



Refugee & Immigrant Center

ASIAN ASSOCIATION OF UTAH

**Asian Association of Utah
dba Refugee & Immigrant Center**

Financial Statements

And

Independent Auditor's Report

With Supplementary Information

And

Compliance Reports

**As of June 30, 2020
and for the year then ended
with summarized comparative information for 2019**

**Asian Association of Utah
dba Refugee & Immigrant Center**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Asian Association of Utah
dba Refugee & Immigrant Center
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Asian Association of Utah dba Refugee & Immigrant Center (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issues by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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 Asian Association of Utah dba Refugee & Immigrant Center as of June 30, 2020, and the results of its operations and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2021 on our consideration of Asian Association of Utah dba Refugee & Immigrant Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Asian Association of Utah dba Refugee & Immigrant Center's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited Asian Association of Utah dba Refugee & Immigrant Center's June 30, 2019 financial statements, and our report dated March 3, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Bountiful Peak Advisors

Bountiful, Utah
March 23, 2021

Asian Association of Utah
dba Refugee & Immigrant Center
Statement of Financial Position
June 30, 2020
With Comparative Totals For June 30, 2019

	<u>06/30/2020</u>	<u>06/30/2019</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,392,960	\$ 536,857
Accounts and grants receivable, including promises to give	469,253	1,018,251
Prepaid expenses	<u>65,536</u>	<u>56,196</u>
Total current assets	<u>1,927,749</u>	<u>1,611,304</u>
Property and equipment, at cost		
Buildings and improvements	3,004,624	3,004,624
Land	1,192,000	1,192,000
Vehicles	122,918	122,918
Equipment and furniture	<u>144,880</u>	<u>144,880</u>
Total property and equipment	4,464,422	4,464,422
Less: accumulated depreciation	<u>(1,393,491)</u>	<u>(1,255,175)</u>
Net property and equipment	<u>3,070,931</u>	<u>3,209,247</u>
Total assets	<u>\$ 4,998,680</u>	<u>\$ 4,820,551</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 34,436	\$ 82,645
Accrued vacation	141,060	115,311
Accrued payroll and payroll taxes	65,075	82,122
Other accrued liabilities	9,646	13,357
Payroll grant advance	-	30,000
Current portion of long-term debt	<u>242,192</u>	<u>157,873</u>
Total current liabilities	<u>492,409</u>	<u>481,308</u>
Long-term debt, net of current portion	<u>1,302,973</u>	<u>1,314,924</u>
Total liabilities	<u>1,795,382</u>	<u>1,796,232</u>
Net assets		
Without donor restrictions	2,965,084	2,861,877
With donor restrictions	<u>238,214</u>	<u>162,442</u>
Total net assets	<u>3,203,298</u>	<u>3,024,319</u>
Total liabilities and net assets	<u>\$ 4,998,680</u>	<u>\$ 4,820,551</u>

See accompanying notes to financial statements.

**Asian Association of Utah
dba Refugee & Immigrant Center**

Statement of Activities

Year Ended June 30, 2020

With Comparative Totals For The Year Ended June 30, 2019

	<u>06/30/2020</u>			06/30/2019
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
REVENUES AND SUPPORT				
Support				
Government grants	\$ 2,337,271	\$ -	\$ 2,337,271	\$ 2,191,521
Contributions and grants	115,334	167,000	282,334	254,722
In-kind donations	72,733	-	72,733	84,787
Net assets released from restrictions	<u>91,228</u>	<u>(91,228)</u>	<u>-</u>	<u>-</u>
Total support	<u>2,616,566</u>	<u>75,772</u>	<u>2,692,338</u>	<u>2,531,030</u>
Revenues				
Fee for service	1,244,783	-	1,244,783	1,402,758
Rental income	39,376	-	39,376	34,692
Other income	33,652	-	33,652	38,615
Special events	9,326	-	9,326	11,408
Interest	<u>1,984</u>	<u>-</u>	<u>1,984</u>	<u>1,321</u>
Total revenues	<u>1,329,121</u>	<u>-</u>	<u>1,329,121</u>	<u>1,488,794</u>
Total revenues and support	<u>3,945,687</u>	<u>75,772</u>	<u>4,021,459</u>	<u>4,019,824</u>
EXPENSES				
Program services	2,999,722	-	2,999,722	3,155,110
Management and general	796,258	-	796,258	790,023
Fundraising	<u>46,500</u>	<u>-</u>	<u>46,500</u>	<u>32,529</u>
Total expenses	<u>3,842,480</u>	<u>-</u>	<u>3,842,480</u>	<u>3,977,662</u>
Change in net assets	103,207	75,772	178,979	42,162
Net assets, beginning of year	<u>2,861,877</u>	<u>162,442</u>	<u>3,024,319</u>	<u>2,982,157</u>
Net assets, end of year	<u>\$ 2,965,084</u>	<u>\$ 238,214</u>	<u>\$ 3,203,298</u>	<u>\$ 3,024,319</u>

See accompanying notes to financial statements.

