



Financial Statements
June 30, 2019

Utah Youth Village, Inc.
(With Comparative Totals for 2018)

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Independent Auditor's Report

To the Board of Trustees
Utah Youth Village, Inc.
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Youth Village, Inc., 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.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Youth Village, Inc. as of June 30, 2019, 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.

Report on Summarized Comparative Information

As discussed in Note 18 to the financial statements, Utah Youth Village, Inc. has adopted the provisions of FASB Accounting Standard Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Net assets at June 30, 2018 have been restated to combine temporarily restricted and permanently restricted net assets into a single category of net assets with donor restrictions as required by ASU 2016-14. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited Utah Youth Village, Inc.'s 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2018. In our opinion, except as described in the Emphasis of Matter paragraph, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Salt Lake City, Utah
November 12, 2019

Utah Youth Village, Inc.
Statement of Financial Position
June 30, 2019

(With summarized financial information as of June 30, 2018)

	2019	2018 (as restated)
Assets		
Cash and cash equivalents	\$ 7,246,084	\$ 3,156,107
Investments	40	40
Accounts receivable, net	1,324,188	1,214,690
Other receivables	12,054	10,883
Prepaid expenses	190,497	216,130
Promises to give, net	2,087,177	93,750
Beneficial interest in charitable trust held by others	2,337,668	2,325,332
Investment in Meadowbrook Water Users Association	862,664	-
Property and equipment, net	11,119,149	10,198,782
Property and improvements held for future development and sale	298,192	4,200,244
	\$ 25,477,713	\$ 21,415,958
Liabilities and Net Assets		
Accounts payable	\$ 550,219	\$ 339,902
Unearned revenues	259,302	249,861
Accrued payroll and related expenses	504,370	498,335
Other accrued expenses	4,744	5,492
Notes payable, net of unamortized debt issuance costs	4,676,390	4,565,284
Capital lease payable	-	1,458
	5,995,025	5,660,332
Net Assets		
Without donor restrictions		
Undesignated	750,136	(221,892)
Property and equipment, net of related debt	6,740,951	9,832,284
Designated		
Capital improvements	30,000	-
Alpine Academy II Construction	2,221,946	-
Board designated endowment for		
Alpine Academy II	439,952	439,952
Families First	25,593	23,797
With donor restrictions		
CPAF earnings for Families First	157,170	162,420
Scholarship	69,420	60,808
Alpine Academy	-	79,976
Alpine Academy II	3,824,526	-
Smarter Parenting	50,000	156,723
Other	10,040	70,940
Children's Perpetual Assistance Fund	5,162,954	5,150,618
	19,482,688	15,755,626
	\$ 25,477,713	\$ 21,415,958

Utah Youth Village, Inc.

Statement of Activities

Year Ended June 30, 2019

(With summarized financial information for the year ended June 30, 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	
Public Support				
Contributions	\$ 526,265	\$ 4,925,443	\$ 5,451,708	\$ 994,253
Revenues				
Utah Department of Human Services	3,737,140	-	3,737,140	3,227,558
Other agencies and organizations	6,104,901	-	6,104,901	5,757,518
Private placement	4,188,796	-	4,188,796	4,619,064
Change in fair value of charitable trust held by others	-	12,336	12,336	30,840
Gain on sale of property and equipment	15,482	-	15,482	20,738
Net investment return	-	-	-	(20)
Interest income	62,487	160,136	222,623	203,817
Other income	8,597	-	8,597	7,310
			-	
Gross special events revenue	16,800	-	16,800	14,000
Less cost of direct benefits to donors	(21,116)	-	(21,116)	(13,357)
Net special events revenue	(4,316)	-	(4,316)	643
Total revenues	14,113,087	172,472	14,285,559	13,867,468
Net assets released from restrictions	1,505,290	(1,505,290)	-	-
Total public support and revenues	16,144,642	3,592,625	19,737,267	14,861,721
Expenses and Losses				
Program services expense				
Residential Treatment Centers				
Lila Home	388,206	-	388,206	356,780
Kearns Home	407,640	-	407,640	364,130
Sorenson Home	418,414	-	418,414	381,166
West Jordan Home	377,061	-	377,061	370,480
Raymond Home	492,498	-	492,498	375,278
Alpine Academy - Gene Smith Home	1,092,774	-	1,092,774	1,032,876
Alpine Academy - Pine Canyon	1,062,971	-	1,062,971	997,096
Alpine Academy - Willow Creek	1,039,408	-	1,039,408	1,014,077
Alpine Academy - Oakridge	1,033,719	-	1,033,719	961,179
Alpine Academy - Cottonwood Grove	1,100,806	-	1,100,806	1,013,726
Alpine Academy - Mountain Birch	1,180,259	-	1,180,259	1,113,307
Alpine Academy - Aspire	1,085,642	-	1,085,642	1,040,599
Treatment Foster Care	1,352,515	-	1,352,515	1,445,477
Families First	2,606,552	-	2,606,552	2,215,296
Child Issues	16,621	-	16,621	5,642
Smarter Parenting	437,270	-	437,270	405,619
Total program expenses	14,092,356	-	14,092,356	13,092,728

Utah Youth Village, Inc.

