2020**

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, 2021, 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, 2021, 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 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bountiful Peak Advisors

Bountiful, Utah
March 14, 2022

Wasatch Adaptive Sports, Inc.

Statement of Financial Position

June 30, 2021

With Summarized Comparative Information as of June 30, 2020

| ASSETS | <u>06/30/2021</u> | <u>06/30/2020</u> |
|---|---------------------|---------------------|
| Current assets | | |
| Cash and cash equivalents | \$ 563,135 | \$ 705,008 |
| Accounts receivable, including promises to give | 10,830 | 9,100 |
| Prepaid expense | <u>3,900</u> | <u>8,697</u> |
| Total current assets | <u>577,865</u> | <u>722,805</u> |
| Restricted cash and cash equivalents | 567,089 | 531,788 |
| Property and equipment, net of accumulated depreciation | <u>149,782</u> | <u>75,524</u> |
| Total assets | <u>\$ 1,294,736</u> | <u>\$ 1,330,117</u> |
| LIABILITIES AND NET ASSETS | | |
| Current liabilities | | |
| Accounts payable | \$ 6,825 | \$ 50,886 |
| Credit cards payable | 8,373 | 6,293 |
| Accrued payroll | 95,848 | 108,577 |
| Current portion of note payable | <u>-</u> | <u>9,631</u> |
| Total current liabilities | <u>111,046</u> | <u>175,387</u> |
| Note payable | <u>-</u> | <u>105,328</u> |
| Total liabilities | <u>111,046</u> | <u>280,715</u> |
| Net assets | | |
| Without donor restrictions | | |
| Undesignated | 446,464 | 208,800 |
| Board-designated | 467,089 | 431,778 |
| With donor restrictions | <u>270,137</u> | <u>408,824</u> |
| Total net assets | <u>1,183,690</u> | <u>1,049,402</u> |
| Total liabilities and net assets | <u>\$ 1,294,736</u> | <u>\$ 1,330,117</u> |

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.

Statement of Activities

Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

| | June 30, 2021 | | 6/30/2021 Total | 06/30/2020 Total |
|--|-------------------------------|----------------------------|--------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | | |
| REVENUES AND SUPPORT | | | | |
| Revenues | | | | |
| Tuition and fees | \$ 41,679 | \$ - | \$ 41,679 | \$ 29,553 |
| Other income | 5,889 | - | 5,889 | 5,664 |
| Interest | 280 | - | 280 | 2,448 |
| Investment income, net | 113 | - | 113 | - |
| Gain (loss) on disposal | - | - | - | (794) |
| | 47,961 | - | 47,961 | 36,871 |
| Support | | | | |
| Foundation and corporate contributions | 751,581 | 39,712 | 791,293 | 830,598 |
| In-kind contributions | 406,663 | - | 406,663 | 284,671 |
| Paycheck protection loan forgiveness | 114,959 | - | 114,959 | - |
| Individual contributions | 97,462 | 5,000 | 102,462 | 154,581 |
| Government grants | 32,115 | - | 32,115 | - |
| Net assets released from restrictions | 183,399 | (183,399) | - | - |
| | 1,586,179 | (138,687) | 1,447,492 | 1,269,850 |
| | 1,634,140 | (138,687) | 1,495,453 | 1,306,721 |
| EXPENSES | | | | |
| Program services | 1,066,153 | - | 1,066,153 | 870,590 |
| Management and general | 142,013 | - | 142,013 | 108,702 |
| Fundraising | 152,999 | - | 152,999 | 148,664 |
| | 1,361,165 | - | 1,361,165 | 1,127,956 |
| Change in net assets | 272,975 | (138,687) | 134,288 | 178,765 |
| Net assets, beginning of year | 640,578 | 408,824 | 1,049,402 | 870,637 |
| Net assets, end of year | \$ 913,553 | \$ 270,137 | \$ 1,183,690 | \$ 1,049,402 |

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021
With Summarized Comparative Information for the Year Ended June 30, 2020