Asian Association of Utah
dba Refugee & Immigrant Center
Statement of Functional Expenses
Year Ended June 30, 2020
With Comparative Totals For The Year Ended June 30, 2019

	06/30/2020				06/30/2019
	Program Services	Management and General	Fundraising	Total	Total
Salaries	\$ 1,355,633	\$ 363,627	\$ 30,101	\$ 1,749,361	\$ 1,556,715
Payroll taxes	102,538	27,504	2,277	132,319	139,922
Employee benefits	258,783	69,414	5,746	333,943	455,943
Total salaries and related expenses	1,716,954	460,545	38,124	2,215,623	2,152,580
Contracted services	655,021	64,232	-	719,253	817,649
Client services	329,820	7,735	-	337,555	366,968
Interest	-	68,978	-	68,978	77,515
Insurance	5,345	59,963	1,198	66,506	67,994
Repairs and maintenance	10,063	55,326	-	65,389	64,913
Travel	28,429	12,460	-	40,889	56,393
Equipment and software	31,994	15,969	730	48,693	50,224
Rent	25,278	5,459	2,694	33,431	45,904
Utilities	27,432	10,023	570	38,025	41,432
Supplies	15,742	10,211	-	25,953	34,397
Workshops and training	13,739	2,024	-	15,763	22,749
Telephone	15,530	2,077	268	17,875	21,977
Meetings	3,337	1,658	802	5,797	8,643
Taxes	-	1,555	-	1,555	3,395
Postage	202	2,356	39	2,597	2,392
Printing	282	-	-	282	1,618
Total expenses before depreciation	2,879,168	780,571	44,425	3,704,164	3,836,743
Depreciation	120,554	15,687	2,075	138,316	140,919
Total expenses	<u>\$ 2,999,722</u>	<u>\$ 796,258</u>	<u>\$ 46,500</u>	<u>\$ 3,842,480</u>	<u>\$ 3,977,662</u>

See accompanying notes to financial statements.

**Asian Association of Utah
dba Refugee & Immigrant Center**

**Statement of Cash Flows
Year Ended June 30, 2020**

With Comparative Totals For The Year Ended June 30, 2019

	<u>06/30/2020</u>	<u>06/30/2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 178,979	\$ 42,162
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	138,316	140,919
Amortization of loan fees	1,050	1,050
Changes in current assets and liabilities:		
Accounts and grants receivable, including promises to give	548,999	(164,687)
Prepaid expenses	(9,340)	18,316
Accounts payable	(48,209)	(44,579)
Accrued vacation	25,749	16,920
Accrued payroll and payroll taxes	(17,047)	(19,315)
Other accrued liabilities	<u>(3,712)</u>	<u>464</u>
Net cash provided by (used in) operating activities	<u>784,785</u>	<u>(8,750)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash purchases of property and equipment	<u>-</u>	<u>(52,360)</u>
Net cash used in investing activities	<u>-</u>	<u>(52,360)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	(158,782)	(151,407)
Proceeds from issuance of long-term debt	<u>230,100</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>71,318</u>	<u>(151,407)</u>
Net change in cash and cash equivalents	856,103	(212,517)
Cash and cash equivalents, beginning of year	<u>536,857</u>	<u>749,374</u>
Cash and cash equivalents, end of year	<u>\$ 1,392,960</u>	<u>\$ 536,857</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	<u>\$ 68,685</u>	<u>\$ 77,187</u>
Cash paid for income taxes	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

Asian Association of Utah dba Refugee & Immigrant Center

Notes to Financial Statements

June 30, 2020

1. ORGANIZATION AND BASIS OF PRESENTATION

Asian Association of Utah dba Refugee & Immigrant Center (the “Organization”) was incorporated under the laws of the State of Utah as a nonprofit corporation on September 2, 1977. Originally established to support Asian immigrants and refugees in their transition to life in the United States, the Organization has expanded its resources and services over the past 40 years to assist refugees and immigrants from around the world. Today, they serve over 3,200 refugees, immigrants, and other community members each year. With over 70 staff members, our backgrounds cover 17 countries and over 30 languages.