Statement of Activities

Year Ended June 30, 2019

(With summarized financial information for the year ended June 30, 2018)

Supporting services expense				
Management and general	\$ 1,158,978	\$ -	\$ 1,158,978	\$ 1,051,575
Fundraising and development	331,320	-	331,320	294,887
	<u>1,490,298</u>	<u>-</u>	<u>1,490,298</u>	<u>1,346,462</u>
Loss on sale of property, and improvements held for development and of investment in water users association	427,551	-	427,551	-
	<u>16,010,205</u>	<u>-</u>	<u>16,010,205</u>	<u>14,439,190</u>
Change in Net Assets	134,437	3,592,625	3,727,062	422,531
Net Assets, Beginning of Year	<u>10,074,141</u>	<u>5,681,485</u>	<u>15,755,626</u>	<u>15,333,095</u>
Net Assets, End of Year	<u>\$ 10,208,578</u>	<u>\$ 9,274,110</u>	<u>\$ 19,482,688</u>	<u>\$ 15,755,626</u>

Utah Youth Village, Inc.
Statement of Functional Expenses
Year Ended June 30, 2019

(With summarized financial information for the year ended June 30, 2018)

	Program Services										
						Alpine Academy					
	Lila Home	Kearns Home	Sorenson Home	West Jordan Home	Raymond Home	Gene Smith Home	Pine Canyon	Willow Creek	Oakridge	Cottonwood Grove	Mountain Birch
Salaries and wages	\$ 230,792	\$ 234,802	\$ 229,746	\$ 208,195	\$ 296,002	\$ 540,694	\$ 533,729	\$ 516,796	\$ 515,423	\$ 533,129	\$ 551,221
Employee benefits	29,020	40,159	44,429	40,492	57,997	111,875	106,942	96,498	98,918	130,969	135,366
Payroll taxes	24,440	22,286	22,357	20,945	29,841	49,720	49,002	47,962	46,788	48,559	51,357
Professional fees	229	234	3,632	11,207	242	52,280	46,586	55,331	53,804	47,362	45,288
Payments to treatment parents	-	-	-	-	-	-	-	-	-	-	-
Supplies	6,108	6,313	6,296	4,118	4,861	20,313	18,354	17,048	19,011	19,011	19,604
Youth reinforcers	5,005	6,010	7,567	5,458	7,083	6,780	4,992	6,554	4,371	5,988	6,310
Youth travel	39	8	34	28	31	811	158	257	113	1,012	933
Youth entertainment	1,312	2,452	1,957	2,218	1,582	5,039	4,844	4,577	4,692	7,549	5,411
Food	22,744	19,530	24,599	17,429	18,339	46,556	50,595	46,027	44,654	55,201	50,601
Conferences and workshops	1,067	1,349	1,652	574	1,008	9,036	8,352	8,280	8,351	8,460	8,529
Vehicle and travel	8,121	11,238	9,284	6,683	8,727	25,271	25,004	22,023	20,762	21,664	21,281
Printing and publications	494	522	431	444	444	2,637	2,641	2,656	2,656	2,637	2,640
Telephone	2,388	3,022	2,393	2,763	3,012	6,915	7,078	6,651	6,330	7,110	7,074
Utilities	8,418	9,431	7,202	6,752	7,016	11,451	11,866	11,643	12,071	12,425	11,051
Purchase of small equipment	2,883	3,874	1,998	1,984	3,724	9,986	10,032	10,458	10,030	10,447	9,324
Building and equipment maintenance	17,095	9,907	7,722	8,168	9,621	23,712	19,642	21,467	22,263	21,208	21,347
Building lease	-	-	-	-	-	-	-	-	-	-	-
Insurance	13,214	13,793	13,724	13,404	13,649	38,754	41,818	43,313	43,329	42,649	39,734
Postage	169	206	146	199	278	1,033	1,068	1,154	960	1,047	1,183
Bank charges	191	3	(112)	5	20	472	473	445	497	530	1,349
Advertising	2,623	1,098	871	835	2,204	1,965	1,847	2,046	2,140	2,132	1,890
Interest	-	-	-	1	-	36,994	36,994	36,994	39,160	38,983	78,827
Grants and awards	2	2	2	2	2	6	6	6	6	6	6
Bad debts (recoveries)	-	6,998	2,418	(2,280)	(812)	(2,791)	(1,662)	-	124	(199)	540
Dues, fees and licenses	1,749	1,817	1,478	1,555	1,769	4,624	4,557	4,680	4,655	4,536	4,706
Depreciation of buildings and equipment	10,103	12,586	28,588	25,882	25,858	88,641	78,053	76,542	72,611	78,391	104,687
Total expenses by function	388,206	407,640	418,414	377,061	492,498	1,092,774	1,062,971	1,039,408	1,033,719	1,100,806	1,180,259
Less expenses included with revenues on the statement of activities											
Cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 388,206	\$ 407,640	\$ 418,414	\$ 377,061	\$ 492,498	\$ 1,092,774	\$ 1,062,971	\$ 1,039,408	\$ 1,033,719	\$ 1,100,806	\$ 1,180,259

