

**Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau**

Year Ended June 30, 2019

Financial Statements

And

Independent Accountant's Compilation Report



**Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau
Alta, Utah

Management is responsible for the accompanying financial statements of Little Cottonwood Canyon Chamber and Visitors Bureau dba Alta Chamber and Visitors Bureau (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Emphasis of Matter

As explained in Note 4 to the financial statements, the Organization adopted Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* as of and for the year ended June 30, 2019. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Shaw & Co., P.C.

Bountiful, Utah
November 19, 2019

Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau
Statement of Financial Position
June 30, 2019

ASSETS

Current assets	
Cash and cash equivalents	\$ 93,193
Accounts receivable	<u>35,685</u>
Total current assets	<u>128,878</u>
Fixed assets, at cost	
Computers and equipment	8,814
Website	<u>29,000</u>
Total fixed assets	37,814
Less: accumulated depreciation	<u>(37,017)</u>
Net fixed assets	<u>797</u>
Total assets	<u><u>\$ 129,675</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable	<u>\$ 481</u>
Total current liabilities	<u>481</u>
Net assets	
Without donor restrictions	129,194
With donor restrictions	<u>-</u>
Total net assets	<u>129,194</u>
Total liabilities and net assets	<u><u>\$ 129,675</u></u>

See independent accountant's compilation report.

Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau
Statement of Activities
Year Ended June 30, 2019

REVENUES AND SUPPORT

Contributions	\$ 84,000
Membership dues	<u>22,085</u>
Total revenues and support	<u>106,085</u>

EXPENSES

Program	67,509
Administration	13,869
Fundraising	<u>376</u>
Total expenses	<u>81,754</u>

Change in net assets without donor restrictions	24,331
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Net assets without donor restrictions, beginning of year	<u>104,863</u>
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Net assets without donor restrictions, end of year	<u><u>\$ 129,194</u></u>
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See independent accountant's compilation report.

**Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau**

**Statement of Functional Expenses
Year Ended June 30, 2019**

	<u>Program</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
EXPENSES				
Marketing	\$ 36,790	\$ -	\$ -	\$ 36,790
Salaries and wages	24,084	10,471	349	34,904
Payroll taxes	1,866	811	27	2,704
Office expenses	2,407	-	-	2,407
Payroll fees	1,724	-	-	1,724
Professional fees	-	1,618	-	1,618
Insurance	-	959	-	959
Depreciation and amortization	638	-	-	638
Bank fees	-	10	-	10
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 67,509</u>	<u>\$ 13,869</u>	<u>\$ 376</u>	<u>\$ 81,754</u>

See independent accountant's compilation report.

Little Cottonwood Canyon Chamber and Visitors Bureau
dba Alta Chamber and Visitors Bureau
Statement of Cash Flows
Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 24,331
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	638
Changes in current assets and liabilities:	
Accounts receivable	(5,200)
Accounts payable	<u>302</u>
Net cash provided by operating activities	<u>20,071</u>

CASH FLOWS FROM INVESTING ACTIVITIES

-

CASH FLOWS FROM FINANCING ACTIVITIES

-

Net change in cash and cash equivalents	20,071
Cash and cash equivalents, beginning of year	<u>73,122</u>
Cash and cash equivalents, end of year	<u><u>\$ 93,193</u></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 independent accountant's compilation report.

Little Cottonwood Canyon Chamber and Visitors Bureau dba Alta Chamber and Visitors Bureau

Notes to Financial Statements
June 30, 2019

1. ORGANIZATION AND HISTORY

Little Cottonwood Canyon Chamber and Visitors Bureau dba Alta Chamber and Visitors Bureau (the "Chamber") was incorporated as a nonprofit corporation in the State of Utah on April 27, 2011. The Chamber's mission is to promote Alta, Utah and Little Cottonwood Canyon as a year-round, world-class mountain resort destination. The Chamber was organized to promote growth, foster development, and encourage activities within and around the town of Alta, Utah.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Chamber have been prepared on the accrual basis. The Chamber follows the provisions of Accounting Standards Codification (ASC) 958, Not-for Profit Entities.

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Date of Management's Review

Subsequent events were evaluated through November 19, 2019, 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.

Estimates in the Financial Statements

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

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 the Organization does not accrue finance or interest charges.

Accounts receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts receivable are fully collectible.

Fixed Assets and Depreciation

Fixed assets are stated at cost. The capitalization threshold for fixed assets is \$2,500. Depreciation and amortization are computed on the straight-line method for all capitalized assets over the useful service life of the various classes of property, which range from 3-5 years. Depreciation and amortization expense for the year ended June 30, 2019 was \$638.

The website, www.discoveralta.com, was developed and paid for by the Town of Alta at a cost of \$29,000. The website was donated to the Chamber during its first year of operations. The cost of the website has been fully amortized.

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:

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

We report 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

Membership dues are recognized as revenues when assessed and paid. Other revenues are recorded when earned.

Contributions

Contributions are recognized when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

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 and payroll taxes which are allocated on the basis of estimated time and effort.

Concentrations of Credit Risks

The Chamber maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At June 30, 2019, the Chamber had no bank deposits that exceeded the FDIC insurance limit of \$250,000 per financial institution, and therefore were not insured. The Chamber has not experienced any losses in such account and believes it is not exposed to any significant credit risk on cash and securities.

Income taxes

The Chamber is exempt from federal income taxes under section 501(c)(6) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the year ended June 30, 2019.

The Chamber's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2019, 2018, 2017, and 2016 are subject to examination by the IRS, generally for three years after they were filed. Generally accepted accounting principles require tax effects from an uncertain tax position to be recognized in the financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged. If an uncertain tax position meets the more-likely-than-not threshold, the largest amount of tax benefit that is greater than 50% likely to be recognized upon ultimate settlement with the taxing authority is recorded. The Chamber's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. Management has evaluated the tax positions reflected in the Chamber's tax filings and does not believe that any material uncertain tax positions exist.

Fair Value of Financial Instruments

The Chamber has a number of financial instruments, none of which are held for trading purposes. The Chamber estimates that the fair value of all financial instruments at June 30, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

Advertising Expense

Advertising costs are charged to operations when the advertising first takes place. Advertising expense for the year ended June 30, 2019 was \$36,790.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

Cash and cash equivalents	\$ 93,193
Accounts receivable	<u>35,685</u>
Total	<u>\$ 128,878</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. As part of our liquidity management plan, we invest cash in excess of daily requirements.

4. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

For the year ended June 30, 2019, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include:

- Presentation of two classes of net assets, versus the previously required three
- Recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service
- Recognition of underwater endowment funds as a reduction in net assets with donor restrictions and presentation of investment expenses as a reduction of investment income, versus the previously required gross presentation of investment expenses

The guidance also enhances disclosures for liquidity, board designated amounts, composition of net assets with donor restrictions, and expenses by both their natural and functional classification. The ASU has been applied retrospectively to all periods presented.