



Financial Statements  
June 30, 2024 and 2023

# National Center on Shaken Baby Syndrome

National Center on Shaken Baby Syndrome

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June 30, 2024 and 2023

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## 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, 2024 and 2023, 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, 2024 and 2023, 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 16, 2025

# National Center on Shaken Baby Syndrome

## Statements of Financial Position

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 65,716	\$ 65,926
Operating investments	316,829	383,900
Accounts receivable, net of allowance for credit losses of \$1,500 in 2024 and 2023	116,550	104,198
Inventories, net	45,446	61,800
Prepaid expenses	12,190	10,683
Operating lease right-of-use asset	137,479	-
Property and equipment, net	7,690	7,596
Total assets	\$ 701,900	\$ 634,103
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 65,074	\$ 54,515
Accrued expenses and other liabilities	30,720	37,952
Deferred revenue	61,115	12,537
Operating lease liability	139,849	-
Total liabilities	296,758	105,004
<b>Net Assets</b>		
Without donor restrictions	400,142	502,599
With donor restrictions	5,000	26,500
Total net assets	405,142	529,099
Total liabilities and net assets	\$ 701,900	\$ 634,103

## National Center on Shaken Baby Syndrome

## Statements of Activities

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net Assets without Donor Restrictions		
Revenue, gains, and other support		
Sales of resource materials	\$ 766,764	\$ 750,577
Less cost of goods sold	<u>(117,470)</u>	<u>(116,368)</u>
Net sales of resource materials	649,294	634,209
Conferences and services	-	135,204
Program support	59,390	90,355
In-kind contributions	-	3,673
Net investment return	32,907	31,278
Net assets released from restrictions	<u>26,500</u>	<u>21,000</u>
Total revenue, gains, and other support	<u>768,091</u>	<u>915,719</u>
Expenses		
Programs and services	682,094	746,219
Management and general	166,317	148,508
Fundraising and development	<u>22,137</u>	<u>20,887</u>
Total expenses	<u>870,548</u>	<u>915,614</u>
Change in net assets without donor restrictions	<u>(102,457)</u>	<u>105</u>
Net Assets with Donor Restrictions		
Grants, foundations and public support	5,000	47,500
Net assets released from restrictions	<u>(26,500)</u>	<u>(21,000)</u>
Change in net assets with donor restrictions	<u>(21,500)</u>	<u>26,500</u>
Change in Net Assets	(123,957)	26,605
Net Assets, Beginning of Year	<u>529,099</u>	<u>502,494</u>
Net Assets, End of Year	<u>\$ 405,142</u>	<u>\$ 529,099</u>

## National Center on Shaken Baby Syndrome

### Statement of Functional Expenses

Year Ended June 30, 2024

	Programs and Services	Management and General	Fundraising and Development	Total
Salaries	\$ 379,285	\$ 103,441	\$ 9,852	\$ 492,578
Program and grant expense	51,000	3,000	6,000	60,000
Payroll taxes and benefits	53,096	14,481	1,379	68,956
Marketing	5,230	-	-	5,230
Shipping and postage	24,487	258	1,031	25,776
Rent	18,688	5,096	485	24,269
Travel	15,228	1,353	339	16,920
Office supplies	13,251	3,614	344	17,209
Professional services	48,828	23,674	1,480	73,982
Depreciation and amortization	2,522	688	66	3,276
Operating lease expense	21,562	5,880	560	28,002
Telephone and internet	4,647	1,267	121	6,035
Miscellaneous	27,674	-	-	27,674
Production/translation/media	527	59	-	586
Printing	584	-	146	730
Training	2,629	-	-	2,629
Interest	6,257	1,706	163	8,126
Resource materials cost of goods sold	117,470	-	-	117,470
Utilities	6,599	1,800	171	8,570
	<u>799,564</u>	<u>166,317</u>	<u>22,137</u>	<u>988,018</u>
Less expenses included with revenues on the statement of activities				
Resource materials cost of goods sold	<u>(117,470)</u>	<u>-</u>	<u>-</u>	<u>(117,470)</u>
Total expenses included in the expense section on the statement of activities	<u>\$ 682,094</u>	<u>\$ 166,317</u>	<u>\$ 22,137</u>	<u>\$ 870,548</u>

# National Center on Shaken Baby Syndrome

## Statement of Functional Expenses

Year Ended June 30, 2023

	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 and amortization	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

