



City of South Salt Lake Arts Council, Inc.

Audited Financial Statements

**For Fiscal Years Ended
June 30, 2024, 2023, and 2022**



220 East Morris Ave Suite 390
South Salt Lake City, UT 84115

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC.

AUDITED FINANCIAL STATEMENTS

Years Ended June 30, 2024, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
City of South Salt Lake Arts Council, Inc.

Opinion

We have audited the financial statements of City of South Salt Lake Arts Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024, 2023 and 2022, the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of City of South Salt Lake Arts Council, Inc. as of June 30, 2024, 2023 and 2022 and the changes in its net assets and its cash flows for the years 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 City of South Salt Lake Arts Council, Inc. 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 City of South Salt Lake Arts Council, Inc.'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 City of South Salt Lake Arts Council, Inc.'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 City of South Salt Lake Arts Council, Inc.'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

Salt Lake City, Utah
March 28, 2025

BASIC FINANCIAL STATEMENTS

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC
STATEMENTS OF FINANCIAL POSITION

June 30, 2024, 2023, and 2022

	2024	2023	2022
ASSETS			
Current Assets:			
Contributions receivable	\$ 4,340	\$ -	\$ 870
Prepaid expenses	-	5,247	-
Total current assets	<u>\$ 4,340</u>	<u>\$ 5,247</u>	<u>\$ 870</u>
LIABILITIES AND NET ASSETS			
Current Liabilities:			
Accrued payroll	\$ 4,340	\$ 1,913	\$ 870
Unearned revenue	-	3,334	-
Total current liabilities	4,340	5,247	870
Net Assets Without Donor Restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and net assets	<u>\$ 4,340</u>	<u>\$ 5,247</u>	<u>\$ 870</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC
STATEMENTS OF ACTIVITIES

Years Ended June 30, 2024, 2023 and 2022

	2024	2023	2022
Net Assets Without Donor Restrictions:			
Revenue and Support:			
Support:			
Contributions and grants	\$ 340,952	\$ 192,420	\$ 139,590
ZAP tax	32,410	27,000	24,500
In-kind contributions	13,300	1,600	1,600
Total support	386,662	221,020	165,690
Program service revenue	20,166	21,332	18,751
Total revenues and support	406,828	242,352	184,441
Expenses:			
Program services	339,492	215,652	167,651
Management and general	37,842	16,941	11,624
Fundraising	29,494	9,759	5,166
Total expenses	406,828	242,352	184,441
Change in Net Assets	-	-	-
Net Assets at Beginning of Year	-	-	-
Net Assets at End of Year	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2024

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries, wages and payroll taxes	\$ 106,428	\$ 37,496	\$ 29,224	\$ 173,148
Professional fees	108,295	-	-	108,295
Programs and events	102,381	-	-	102,381
Rentals and other	11,700	-	-	11,700
Grants and contributions	6,100	-	-	6,100
Printing and postage	3,604	-	-	3,604
Occupancy	984	346	270	1,600
Total expenses	<u>\$ 339,492</u>	<u>\$ 37,842</u>	<u>\$ 29,494</u>	<u>\$ 406,828</u>

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

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

		<u>Support Services</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, wages and payroll taxes	\$ 60,071	\$ 16,633	\$ 9,581	\$ 86,285
Professional fees	75,456	-	-	75,456
Programs and events	73,487	-	-	73,487
Grants and contributions	500	-	-	500
Printing and postage	5,024	-	-	5,024
Occupancy	1,114	308	178	1,600
Total expenses	<u>\$ 215,652</u>	<u>\$ 16,941</u>	<u>\$ 9,759</u>	<u>\$ 242,352</u>

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

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries, wages and payroll taxes	\$ 46,601	\$ 11,336	\$ 5,038	\$ 62,975
Professional fees	58,559	-	-	58,559
Programs and events	55,194	-	-	55,194
Grants and contributions	1,000	-	-	1,000
Printing and postage	5,113	-	-	5,113
Occupancy	1,184	288	128	1,600
Total expenses	<u>\$ 167,651</u>	<u>\$ 11,624</u>	<u>\$ 5,166</u>	<u>\$ 184,441</u>

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

CITY OF SOUTH SALT LAKE ARTS COUNCIL
STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024, 2023 and 2022

	2024	2023	2022
Cash Flows from Operating Activities:			
Change in net assets	\$ -	\$ -	\$ -
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Contributions receivable	(4,340)	870	804
Prepaid expenses	5,247	(5,247)	-
Accrued payroll	2,427	1,043	(804)
Unearned revenue	(3,334)	3,334	-
Total adjustments	-	-	-
Net cash provided by operating activities / net change in cash	-	-	-
Cash at Beginning of Year	-	-	-
Cash at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Supplemental data:

The Organization paid no interest or income taxes during the years ended June 30, 2024, 2023 and 2022.