The Organization is devoted to helping clients become more self-sufficient in their daily lives, and aims to reduce the barriers refugees and immigrants face when adapting to life in the U.S. With the help of staff, volunteers, and community leaders, they are continually developing and expanding their services to meet the needs of our clients. The Organization offers comprehensive services in one physical location, reducing transportation barriers and promoting access to a wide range of resources. Individuals and families in need can access case management services, employment help, counseling and mental health treatment, English classes, after-school tutoring, and more. The Organization also works closely with the Utah resettlement agencies, refugee communities, state protective services, and many others, to ensure a greater network of support for clients. The Organization is committed to walking with people on their journeys to self-sufficiency. They know that their work not only makes a difference in the lives of those they serve, but changes our whole community for the better. The following is a brief description of their program services:

Community Wellness

The Organization is licensed by the Utah Department of Human Services to provide services for individuals and families of all ages. The Community Wellness program is comprised of a team of highly experienced and culturally aware mental health professionals who support individuals as they manage the stress that accompanies resettlement. Staff members help individuals using systematic interventions which promote recovery from substance abuse, domestic violence, and/or various mental health issues. Services provided include: behavioral health treatment and therapy, medication management, outpatient drug and substance abuse counseling, domestic violence counseling, and behavioral health case management. During the year ending June 30, 2020, the Organization served over 650 clients through this program.

Youth and Family Services

The Organization provides a holistic approach for refugee and immigrant youth and their parents as they adjust to new systems in the U.S. The Organization’s Youth and Family program provides parenting classes, afterschool programs, leadership development, and youth case management. During the year ending June 30, 2020, 84 parents learned new family skills through our parenting classes, which was offered in four different languages. The program provided over 3,100 hours of direct service to 225+ youth and parents by offering afterschool leadership-fostering opportunities.

Sunnyvale Neighborhood Center

The Sunnyvale neighborhood of Salt Lake County is home to many refugee, immigrant, and low-income households. It is also located in an unincorporated and under-resourced area, falling into a gap between Murray, South Salt Lake, Taylorsville and Millcreek. In 2012, the Organization recognized the need for a program based within the Sunnyvale neighborhood following concerns from community members and service providers that neighborhood residents could not access much-needed supports and programming. Today, the Sunnyvale Neighborhood Center offers afterschool programs, sports, behavioral health treatment, ESL classes, and a range of other critical supports, including classes on citizenship and financial literacy. During the year ending June 30, 2020, over 125 adults and 75 youth neighborhood residents came to the center for assistance.

English as a Second Language (ESL) & Life Skills

The Organization provides three levels of classes for ESL learners from non-literate to intermediate. These classes are all taught by TESOL certified teachers. We focus on life skills for refugees and immigrants with the goal of the student being able to gain the skills necessary to get a job and be self-supporting. We emphasize digital skills including writing a resume, applying for a job and finding job resources online. All our classes are accessible virtually, thus allowing flexibility for students who are dealing with jobs, child-care issues, etc. By the end of October 2020, we plan to start an in-person two-hour drop-in computer lab that will be held once a week. A teacher and volunteer will be available to help students hone their computer skills or help with in-class assignments. We plan to increase our in-person class offerings as soon as COVID-19 guidelines allow. We served approximately 150 students during the 2019-2020 fiscal year.

Trafficking in Persons (TIP) Program

The TIP program is funded through multiple federal and state grants. Through these grants, we are able to serve all victims of both sex and labor trafficking—regardless of age, gender, and immigration status. During the year ending June 30, 2020, we served more than 141 survivors of human trafficking, as well as their families. Case managers utilize a comprehensive services model that addresses 17 components of victim needs. In addition to providing case management and wrap around services, we offer outreach and supportive services to approximately 25 unduplicated women monthly through TIP’s “drop in” center; provided a pathway to safe, affordable housing for 70 survivors; and trained 3175+ community members in human trafficking awareness. This fiscal year TIP received two new federal grants focused on minor victims of human trafficking, and the other on transitional housing for sex trafficking victims. As the lead victim services partner for the Utah Trafficking in Persons Task Force, AAU’s TIP has partnered with the Utah Attorney General’s Office since 2015 to co-facilitate the statewide task force. This multi-disciplinary group aims to enhance Utah’s response to human trafficking through investigation, prosecution, and ongoing victim services.