Utah Youth Village, Inc.
Statement of Functional Expenses
Year Ended June 30, 2019

(With summarized financial information for the year ended June 30, 2018)

	Program Services						Supporting Services			2019 Total Expenses	2018 Total Expenses
	Alpine Academy	Treatment Foster Care	Families First	Child Issues	Smarter Parenting	Total	Management and General	Fundraising and Development	Total		
	Aspire	Care	First	Child Issues	Parenting	Total	and General	Development	Total		
Salaries and wages	\$ 527,473	\$ 388,908	\$ 1,635,282	\$ 3,268	\$ 209,117	\$ 7,154,577	\$ 743,094	\$ 151,517	\$ 894,611	\$ 8,049,188	\$ 7,370,907
Employee benefits	109,827	89,654	418,567	747	63,657	1,575,117	157,481	31,173	188,654	1,763,771	1,544,205
Payroll taxes	48,444	42,358	134,100	145	17,433	655,737	53,732	11,397	65,129	720,866	642,862
Professional fees	33,972	10,447	3,249	500	45,465	409,828	82,664	51,029	133,693	543,521	434,080
Payments to treatment parents	-	700,225	-	-	-	700,225	-	-	-	700,225	735,703
Supplies	19,287	1,721	9,787	53	821	172,706	2,478	2,566	5,044	177,750	188,703
Youth reinforcers	11,574	3,043	2,489	-	-	83,224	-	2,083	2,083	85,307	83,810
Youth travel	286	-	-	-	-	3,710	-	-	-	3,710	2,613
Youth entertainment	5,855	-	1,164	-	-	48,652	-	-	-	48,652	47,856
Food	47,189	5,363	19,875	113	571	469,386	3,865	29,330	33,195	502,581	460,413
Conferences and workshops	8,294	3,206	7,890	498	1,558	78,104	4,685	485	5,170	83,274	76,491
Vehicle and travel	24,952	31,058	238,832	5,333	3,387	483,620	9,868	2,330	12,198	495,818	445,479
Printing and publications	2,836	610	3,053	12	25	24,738	2,197	9,822	12,019	36,757	29,401
Telephone	7,137	4,861	37,292	22	4,308	108,356	6,481	1,598	8,079	116,435	115,029
Utilities	9,379	4,268	1,384	119	2,126	126,602	7,699	1,900	9,599	136,201	137,501
Purchase of small equipment	12,093	7,867	8,686	24	20,600	124,010	10,476	24,426	34,902	158,912	149,176
Building and equipment maintenance	17,727	3,245	899	84	1,639	205,746	5,876	1,468	7,344	213,090	176,455
Building lease	-	250	43,845	-	-	44,095	-	-	-	44,095	53,393
Insurance	41,119	34,477	24,978	-	3,172	421,127	26,484	2,853	29,337	450,464	440,071
Postage	1,144	518	943	-	242	10,290	780	2,815	3,595	13,885	12,940
Bank charges	988	-	-	-	-	4,861	17,607	-	17,607	22,468	24,300
Advertising	1,744	4,901	461	-	57,179	83,936	677	1,637	2,314	86,250	118,899
Interest	64,506	-	-	-	-	332,459	359	92	451	332,910	354,150
Grants and awards	6	5,958	1,844	-	-	7,854	-	861	861	8,715	15,480
Bad debts (recoveries)	-	(428)	3,150	-	-	5,058	-	18,750	18,750	23,808	39,801
Dues, fees and licenses	4,332	3,215	3,904	5,570	287	53,434	6,636	1,591	8,227	61,661	39,065
Depreciation of buildings and equipment	85,478	6,790	4,878	133	5,683	704,904	15,839	2,713	18,552	723,456	713,764
Total expenses by function	1,085,642	1,352,515	2,606,552	16,621	437,270	14,092,356	1,158,978	352,436	1,511,414	15,603,770	14,452,547
Less expenses included with revenues on the statement of activities											
Cost of direct benefits to donors	-	-	-	-	-	-	-	(21,116)	(21,116)	(21,116)	(13,357)
Total expenses included in the expense section on the statement of activities	\$ 1,085,642	\$ 1,352,515	\$ 2,606,552	\$ 16,621	\$ 437,270	\$ 14,092,356	\$ 1,158,978	\$ 331,320	\$ 1,490,298	\$ 15,582,654	\$ 14,439,190

Utah Youth Village, Inc.

