

**SUMMIT COUNTY CLUBHOUSE**  
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENT  
AND INDEPENDENT ACCOUNTANT'S  
COMPILATION REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2019

SUMMIT COUNTY CLUBHOUSE

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# Linda A. Howdeshell, CPA

## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Summit County Clubhouse  
Park City, UT 84098

Management is responsible for the accompanying financial statements of Summit County Clubhouse which comprise the statement of financial position as of December 31, 2019 and the related statement of activity, cash flows and functional expenses in accordance with accounting principles generally accepted in the United States of America. I have performed the compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. I did not audit or review the financial statements nor was I required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

A handwritten signature in cursive script that reads "Linda A. Howdeshell, CPA".

St. Louis, Missouri

May 7, 2020

Summit County Clubhouse  
STATEMENT OF FINANCIAL POSITION  
December 31, 2019

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	\$ 75,718
EQUIPMENT, net accumulated depreciation	<u>20,805</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 96,523</u></u></b>

NET ASSETS

WITHOUT DONOR RESTRICTINS	
Invested in capital assets	20,805
Available for operations	<u>75,718</u>
Total Net Assets Without Donor Restrictions	96,523
 Total Net Assets	 <u>96,523</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b><u><u>\$ 96,523</u></u></b>

See independent accountant's compilation report

Summit County Clubhouse  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2019

	Funds without donor restrictions
SUPPORT AND REVENUE	
Contributions	\$ 131,082
Inkind contributions	26,900
Miscellaneous	190
TOTAL SUPPORT AND REVENUE	158,172
EXPENSES	
Program services	42,598
Supporting services	
Management and general	10,196
Fundraising	8,855
TOTAL EXPENSES	61,649
CHANGE IN NET ASSETS	96,523
NET ASSETS, Beginning of year	-
NET ASSETS, End of year	\$ 96,523

See independent accountant's compilation report

Summit County Clubhouse  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2019

	Program Services	Supporting Services		Total Supporting Services	Total
		Management and General	Fundraising		
Payroll	\$ 23,128	\$ 6,000	\$ 6,000	\$ 12,000	\$ 35,128
Payroll taxes	2,536	658	658	1,316	3,852
Total Payroll and payroll taxes	<u>25,664</u>	<u>6,658</u>	<u>6,658</u>	<u>13,316</u>	<u>38,980</u>
Miscellaneous	5,765	270	-	270	6,035
Occupancy	3,916	1,017	1,017	2,034	5,950
Marketing	3,883	40	298	338	4,221
Insurance	2,123	839	583	1,422	3,545
Depreciation	721	187	187	374	1,095
Professional fees	-	958	-	958	958
Recreation activities	381	-	-	-	381
Office expense	120	-	110	110	230
Training	-	159	-	159	159
Computer and software	15	65	-	65	80
Telephone and internet	10	3	2	5	15
Total Expenses	<u>\$ 42,598</u>	<u>\$ 10,196</u>	<u>\$ 8,855</u>	<u>\$ 19,051</u>	<u>\$ 61,649</u>

See independent accountant's compilation report

Summit County Clubhouse  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 96,523
Adjustments to reconcile change in net assets to net change in cash from operating activities:	
Depreciation	1,095
Inkind donations	<u>(21,900)</u>
 Net Change in Cash and Cash Equivalents from Operating Activities	 <u>75,718</u>
 CASH AND CASH EQUIVALENTS -- BEGINNING OF THE YEAR	 <u>-</u>
 CASH AND CASH EQUIVALENTS -- END OF THE YEAR	 <u><u>\$ 75,718</u></u>

SUPPLEMENTAL DISCLOSURES

Cash paid during the year for interest	\$ -
Cash paid during the year for income taxes	\$ -

Summit County Clubhouse  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations

Summit County Clubhouse (“SCC”) is a not-for-profit organization opened its doors on August 5, 2019. SCC provides a safe, supportive environment where members can rebuild their self-respect, dignity and abilities through productive work, education and meaningful relationships. SCC services are offered free of charge.

