

UTAH DISPUTE RESOLUTION

FINANCIAL STATEMENTS

With

INDEPENDENT AUDITOR'S REPORT

as of June 30, 2011 and 2010

UTAH DISPUTE RESOLUTION
FINANCIAL STATEMENTS
AS OF JUNE 30, 2011 AND 2010

Table of Contents

	<u>Page No.</u>
Independent Auditor's Report	1
Financial Statements	
Statements Of Financial Position	2
Statements Of Activities	3
Statements Of Cash Flows	4
Notes To Financial Statements	5 - 6



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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Utah Dispute Resolution

I have audited the accompanying statements of financial position of Utah Dispute Resolution (UDR) (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of UDR's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Dispute Resolution as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Huizenga & Co., PC

August 25, 2011

**UTAH DISPUTE RESOLUTION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2011 AND 2010**

(See Independent Auditor's Report)

ASSETS

	<u>2011</u>	<u>2010</u>
Current assets:		
Cash and equivalents	\$ 198,846	\$ 72,293
Certificates of deposit	-	100,915
Pledges and other receivables	20	820
Total current assets	<u>198,866</u>	<u>174,028</u>
Property and equipment, at cost		
Leasehold improvements	25,883	25,883
Computers, equipment and furniture	26,960	15,223
Total property and equipment	52,843	41,106
Less accumulated depreciation and amortization	<u>(41,560)</u>	<u>(38,492)</u>
Property and equipment, net	<u>11,283</u>	<u>2,614</u>
Total assets	<u>\$ 210,149</u>	<u>\$ 176,642</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 1,001	\$ 1,134
Deferred revenue	6,650	1,000
Total current liabilities	<u>7,651</u>	<u>2,134</u>
Net assets:		
Temporarily restricted	5,000	5,000
Unrestricted	197,498	169,508
Total net assets	<u>202,498</u>	<u>174,508</u>
Total liabilities and net assets	<u>\$ 210,149</u>	<u>\$ 176,642</u>

See notes to financial statements

**UTAH DISPUTE RESOLUTION
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2011
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2010)**

(See Independent Auditor's Report)

	2011			2010
	Unrestricted	Temporarily Restricted	Total	
Support and revenue:				
Grant and contribution income	\$ 61,522	\$ 29,000	\$ 90,522	\$ 93,060
Seminar income	105,337	-	105,337	88,145
Mediation income	18,724	-	18,724	14,645
Youth program grant	5,000	-	5,000	850
Program contract income	-	7,870	7,870	-
In-kind revenue	34,813	-	34,813	14,945
Interest	1,318	-	1,318	4,020
Net assets released from program restriction	36,870	(36,870)	-	-
Total revenue	<u>263,584</u>	<u>-</u>	<u>263,584</u>	<u>215,665</u>
Expenses:				
Services and programs	178,597	-	178,597	189,163
General and administrative	25,774	-	25,774	26,478
Depreciation and amortization	3,068	-	3,068	1,879
Fundraising	-	-	-	1,557
In-kind expense	28,155	-	28,155	14,945
Total expenses	<u>235,594</u>	<u>-</u>	<u>235,594</u>	<u>234,022</u>
Increase (decrease) in net assets	27,990	-	27,990	(18,357)
Net assets:				
Beginning of year	<u>169,508</u>	<u>5,000</u>	<u>174,508</u>	<u>192,865</u>
End of year	<u>\$ 197,498</u>	<u>\$ 5,000</u>	<u>\$ 202,498</u>	<u>\$ 174,508</u>

See notes to financial statements

**UTAH DISPUTE RESOLUTION
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2011
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2010)**

(See Independent Auditor's Report)