Statement of Cash Flows

Years Ended June 30, 2019

(With summarized financial information for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 3,727,062	\$ 422,531
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	723,456	713,764
Gain on sale of property and equipment	(15,482)	(20,738)
Loss on sale of property, and improvements held for development and of investment in water users association	427,551	-
Unrealized loss on investments	-	20
Change in fair value of charitable trust held by others	(12,336)	(30,840)
Interest expense attributable to amortization of debt issuance costs	4,570	-
Changes in operating assets and liabilities		
Accounts receivable, net	21,000	133,853
Promises to give, net	(1,993,427)	35,000
Other receivables	(1,171)	1,660
Prepaid expenses	25,633	(33,544)
Other assets	-	5,341
Accounts payable	210,317	52,903
Unearned revenues	9,441	(52,402)
Accrued payroll and related expenses	6,035	9,408
Other accrued expenses	(748)	482
Net Cash from Operating Activities	<u>3,131,901</u>	<u>1,237,438</u>
Cash Flows from Investing Activities		
Proceeds from sales of property and equipment	16,912	20,738
Proceeds from sales of property and improvements held for sale	1,599,073	-
Proceeds from sale of investment in water users association	632,885	-
Purchase of property held for future development and sale	(1,070,208)	(2,031,844)
Purchases of property and equipment	(325,664)	(293,647)
Net Cash from (used for) Investing Activities	<u>852,998</u>	<u>(2,304,753)</u>

Utah Youth Village, Inc.

Statement of Cash Flows

Years Ended June 30, 2019

(With summarized financial information for the year ended June 30, 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows from Financing Activities		
Payment of capital lease	\$ (1,458)	\$ (5,793)
Payments of debt issuance costs	-	(27,839)
Proceeds from note payable	266,541	1,722,264
Principal payments of note payable	<u>(160,005)</u>	<u>(157,711)</u>
Net Cash from Financing Activities	<u>105,078</u>	<u>1,530,921</u>
Net Change in Cash and Cash Equivalents	4,089,977	463,606
Cash and Cash Equivalents, Beginning of Year	<u>3,156,107</u>	<u>2,692,501</u>
Cash and Cash Equivalents, End of Year	<u>\$ 7,246,084</u>	<u>\$ 3,156,107</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest to third parties	<u>\$ 241,748</u>	<u>\$ 169,156</u>
Supplemental Disclosure of Non-Cash Investing and Financing Activity		
Water rights and system exchanged for investment in Meadowbrook Water User Association	\$ 1,495,549	\$ -
Receivable in lieu of cash for sale of property and land held for development and sale	\$ 130,498	\$ -

Note 1 - Principal Activity and Significant Accounting Policies

Organization and Nature of Operations

Utah Youth Village, Inc. (Utah Youth Village) is a Utah nonprofit corporation. The mission of Utah Youth Village is to heal and elevate lives through proven family solutions.

Through support from governmental contract, private placements and donations, Utah Youth Village provides the following service and treatment facilities:

- Five Family Homes and approximately 40 treatment foster homes for children. The Family Homes are located in neighborhoods in Salt Lake County and are owned, staffed and operated by Utah Youth Village (the Village). Treatment foster homes are owned by the foster parents and are located throughout the state. Children in both programs are wards of the state referred by the Utah State Division of Child & Family Services, the State Division of Juvenile Justice and other agencies. They have difficult behaviors resulting from the abusive and neglectful families from which they were removed. The Village utilizes the evidence-based and trauma-informed Teaching-Family Model to help these children overcome their abuse and learn behavioral and thinking skills enabling them to succeed with friends, in school, and in a family setting. After their time with the Village, children can be adopted, placed in less restrictive foster care, live with relatives or return to their families when appropriate.
- Alpine Academy, a therapeutic boarding school for teenage girls from across the country. It is located on 32 acres in rural Tooele County, about 40 miles west of Salt Lake City. Girls attend Alpine Academy's award-winning school and receive intensive treatment by licensed therapists and a married couple who live in the home with the girls and, like all Village treatment staff, are highly skilled in the Teaching-Family Model.
- Families First, a unique intensive in-home intervention for struggling families throughout the state. Village specialists, highly trained in the Teaching-Family Model, go into the home and ally with the parents, teaching them powerful parenting skills so they can help their struggling children. Families avoid the disruption of foster care, detention or psychiatric hospitalization.
- Treatment Foster Care for unaccompanied refugee minors from war-torn and dangerous countries throughout the world. These refugee children are brought to the States by the United Nations High Commission for Refugees and referred to the Village by Catholic Community Services.
- Smarter Parenting, an extensive online resource bringing the Teaching-Family Model to parents worldwide.
- The Child Issues program provides advocacy for foster children to the State of Utah.

All treatment is based on the highly-researched, humane and effective Teaching-Family Model, which delivers therapy through surrogate parents in a home-like setting rather than through therapists alone in a dormitory or medical-model setting.