## National Center on Shaken Baby Syndrome

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
Operating Activities		
Change in net assets	\$ (123,957)	\$ 26,605
Adjustments to reconcile change in net assets to net cash from (used for) operating activities		
Depreciation and amortization	3,276	3,084
Realized and unrealized gain on operating investments	(20,928)	(15,727)
Changes in operating assets and liabilities		
Accounts receivable	(12,352)	(31,684)
Inventories, net	16,354	65,852
Prepaid expenses	(1,507)	6,752
Operating lease asset and liability	2,370	-
Accounts payable	10,559	(14,970)
Accrued expenses and other liabilities	(7,232)	13,593
Deferred revenue	48,578	(21,956)
Net Cash from (used for) Operating Activities	<u>(84,839)</u>	<u>31,549</u>
Investing Activities		
Purchases of operating investments	(15,377)	(18,860)
Proceeds from sales of operating investments	103,376	53,334
Purchases of property and equipment	<u>(3,370)</u>	<u>(635)</u>
Net Cash from Investing Activities	<u>84,629</u>	<u>33,839</u>
Financing Activities		
Repayments under line of credit	<u>-</u>	<u>(156)</u>
Net Change in Cash and Cash Equivalents	(210)	65,232
Cash and Cash Equivalents, Beginning of Year	<u>65,926</u>	<u>694</u>
Cash and Cash Equivalents, End of Year	<u>\$ 65,716</u>	<u>\$ 65,926</u>
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	\$ 8,126	\$ 5,322
Non-Cash Investing and Financing Activities		
Right-of-use assets obtained in exchange for lease liabilities		
Operating leases	\$ 165,481	\$ -

## **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.

### **Accounts Receivables and Allowance for Credit Losses**

Accounts receivables consist of noninterest-bearing amounts due from customers. Invoices are due within 30 days. The Center has tracked historical loss information for its accounts receivable and compiled historical credit loss percentages for different aging categories. Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable at June 30, 2024 and 2023 because the composition of the accounts receivable at those dates are consistent with that used in developing the historical credit-loss percentages. Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted. At June 30, 2024 and 2023, the allowance was \$1,500. The accounts receivable balance at July 1, 2022, was \$74,014.

### **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, 2024 and 2023.

### **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 and amortization is removed from the accounts, and any remaining gain or loss is included in the statements 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, 2024 and 2023.

#### **Right of Use Leased Assets and Liabilities**

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Center's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

#### **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 and direct internal investment expenses.

#### **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 (or grantor) 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, 2024 and 2023.

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.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Organization recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

For the years ended June 30, 2024 and 2023, \$831,154 and \$1,027,309 respectively, of revenue was recognized at a point in time.

### **In-Kind Contributions**

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 11). The Center does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development 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. No significant contributions of such goods or services were received during the year ended June 30, 2024.

### **Deferred Revenue**

Deferred revenue represents 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, 2024 and 2023, is \$61,115 and \$12,537, respectively, and consists of contribution revenue deferred for the biennial conference that has not yet been earned. Deferred revenue at July 1, 2022, was \$34,493.

### **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 \$5,200 and \$1,100 during the years ended June 30, 2024 and 2023, 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 and amortization, which are allocated on a square footage basis, salaries, payroll taxes and benefits, program and grant expense, professional services, travel, shipping and postage, office supplies, operating lease expense, telephone and internet, production, printing, interest, and utilities, 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. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category.

As of June 30, 2024 and 2023, the Center had no amounts in excess of FDIC insurance limits. 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 healthcare 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.

**Adoption of Accounting Standards Update (ASU) No. 2016-13**

As of July 1, 2023, the Center adopted Accounting Standards Update (ASU) No. 2016-13, Financial Instruments – *Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including accounts and loan receivables. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. This standard provides financial statement users with more decision-useful information about the expected losses on financial instruments.

The Center adopted ASU 2016-13 using the modified retrospective review method for all financial assets measured at amortized cost. Results for reporting periods beginning after July 1, 2023, are presented under Topic 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. The adoption of the new standard did not impact the Center's Statements of Activities or Statements of Cash Flows.

**Subsequent Events**

The Center has evaluated subsequent events through January 16, 2025, 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:

	2024	2023
Cash and cash equivalents	\$ 60,716	\$ 39,426
Operating investments	316,829	383,900
Accounts receivable	116,550	104,198
	<u>\$ 494,095</u>	<u>\$ 527,524</u>

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.