Employment

The Organization’s Employment program has restarted as of the very end of the fiscal year 2019. Direct services started in FY 2019-20 through the new evidence-based employment program, Individualized Placement Services (IPS). The program has served over 30 clients in the fiscal year placing approximately 70% of the clients into part time or full-time employment.

Social Services

The Organization’s Social Services case managers work to bridge the gap between refugees and the resources necessary for integration in the U.S. They provide assistance with: legal matters, public transportation, health coverage, safe and affordable housing, school enrollment, and other critical matters. During the year ending June 30, 2020, the Organization provided a clear path to integration for 90 refugees this year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Organization have been prepared on the accrual basis. The Organization follows the provisions of Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Date of Management’s Review

Subsequent events were evaluated through March 23, 2021, which is the date the financial statements were available to be issued. From their review, management has determined that there were no significant recognizable or unrecognizable subsequent events that were not properly disclosed.

Estimates in the Financial Statements

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Concentrations of Credit Risks

The Organization maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. At June 30, 2020, \$1,022,624 exceeded the FDIC insurance limit of \$250,000, and therefore was not insured. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Organization receives a substantial portion of its revenue from government contracts and grants. During the year ending June 30, 2020, approximately 25% of the Organization's total revenue was from Agency A. Any decreases in government funding would have a negative impact on the future operations of the Organization.

At June 30, 2020 approximately 23%, 15%, and 14% of the Organization's total accounts receivable was due from three Agencies, respectively

Accounts and Grants Receivable and Allowance for Doubtful Accounts

Accounts and grants receivable are carried at their estimated collectible amounts. The Organization's accounts and grants receivable are generally short-term in nature; thus accounts and grants receivable do not accrue finance or interest charges.

Accounts and grants receivable are periodically evaluated for collectibility based on past credit history with customers and their current financial condition. An allowance for doubtful accounts has not been established because management believes that all accounts and grants receivable will be fully collectible.

Promises to Give

Unconditional promises to give that are 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. The Organization determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. An allowance for uncollectible promises has not been established at June 30, 2020 because management believes that all promises to give will be fully collectible.

Property and Equipment

Property and equipment are recorded at acquisition cost, or if donated, at the fair market value at the date donated. The Organization capitalizes additions that exceed \$5,000. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation expense is provided on a straight-line basis over the estimated useful lives of the respective assets or lease terms, which range from five to thirty years. Depreciation expense for the year ended June 30, 2020 was \$138,316.

Impairment of Long-Lived Assets

The Organization evaluates its long-lived assets for any events or changes in circumstances which indicate that the carrying amounts of the assets may not be fully recoverable. The Organization evaluates the recoverability of long-lived assets by measuring the carrying amounts of the assets against the estimated undiscounted future cash flows associated with them. When future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying amounts of the assets, the assets are adjusted to their fair values.

Classes of Net Assets

Net assets, revenues and gains are classified based on the presence or absence of donor or grantor-imposed 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.
- *Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions

Contributions are recognized when cash or an unconditional promise to give is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Revenue and Revenue Recognition

Program service revenue consists of fees for service, rental income, and other income. Program service revenue is recognized when earned. Payments received in advance, if any, are deferred to the applicable period in which the related goods or services are provided.

In-kind Contributions

In-kind contributions are recorded as support at their estimated fair market value at the date of 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 year ended June 30, 2020 consisted of the following:

Deseret Industries vouchers	<u>\$ 72,733</u>
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Functional Allocation of Expenses

The cost of providing programs 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 salaries, payroll taxes, employee benefits, professional fees, occupancy, and depreciation, which are allocated on the basis of estimated time and effort.

Income Taxes

The Organization has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(c)(3), qualifying for the charitable contribution deduction under section 170(b)(1)(A)(vi) and has been determined not to be a private foundation under Section 509(a). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) and is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has determined that the Organization is not subject to unrelated business income tax. Management believes that the Organization has appropriate support for any tax positions taken in its annual filing and does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990 are no longer subject to tax examination for years before 2017.

Reclassifications

Certain items from June 30, 2019 have been reclassified to conform to the June 30, 2020 presentation.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date consisted of the following:

Cash and cash equivalents	\$ 1,392,960
Accounts receivable, including promises to give, current portion	<u>469,253</u>
Current financial assets, at year-end	1,862,213
Less those unavailable for general expenditure within one year, due to donor-imposed time or purpose restrictions	<u>(238,214)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,623,999</u>

As part of its liquidity management plan, the Organization invests cash in excess of daily requirements in savings and money market funds.