	2011			2010 Total
	Unrestricted	Temporarily Restricted	Total	
Cash flows from operating activities:				
Increase (decrease) in net assets	\$ 27,990	\$ -	\$ 27,990	\$ (18,357)
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities				
Depreciation and amortization	3,068	-	3,068	1,879
In-kind donations (net)	(6,885)	-	(6,885)	-
Restrictions on net assets	-	-	-	-
Change in pledges and other receivables	800	-	800	(790)
Change in accounts payable	(133)	-	(133)	13
Change in deferred revenue	5,650	-	5,650	(8,250)
Total adjustments	2,500	-	2,500	(7,148)
Net cash provided by operating activities	30,490	-	30,490	(25,505)
Cash flows from investing activities:				
Purchase of equipment	(4,852)	-	(4,852)	-
Sale (purchase) of certificates of deposit	100,915	-	100,915	(915)
Net cash provided by investing activities	96,063	-	96,063	(915)
Net increase (decrease) in cash and equivalents	126,553	-	126,553	(26,420)
Cash and equivalents				
Beginning of year	72,293	-	72,293	98,713
End of year	\$ 198,846	-	\$ 198,846	\$ 72,293
<u>Cash paid during the year for:</u>				
Interest	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -

See notes to financial statements

UTAH DISPUTE RESOLUTION
NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2011 AND 2010

(1) Summary of significant accounting policies

Organization- Utah Dispute Resolution (UDR) was created in 1991 and was incorporated in the State of Utah on July 8, 1996. UDR was established to provide alternative dispute resolution (mediation) services to low and middle-income individuals. Mediation services are provided by local volunteers including attorneys, social workers and others. Cases include disputes involving family, housing, neighborhood and consumer issues.

Fund accounting- The assets, liabilities and net assets of UDR are reported in accordance with generally accepted accounting principles for a not-for-profit organization.

The net assets of UDR have been classified into two categories: Unrestricted and Temporarily Restricted. These categories are determined based on restrictions placed upon resources provided to UDR by donors or others.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash and cash equivalents include cash on hand, bank demand deposit accounts and money market accounts.

Property and equipment - Depreciation is provided using the straight-line method over the following estimated useful lives:

Leasehold improvements	10 years
Computers, equipment and furniture	5 years

Purchased property and equipment is recorded at historical cost and donated property and equipment is recorded at fair market value.

Compensated absences - Compensated absences have not been accrued because they are not considered material.

Deferred Revenue - Fees collected prior to yearend for seminars to be held in the following fiscal year are recorded as deferred revenue.

Revenue Classification - Contributions with donor-imposed restrictions are reported as temporarily restricted or permanently restricted, as appropriate. Contributions without donor-imposed restrictions are reported as unrestricted support. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted.

In-Kind Revenue and Expense - In-kind revenue and expense is recorded at the fair market value in the period it is received. In-kind revenue and expense consisted of donated rent, supplies and support services valued at \$15,135 in 2011 and \$14,945 in 2010.

(1) Summary of significant accounting policies - Continued

Income tax Status- On July 8, 1996, UDR incorporated as a 501(c)(3) organization and has received a determination letter from the Internal Revenue Service exempting UDR from federal income taxes. UDR is liable for taxes on unrelated business income. To date, UDR has not generated such income.

(2) Concentrations

Financial instruments which potentially subject UDR to concentrations of credit risk consist principally of cash, cash equivalents and certificates of deposits. UDR maintains these financial instruments with what the Board of Trustees believes to be high credit quality financial institutions.

UDR obtained grants from three foundations which represented over 10% of its revenue on 2011 or 2010, as follows:

	<u>2011</u>	<u>2010</u>
Foundation A	16%	0%
Foundation B	10	10
Foundation C	0	13

(3) Related party transactions

Office space valued at \$13,020 annually was provided to UDR by the Utah State Bar (the Bar) at no cost in 2011 and 2010. The Bar also provided meeting facilities, accounting and other services to UDR at no cost, valued in in-kind revenue and expense at \$15,135 in 2011 and \$1,925 in 2010.

The Bar provides UDR for telephone, office supplies, postage, copying, printing, meeting facilities and other services in the normal course of business. UDR reimbursed the Bar \$6,678 and \$9,197 for such services in 2011 and 2010, respectively.