



**Healthy Environment Alliance of Utah**

**Financial Statements**

**As of December 31, 2020  
and for the year then ended**

# Healthy Environment Alliance of Utah

## Table of Contents

Independent Accountant’s Report .....	1
Financial Statements	
Statement of Financial Position.....	2
Statement of Activities .....	3
Statement of Functional Expenses.....	4
Statement of Cash Flows.....	5
Notes to Financial Statements .....	6



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Healthy Environment Alliance of Utah

We have reviewed the accompanying financial statements of Healthy Environment Alliance of Utah (a Utah nonprofit organization), which comprise the statement of financial position as of December 31, 2020, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Healthy Environment Alliance of Utah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Squire &amp; Company, PC".

Orem, Utah  
June 10, 2021

**Healthy Environment Alliance of Utah**  
**Statement of Financial Position**  
**December 31, 2020**

**ASSETS**

Current assets	
Cash and cash equivalents	\$ 373,163
Accounts receivable, including promises to give	15,336
Investments	<u>221,873</u>
Total current assets	<u>610,372</u>
Property and equipment	3,756
Accumulated depreciation	<u>(3,756)</u>
Net property and equipment	<u>-</u>
Total assets	<u><u>\$ 610,372</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities	
Accrued payroll and benefits	<u>\$ 21,643</u>
Total current liabilities	<u>21,643</u>
Net assets	
Without donor restrictions	588,729
With donor restrictions	<u>-</u>
Total net assets	<u>588,729</u>
Total liabilities and net assets	<u><u>\$ 610,372</u></u>

See accompanying notes and independent accountant's report.

# Healthy Environment Alliance of Utah

## Statement of Activities Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Support			
Foundation and corporate contributions	\$ 280,228	\$ -	\$ 280,228
Individual contributions	154,885	-	154,885
Paycheck Protection Program	70,150	-	70,150
In-kind contributions	1,826	-	1,826
Net assets released from restrictions	<u>43,500</u>	<u>(43,500)</u>	<u>-</u>
Total support	<u>550,589</u>	<u>(43,500)</u>	<u>507,089</u>
Revenues			
Net investment income	33,955	-	33,955
Other income	330	-	330
Interest	<u>30</u>	<u>-</u>	<u>30</u>
Total revenues	<u>34,315</u>	<u>-</u>	<u>34,315</u>
Total revenues and support	<u>584,904</u>	<u>(43,500)</u>	<u>541,404</u>
<b>EXPENSES</b>			
Program services	398,810	-	398,810
Management and general	65,213	-	65,213
Fundraising	<u>41,623</u>	<u>-</u>	<u>41,623</u>
Total expenses	<u>505,646</u>	<u>-</u>	<u>505,646</u>
Change in net assets	79,258	(43,500)	35,758
Net assets, beginning of year	<u>509,471</u>	<u>43,500</u>	<u>552,971</u>
Net assets, end of year	<u>\$ 588,729</u>	<u>\$ -</u>	<u>\$ 588,729</u>

See accompanying notes and independent accountant's report.

