

# **Epicenter**

---

## **Unaudited Financial Statements and Review Report of Independent Accountants**

**June 30, 2016**

# Epicenter

## Contents

---

	Page
Independent Accountants' Review Report	1
Financial Statements (unaudited):	
Balance Sheet	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5-7

## **INDEPENDENT ACCOUNTANTS' REVIEW REPORT ON FINANCIAL STATEMENTS**

To the Board of Trustees of  
Epicenter  
Green River, UT

We have reviewed the accompanying balance sheet of Epicenter (the Organization) as of June 30, 2016 and the related statements of activities and changes in net assets and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

### **Accountant's Responsibility**

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

### **Opinion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



FJ & Associates, PLLC  
Kaysville, Utah  
July 29, 2016

**Epicenter**  
**Balance Sheet (unaudited)**  
**June 30, 2016**

**Assets**

Current assets:

Cash-operations	\$ 66,433
Accounts receivable	34,931
Total current assets	<u>101,364</u>

Property and equipment:

Land	2,500
Buildings and improvements	69,918
Furniture and fixtures	1,645
Total capital assets	<u>74,063</u>
Less accumulated depreciation	<u>(6,233)</u>
Net property and equipment	67,830

Other assets:

Security deposit	500
Total other assets	<u>500</u>

<b>Total assets</b>	<u><u>\$ 169,694</u></u>
---------------------	--------------------------

**Liabilities and Net Assets**

Total liabilities	\$ -
-------------------	------

**Net Assets**

Temporarily restricted	29,217
Unrestricted	<u>140,477</u>

Total net assets	169,694
------------------	---------

<b>Total liabilities and net assets</b>	<u><u>\$ 169,694</u></u>
---	--------------------------

See accompanying notes and accountants' review report

**Epicenter**  
**Statement of Activities and Changes in Net Assets (unaudited)**  
**Year Ended June 30, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total All Funds</u>
<b>Revenues:</b>			
Rents	\$ 3,045	\$ -	\$ 3,045
Government grants	-	74,219	74,219
Direct private grants	-	74,110	74,110
Donations - contributions/in-kind	22,825	-	22,825
Program fees	52,499	-	52,499
Fundraisers	2,381	-	2,381
Miscellaneous revenue	5,932	-	5,932
Total revenues	<u>86,682</u>	<u>148,329</u>	<u>235,011</u>
<b>Expenses:</b>			
Professional services	2,000	-	2,000
Business expenses	1,233	2,685	3,918
Utilities	3,496	3,043	6,539
Supplies	779	7,468	8,247
Travel	796	15,957	16,753
Postage	506	1,073	1,579
Printing and copying	3,707	4,836	8,543
Repairs and maintenance	3,682	19,635	23,317
Volunteer support	650	634	1,284
Payroll taxes	1,031	9,237	10,268
Interest	4	7	11
Insurance	-	7,277	7,277
Program expense	16,814	113,964	130,778
Miscellaneous	158	279	437
Depreciation	2,982	-	2,982
Total expenses	<u>37,838</u>	<u>186,095</u>	<u>223,933</u>
Operating Income (loss)	<u>48,844</u>	<u>(37,766)</u>	<u>11,078</u>
Change in net assets	48,844	(37,766)	11,078
Net assets, beginning of year	91,633	66,983	158,616
<b>Net assets, end of year</b>	<u>\$ 140,477</u>	<u>\$ 29,217</u>	<u>\$ 169,694</u>

See accompanying notes and accountants' review report

**Epicenter**  
**Statement of Cash Flows (unaudited)**  
**Year Ended June 30, 2016**

**Cash flows from operating activities:**

Change in net assets	\$	11,078
Adjustments to reconcile change in net assets cash provided by (used in) operating activities:		
Depreciation		2,982
Decrease (increase) in:		
Accounts receivable		(28,105)
Other assets		(500)
Increase (decrease) in:		
Accounts payable		(4,554)
Net cash provided by (used in) operating activities		(19,099)

**Cash flows from investing activities:**

Purchase of capital assets		(500)
Net cash provided by (used in) investing activities		(500)

**Cash flows from financing activities:**

Net cash provided by (used in) financing activities		-
Net increase (decrease) in cash and equivalents		(19,599)
Cash and equivalents at beginning of year		86,032
<b>Cash and equivalents at end of year</b>	<b>\$</b>	<b>66,433</b>

**Supplemental disclosure:**

Interest expense	\$	11
------------------	----	----

See accompanying notes and accountants' review report

**Epicenter**  
**Notes to Financial Statements (unaudited)**  
**Year Ended June 30, 2016**

---

**1. Organization and Summary of Significant Accounting Policies**

Organization

Epicenter (the Organization) was organized in 2014 as a nonprofit corporation to assist the residents of Green River, Utah. Epicenter is located in Green River, Utah. Epicenter was created to accentuate Green River's rural pride and pioneering spirit. Epicenter provides housing and business resources and promotes the arts.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of 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 expense during the reporting period. Actual results could differ from those estimates. Significant estimates that may change in the near term include fair value of long-lived assets and related impairment, if any.

