Financial Statements
June 30, 2021 and 2020

National Center on Shaken Baby Syndrome

Independent Auditor's Report

The Board of Directors of
National Center on Shaken Baby Syndrome
Farmington, Utah

Report on the Financial Statements
We have audited the accompanying financial statements of National Center on Shaken Baby Syndrome (the Center), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 National Center on Shaken Baby Syndrome as of June 30, 2021 and 2020, 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.

Eide Bailly LLP

Ogden, Utah
March 7, 2022

		2021		2020
Assets				
Cash and cash equivalents	$	93,954	$	145,616
Operating investments		535,703		461,942
Accounts receivable, net		157,887		130,786
Inventories, net		137,854		87,837
Prepaid expenses		3,553		24,371
Property and equipment, net		13,307		9,250
Total assets	$	942,258	$	859,802
Liabilities and Net Assets				
Accounts payable	$	73,184	$	46,082
Accrued expenses and other liabilities		43,677		44,951
Deferred revenue		6,778		18,153
Paycheck Protection Program (PPP) loan		-		98,500
Total liabilities		123,639		207,686
Net Assets				
Net assets without donor restrictions		803,619		637,113
Net assets with donor restrictions		15,000		15,003
Total net assets		818,619		652,116
Total liabilities and net assets	$	942,258	$	859,802

	2021	2020
Net Assets without Donor Restrictions		
Revenue, gains, and other support		
Sales of resource materials	$ 794,095	$ 849,277
Less cost of goods sold	(153,071)	(177,952)
Net sales of resource materials	641,024	671,325
Conferences and services	75,000	12,637
Program support	96,556	151,671
In-kind contributions	3,250	6,750
Gain on forgiveness of Paycheck Protection Program (PPP) loan	98,500	-
Net investment return	70,180	14,675
Net assets released from restrictions	45,053	15,991
Total revenue, gains, and other support	1,029,563	873,049
Expenses		
Programs and services	682,934	676,134
Management and general	156,579	159,822
Fundraising and development	23,544	24,810
Total expenses	863,057	860,766
Change in net assets without donor restrictions	166,506	12,283
Net Assets with Donor Restrictions		
Grants, foundation and public support	45,050	15,003
Net assets released from restrictions	(45,053)	(15,991)
Change in net assets with donor restrictions	(3)	(988)
Change in Net Assets	166,503	11,295
Net Assets, Beginning of Year	652,116	640,821
Net Assets, End of Year	$ 818,619	$ 652,116

	Programs and Services	Management and General	Fundraising and Development	Total
Salaries	$ 354,654	$ 96,724	$ 9,212	$ 460,590
Direct conference costs	33,513	-	-	33,513
Program and grant expense	71,491	4,205	8,411	84,107
Payroll taxes and benefits	48,547	13,240	1,261	63,048
Marketing	7,699	-	-	7,699
Shipping and postage	28,030	295	1,180	29,505
Rent	41,718	11,378	1,084	54,180
Travel	2,973	264	66	3,303
Office supplies	15,427	4,207	401	20,035
Professional services	44,742	21,693	1,356	67,791
Depreciation	2,650	723	69	3,442
Telephone and internet	5,867	1,600	152	7,619
Miscellaneous	14,921	-	-	14,921
Production/translation/media	1,990	221	-	2,211
Printing	635	-	159	794
Training	640	-	-	640
Interest	2,381	650	62	3,093
Resource materials cost of goods sold	153,071	-	-	153,071
Utilities	5,056	1,379	131	6,566
	836,005	156,579	23,544	1,016,128
Less expenses included with revenues on the statement of activities				
Resource materials cost of goods sold	(153,071)	-	-	(153,071)
Total expenses included in the expense section on the statement of activities	$ 682,934	$ 156,579	$ 23,544	$ 863,057

	Programs and Services	Management and General	Fundraising and Development	Total
Salaries	$ 366,522	$ 99,960	$ 9,520	$ 476,002
Program and grant expense	77,163	4,539	9,078	90,780
Payroll taxes and benefits	50,447	13,758	1,310	65,515
Marketing	1,024	-	-	1,024
Shipping and postage	32,997	347	1,389	34,733
Rent	40,872	11,147	1,062	53,081
Travel	9,980	887	222	11,089
Office supplies	13,029	3,553	338	16,920
Professional services	43,877	21,274	1,330	66,481
Depreciation	2,772	756	72	3,600
Telephone and internet	5,275	1,439	137	6,851
Miscellaneous	19,375	-	-	19,375
Production/translation/media	6,653	739	-	7,392
Printing	863	-	216	1,079
Training	65	-	-	65
Interest	1,830	499	48	2,377
Resource materials cost of goods sold	177,952	-	-	177,952
Utilities	3,390	924	88	4,402
	854,086	159,822	24,810	1,038,718
Less expenses included with revenues on the statement of activities				
Resource materials cost of goods sold	(177,952)	-	-	(177,952)
Total expenses included in the expense section on the statement of activities	$ 676,134	$ 159,822	$ 24,810	$ 860,766