Utah Youth Village administers the Children's Perpetual Assistance Fund (CPAF), an endowment established to generate funds to support the Families First Program. The principal amount of contributions to the CPAF is maintained in perpetuity, while the earnings are used for the Families First Program.

The financial statements include all of the accounts of Utah Youth Village, and all of its program locations. The following is a summary of significant accounting policies.

Summarized Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with Utah Youth Village's audited financial statements for the year ended June 30, 2018, from which the summarized information was derived. In addition, as discussed in Note 18, the prior year summarized information has been restated to reflect the adoption of ASU 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due from the Utah Department of Human Services, the State of Utah Third and Fourth District Juvenile Courts, individuals, third party payers and other contract sources. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2019, the allowance was \$85,000.

Promises to Give

Unconditional promises to give, 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. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2019, Utah Youth Village had not recorded an allowance because all promises to give were deemed collectible.

Property and Equipment

Property and equipment additions over \$1,000 are recorded at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to forty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Utah Youth Village reviews the carrying values 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. There were no indicators of asset impairment during the year ended June 30, 2019.

Beneficial Interests in Charitable Trust Held by Others

Utah Youth Village has been named as an irrevocable beneficiary of a charitable trust held and administered by independent trustees. This trust was created independently by donors and is administered by outside agents designated by the donors. Therefore, Utah Youth Village has neither possession nor control over the assets of the trusts. At the date Utah Youth Village receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statement of activities, and a beneficial interest in charitable trusts held by others is recorded in the statement of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statement of financial position, with changes in fair value recognized in the statement of activities.

Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-imposed restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released. The increase in the fair value of Utah Youth Village's beneficial interest in the trust for the year ended June 30, 2019, was \$12,336.

Investments

Investment purchases are recorded at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. The investment in Meadowbrook Water Users Association is recorded at cost.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor 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 (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Certain unrestricted net assets have been designated by Utah Youth Village’s Board of Trustees (the Board) for various purposes. These net assets therefore cannot be used for payment of program expenses. Net assets have also been designated for an endowment, the income from which may be used to support programs, but until the designation is changed by the Board, the net assets in the endowment may not be used for payment of program expenses. The Board has also designated certain net assets for Alpine Academy II and for the CPAF and the Families First Program.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Utah Youth Village reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Net assets with donor restrictions consist of donations received with stipulations that they be used in support of the Alpine Academy, Families First, scholarships, and other programs. Certain contributions have been restricted by donors for the CPAF. The restrictions stipulate that resources be maintained in perpetuity but permit Utah Youth Village to expend the income generated in accordance with the provisions of the agreements for the Families First Program.

Revenue and Revenue Recognition

Revenue from governmental agencies for services is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Utah Youth Village records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Utah Youth Village’s contracts and grants with state and local governments are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by GAAP. Contributed goods are recorded at fair value at the date of donation. Donated professional services are recorded at the respective fair values of the services received.

Advertising Costs

Advertising costs are expensed as incurred, and were \$86,250 during the year ended June 30, 2019.

Functional Allocation of Expenses

The costs of program 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 occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

Utah Youth Village is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under Sections 509(a)(1) and (3), respectively. Utah Youth Village is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, Utah Youth Village is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Utah Youth Village has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Utah Youth Village believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. Utah Youth Village would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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 and those differences could be material.

Financial Instruments and Credit Risk

Utah Youth Village manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Utah Youth Village has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of Utah Youth Village's mission. Investments are made by the management and the Investment Committee of the Board of Trustees whose performance is monitored by the Executive Committee of the Board of Trustees. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Investment Committee believe that the investment policies and guidelines are prudent for the long-term welfare of Utah Youth Village.

Recent Accounting Guidance and Adoption of FASB Accounting Standard Updates

As of July 1, 2018, Utah Youth Village adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions), and introduce new disclosure requirements to improve a financial statement user's ability to assess Utah Youth Village's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location. Accordingly, the accompanying financial statements and related notes follow the presentation and disclosure requirements prescribed by the ASU.

Utah Youth Village has adopted this standard as it believes the standard improves the usefulness and understandability of their financial reporting. Accordingly the summarized comparative information in the June 30, 2018 financial statements has been restated to adopt this standard (Note 18).

The Financial Accounting Standards Board (FASB) has issued ASU No. 2016-02, *Leases*. The issuance and resulting application of this guidance will result in major changes in the financial reporting for leasing arrangements, particularly for lessees, as significantly more leasing arrangements will be reported on the balance sheets of lessees. In general, all leases greater than 12 months will be required to be reported as an asset and liability on the balance sheet. The income statement treatment will be dependent on whether the lease is considered a *financing* lease or an *operating* lease. This standard will be effective for fiscal years beginning after December 15, 2019. This would be the 2021 fiscal year for Utah Youth Village.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 4,090,413
Accounts receivable, net	1,324,188
Other receivables	12,054
Endowment spending-rate distributions and appropriations	<u>157,170</u>
	<u><u>\$ 5,583,825</u></u>

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that Utah Youth Village can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, Utah Youth Village develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to Utah Youth Village's assessment of the quality, risk or liquidity profile of the asset or liability.

