Financial Statements
June 30, 2023 and 2022

National Center on Shaken Baby Syndrome

EideBailly®

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Center on Shaken Baby Syndrome, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of National Center on Shaken Baby Syndrome as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of National Center on Shaken Baby Syndrome and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about National Center on Shaken Baby Syndrome's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities of the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of National Center on Shaken Baby Syndrome's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Center on Shaken Baby Syndrome's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Ogden, Utah
January 3, 2024

	2023	2022
Assets		
Cash and cash equivalents	$ 65,926	$ 694
Operating investments	383,900	402,647
Accounts receivable, net	104,198	72,514
Inventories, net	61,800	127,652
Prepaid expenses	10,683	17,435
Property and equipment, net	7,596	10,045
Total assets	$ 634,103	$ 630,987
Liabilities and Net Assets		
Accounts payable	$ 54,515	$ 69,485
Accrued expenses and other liabilities	37,952	24,359
Deferred revenue	12,537	34,493
Line of credit	-	156
Total liabilities	105,004	128,493
Net Assets		
Net assets without donor restrictions	502,599	502,494
Net assets with donor restrictions	26,500	-
Total net assets	529,099	502,494
Total liabilities and net assets	$ 634,103	$ 630,987

	2023	2022
Net Assets without Donor Restrictions		
Revenue, gains, and other support		
Sales of resource materials	$ 750,577	$ 638,541
Less cost of goods sold	(116,368)	(127,868)
Net sales of resource materials	634,209	510,673
Conferences and services	135,204	-
Program support	90,355	101,735
In-kind contributions	3,673	-
Net investment return (loss)	31,278	(83,056)
Net assets released from restrictions	21,000	42,500
Total revenue, gains, and other support	915,719	571,852
Expenses		
Programs and services	746,219	684,831
Management and general	148,508	164,705
Fundraising and development	20,887	23,441
Total expenses	915,614	872,977
Change in net assets without donor restrictions	105	(301,125)
Net Assets with Donor Restrictions		
Grants, foundations and public support	47,500	27,500
Net assets released from restrictions	(21,000)	(42,500)
Change in net assets with donor restrictions	26,500	(15,000)
Change in Net Assets	26,605	(316,125)
Net Assets, Beginning of Year	502,494	818,619
Net Assets, End of Year	$ 529,099	$ 502,494

	Programs and Services	Management and General	Fundraising and Development	Total
Salaries	$ 337,884	$ 92,150	$ 8,776	$ 438,810
Direct conference costs	130,706	-	-	130,706
Program and grant expense	51,000	3,000	6,000	60,000
Payroll taxes and benefits	45,490	12,406	1,182	59,078
Marketing	1,052	-	-	1,052
Shipping and postage	36,347	383	1,530	38,260
Rent	34,483	9,405	896	44,784
Travel	10,687	950	238	11,875
Office supplies	12,496	3,408	325	16,229
Professional services	45,984	22,295	1,393	69,672
Depreciation	2,374	648	62	3,084
Telephone and internet	4,847	1,322	126	6,295
Miscellaneous	20,333	-	-	20,333
Production/translation/media	704	78	-	782
Printing	502	-	125	627
Training	2,299	-	-	2,299
Interest	4,098	1,118	106	5,322
Resource materials cost of goods sold	116,368	-	-	116,368
Utilities	4,933	1,345	128	6,406
	862,587	148,508	20,887	1,031,982
Less expenses included with revenues on the statement of activities				
Resource materials cost of goods sold	(116,368)	-	-	(116,368)
Total expenses included in the expense section on the statement of activities	$ 746,219	$ 148,508	$ 20,887	$ 915,614

	Programs and Services	Management and General	Fundraising and Development	Total
Salaries	$ 367,093	$ 100,116	$ 9,535	$ 476,744
Program and grant expense	64,600	3,800	7,600	76,000
Payroll taxes and benefits	48,527	13,235	1,260	63,022
Marketing	592	-	-	592
Shipping and postage	31,264	329	1,316	32,909
Rent	31,837	8,683	827	41,348
Travel	17,992	1,599	400	19,991
Office supplies	14,589	3,979	379	18,947
Professional services	54,936	26,636	1,665	83,236
Depreciation	2,512	685	65	3,262
Telephone and internet	6,255	1,706	162	8,123
Miscellaneous	14,147	-	-	14,147
Production/translation/media	19,058	2,118	-	21,175
Printing	237	-	59	296
Training	4,523	-	-	4,523
Interest	2,242	612	58	2,913
Resource materials cost of goods sold	127,868	-	-	127,868
Utilities	4,427	1,207	115	5,749
	812,699	164,705	23,441	1,000,845
Less expenses included with revenues on the statement of activities				
Resource materials cost of goods sold	(127,868)	-	-	(127,868)
Total expenses included in the expense section on the statement of activities	$ 684,831	$ 164,705	$ 23,441	$ 872,977