## National Center on Shaken Baby Syndrome

Notes to Financial Statements

June 30, 2024 and 2023

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, 2024:

	<u>Total</u>	<u>Fair Value Measurements at Report Date Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Assets				
Operating investments				
Fixed income bonds	\$ 153,778	\$ 153,778	\$ -	\$ -
Mutual funds	163,001	163,001	-	-
Money market mutual fund	50	50	-	-
	<u>\$ 316,829</u>	<u>\$ 316,829</u>	<u>\$ -</u>	<u>\$ -</u>

The following table presents assets measured at fair value on a recurring basis at June 30, 2023:

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

**Note 4 - Net Investment Return**

Net investment return consists of the following for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Operating Investments		
Interest and dividends	\$ 11,979	\$ 15,551
Net realized and unrealized gain	20,928	15,727
	<u>\$ 32,907</u>	<u>\$ 31,278</u>

**Note 5 - Inventories**

At June 30, 2024 and 2023, inventories consist of the following:

	<u>2024</u>	<u>2023</u>
Finished goods	\$ 48,446	\$ 64,800
Less reserves	(3,000)	(3,000)
	<u>\$ 45,446</u>	<u>\$ 61,800</u>

**Note 6 - Property and Equipment**

Property and equipment consists of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 60,603	\$ 80,543
Less accumulated depreciation	(52,913)	(72,947)
	<u>\$ 7,690</u>	<u>\$ 7,596</u>

**Note 7 - Line of Credit**

The Center has a \$50,000 unsecured revolving line of credit with a financial institution. The line of credit is subject to review and renewal every 36 months with the next review occurring May 2025 at which point all unpaid principal and interest is immediately due. Borrowings under the line bear interest at the bank's prime rate plus 4%, which was 11.75% and 12.5% as of June 30, 2024 and June 30, 2023, respectively. The outstanding unpaid balance of the line of credit as of June 30, 2024 and June 30, 2023 was \$0.

**Note 8 - Leases**

The Center leases office space in Farmington, Utah, under a long-term non-cancelable operating lease that expires on June 30, 2028.

The Center includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Center's operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Center to pay real estate taxes, insurance, and repairs.

The weighted-average discount rate is based on the discount rate implicit in the lease, or if the implicit rate is not readily determinable from the lease, then the Center estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using the Center's applicable borrowing rates and the contractual lease term.

The Center has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Center elected the practical expedient to not separate lease and non-lease components for a real estate lease.

Total lease costs for the year ended June 30, 2024 and June 30, 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Operating lease cost	\$ 40,699	\$ -

The following table summarizes the supplemental cash flow information for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating cash flows from operating leases	\$ 38,329	\$ -
Right-of-Use Assets Obtained in Exchange for Lease Liabilities		
Operating leases	\$ 165,481	\$ -

## National Center on Shaken Baby Syndrome

Notes to Financial Statements

June 30, 2024 and 2023

The following summarizes the weighted-average remaining lease term and weighted-average discount rate at June 30, 2024:

	2024	2023
Weighted-Average Remaining Lease Term		
Operating lease	4 Years	0 Years
Weighted-Average Discount Rate		
Operating lease	8.25%	0.00%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of June 30, 2024:

June 30,	Operating
2024	\$ 39,479
2025	40,664
2026	41,884
2027	43,140
Total lease payments	165,167
Less interest	(25,318)
Present value of lease liabilities	\$ 139,849

### 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, 2024 and 2023, the Center matched employee voluntary contributions up to 3 percent, resulting in contributions to the plan of \$11,848 and \$9,594, respectively.

**Note 10 - Net Assets with Donor Restrictions**

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

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose		
Educational programs: Period of Purple	\$ -	\$ 16,500
Educational programs: Child abuse prevention awareness	<u>5,000</u>	<u>10,000</u>
	<u>\$ 5,000</u>	<u>\$ 26,500</u>

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, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Satisfaction of purpose restrictions		
Educational programs: Period of Purple	\$ 16,500	\$ 21,000
Educational programs: Child abuse prevention awareness	<u>10,000</u>	<u>-</u>
	<u>\$ 26,500</u>	<u>\$ 21,000</u>

**Note 11 - In-kind Contributions**

For the year ended June 30, 2024, there were no donated professional services and materials. For the year ended June 30, 2023, in-kind contributions recognized within the statements of activities included the following:

	<u>2023</u>
Real estate services	\$ 500
Supplies	1,973
Airline vouchers	<u>1,200</u>
	<u>\$ 3,673</u>

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.