The following table presents assets measured at fair value on a recurring basis at June 30, 2019:

	Fair Value Measurements at Report Date Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in charitable trust held by others	\$ 2,337,668	\$ -	\$ -	\$ 2,337,668
Investments	40	40	-	-
	\$ 2,337,708	\$ 40	\$ -	\$ 2,337,668

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2019:

Fair Value Measurements at Report Date Using
Significant Unobservable Inputs (Level 3)

Balance at June 30, 2018	
Change in fair value of charitable trust held by others	\$ 2,325,332 12,336
Balance at June 30, 2019	\$ 2,337,668

Note 4 - Promises to Give

Net unconditional promises to give are estimated to be collected as follows at June 30, 2019:

Within one year		\$	716,163
In one to five years			<u>1,371,014</u>
			<u><u>\$ 2,087,177</u></u>

At June 30, 2019, two donors accounted for 40% of total promises to give. One contributor accounted for approximately 33% of total contribution revenue for the year ended June 30, 2019.

Promises to give have been distinguished between contributions received for each net asset class in accordance with donor-imposed restrictions. Utah Youth Village's policy is to discount promises to give that will be received in more than one year to their present value using applicable discount rates.

Note 5 - Other Receivables

Utah Youth Village had other receivables which included the following at June 30, 2019:

Sales tax receivable		\$	5,327
Deposits			<u>6,727</u>
Total			<u><u>\$ 12,054</u></u>

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2019:

Land		\$	1,879,343
Buildings and improvements			13,718,709
Development costs			434,169
Furniture, fixtures, and equipment			1,408,202
Vehicles			861,040
Construction in progress			<u>855,036</u>
			19,156,499
Less accumulated depreciation and amortization			<u>(8,037,350)</u>
			<u><u>\$ 11,119,149</u></u>

Construction in progress consists of improvements to land and construction costs for Alpine Academy II, a second Alpine Academy campus to address the needs of boys with challenges of depression and anxiety. Utah Youth Village anticipates completion of the Academy in four phases:

- Phase One: Construct two group homes, the main school building, the pavilion, the riding arena/hay barn, the soccer field and the footings/foundations of the garage.
- Phase Two: Construct two additional group homes, complete the landscaping around those homes and install the fencing for the pasture.
- Phase Three: Construct the final two group homes and the garage.
- Phase Four: Construct a fitness/arts center and complete the landscaping for the rest of the campus.

The total expected cost of the project is \$16.5 million. The construction is being financed through receipt of pledges and other donor contributions.

Note 7 - Property and Improvements Held for Future Development and Sale

Property and improvements held for future development and sale consist of land, and land improvements. In 2016, Utah Youth Village acquired land for development of Alpine Academy II, a residential treatment facility for troubled teenagers. In addition to development of the Academy, Utah Youth Village planned to sell some of the land and developed property. During 2017 and 2018, Utah Youth completed various improvements including a water system. During the year ended June 30, 2019, Utah Youth Village sold a portion of the water system and transferred the remaining portion to Meadowbrook Water Users Association, Inc, in exchange for shares of class A, class B and class D water shares as discussed in Note 8.

Note 8 - Investment in Association

During the year ended June 30, 2019, Utah Youth Village transferred water rights and a water system with a cost of \$1,495,495 to the Meadowbrook Water Users Association (MWUA). In exchange, Utah Youth Village received 31 class A shares, 3 class B shares and 30 class D shares in MWUA. Changes in the investment in the Meadowbrook Water Users Association for the year ended June 30, 2019, were as follows:

	Class A Residential	Class B Commercial	Class D Irrigation
Issued	31	3	30
Sold	(18)	0	0
Ending Balance - June 30, 2019	13	3	30

The investment is accounted for under the cost method.

Note 9 - Children’s Perpetual Assistance Fund

As described in Note 1, Utah Youth Village’s endowment consists of funds established by donors to provide annual funding for the Children’s Perpetual Assistance Fund (CPAF), wherein the earnings of CPAF are required to be used for the operation of the Families First Program. CPAF also includes certain net assets without donor restrictions designated for endowment by the Board of Trustees. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Utah Youth Village’s Board of Trustees has interpreted the Utah Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2019, there were no such donor stipulations. As a result of this interpretation, Utah Youth Village classifies as net assets with donor restrictions (a) the original value of gifts donated to CPAF, (b) the original value of subsequent gifts donated to CPAF (including promises to give net of discount and allowance for doubtful accounts), and (c) accumulations to CPAF made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. In addition, the portion of the endowment is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Utah Youth Village in a manner consistent with the standard of prudence prescribed by UPMIFA. Utah Youth Village considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

As of June 30, 2019, Utah Youth Village had the following endowment net asset composition by net asset type:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 465,545	\$ -	\$ 465,545
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		5,162,954	5,162,954
CPAF earnings for Families First	-	157,170	157,170
	\$ 465,545	\$ 5,320,124	\$ 5,785,669

Investment and Policies

Utah Youth Village has adopted investment and spending policies for CPAF that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of CPAF assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of CPAF assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing CPAF investments. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek maintenance of principal over time. Utah Youth Village considers the earnings available for use in the Families First Program each year. In establishing this policy, Utah Youth Village considered the long-term expected return on the CPAF and set the rate with the objective of maintaining the purchasing power of CPAF over time.