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

**CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of South Salt Lake Arts Council, Inc. (the “Organization”) 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

City of South Salt Lake Arts Council, Inc. is a nonprofit organization located in the City of South Salt Lake, Utah and was originally incorporated in 1997, for the purpose of, but not limited to, the involvement of the arts and providing support for the arts in the City of South Salt Lake.

Tax Status

The Organization 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). Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Cash

The entity is a wholly-owned instrumentality of the City of South Salt Lake (the City). The Organization does not hold cash in the name of the Organization, but rather, the Organization’s cash is co-mingled with the cash accounts of the City of South Salt Lake. The City appropriates funds each year in the form of a contribution to cover any expenditures of the Organization exceeding program revenues earned plus contributions and grants recognized.

Contributions Receivable

The Organization’s contributions receivable consists of amounts due from the City of South Salt Lake to fund accrued expenses of the Organization. No allowance for credit losses has been established, as the Organization deems all amounts to be fully collectable from the City.

Accrued Payroll

The City of South Salt Lake allocates the payroll of employees dedicating time to the Organization. Accrued payroll reported on the statement of financial position represents salaries and wages earned, along with related payroll taxes, allocated to the Organization, but paid after fiscal year end.

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 and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and board of trustees.

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors.

Donor-restricted contributions are reported as increases in net assets with donor restrictions, unless those restrictions are met within the same fiscal year. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

In-Kind Contributions

Donated services are recognized as support at fair value when the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Donated items are recorded as support at their estimated fair market value at the date of the gift. These contributions are considered to be without donor restrictions unless restricted by the donor. Assets donated with donor-imposed restrictions regarding their use are considered net assets with donor restrictions until the asset is placed in service. In-kind contributions received during the years ended June 30 are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Occupancy	\$ 1,600	\$ 1,600	\$ 1,600
Equipment rentals	10,000	-	-
Auditorium rentals	1,000	-	-
Concert tickets	700	-	-
Total	<u>\$ 13,300</u>	<u>\$ 1,600</u>	<u>\$ 1,600</u>

Revenue Recognition

Operating revenues include program revenues, ZAP taxes received from Salt Lake County, and other government grants and private contributions. Grant revenues are recognized when received and are classified as restricted if external restrictions apply. Amounts of restricted grants received in excess of qualifying expenses are classified as net assets with donor restrictions. Program service revenue consists of sales related to special events, educational courses, and other miscellaneous revenues.

Prepaid expenses and unearned revenues

Certain expenses, such as insurance premiums, are expensed over the applicable service period benefiting the Organization. When such expenses are deferred, the Organization also defers the recognition of the City’s contribution in an equal amount, which is classified as unearned revenue on the statement of financial condition.

Accounting 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 revenues, support, and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF SOUTH SALT LAKE ARTS COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS

Allocation of Expenses

Certain costs have been allocated among the Organization’s programs and support services benefited. Direct costs are charged directly to the appropriate program. Occupancy expenses represent the fair market value of square footage donated by the City of South Salt Lake for office space and is allocated between program and support services consistent with the allocations of the salaries and wages of employees utilizing the space, reflective of its usage by the employees to perform their various functions. Salaries, wages and payroll taxes are allocated on the basis of estimated time and effort. Such allocations are determined by management on an equitable basis.

Subsequent Events

The Organization has evaluated subsequent events through March 28, 2025, 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 – LIQUIDITY AND AVAILABILITY

The following represents the Organization’s financial assets at December 31, 2024, 2023 and 2022:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Financial assets at year end:			
Contributions receivable	\$ 4,340	\$ -	\$ 870
Less amounts not available to be used within one year:			
Net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,340</u>	<u>\$ -</u>	<u>\$ 870</u>

NOTE 3 – RELATED-PARTY TRANSACTIONS

The City of South Salt Lake Arts Council, Inc. is a component unit and instrumentality of the City of South Salt Lake. The City provides supplemental funding to the Organization to the extent that the revenues and support generated by the Organization is not adequate to fund all expenses within a given fiscal year. The Organization received contributions from the City in the amount of \$306,566, \$146,981 and \$108,295 during the fiscal years ending June 30, 2024, 2023 and 2022, respectively. Contributions receivable from the City were \$4,340, \$0, and \$870 as of June 30, 2024, 2023 and 2022, respectively.

NOTE 4 – CONCENTRATIONS

Contributions made by the City of South Salt Lake accounted for approximately 79%, 67%, and 65% of total support recognized during the years ended June 30, 2024, 2023 and 2022, respectively.