**Healthy Environment Alliance of Utah**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2020**

	Program Services					Supporting Activities			
	Air Quality	Nuclear	Transition to Clean Energy	Other	Total	Management and General	Fundraising	Total	Total
Salaries and wages	\$ 67,130	\$ 67,731	\$ 122,545	\$ 1,128	\$ 258,534	\$ 38,280	\$ 18,912	\$ 57,192	\$ 315,726
Payroll taxes	5,021	5,047	9,090	85	19,243	2,842	1,351	4,193	23,436
Employee benefits	7,077	6,921	11,920	-	25,918	3,846	1,598	5,444	31,362
Marketing	428	53,202	604	-	54,234	10	5,984	5,994	60,228
Occupancy	6,365	6,466	11,314	-	24,145	3,611	1,514	5,125	29,270
Professional services	-	-	-	-	-	12,190	-	12,190	12,190
Information technology	605	608	948	-	2,161	725	7,235	7,960	10,121
Contract labor	1,796	2,690	2,514	-	7,000	-	-	-	7,000
Telephone and internet	582	615	1,513	-	2,710	411	457	868	3,578
Insurance	534	538	973	-	2,045	304	150	454	2,499
Miscellaneous	217	310	201	-	728	1,300	1	1,301	2,029
Bank and merchant fees	-	-	-	31	31	341	1,978	2,319	2,350
Food and beverage	187	175	191	-	553	260	1,471	1,731	2,284
Licenses and dues	141	170	189	-	500	926	440	1,366	1,866
Office	235	261	201	-	697	115	78	193	890
Supplies	23	55	21	-	99	50	440	490	589
Training	36	41	127	-	204	-	-	-	204
Travel	6	1	1	-	8	2	14	16	24
<b>Total expenses</b>	<b>\$ 90,383</b>	<b>\$ 144,831</b>	<b>\$ 162,352</b>	<b>\$ 1,244</b>	<b>\$ 398,810</b>	<b>\$ 65,213</b>	<b>\$ 41,623</b>	<b>\$ 106,836</b>	<b>\$ 505,646</b>

See accompanying notes and independent accountant's report.

# Healthy Environment Alliance of Utah

## Statement of Cash Flows Year Ended December 31, 2020

### CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	35,758
Items not requiring cash		
In-kind contributions of securities		(1,716)
Noncash net investment income		(6,096)
Changes in		
Accounts receivable, including promises to give		661
Prepaid expenses		8,660
Accounts payable		(616)
Accrued payroll and benefits		<u>21,514</u>
Net cash provided by operating activities		<u>58,165</u>

### CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments		799,644
Purchase of investments		<u>(826,080)</u>
Net cash provided used in investing activities		<u>(26,436)</u>

Net change in cash and cash equivalents		31,729
Cash and cash equivalents, beginning of year		<u>341,434</u>
Cash and cash equivalents, end of year	\$	<u><u>373,163</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 accompanying notes and independent accountant's report.

# Health Environment Alliance of Utah

## Notes to Financial Statements

December 31, 2020

### 1. ORGANIZATION SUMMARY AND NATURE OF ACTIVITIES

Healthy Environment Alliance of Utah (the “Organization”) was organized under the laws of the State of Utah in April 1997 as a nonprofit corporation. The Organization promotes renewable energy and clean air and protects public health and the environment from dirty, toxic, and nuclear energy threats. The Organization’s major programs consist of the following:

#### Air Quality

The Organization addresses three main air pollution emission sources—vehicles, area sources, and industry—by working with the state legislature, regulatory agencies, the private business sector, and the general public.

#### Nuclear

The Organization addresses nuclear waste issues by harnessing the power of grassroots advocates, educating the public on the technical science behind the hazards of nuclear waste, and watchdogging corporations that profit from it.

#### Transition to Clean Energy

The Organization works to combat climate change by focusing on Utah’s transition from fossil fuels to renewable energy. The Organization targets changes in industry, legislative and regulatory policy, and individual choices and behaviors.

The Organization’s significant sources of revenue include foundation and corporate contributions, individual contributions, and government grants (Paycheck Protection Program). The Organization operates under the dba HEAL Utah.

### 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

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.

#### 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. 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 December 31, 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 December 31, 2020 because management believes that all promises to give will be fully collectible.

#### Investments

Investments are initially recorded at cost, if purchased, or at fair value if donated. Thereafter, 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, and investment management and custodial fees.

#### Fair Value Measurements

Assets recorded at fair value in the consolidated statement of financial position are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions, with highest priority given to quoted prices in active markets and lowest priority to an entity's assumptions. The Organizations group assets at fair value in three levels, based on the markets in which the assets are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs including quoted prices for similar assets in active or non-active markets, or other observable inputs for the asset.
Level 3	Unobservable inputs that cannot be corroborated by observable market data, such as pricing models, discounted cash flow models, and similar techniques.