Changes in CPAF endowment net assets for the year ended June 30, 2019, are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
CPAF Endowment net assets, beginning of year	<u>\$ 463,749</u>	<u>\$ 5,313,038</u>	<u>\$ 5,776,787</u>
Investment return			
Interest	25,593	157,170	182,763
Change in fair value of charitable trust held by others	<u>-</u>	<u>12,336</u>	<u>12,336</u>
	<u>25,593</u>	<u>169,506</u>	<u>195,099</u>
Contributions	-	-	-
Distributions			
Appropriation of endowment assets pursuant to spending policy	<u>(23,797)</u>	<u>(162,420)</u>	<u>(186,217)</u>
CPAF Endowment net assets, end of year	<u>\$ 465,545</u>	<u>\$ 5,320,124</u>	<u>\$ 5,785,669</u>

During the year ended June 30, 2004, Utah Youth Village received an initial donation of \$2,248,217 for the CPAF.

Utah Youth Village subsequently obtained verbal agreement and approval from the donor’s family to invest the proceeds from the donation in the Alpine Academy real estate, which is a net asset without donor restriction of Utah Youth Village. This agreement has allowed Utah Youth Village to fund a substantial portion of the purchase and construction of the Alpine Academy. Under the terms of the loan agreement between Utah Youth Village’s net assets without donor restriction and CPAF, Utah Youth Village is obligated to use net assets without donor restrictions to repay the amount borrowed from the endowment fund plus interest at 6% over the 30-year term of the loan. This transaction was designed to ensure the principal amount of the donation is invested to benefit the Families First Program as stipulated by the donor under the terms of the CPAF. Accordingly, interest income on the amount borrowed can be used only in the Families First Program. Interest paid from net assets without donor restrictions is recognized in investment return on net assets with donor restriction. The principal amount borrowed to construct a portion of the Alpine Academy is being paid from net assets without donor restriction to net assets with donor restrictions of Utah Youth Village.

During the year ended June 30, 2017, Utah Youth Village consulted donors who had made contributions to the CPAF and scholarships funds and obtained verbal agreements to enter into an agreement similar to the one described in the paragraph above. As a result, an additional \$549,887 of net assets with donor restrictions were invested in the Alpine Academy. Under the terms of the loan agreement between Utah Youth Village’s net assets without donor restrictions and CPAF, Utah Youth Village is obligated to use net assets without donor restrictions to repay the amount borrowed from the net assets with donor restrictions endowment fund plus interest at 6% over the 30-year term of the loan. This transaction was designed to ensure the principal amount of the donations are invested to benefit the CPAF and Scholarship programs, as originally intended by the donors. Accordingly, interest income on the amount borrowed will be used only in the Families First and Scholarship Programs. Interest paid from net assets without donor restrictions is recognized in investment return on net assets with donor restrictions. The principal amount borrowed to construct a portion of the Alpine Academy II is being paid from net assets without donor restrictions to net assets with donor restrictions of Utah Youth Village.

The total that must be transferred from net assets without donor restrictions to net assets with donor restrictions endowment funds as of June 30, 2019, and changes during the year then ended were as follows:

Balance as of June 30, 2018	\$ 2,710,221
Additional loans made	-
Principal payments from net assets without donor restrictions	<u>(91,079)</u>
Balance as of June 30, 2019	<u><u>\$ 2,619,142</u></u>

Future changes from transfers from net assets without donor restrictions to net assets with donor restrictions endowment funds and the related future interest are reflected in the following table:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 96,697	\$ 154,518	\$ 251,215
2021	102,662	148,553	251,215
2022	108,993	142,222	251,215
2023	115,716	135,499	251,215
2024	122,852	128,363	251,215
Thereafter	<u>2,072,222</u>	<u>917,975</u>	<u>2,990,197</u>
	<u>\$ 2,619,142</u>	<u>\$ 1,627,130</u>	<u>\$ 4,246,272</u>

Note 10 - Notes Payable

Notes payable consist of the following at June 30, 2019:

Note payable to a bank; interest rate based on 7-year LIBOR plus 2.2% (5.100% as of June 30, 2019); monthly payments of \$33,479, with a final balloon payment of \$3,830,140 due January 1, 2025. Net of unamortized debt issuance costs of \$23,269 with effective interest rate of 5.1%.