| | June 30, 2021 | | | | | | | 6/30/2021 Total | 06/30/2020 Total |
|--------------------------------------|----------------------|-------------------|---------------------|---------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | Program Services | | | Support Activities | | | | | |
| | Summer | Winter | Total | Management and General | Fundraising | Total | | | |
| Salaries and wages | \$ 184,699 | \$ 185,717 | \$ 370,416 | \$ 53,727 | \$ 90,015 | \$ 143,742 | \$ 514,158 | \$ 480,242 | |
| Payroll taxes and benefits | 67,706 | 62,084 | 129,790 | 19,221 | 33,063 | 52,284 | 182,074 | 153,961 | |
| Lift tickets and admissions | - | 224,443 | 224,443 | - | - | - | 224,443 | 169,975 | |
| Occupancy | 57,708 | 60,811 | 118,519 | 7,506 | 14,181 | 21,687 | 140,206 | 110,097 | |
| Equipment rental and small equipment | 21,102 | 62,156 | 83,258 | - | - | - | 83,258 | 52,889 | |
| Information technology | 7,438 | 33,454 | 40,892 | 2,232 | 2,450 | 4,682 | 45,574 | 8,846 | |
| Contract labor | - | 36,079 | 36,079 | 333 | 300 | 633 | 36,712 | 34,345 | |
| Insurance | 2,461 | 146 | 2,607 | 27,707 | - | 27,707 | 30,314 | 23,126 | |
| Depreciation | 11,356 | 10,374 | 21,730 | 1,080 | 77 | 1,157 | 22,887 | 17,675 | |
| Marketing | 5,428 | 5,245 | 10,673 | 3,105 | 489 | 3,594 | 14,267 | 9,529 | |
| Conferences and training | 1,742 | 2,668 | 4,410 | 7,882 | - | 7,882 | 12,292 | 4,775 | |
| Communications | 199 | 7,958 | 8,157 | 2,063 | 1,698 | 3,761 | 11,918 | 12,835 | |
| Professional fees | - | - | - | 11,349 | - | 11,349 | 11,349 | 10,243 | |
| Bank and merchant fees | 44 | 394 | 438 | 2,684 | 5,918 | 8,602 | 9,040 | 11,495 | |
| Travel | 4,555 | 2,244 | 6,799 | 381 | - | 381 | 7,180 | 9,484 | |
| Miscellaneous | 21 | 4,533 | 4,554 | 462 | 1,610 | 2,072 | 6,626 | 339 | |
| License and fees | 204 | 533 | 737 | 1,151 | 2,702 | 3,853 | 4,590 | 7,669 | |
| Food and beverage | 494 | 904 | 1,398 | 1,130 | 496 | 1,626 | 3,024 | 4,283 | |
| Supplies | 1,253 | - | 1,253 | - | - | - | 1,253 | 6,148 | |
| Total expenses | \$ 366,410 | \$ 699,743 | \$ 1,066,153 | \$ 142,013 | \$ 152,999 | \$ 295,012 | \$ 1,361,165 | \$ 1,127,956 | |

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.

Statement of Cash Flows

Year Ended June 30, 2021

With Summarized Comparative Information for the Year Ended June 30, 2020

| | <u>06/30/2021</u> | <u>06/30/2020</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 134,288 | \$ 178,765 |
| Items not requiring cash | | |
| Depreciation | 22,887 | 17,675 |
| (Gain) or loss on disposal | - | 794 |
| In-kind contribution of property and equipment | (8,906) | - |
| Paycheck protection loan forgiveness | (114,959) | - |
| Collection of contributions restricted for long-term purposes | - | (100,000) |
| Changes in | | |
| Accounts receivable, including promises to give | (1,730) | 55,900 |
| Prepaid expenses | 4,797 | 3,391 |
| Accounts payable | (44,061) | 50,320 |
| Credit cards payable | 2,080 | 2,748 |
| Accrued payroll | (12,729) | 41,162 |
| | <u>(18,333)</u> | <u>250,755</u> |
| Net cash provided by (used in) operating activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash purchases of property and equipment | <u>(88,239)</u> | <u>(11,047)</u> |
| | | |
| Net cash used in investing activities | <u>(88,239)</u> | <u>(11,047)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from note payable | - | 114,959 |
| Collection of contributions restricted for long-term purposes | <u>-</u> | <u>100,000</u> |
| | | |
| Net cash provided by financing activities | <u>-</u> | <u>214,959</u> |
| Net change in cash and cash equivalents | (106,572) | 454,667 |
| Cash and restricted cash and cash equivalents, beginning of year | <u>1,236,796</u> | <u>\$ 782,129</u> |
| Cash and restricted cash and cash equivalents, end of year | <u>\$ 1,130,224</u> | <u>\$ 1,236,796</u> |
| Cash and cash equivalents | 563,135 | 705,008 |
| Cash and cash equivalents, restricted | <u>567,089</u> | <u>531,788</u> |
| | | |
| Total cash and cash equivalents shown in the statement of cash flow | <u>\$ 1,130,224</u> | <u>\$ 1,236,796</u> |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES | | |
| In-kind contribution of property and equipment | (8,906) | - |
| Paycheck Protection loan forgiveness | <u>(114,959)</u> | <u>-</u> |
| | | |
| | <u>\$ (123,865)</u> | <u>\$ -</u> |

During the year ended December 31, 2021, there were no cash payments for interest or unrelated business income taxes.

See accompanying notes to financial statements.

Wasatch Adaptive Sports, Inc.