	2023	2022
Operating Activities		
Change in net assets	$ 26,605	$ (316,125)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation	3,084	3,262
Realized and unrealized (gain) loss on operating investments	(15,727)	125,403
Changes in operating assets and liabilities		
Accounts receivable	(31,684)	85,373
Inventories, net	65,852	10,202
Prepaid expenses	6,752	(13,882)
Accounts payable	(14,970)	(3,699)
Accrued expenses and other liabilities	13,593	(19,318)
Deferred revenue	(21,956)	27,715
Net Cash from (used for) Operating Activities	31,549	(101,069)
Investing Activities		
Purchases of operating investments	(18,860)	(47,915)
Proceeds from sales of operating investments	53,334	55,568
Purchases of property and equipment	(635)	-
Net Cash from Investing Activities	33,839	7,653
Financing Activities		
Net borrowings (repayments) under line of credit	(156)	156
Net Change in Cash and Cash Equivalents	65,232	(93,260)
Cash and Cash Equivalents, Beginning of Year	694	93,954
Cash and Cash Equivalents, End of Year	$ 65,926	$ 694

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, 2023 and 2022, the allowance was $1,500. The accounts receivable balance as of July 1, 2021 was $159,387.

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 June 30, 2023 and 2022.

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 is 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 is 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, 2023 and 2022.

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/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external 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 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) 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, 2023 and 2022.

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.

For the years ended June 30, 2023 and 2022, $1,027,309 and $767,776 respectively, of revenue was recognized at a point in time.

Donated Services and In-Kind Contributions

The Center records donated professional services at the respective fair values of the services received (Note 11). 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.

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, 2023 and 2022, is $12,537 and $34,493, respectively, and consists of contribution revenue deferred for the biennial conference that has not yet been earned. Deferred revenue at July 1, 2021 was $6,778.

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 $1,100 and $600 during the years ended June 30, 2023 and 2022, 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 organization 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 the Center 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.

Subsequent Events

The Center has evaluated subsequent events through January 3, 2024, 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:

	2023	2022
Cash and cash equivalents	$ 39,426	$ 694
Operating investments	383,900	402,647
Accounts receivable	104,198	72,514
	$ 527,524	$ 475,855

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 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, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the 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 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 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 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, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. 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 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. 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.

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, 2023:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Operating investments				
Fixed income bonds	$ 178,686	$ 178,686	$ -	$ -
Mutual funds	205,189	205,189	-	-
Money market mutual fund	25	25	-	-
	$ 383,900	$ 383,900	$ -	$ -

The following table presents assets measured at fair value on a recurring basis at June 30, 2022:

		Fair Value Measurements at Report Date Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Operating investments				
Fixed income bonds	$ 212,038	$ 212,038	$ -	$ -
Mutual funds	189,412	189,412		
Money market mutual fund	1,198	1,198	-	-
	$ 402,647	$ 402,647	$ -	$ -

Note 4 - Net Investment Return/(Loss)

Net investment return/(loss) consists of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Operating investments		
Interest and dividends	$ 15,551	$ 42,347
Net realized and unrealized gain (loss)	15,727	(125,403)
	$ 31,278	$ (83,056)

Note 5 - Inventories

At June 30, 2023 and 2022, inventories consist of the following:

	2023	2022
Finished goods	$ 64,800	$ 130,652
Less reserves	(3,000)	(3,000)
	$ 61,800	$ 127,652

Note 6 - Property and Equipment

Property and equipment consists of the following at June 30, 2023 and 2022:

	2023	2022
Furniture and fixtures	$ 80,543	$ 79,908
Less accumulated depreciation	(72,947)	(69,863)
	$ 7,596	$ 10,045

Note 7 - Line of Credit

The Center has a $50,000 unsecured revolving line of credit with a financial institution. Borrowings under the line bear interest at the bank's prime rate plus 4%, which was 12.5% and 8% as of June 30, 2023 and June 30, 2022, respectively. The ending balance as of June 30, 2023 and June 30, 2022 was $0 and $156, respectively.

Note 8 - Leases

The Center leases office space in Farmington, Utah, under an operating lease that expired on June 30, 2023. The Center entered into a new lease for the same office space effective July 1, 2023, that expires on June 30, 2028. Rent and common area maintenance expense for the years ended June 30, 2023 and 2022 totaled $44,784 and $41,348, 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 wages within statutory limits. The Center has the option to make discretionary employer contributions. During the years ended June 30, 2023 and 2022, the Center matched employee voluntary contributions up to 3 percent, resulting in contributions to the plan of $9,594 and $10,440, respectively.

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods.

	2023	2022
Subject to Expenditure for Specified Purpose		
Educational programs: Period of Purple	$ 16,500	$ -
Educational programs: Child abuse prevention awareness	10,000	-
	$ 26,500	$ -

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 June 30, 2023 and 2022:

	2023	2022
Satisfaction of purpose restrictions		
Educational programs: Period of Purple	$ 21,000	$ 42,500

Note 11 - In-kind Contributions

For the year ended June 30, 2023, in-kind contributions recognized within the statements of activities included the following:

	2023
Real estate services	$ 500
Supplies	1,973
Airline vouchers	1,200
	$ 3,673

There were no donated professional services and materials during the year ended June 30, 2022.

Contributed real estate services are provided by a real estate agent who assisted in negotiating the lease renewal terms. Contributed real estate services are for management and general activities and are recognized based on current rates for similar real estate services.

Contributed supplies and airline vouchers are valued using estimated U.S. wholesale prices (principal market) of identical or similar products using pricing data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution. Contributed supplies and airline vouchers are used in program services.