Healthy Environment Alliance of Utah

Financial Statements
and
Independent Accountant's Review Report

As of December 31, 2022
and for the year then ended

Healthy Environment Alliance of Utah

Table of Contents

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, 2022, 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.

squire.com

Salt Lake City Office
801.533.0409
215 S State Street #850
Salt Lake City, UT 84111

Orem Office
801.225.6900
1329 South 800 East
Orem, UT 84097

Squire is a dba registered to Squire & Company, PC, a certified public accounting firm

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.

Squire & Company, PC

Orem, Utah
July 12, 2023

Healthy Environment Alliance of Utah

Statement of Financial Position

December 31, 2022

ASSETS	
Current assets	
Cash and cash equivalents	$ 815,137
Grants and accounts receivable	81,403
Prepaid expenses	960
Investments	66,567
Total current assets	964,067
Property and equipment	7,790
Accumulated depreciation	(4,442)
Net property and equipment	3,348
Total assets	$ 967,415
LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	6,363
Accrued payroll and benefits	41,417
Other accrued liabilities	1,690
Total current liabilities	49,470
Net assets	
Without donor restrictions	545,162
With donor restrictions	372,783
Total net assets	917,945
Total liabilities and net assets	$ 967,415

See accompanying notes and independent accountant's report.

Healthy Environment Alliance of Utah

Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Support			
Foundation and corporate contibutions	$ 300,446	$ -	$ 300,446
Individual contributions	234,995	1,803	236,798
Government grants	83,069	-	83,069
Contributed nonfinancial assets	35	-	35
Net assets released from restrictions	84,707	(84,707)	-
Total support	703,252	(82,904)	620,348
Revenues			
Net investment loss	(6,787)	-	(6,787)
Contract services	1,560	-	1,560
Interest	406	-	406
Total revenues	(4,821)	-	(4,821)
Total revenues and support	698,431	(82,904)	615,527
EXPENSES			
Program services	510,689	-	510,689
Management and general	88,115	-	88,115
Fundraising	110,428	-	110,428
Total expenses	709,232	-	709,232
Change in net assets	(10,801)	(82,904)	(93,705)
Net assets, beginning of year	555,963	455,687	1,011,650
Net assets, end of year	$ 545,162	$ 372,783	$ 917,945

Healthy Environment Alliance of Utah

Statement of Functional Expenses
Year Ended December 31, 2022

	Program Services					Supporting Activities			
	Air Quality	Nuclear	Transition to Clean Energy	Other	Total	Management and General	Fundraising	Total	Total
Salaries and wages	$ 147,235	$ 89,990	$ 143,140	$ -	$ 380,365	$ 52,593	$ 62,863	$ 115,456	$ 495,821
Payroll taxes	10,685	6,438	10,375	-	27,498	3,893	4,575	8,468	35,966
Employee benefits	16,501	9,928	15,943	-	42,372	7,660	7,157	14,817	57,189
Professional services	-	-	-	-	-	14,894	7,200	22,094	22,094
Contract labor	2,377	5,957	2,366	-	10,700	500	5,450	5,950	16,650
Food and beverage	1,662	1,422	1,681	174	4,939	521	7,685	8,206	13,145
Information technology	1,691	913	1,591	584	4,779	375	7,642	8,017	12,796
Occupancy	3,388	2,037	3,296	-	8,721	1,231	2,220	3,451	12,172
Marketing	2,977	4,318	2,277	-	9,572	-	739	739	10,311
Supplies	759	458	785	5,523	7,525	103	1,769	1,872	9,397
Telephone and internet	2,124	1,332	2,227	-	5,683	941	857	1,798	7,481
Travel	1,256	1,454	1,383	-	4,093	322	185	507	4,600
Bank and merchant fees	-	-	-	286	286	3,228	-	3,228	3,514
Insurance	616	378	601	-	1,595	762	574	1,336	2,931
Licenses and dues	102	54	98	125	379	643	1,133	1,776	2,155
Office	134	150	120	156	560	181	207	388	948
Miscellaneous	78	543	82	-	703	125	-	125	828
Depreciation	191	117	186	-	494	68	82	150	644
Training	-	225	-	-	225	75	90	165	390
Grants to others	200	-	-	-	200	-	-	-	200
Total expenses	$ 191,976	$ 125,714	$ 186,151	$ 6,848	$ 510,689	$ 88,115	$ 110,428	$ 198,543	$ 709,232

Healthy Environment Alliance of Utah

Statement of Cash Flows

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (93,705)
Items not requiring cash	
Depreciation	644
Contributed investments	(826)
Noncash net investment loss	7,751
Changes in	
Grants and accounts receivable	205,906
Prepaid expenses	(960)
Accounts payable	3,631
Accrued payroll and benefits	9,476
Other accrued liabilities	1,690
Net cash provided by operating activities	133,607
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(2,835)
Proceeds from sale of investments	554,499
Purchase of investments	(299,083)
Net cash provided by investing activities	252,581
Net change in cash and cash equivalents	386,188
Cash and cash equivalents, beginning of year	428,949
Cash and cash equivalents, end of year	$ 815,137
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid for interest	$ -
Cash paid for income taxes	$ -

See accompanying notes and independent accountant's report.