Notes (continued)

4. ACCOUNTS AND GRANTS RECEIVABLE, INCLUDING PROMISES TO GIVE

Accounts and grants receivable, including promises to give, consisted of the following at June 30, 2020:

Accounts and grants receivable	\$ 427,097
Promises to give	41,500
Sales tax receivable	<u>656</u>
	<u>\$ 469,253</u>

5. LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2020:

Note payable to a financial institution requiring monthly principal and interest payments of \$18,996, bearing interest of 4.82%, maturing no later than April 24, 2027, and secured by real property costing \$2,600,000. \$ 1,315,065

Note payable to a financial institution (through the Paycheck Protection Program); the note bears interest At 1% and is due and payable on April 30, 2022. Interest and payments are deferred until six months after receiving the loan. This loan is eligible for forgiveness if the Organization meets certain criteria. The Organization expects to meet the criteria for the forgiveness. The note is unsecured. 230,100

Total long-term debt	1,545,165
Less: current portion	<u>(242,192)</u>

Long-term debt, net of current portion \$ 1,302,973

Future minimum payments required for the long-term debt are as follows:

<u>For Year Ended June 30,</u>	<u>Principal</u>	<u>Amortized Debt Issuance Costs</u>	<u>Net Amount</u>
2021	\$ 243,242	\$ (1,050)	\$ 242,192
2022	290,642	(1,050)	289,592
2023	222,838	(1,050)	221,788
2024	193,282	(1,050)	192,232
2025	203,032	(1,050)	201,982
Thereafter	<u>399,304</u>	<u>(1,925)</u>	<u>397,379</u>
Total long-term debt	1,552,340	(7,175)	1,545,165
Less: current portion	<u>(243,242)</u>	<u>1,050</u>	<u>(242,192)</u>
Long-term debt, less current portion	<u>\$ 1,309,098</u>	<u>\$ (6,125)</u>	<u>\$ 1,302,973</u>

Interest expense for the year ended June 30, 2020 was \$68,978.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at June 30, 2020:

Subject to expenditure for specified purpose:	
Treatment	\$ 17,018
Housing	8,000
Trafficking	66,369
Improvements	5,150
Youth and family services	17,332
Home management training program	82,845
Promises to give	
United Way grants	<u>41,500</u>
	<u>\$ 238,214</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors as following for the year ended June 30, 2020:

Satisfaction of purpose restrictions:	
Treatment	\$ 21,990
Trafficking	6,453
Home management training program	17,617
Youth and family services	168
Expiration of time restrictions:	<u>45,000</u>
Total net assets released from restrictions	<u>\$ 91,228</u>

7. RETIREMENT PLAN

The Organization has adopted a tax-sheltered annuity which provides for a salaried deferral arrangement for participating employees. The Organization uses a contribution rate equivalent to that used by the State of Utah Retirement System. The tax-sheltered annuity permits an employee to defer an amount out of his or her salary on an individual basis. Separate accounts are maintained for each participating employee. The total retirement plan expense was \$93,629 for the year ended June 30, 2020.

8. PROGRAM SERVICES

Program service expenses of the Organization for the year ended June 30, 2020 consisted of the following:

Interpreting	\$ 683,890
Trafficking in Persons	583,653
Treatment	552,513
Youth and family services	390,498
Social services	314,793
Emergency housing	221,187
Employment	166,701
English as a Second Language	<u>86,487</u>
	<u>\$ 2,999,722</u>

9. COMMITMENTS AND CONTINGENCIES

The Organization participates in various government-assisted programs that are subject to review and audit by grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable government regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a government audit may become a liability of the Organization. The ultimate disallowance pertaining to these regulations, if any, is estimated to be immaterial to the overall financial condition of the Organization.

The Organization may be involved in certain claims arising from the ordinary course of operations and has purchased insurance policies to cover these risks.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have had and are likely to continue to have a negative impact on the Organization. Certain activities the Organization typically uses to accomplish its mission have been disrupted and actions have been taken to mediate the impact. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The related financial impact cannot be reasonably estimated at this time.

10. PRIOR YEAR 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 generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019 from which the summarized information was derived.

11. SUBSEQUENT EVENTS

Subsequent to year end, the Organization applied for forgiveness of its PPP loan. The received forgiveness of its PPP loan in the amount of \$230,100 on November 13, 2020.

