

**THE COMMUNITY FOR CHILDREN'S JUSTICE  
dba THE FRIENDS OF THE SUMMIT COUNTY  
CHILDREN'S JUSTICE CENTER**

**AUDITED FINANCIAL STATEMENTS**

Year Ended December 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
The Community for Children's Justice  
dba The Friends of the Summit County Children's Justice Center

### ***Opinion***

We have audited the accompanying financial statements of The Community for Children's Justice (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community for Children's Justice as of December 31, 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.

### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Community for Children's Justice and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Community for Children's Justice's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Community for Children’s Justice’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Community for Children’s Justice’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Squire & Company, PC*

Orem, Utah  
June 28, 2022

**THE COMMUNITY FOR CHILDREN’S JUSTICE**  
**dba THE FRIENDS OF THE SUMMIT COUNTY CHILDREN'S JUSTICE CENTER**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2021

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**ASSETS**

**Current Assets:**

Cash	\$ 396,351
Grants receivable	<u>20,000</u>
Total current assets	416,351

**Fixed Assets:**

Land	440,000
Building	2,230,828
Accumulated depreciation	<u>(169,561)</u>
Net fixed assets	<u>2,501,267</u>
Total assets	<u><u>\$ 2,917,618</u></u>

**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 475
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**Net Assets without Donor Restrictions:**

Designated for net fixed assets	2,501,267
Undesignated	<u>415,876</u>
Total net assets without donor restrictions	<u>2,917,143</u>
Total liabilities and net assets	<u><u>\$ 2,917,618</u></u>

The accompanying notes are an integral part of this financial statement.

**THE COMMUNITY FOR CHILDREN'S JUSTICE**  
**dba THE FRIENDS OF THE SUMMIT COUNTY CHILDREN'S JUSTICE CENTER**  
**STATEMENT OF ACTIVITIES**

Year Ended December 31, 2021

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**Net Assets without Donor Restrictions:**

Revenue and support:	
Contributions	\$ 210,659
Grants	39,500
Interest	195
Lease revenue	<u>8,500</u>
Total revenue and support	258,854
Expenses:	
Program services	74,183
Supporting services:	
Management and general	26,023
Resource development	<u>503</u>
Total expenses	<u>100,709</u>
<b>Change in Net Assets</b>	158,145
<b>Net Assets at Beginning of Year</b>	<u>2,758,998</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 2,917,143</u></u>

The accompanying notes are an integral part of this financial statement.

**THE COMMUNITY FOR CHILDREN'S JUSTICE**  
**dba THE FRIENDS OF THE SUMMIT COUNTY CHILDREN'S JUSTICE CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2021

	Program Services	Supporting Services		Totals
		Management and General	Resource Development	
Marketing	\$ 3,231	\$ -	\$ -	\$ 3,231
Professional services	1,331	21,308	-	22,639
Insurance	-	1,198	-	1,198
Other	185	-	503	688
Office	-	196	-	196
Occupancy	-	3,321	-	3,321
Depreciation	69,436	-	-	69,436
	<u>\$ 74,183</u>	<u>\$ 26,023</u>	<u>\$ 503</u>	<u>\$ 100,709</u>

The accompanying notes are an integral part of this financial statement.

**THE COMMUNITY FOR CHILDREN'S JUSTICE**  
**dba THE FRIENDS OF THE SUMMIT COUNTY CHILDREN'S JUSTICE CENTER**  
**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2021

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**Cash Flows from Operating Activities:**

Change in net assets	\$ 158,145
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	69,436
Changes in operating assets and liabilities:	
Grants receivable	(20,000)
Accounts payable	<u>(34,819)</u>
Net cash provided by operating activities	172,762

**Cash Flows from Investing Activities:**

Purchases of fixed assets	<u>(1,965)</u>
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**Net Change in Cash**

170,797

**Cash at Beginning of Year**

225,554

**Cash at End of Year**

\$ 396,351

**Supplementary Data:**

The Organization paid no interest or income taxes during the year ended December 31, 2021.

The accompanying notes are an integral part of this financial statement.



**THE COMMUNITY FOR CHILDREN'S JUSTICE  
dba THE FRIENDS OF THE SUMMIT COUNTY CHILDREN'S JUSTICE CENTER  
NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of The Community for Children's Justice have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Organization**

The Community for Children's Justice (the Organization) is a nonprofit organization incorporated in 2016 in the state of Utah, for the purpose of supporting the Summit County Children's Justice Center. Because of this mission, the Organization does business as The Friends of the Summit County Children's Justice Center.

**Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in 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.

*Net assets with donor restrictions* – Net assets that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use. 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 with donor restrictions to net assets without donor restrictions.

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

**Tax Status**

The Organization is 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). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is classified as a public charity.

**Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Certain costs are allocated to one or more program or supporting functions based on estimates of how those costs benefit the functions. Such allocations are determined by management on an equitable basis.

**THE COMMUNITY FOR CHILDREN’S JUSTICE  
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NOTES TO THE FINANCIAL STATEMENTS**

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**Fixed Assets**

All fixed assets are recorded at cost. Fixed assets are depreciated using the straight-line method over estimated useful lives of 30 years.

**Estimates**

The preparation of financial statements in conformity with 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 revenue and support and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events**

The Organization has evaluated subsequent events through June 28, 2022, 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.

**NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents the Organization’s financial assets at December 31, 2021:

Financial assets at year end:	
Cash	\$ 396,351
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>                  -</u>
Financial assets available to meet general expenditures over the next twelve months	<u><u>          \$ 396,351</u></u>

The Organization’s goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$10,000). Operating expenses are defined by the Organization as total expenses less depreciation.

**NOTE 3 – CONCENTRATIONS**

The Organization received a contribution which represented 39 percent of total revenue and support for the year ended December 31, 2021.

At December 31, 2021, the carrying amount of the Organization’s cash deposits and the bank balance was \$396,351, of which \$250,000 was covered by federal depository insurance.

**THE COMMUNITY FOR CHILDREN’S JUSTICE  
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NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 4 – BUILDING LEASE**

During 2018, the Organization purchased property to house the Summit County Children’s Justice Center (SCCJC). During 2020 the building was completed, Summit County is leasing the property from the Organization at no cost for the next 20 years.

In addition, the Organization has entered into a lease agreement with Summit County to lease storage space. The lease was set to commence in June 2019 with an annual lease payment of \$8,500 for five years. This lease did not start as anticipated since the building was not yet retrofit, the lease started in 2021. Lease revenue to be recognized over the lease term is anticipated to be as follows:

Year Ending	
<u>December 31,</u>	
2022	\$ 8,500
2023	8,500
2024	8,500
2025	8,500