	2021	2020
Operating Activities		
Change in net assets	$ 166,503	$ 11,295
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation	3,442	3,600
Realized and unrealized gain on operating investments	(57,236)	(1,058)
Gain on forgiveness of Paycheck Protection Program (PPP) loan	(98,500)	-
Changes in operating assets and liabilities		
Accounts receivable	(27,101)	102,984
Inventories	(50,017)	(22,216)
Prepaid expenses	20,818	(10,225)
Accounts payable	27,102	(113,359)
Accrued expenses and other liabilities	(1,274)	6,606
Deferred revenue	(11,375)	13,681
Net Cash used for Operating Activities	(27,638)	(8,692)
Investing Activities		
Purchases of operating investments	(988,610)	(172,275)
Proceeds from sales of operating investments	972,086	207,997
Purchases of property and equipment	(7,500)	(3,430)
Net Cash from (used for) Investing Activities	(24,024)	32,292
Financing Activities		
Proceeds from Paycheck Protection Program (PPP) loan	-	98,500
Net Change in Cash and Cash Equivalents	(51,662)	122,100
Cash and Cash Equivalents, Beginning of Year	145,616	23,516
Cash and Cash Equivalents, End of Year	$ 93,954	$ 145,616

Note 1 - Principal Activity and Significant Accounting Policies

Organization

The National Center on Shaken Baby Syndrome (the Center) was organized to collect public support funds and to allocate these funds to community centers in need.

The mission of the Center is to prevent shaken baby syndrome and promote the well-being of infants generally through the development and implementation of programs, policy and research; and to support and educate families, caregivers and professionals.

The Center is a nationally recognized provider of educational services and training regarding the prevention of shaken baby syndrome. While the majority of the Center's activities take place in Utah, the Center presents programs both nationally and internationally. The Center's source of revenue comes from grants received, donations, fundraising, investment income and the provision of educational materials.

Cash and Cash Equivalents

The Center considers all cash and highly liquid financial instruments with original maturities of three months or less and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Receivables and Credit Policies

Accounts receivable consist primarily of noninterest-bearing amounts due for sales of resource materials, program services and special events. The Center 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, 2021 and 2020, the allowance was $1,500. The accounts receivable balance as of July 1, 2019 was $235,270.

Inventories

The Center's inventories are comprised of items such as DVD's, pamphlets and other program related resource materials. Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value. The Center has provided an allowance for inventory obsolescence of $3,000 at December 31, 2021 and 2020.

Property and Equipment

Property and equipment additions over $250 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 3 to 10 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.

The Center 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. The Center determined that there were no indicators of asset impairment during the years ended June 30, 2021 and 2020.

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 statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence 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.

The Center reports 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 statements of activities as net assets released from restrictions. 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.

Revenue and Revenue Recognition

The Center recognizes revenue from sales of resource materials, conferences and services, and program support as the performance obligations are satisfied and are recognized at a point in time. Performance obligations are determined based on the nature of the services provided by the Center. Revenue for performance obligations satisfied at a point in time is recognized when goods or services are provided, and the

Center does not believe they are required to provide additional goods or services. There were no contract assets or liabilities outstanding as of June 30, 2021 and 2020.

The Center recognizes contributions when cash, securities or other assets are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. The Center records contributions with donor restrictions as contributions with donor restrictions until such time as the restriction has been satisfied at which time they are reported as net assets released from restrictions.

Donated assets are recorded at their market value at the date of donation. Contributions of services are recognized only if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In some instances, contributions from supporting committees are received net of fundraising expenses incurred and are recognized on a net basis. The Center records special events revenue equal to the fair value of direct benefits to donors, and the contribution income for the excess received when the event takes place.

For the years ended June 30, 2021 and 2020, $1,112,451 and $1,035,338 respectively, of revenue was recognized at a point in time.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to program services, management and general and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Center records donated professional services at the respective fair values of the services received (Note 11).

Deferred Revenue

Deferred revenue represents payments prepayments for events to be held in a future year, and contributions for which qualifying expenses have not been incurred. Deferred revenue at June 30, 2021 and 2020, is $6,778 and $18,153, respectively, and consists of contribution revenue deferred for the biennial conference that has not yet been earned. Deferred revenue at July 1, 2019 was $4,472.

Advertising Costs

The Center uses advertising to promote its programs among the audiences it serves and to encourage contributions. Advertising costs are expensed as incurred, and approximated $7,700 and $1,000 during the years ended June 30, 2021 and 2020, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program and supporting service 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 rent and depreciation, which are allocated on a square footage basis, salaries, payroll taxes and benefits, direct conference costs, program and grant expense, professional services, travel, shipping, office supplies and other, which are allocated on the basis of estimates of time and effort.