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. 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. At December 31, 2022, cash in excess of federally insured limits was $560,769. 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 collectable 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 December 31, 2022 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 uncollectable 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, 2022 because management believes that all promises to give will be fully collectable.

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 five to seven years. Depreciation expense for the year ended December 31, 2022 was $644. 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.

Operating Leases

Operating leases are presented as right of use assets and lease liabilities in the statement of financial position. At commencement, right of use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term, discounted using the risk-free rate. Right of use assets decrease as lease expense (rent) is recognized on a straight-line bases over the lease term. Lease liabilities decrease as cash payments are made to the lessor and increase as the discount on the lease is amortized. The Organization does not recognize right of use assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as rent expense on a straight-line-basis over the lease term. The Organization determines if an arrangement is or contains a lease at inception. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

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.

A portion of the Organization's revenue is derived from cost-reimbursement government grants, which are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as advances in the statement of financial position. The Organization was awarded cost-reimbursement grants of $187,880 which have not been recognized at December 31, 2022 because qualifying expenditures have not yet been incurred.

Contributed Nonfinancial Asset – 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, 2022 was $10,311, 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 2019.

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, 2022 consisted of the following:

Cash and cash equivalents	$ 815,137
Grants and accounts receivable	81,403
Investments	66,567
Current financial assets	963,107
Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions	(372,783)
	$ 590,324

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

4. GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable consisted of the following at December 31, 2022.

Promises to give	
Government grants	$ 68,948
Accounts receivable	
Government cost reimbursement grants	12,120
Sales tax reimbursements	335
	$ 81,403

Grants and accounts receivable 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, 2022.

	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed income	$ 5,380	$ -	$ -	$ 5,380
Equity	47,699	-	-	47,699
Exchange traded funds				
Equity	-	13,488	-	13,488
	$ 53,079	$ 13,488	$ -	$ 66,567

Mutual funds and exchange traded funds 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.

Net investment loss consisted of the following for the year ended December 31, 2022:

Interest and dividends	$ 1,399
Realized losses	(4,302)
Unrealized losses	(3,449)
Investment fees	(435)
	$ (6,787)

6. PROPERTY AND EQUIPMENT

Property and equipment consisted of leasehold improvements totaling $6,591 and furniture totaling $1,199 at December 31, 2022. Depreciation expense for the year ended December 31, 2022 was $644.

7. OPERATING LEASES

The Organization leases office space under a non-cancelable operating lease. This occupancy lease requires monthly payments of $941 and expires June 2023. The Organization has not recognized a right of use asset or lease liability on the statement of financial position for this lease because it is short term (with a term of 12 months or less). Future minimum lease payments are as follows:

Year ending December 31,	
2023	$ 5,646
Thereafter	-
Total lease payments	$ 5,646

Rent expense for the year ending December 31, 2022 was $12,172 and is included in occupancy expense on the statement of functional expenses.

8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at December 31, 2022:

Subject to purpose restrictions	
Policy associate, public messaging, and legal consultation	$ 370,980
Traffic thoroughfare improvements	1,803
	$ 372,783

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, 2022:

Released based on satisfying time restrictions	
2022 general operations	$ 40,000
Released based on satisfying purpose restrictions	
Policy associate, public messaging, and legal consultation	44,707
	$ 84,707

9. CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets during the year ended December 31, 2022 consisted of supplies which were utilized by the Organization in fundraising activities. The fair market value of contributed goods was estimated based on retail values that would be available for similar products.

10. 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, 2022, the Organization's matching contributions totaled $15,758.

11. CONCENTRATIONS

During the year ended December 31, 2022, approximately 24% of total revenue and support was from a single individual donor. At December 31, 2022, approximately 99% of grants and accounts receivable were due from two government agencies.

12. 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.

13. ADOPTION OF NEW ACCOUNTING STANDARDS

During the year ended December 31, 2022, the Organization adopted Financial Accounting Standards Board Accounting Standards Update 2020-07 *Not-for-Profit Entities: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires separate presentation of contributions of noncash assets in the statement of activities as well as disclosures related to the nature, disposition, restrictions, and valuation of the assets.

During the year ended December 31, 2022, the Organization adopted Financial Accounting Standards Board Accounting Standards Update 2016-02 *Leases.* This standard requires lessees to recognize certain leases on the statement of financial position as right of use assets and lease liabilities, based on the value of discounted future lease payments. It also requires enhanced disclosure surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Organization implemented this standard using the modified retrospective effective date method, with no adjustment to any prior year information presented in the financial statements. Upon adoption, the Organization did not have any long-term leases, so no right of use asset or lease liability was required to be recognized.

14. SUBSEQUENT EVENTS

Subsequent events were evaluated through July 12, 2023, 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.