Subsequent to year end, Summit County Clubhouse, as well as all Clubhouses internationally, are responding to the Covid-19 pandemic and adjusting to the reality of operating as a "virtual" Clubhouse community. Members and staff may no longer be able to gather together inside our Clubhouse building, but we continue to support each other through this crisis. We know that being socially distanced can cause feelings of anxiety, stress, fear and depression and can be more detrimental to those with a pre-existing mental illness. Because of this we implemented “Clubhouse Without Walls” to ensure we stay connected as a community, using technology. We are conducting web meetings three times a week as well as regular individual check in’s through email, text and calls to ensure our members basic needs are met such as food, hygiene items, medications etc. This situation has created some funding challenges for us. SCC is partially funded through Medicaid and is based on hourly attendance by our members. As Clubhouse on-site attendance has ceased, due to the need for physical distancing, we anticipate a significant loss in Medicaid revenue. SCC is a new organization (10 months old) with limited cash reserves but plan on coming out of this public health crisis strong.

Basis of Accounting

The accompanying financial statements of SCC have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, SCC’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. SCC’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.



Summit County Clubhouse  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Funds without donor restrictions are resources available to support operations. The only limits on the use of funds without donor restrictions are the broad limits resulting for the nature of SCC, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Funds with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. SCC's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from funds with donor restrictions to funds without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Funds with donor restrictions also includes resources whose use by SCC is limited by donor-imposed restrictions that neither expired by being used in accordance with a donor's restriction nor by the passage of time. SCC does not have any funds with donor restrictions that do not expire.

All revenues and net gains are reported as increases in funds without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions.

Cash and Cash Equivalents

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

Summit County Clubhouse  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Equipment

Equipment is reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All equipment is capitalized. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Vehicle	5 Years
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Equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in funds without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in funds with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as funds with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Volunteer Activities

SCC benefits from personal services provided by volunteers. Those volunteers have donated service in SCC's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Summit County Clubhouse  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Recognition and Allocation

The cost of providing SCC's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based on time spent by staff. The allocation is reviewed annually by the Finance Committee.

General and administrative expenses include those costs that are not directly identified with any specific program, but which provide for the overall support and direction of SCC.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. SCC generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

Advertising Expense

Costs of advertising are expensed in the period incurred.

Tax Status

SCC is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2017, 2016, and 2015 are still open to audit for both federal and state purposes. Contributions to SCC are tax deductible to donors under Section 170 of the IRC. SCC is not classified as a private foundation.

Summit County Clubhouse  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2019

NOTE B – EQUIPMENT

Depreciation expense for the year ending December 31, 2019 was \$1,095. Equipment is as follows at December 31, 2019:

Vehicle	\$ 21,900
Less: accumulated depreciation	<u>(1,095)</u>
Net Equipment	<u>\$ 20,805</u>

NOTE C–LEASES

July 15, 2019, SCC entered into a lease agreement with Christian Center of Park City (“CCPC”) to rent office space for operations. Monthly payments to CCPC were \$833 from July to December. Total rent expense for office space was \$4,165 for the year ending December 31, 2019. In December 2019, SCC entered into a lease agreement with Jensen Properties Park City, LLC for operations for a term of three years ending January 31, 2023. Monthly payments are \$3,278, \$3,374, and \$3,475 for year one, two, and three, respectively. The future minimum rental payments are as follows:

2020	\$ 39,336
2021	40,392
2022	41,599
2023	<u>3,475</u>
Total	<u>\$ 124,802</u>

NOTE D–RESERVE

Summit County Clubhouse is substantially supported by unrestricted contributions. The purpose of the reserve is to ensure the stability of the mission, programs, employment, and ongoing operations of SCC. SCC must maintain sufficient resources to meet the day-to-day operations and has a reserve of at least three months cash on hand.

NOTE E– SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 7, 2020, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.