Property and Equipment

It is the Epicenter's policy to capitalize property and equipment over \$500. Lesser amounts are expensed. Capital assets (land, buildings, building improvements, and equipment) are recorded at cost or at estimated fair value at the date of gift. Donated items are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided using the straight-line method over five to thirty years estimated useful lives of the assets. The Organization periodically evaluates its property and equipment for other-than-temporary impairment and considers a write down to fair value if it does not exceed carrying value. As of June 30, 2016, the Organization had not recorded any impairment loss on its long-lived assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include highly liquid short-term investments with a maturity of three months or less. Restricted deposits and funded reserves are not considered cash equivalents.

Income Taxes

Epicenter is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation, and therefore, has made no provision for federal income taxes.

Rental Income

Rental income is recognized as rents become due. Rental payments received in advance are deferred until earned. Interest and other sources of revenue are recognized as the period transpires for which the interest is earned or as services are rendered, and when the amount and collection is reasonably assured. All leases between the Organization and the tenants of the property are operating leases.

**Epicenter**  
**Notes to Financial Statements (unaudited) (continued)**  
**Year Ended June 30, 2016**

**1. Organization and Summary of Significant Accounting Policies (continued)**

Contributed Services

The Organization receives donated services from a variety of unpaid individuals assisting the Organization in various activities. Many individuals volunteered their time and performed a variety of tasks that assisted the Organization, but these services did not meet the criteria for recognition as contributed services.

Contributions

Contributions are recorded when received. Under the Not-For-Profit Entities Topic of the FASB Accounting Standards Codification, contributions are recorded as unrestricted or temporarily restricted, depending on the existence or nature of any donor restrictions.

Accounts Receivable

Accounts receivable consist of operational accounts receivable. The Organization's customers are primarily private foundations, and federal, state, and local governments with receivables that are less than 30 days outstanding. Management reviews outstanding receivables routinely to see if any are uncollectible. No accounts receivable are uncollectible as of June 30, 2016.

Recently Issued Accounting Pronouncements

The Organization has reviewed all recently issued FASB Updates (ASU's) for the year ended June 30, 2016 and has determined that none of the recently issued accounting updates will have a material effect on the fair presentation of these financial statements.

**2. Cash Deposits**

At June 30, 2016, the carrying amount of the Organization's cash deposits was \$66,433, and the bank balance was \$68,548. Of the bank balance, \$68,330 was covered by federal depository insurance. PayPal bank balance of \$218 is not covered by the FDIC.

**3. Property and Equipment**

Property and equipment consists of the following:

	Balance 6/30/2015	Additions	Adjustments and Retirements	Balance 6/30/2016
Land	\$ 2,500	\$ -	\$ -	\$ 2,500
Building	69,918	-	-	69,918
Furniture and equipment	1,145	500	-	1,645
	<u>\$ 73,563</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 74,063</u>
Accumulated depreciation	<u>(3,251)</u>	<u>(2,982)</u>	<u>-</u>	<u>(6,233)</u>
Net book value	<u>\$ 70,312</u>			<u>\$ 67,830</u>

**Epicenter**  
**Notes to Financial Statements (unaudited) (continued)**  
**Year Ended June 30, 2016**

---

**4. Net Assets**

UNRESTRICTED

The unrestricted net asset account pertains primarily to amounts that are not designated for specific purposes and are not subject to donor-imposed stipulations. Restricted cash is also included for bond reserve requirements.

TEMPORARILY RESTRICTED

The temporarily restricted net asset account pertains to Federal, State, and private grants that have been received by the Organization and they have been designated for specific purposes.

**5. Fundraising Information**

Fundraising revenue and costs have been kept separate in the financial records of Epicenter. The total fundraising amounts for revenue was \$2,381. There were no fundraising expenses during the year.

**6. Subsequent Events**

The Organization has evaluated subsequent events and transactions for potential recognition or disclosure through July 29, 2016 which is the date the financial statements were available to be issued. The Organization did not identify any subsequent events or transactions that should be disclosed.