SUPPLEMENTARY INFORMATION

AND

COMPLIANCE REPORTS

Asian Association of Utah
dba Refugee & Immigrant Center
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor Pass Through Grantor Program Title	Agency or Pass- through Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed through Utah Department of Human Services			
Dare to be You	161499	93.669	\$ 60,071
Passed through Utah Department of Workforce Services			
Office of Refugee Resettlement	16DWS0206	93.566	18,167
Temporary Aid to Needy Families	16DWS0206	93.558	254,268
Temporary Aid to Needy Families	20DWS0140	93.558	151,259
TANF – Teen Afterschool Prevention	20DWS0107	93.558	56,778
TANF – Teen Afterschool Prevention	20DWS0103	93.558	65,660
TANF – Teen Afterschool Prevention	20DWS0108	93.558	53,422
Temporary Aid to Needy Families – Payroll	17DWS0117	93.558	213,764
Temporary Aid to Needy Families – Housing	18DWS0148	93.558	158,416
TANF – Elementary Afterschool Match Partnership	20DWS0039	93.575	29,020
Passed through U.S. Administration for Children and Families			
Domestic Victims of Severe Forms of Human Trafficking	90TV00160400	93.327	307,778
Passed through Administration for Children and Families			
Refugee Mental Health Awareness Training	1H79SM0120101	93.243	114,639
Refugee Mental Health Awareness Training	1H79SM0120102	93.243	15,026
Total U.S. Department of Health and Human Services			1,498,268
<u>U.S. Department of Justice</u>			
Passed through Utah Office for Victims of Crime			
VOCA – Housing	16V18125	16.575	115,242
VOCA – Case management	16V18106	16.575	69,266
Passed through Office of Violence Against Women Programs			
Transitional Housing for Survivors of Trafficking	2019WHZA0067	16.736	31,898
Passed through U.S. Office of Justice Programs			
Services for Victims of Human Trafficking	2018VTBXX065	16.320	181,142
Services for Victims of Human Trafficking	2019VMBXX0012	16.320	39,562
Total U.S. Department of Justice			437,110
<u>U.S. Department of Education</u>			
Passed through Utah State Office of Education			
AEFLA	170041	84.002A	110,912
Total U.S. Department of Education			110,912
Total Expenditures of Federal Awards			\$ 2,046,290

**Asian Association of Utah
dba Refugee & Immigrant Center**
Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2020

Note A - Basis of Accounting

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Asian Association of Utah dba Refugee & Immigrant Center under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Asian Association of Utah dba Refugee & Immigrant Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Asian Association of Utah dba Refugee & Immigrant Center.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Asian Association of Utah dba Refugee & Immigrant Center has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Asian Association of Utah
dba Refugee & Immigrant Center
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ Yes √ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes √ None reported

Noncompliance material to financial statements noted? ___ Yes √ No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? ___ Yes √ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ Yes √ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR section 200.516(a)? ___ Yes √ No

Identification of major programs:

CFDA Number: 93.558 TANF – Temporary Aid to Needy Families

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? √ Yes ___ No

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

**Asian Association of Utah
dba Refugee & Immigrant Center**
Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2020

Findings of Prior Audit - Year Ended June 30, 2019

There were no findings in the prior year.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

The Board of Directors
Asian Association of Utah dba Refugee & Immigrant Center
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Asian Association of Utah dba Refugee & Immigrant Center, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Asian Association of Utah dba Refugee & Immigrant Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Asian Association of Utah dba Refugee & Immigrant Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Asian Association of Utah dba Refugee & Immigrant Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bountiful Peak Advisors

Bountiful, Utah
March 23, 2021



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

The Board of Directors
Asian Association of Utah dba Refugee & Immigrant Center
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

We have audited Asian Association of Utah dba Refugee & Immigrant Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Asian Association of Utah dba Refugee & Immigrant Center's major federal programs for the year ended June 30, 2020. Asian Association of Utah dba Refugee & Immigrant Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Asian Association of Utah dba Refugee & Immigrant Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Asian Association of Utah dba Refugee & Immigrant Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Asian Association of Utah dba Refugee & Immigrant Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Asian Association of Utah dba Refugee & Immigrant Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with Uniform Guidance.

Report on Internal Control Over Compliance

Management of Asian Association of Utah dba Refugee & Immigrant Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Asian Association of Utah dba Refugee & Immigrant Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Asian Association of Utah dba Refugee & Immigrant Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bountiful Peak Advisors

Bountiful, Utah
March 23, 2021