### Property and Equipment

Property and equipment are recorded at cost at the date purchased or, if donated, at fair value at the date donated. The Organization capitalizes additions that exceed \$5,000. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the respective assets or lease terms, which are seven years. Depreciation expense for the year ended December 31, 2020 was \$0. 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 restrictions.

***Net Assets With Donor Restrictions*** – Net assets subject to donor-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.

Advertising

Advertising costs are expensed when the advertising first takes place. Advertising expense for the year ended December 31, 2020 was \$60,228, and is included in marketing expense on the statement of functional expenses.

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 509(a)(2) 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.

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, employee benefits, occupancy, information technology, and communications, 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.

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2020 consisted of the following:

Cash and cash equivalents	\$ 373,163
Accounts receivable, including promises to give	15,336
Investments	<u>221,873</u>
	<u>\$ 610,372</u>

The Organization structures its financial assets to be available as obligations come due.

**4. ACCOUNTS RECEIVABLE, INCLUDING PROMISES TO GIVE**

Accounts receivable, including promises to give, consisted of the following at December 31, 2020.

Promises to give	
Foundation grants	\$ 13,500
Accounts receivable	
Reimbursements	1,256
Sales tax reimbursements	<u>580</u>
	<u>\$ 15,336</u>

Accounts receivable, including promises to give, are expected to be received in full within a year or less.

**5. INVESTMENTS**

The following is a summary of investments, fair value, at December 31, 2020.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income	\$ 221,342	\$ -	\$ -	\$ 221,342
Common stocks	<u>531</u>	<u>-</u>	<u>-</u>	<u>531</u>
	<u>\$ 221,873</u>	<u>-</u>	<u>-</u>	<u>\$ 221,873</u>

Mutual funds and common stocks listed on a national securities exchange or reported on the NASDAQ global market are valued at the last reported sales or trade price on the day of valuation.

Investment income, net, consisted of the following for the year ended December 31, 2020:

Interest and dividends	\$ 11,628
Realized gains	17,225
Unrealized gains	6,096
Investment fees	<u>(994)</u>
	<u>\$ 33,955</u>

**6. PROPERTY AND EQUIPMENT**

Property and equipment consisted of leasehold improvements at December 31, 2020. Depreciation expense for the year ended December 31, 2020 was \$0.

**7. NET ASSETS WITH DONOR RESTRICTIONS**

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 follows for the year ended December 31, 2020:

Released based on satisfying time restrictions	
2020 general operations	\$ 30,000
Promises to give	<u>13,500</u>
	<u>\$ 43,500</u>

**8. IN-KIND CONTRIBUTIONS**

In-kind contributions received during the year ended December 31, 2020 consisted of the following:

Goods	
Donated securities	1,716
Other	<u>110</u>
	<u>\$ 1,826</u>

**9. RETIREMENT PLAN**

The Organization participates in a SIMPLE IRA retirement investment plan. Eligible employees may elect to defer a portion of their salary under the plan and receive dollar-for-dollar matching contributions from the Organization up to three percent. During the year ended December 31, 2020, the Organization's matching contributions totaled \$8,294.

**10. CONCENTRATIONS**

During the year ended December 31, 2020, approximately 22% of total revenue and support came from a single individual donor. At December 31, 2020, approximately 88% of accounts receivable, including promises to give were due from one foundation donor.

**11. COMMITMENTS AND CONTINGENCIES**

The Organization participates in various government assisted programs that are subject to review and audit by grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a government audit may become a liability of the Organization. The ultimate disallowance pertaining to these regulations, if any, is estimated to be immaterial to the overall financial condition of the Organization.

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. ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

For the year ended December 31, 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.

For the year ended December 31, 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 Organization 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 various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue. The presentation and disclosure of revenue have been enhanced in accordance with these standards.

## 13. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 10, 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.