\$ 4,676,390

Future maturities of notes payable are as follows:

<u>Years Ending June 30,</u>	
2020	\$ 165,210
2021	173,836
2022	182,912
2023	192,461
2024	202,510
Thereafter	3,782,730
Unamortized debt issuance costs	<u>(23,269)</u>
	<u>\$ 4,676,390</u>

Subsequent to year end, Utah Youth Village's letter of credit to help fund the development of Alpine Academy II was amended to \$32,913. This expired in August 2019.

Note 11 - Leases

Utah Youth Village leases office space under various operating leases, and equipment under a an operating lease expiring at various dates through 2022.

Future minimum lease payments are as follows:

Years Ending June 30,	Operating Leases
2020	\$ 42,060
2021	43,326
2022	44,628
2023	24,374
Total minimum lease payments	\$ 154,388

Rent expense for the year ended June 30, 2019, totaled \$44,095.

Note 12 - Net Assets

Net assets designated by the Board for certain purposes and those with donor restrictions are presented on the accompanying statement of financial position.

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2019:

Satisfaction of purpose restrictions	
Alpine Academy II construction	\$ 902,667
Smarter Parenting	177,923
Alpine Academy	79,976
Other	55,254
Families First	127,050
Endowment spending-rate distributions and appropriations	
Earnings on CPAF for Families First	162,420
	\$ 1,505,290

Note 13 - Contract Revenue

Utah Youth Village has contracts with the Utah Department of Human Services, the State of Utah Judicial branch and various other mental health agencies including agencies and school districts from other states. These contracts are for the purpose of providing residential, mental health and educational services, training and consultation to Treatment Foster Care Homes and intervention directly for troubled youth and their families. A majority of the contracts designate Utah Youth Village as a service provider allowing for reimbursement of expenses related to providing the services under the contracts.

Note 14 - Economic Dependency

During the year ended June 30, 2019, Utah Youth Village received approximately 60% of its revenue without donor restrictions from governmental grants and service contracts. Utah Youth Village has been and is continuing to seek new sources of funding to support its programs and activities. The loss of support from any major source of funds could have an adverse effect on Utah Youth Village's programs and activities.

Note 15 - Donated Professional Services

Donated professional services are as follows during the year ended June 30, 2019.

	Program Services	Management and General	Fundraising and Development	Total
Accounting services	\$ -	\$ 2,700	\$ -	\$ 2,700
Advertising	54,776	-	-	54,776
	\$ 54,776	\$ 2,700	\$ -	\$ 57,476

Note 16 - Employee Benefits

Utah Youth Village has a profit sharing plan (the Plan) under which it contributes 3% of eligible employees' compensation to the Plan. In addition, Utah Youth Village may contribute an additional amount determined by Utah Youth Village at its sole discretion. The employer contribution under this Plan for the year ended June 30, 2019, was \$528,628 which is included in employee benefits in the statement of functional expenses.

Note 17 - Related Party Transactions

During the year ended June 30, 2019, Utah Youth Village purchased website design and online marketing services totaling \$44,125, from companies owned by family members of the Executive Director. Also during the year ended June 30, 2019, Utah Youth Village received unconditional pledges from Board members in the amount of \$1,150,000. Total payments on these pledges during the year were \$110,000 and, as of June 30, 2019, the outstanding amount of these promises to give is \$1,040,000, gross of any discount.

As discussed in Note 7, Utah Youth Village sold a portion of the water system, at cost, for \$863,781 to an entity that was represented in the real estate transaction by a member of the board.

Note 18 - Adoption of Accounting Standards Update

Utah Youth Village adopted the provisions of ASU 2014-16, *Presentation of Financial Statements of Not-For-Profit Entities*, as of July 1, 2018. The following financial statement line items on the statement of financial position for the year ended June 30, 2018, were restated as a result of the adoption:

	As Previously Reported	Adoption of ASU 2016-14	As Restated
Note receivable from unrestricted net assets	\$ 2,710,221	\$ (2,710,221)	\$ -
Note payable to temporarily and permanently restricted net assets	2,710,221	(2,710,221)	-
Temporarily restricted net assets			-
CPAF earnings for Families First	162,420	(162,420)	-
Scholarship	60,808	(60,808)	-
Alpine Academy	79,976	(79,976)	-
Smarter Parenting	156,723	(156,723)	-
Other	70,940	(70,940)	-
Permanently restricted net assets			-
Children's Perpetual Assistance Fund	5,150,618	(5,150,618)	-
Net assets with donor restrictions			
CPAF earnings for Families First	-	162,420	162,420
Scholarship	-	60,808	60,808
Alpine Academy	-	79,976	79,976
Smarter Parenting	-	156,723	156,723
Other	-	70,940	70,940
Children's Perpetual Assistance Fund	-	5,150,618	5,150,618

Note 19 - Subsequent Events

Subsequent events have been evaluated through November 12, 2019, the date the financial statements were available to be issued. Subsequent to year end, the Utah Youth Village sold property and improvements held for future development and sale for approximately \$175,000.