Notes to Financial Statements

June 30, 2021

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 and dirt trails along the Wasatch Front. Other summer programs include paddle boarding and kayaking, hiking, mountain biking, and 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 (U.S. 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, 2021 cash in bank deposit accounts exceeded federally insured limits by \$763,842. 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 collectability 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, 2021 because management believes that all accounts receivable will be fully collectable.

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, 2021 because management believes that all promises to give will be fully collectable.

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 | 39 years |
| Equipment | 5 – 7 years |
| Furniture and fixtures | 7 – 15 years |
| Improvements | 7 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, 2021 was \$14,267. 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 and benefits, 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 U.S. 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, 2020 have been reclassified to conform to the June 30, 2021 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, 2021 for general expenditure over the next twelve months.

| | |
|---|-------------------|
| Cash and cash equivalents | \$ 563,135 |
| Accounts receivable, including promises to give | <u>10,830</u> |
| Current financial assets | <u>573,965</u> |
| Less those unavailable for general expenditure within one year, due to donor-imposed purpose restrictions | <u>(164,887)</u> |
| Total financial assets available to meet cash needs for general expenditure within one year | <u>\$ 409,078</u> |

To help manage unanticipated liquidity needs, the Organization maintains credit cards with an aggregate credit limit of \$47,500, 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, 2021:

| | |
|--|-------------------|
| With Donor Restrictions | \$ 100,000 |
| Without Donor Restrictions, Board-Designated | <u>467,089</u> |
| | <u>\$ 567,089</u> |

5. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE

Accounts receivable, including promises to give, consisted of the following at June 30, 2021:

| | |
|---|------------------|
| Unconditional promises to give | \$ 9,249 |
| Government cost reimbursement grants receivable | 981 |
| Tuition and fees receivable | <u>600</u> |
| | <u>\$ 10,830</u> |

Accounts receivable, including promises to give, are expected to be collected in full within the next year.

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2021:

| | |
|--------------------------------|-------------------|
| Property and equipment | |
| Equipment | \$ 348,978 |
| Building structures | 15,844 |
| Vehicles | 90,313 |
| Improvements | 9,490 |
| Furniture and fixtures | <u>674</u> |
| Total property and equipment | <u>465,299</u> |
| Less: accumulated depreciation | <u>(315,517)</u> |
| | <u>\$ 149,782</u> |

Depreciation expense for the year ended June 30, 2021 was \$22,887.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2021:

| | |
|---|-------------------|
| Subject to expenditure for specified purpose | |
| Customer relationship management software | \$ 125,425 |
| Skiing and snowboarding | 5,000 |
| Veterans programing | 4,793 |
| Students with spinal cord injuries | 13,670 |
| Equipment | <u>12,000</u> |
| Total subject to expenditure for specified purpose | 160,888 |
| Subject to the passage of time | |
| Long-term reserves | 100,000 |
| Promises to give the proceeds of which are restricted by donors, for equipment | 3,999 |
| Promises to give that are not restricted by donors, but which are unavailable for expenditure until due | <u>5,250</u> |
| Total subject to passage of time | <u>109,249</u> |
| | <u>\$ 270,137</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, 2021:

| | |
|---|-------------------|
| Satisfaction of purpose restrictions | |
| Cycling | \$ 65,350 |
| Veterans | 32,133 |
| Skiing and snowboarding | 45,017 |
| Customer relationship management software | 24,575 |
| Yoga | 4,031 |
| Equipment | 6,793 |
| Satisfaction of time restrictions | <u>5,500</u> |
| | <u>\$ 183,399</u> |

8. 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 \$467,089 at June 30, 2021 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.

9. 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, 2021. There was no deferred revenue at June 30, 2021.

10. IN-KIND CONTRIBUTIONS

During the year ended June 30, 2021, the Organization received the following in-kind contributions:

| | | |
|---|-----------|----------------|
| Donated goods | | |
| Marketable securities | \$ | 14,629 |
| Advertising | | 10,000 |
| Property and equipment | | 8,906 |
| Small equipment | | 800 |
| Supplies | | 13,848 |
| Food and beverage | | 300 |
| Information technology | | 1,561 |
| | | |
| Donated services | | |
| Training instructors | | 34,345 |
| | | |
| Donated use of facilities and equipment | | |
| Lift tickets and admissions | | 224,443 |
| Equipment rental | | 44,652 |
| Office space | | 44,179 |
| Lodging | | <u>9,000</u> |
| | <u>\$</u> | <u>406,663</u> |

11. 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> | | |
| 2022 | \$ | 47,340 |
| Thereafter | | <u>-</u> |
| | <u>\$</u> | <u>47,340</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, 2021 was \$139,720, of which \$53,179 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.

12. CONCENTRATIONS

During the year ended June 30, 2021, contributions from Donors A and B represented approximately 20% and 16%, 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.

13. 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 U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

14. SUBSEQUENT EVENTS

Subsequent events were evaluated through March 14, 2022, 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.