Income Taxes

The Center 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 Center described in Section 501(c)(3), qualifies for the charitable contribution deduction and has been determined not to be a private foundation.

The Center is annually required to file a Return of Center Exempt from Income Tax (Form 990) with the IRS. In addition, the Center is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Center has determined it is not subject to unrelated business income tax and has not filed an Exempt Center Business Income Tax Return (Form 990-T) with the IRS.

The Center 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. The Center 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 generally accepted accounting principles 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

The Center manages deposit concentration risk by placing cash, fixed income bonds and mutual funds 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, the Center 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 the Center's mission. Investments are made by diversified investment managers whose performance is monitored by the Center and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Center and the Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Center.

Change in Accounting Principle

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time and expand disclosures about revenue. The core principle of the new guidance is that the Center should recognize revenue to match the transfer of promised goods or services to the customer in an amount that reflects the consideration in exchange for those goods or services. The Center has implemented Topic 606 as of July 1, 2020 and has adjusted the presentation of these financial statements accordingly. The amendment has been applied retrospectively to all periods presented, with no effect on net assets.

Subsequent Events

The Center has evaluated subsequent events through March 7, 2022 , the date the financial statements were available to be issued.

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:

	2021	2020
Cash and cash equivalents	$ 78,954	$ 130,613
Operating investments	535,703	461,942
Accounts receivable	157,887	130,786
	$ 772,544	$ 723,341

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments and money market funds.

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 can be accessed 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, we develop 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 the 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 the Center's assessment of the quality, risk or liquidity profile of the asset or liability.

All of the Center's investment assets are classified within Level 1 because they are comprised of open-end mutual funds and fixed income bonds with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis at June 30, 2021:

		Fair Value Measurements at Report Date Using		
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Fixed income bonds	$ 248,008	$ 248,008	$ -	$ -
Mutual funds	281,497	281,497	-	-
Money market mutual fund	6,198	6,198	-	-
	$ 535,703	$ 535,703	$ -	$ -

The following table presents assets measured at fair value on a recurring basis at June 30, 2020:

		Fair Value Measurements at Report Date Using		
Assets	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Operating investments				
Fixed income bonds	$ 298,553	$ 298,553	$ -	$ -
Mutual funds	163,389	163,389	-	-
	$ 461,942	$ 461,942	$ -	$ -

Note 4 - Net Investment Return

Net investment return consists of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Operating investments		
Interest and dividends	$ 12,944	$ 13,617
Net realized and unrealized gain	57,236	1,058
	$ 70,180	$ 14,675

Note 5 - Inventories

Inventories consist of the following at June 30, 2021 and 2020:

	2021	2020
Finished goods	$ 140,854	$ 90,837
Less reserves	(3,000)	(3,000)
	$ 137,854	$ 87,837

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2021 and 2020:

	2021	2020
Furniture and fixtures	$ 79,908	$ 86,008
Less accumulated depreciation	(66,601)	(76,758)
	$ 13,307	$ 9,250

Note 7 - Paycheck Protection Program (PPP) Loan

During April 2020, The Center applied for and was granted a $98,500 loan under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Center initially recorded the loan as a loan payable and received notification of forgiveness in January 2021. As a result, the Center recognized a reduction of loan payable with a resulting gain totaling $98,500 during the year ended June 30, 2021.

Note 8 - Leases

The Center leases office space in Farmington, Utah, under an operating lease expiring on June 30, 2023.

Future minimum lease payments are as follows:

Years Ending December 31,	
2022	$ 26,664
2023	29,997
Total minimum lease payments	$ 56,661

Rent and common area maintenance expense for the years ended June 30, 2021 and 2020 totaled $54,180 and $53,081, respectively.

Note 9 - Employee Benefits

The Center has a qualified retirement plan whereby employees who work more than 20 hours a week can contribute up to 100 percent of their salary within statutory limits. The employer has the option to make discretionary contributions. During the years ended June 30, 2021 and 2020, the Center made contributions of $11,681 and $9,960, respectively.

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions include monies received, which have not been expended for their specific purposes, which are restricted by donors. Net assets with donor restrictions as of June 30, 2021 and 2020, consist of:

	2021	2020
Restricted by donors for		
Educational programs: Period of Purple	$ 15,000	$ 15,003

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 during the years ended December 31, 2021 and 2020:

	2021	2020
Satisfaction of purpose restrictions		
Educational programs: Period of Purple	$ 45,053	$ 12,756
Lecture Series	-	3,235
	$ 45,053	$ 15,991

Note 11 - Donated Professional Services and Materials

The Center received donated professional services and materials as follows during the years ended June 30, 2021 and 2020:

	Program Services	Management and General	Fundraising and Development	Total
June 30, 2021				
Professional services	$ -	$ 3,250	$ -	$ 3,250
June 30, 2020				
Professional services	$ -	$ 6,750	$ -	$ 6,750