

**BOUNTIFUL CHILDREN'S FOUNDATION**

**AUDITED FINANCIAL STATEMENTS**

Years Ended December 31, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Bountiful Children's Foundation

### ***Opinion***

We have audited the accompanying financial statements of Bountiful Children's Foundation (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, 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 financial statements referred to above present fairly, in all material respects, the financial position of Bountiful Children's Foundation as of December 31, 2022 and 2021 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 audit 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 for the Audit of the Financial Statements section of our report. We are required to be independent of Bountiful Children's Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the 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 Bountiful Children's Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for 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 Bountiful Children's Foundation'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 Bountiful Children's Foundation'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.

*Squire & Company, PC*

Orem, Utah  
July 5, 2023

**BOUNTIFUL CHILDREN'S FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**

December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash	\$ 563,476	\$ 807,610
Investments	95,082	-
Prepaid expenses	-	1,682
Contributions receivable	104,419	-
Total assets	<u>\$ 762,977</u>	<u>\$ 809,292</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued expenses	\$ 2,851	\$ 3,206
<b>Net Assets Without Donor Restrictions</b>	<u>760,126</u>	<u>806,086</u>
Total liabilities and net assets	<u>\$ 762,977</u>	<u>\$ 809,292</u>

The accompanying notes are an integral part of these financial statements.

**BOUNTIFUL CHILDREN'S FOUNDATION**  
**STATEMENTS OF ACTIVITIES**

Years Ended December 31, 2022 and 2021

	2022	2021
<b>Net Assets without Donor Restrictions:</b>		
Revenues and support:		
Contributions	\$ 1,263,697	\$ 1,090,237
In-kind contributions	144,656	-
Investment income (loss)	(48,162)	1
Net assets released from restrictions	<u>-</u>	<u>150,000</u>
Total revenues and support	1,360,191	1,240,238
Expenses:		
Program services	1,280,525	909,311
Management and general	107,156	100,606
Fundraising	<u>18,470</u>	<u>7,207</u>
Total expenses	<u>1,406,151</u>	<u>1,017,124</u>
Change in net assets without donor restrictions	(45,960)	223,114
<b>Net Assets with Donor Restrictions:</b>		
Net assets released from restrictions	<u>-</u>	<u>(150,000)</u>
<b>Change in Net Assets</b>	(45,960)	73,114
<b>Net Assets at Beginning of Year</b>	<u>806,086</u>	<u>732,972</u>
<b>Net Assets at End of Year</b>	<u><u>\$ 760,126</u></u>	<u><u>\$ 806,086</u></u>

The accompanying notes are an integral part of these financial statements.

**BOUNTIFUL CHILDREN'S FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

**Year Ended December 31, 2022**

	Program Services	Management and General	Fundraising	Total
Grants and awards	\$ 1,257,491	\$ -	\$ -	\$ 1,257,491
Wages and benefits	-	73,881	18,470	92,351
Contracted services	12,600	5,550	-	18,150
Travel	7,881	-	-	7,881
Insurance	-	2,103	-	2,103
Office	2,553	25,622	-	28,175
Total expenses	<u>\$ 1,280,525</u>	<u>\$ 107,156</u>	<u>\$ 18,470</u>	<u>\$ 1,406,151</u>

**Year Ended December 31, 2021**

	Program Services	Management and General	Fundraising	Total
Grants and awards	\$ 886,496	\$ -	\$ -	\$ 886,496
Wages and benefits	-	28,828	7,207	36,035
Contracted services	12,597	5,000	-	17,597
Travel	4,507	-	-	4,507
Insurance	-	2,103	-	2,103
Office	5,711	64,675	-	70,386
Total expenses	<u>\$ 909,311</u>	<u>\$ 100,606</u>	<u>\$ 7,207</u>	<u>\$ 1,017,124</u>

The accompanying notes are an integral part of these financial statements.

**BOUNTIFUL CHILDREN'S FOUNDATION**  
**STATEMENTS OF CASH FLOWS**

Years Ended December 31, 2022 and 2021

	2022	2021
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ (45,960)	\$ 73,114
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net unrealized losses on equity securities	49,322	-
Contribution of equity securities	(144,404)	-
Changes in operating assets and liabilities:		
Prepaid expenses	1,682	-
Contributions receivable	(104,419)	5,523
Accounts payable and accrued expenses	(355)	3,107
Total adjustments	<u>(198,174)</u>	<u>8,630</u>
Net cash provided (used) by operating activities / net change in cash	(244,134)	81,744
<b>Cash at Beginning of Year</b>	<u>807,610</u>	<u>725,866</u>
<b>Cash at End of Year</b>	<u>\$ 563,476</u>	<u>\$ 807,610</u>

**Supplementary Data:**

The Organization paid no interest or income taxes during the years ended December 31, 2022 and 2021.

The Organization had no noncash investing or financing activities during the years ended December 31, 2022 and 2021.

The accompanying notes are an integral part of these financial statements.



# **BOUNTIFUL CHILDREN'S FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Bountiful Children's Foundation (the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### **Organization**

Bountiful Children's Foundation was organized in 1981 as a nonprofit corporation. Its purpose is to nurture the potential of infants and toddlers to lead healthy, productive, and self-reliant lives by eliminating undernutrition throughout the world.

#### **Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors.

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed restrictions. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* – Net assets that are restricted by a donor for use for a particular purpose or in a particular future period. The Organization's unspent contributions are classified in this class if the donor limited their use. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from with donor restrictions to net assets without donor restrictions.

At December 31, 2021, the Organization's donor-restricted amounts were to fund 2021's operations.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses are reported as decreases in net assets without donor restrictions.

#### **Cash**

At December 31, 2022, the carrying amount of the Organization's cash deposits and bank balance was \$563,476, of which \$250,000 was covered by federal depository insurance.

#### **Tax Status**

The Organization is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (except for net income derived from unrelated business activities) and is classified as a Section 501(c)(3) public charity. Contributions to the Organization are tax deductible to donors under Section 170 of the IRC. Also, the Organization is not subject to state income taxes.

## **BOUNTIFUL CHILDREN'S FOUNDATION**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **Allocation of Expenses**

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities. Certain costs are allocated to one or more program or supporting functions based on time and effort. Such allocations are determined by management on an equitable basis.

#### **Investments**

Investments in marketable securities are reported at their fair values in the statements of financial position. Investment income in the statements of activities includes realized and unrealized gains and losses, interest, and dividends.

#### **Revenue Recognition**

The Organization recognizes revenue when cash, an unconditional promise to give, or a grant award has been received.

#### **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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### **Subsequent Events**

The Organization evaluated subsequent events through July 5, 2023, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

#### **NOTE 2 – AVAILABILITY AND LIQUIDITY**

The following represents Organization's financial assets at December 31:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash	\$ 563,476	\$ 807,610
Investments	95,082	-
Contributions receivable	<u>104,419</u>	<u>-</u>
Total financial assets	762,977	807,610
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>-</u>	<u>(150,000)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 762,977</u>	<u>\$ 657,610</u>

The Organization's goal is generally to maintain financial assets to meet three months of operating expenses (approximately \$250,000).

**BOUNTIFUL CHILDREN'S FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 3 – CONCENTRATIONS**

Two donors' contributions represented approximately 23 and 28 percent of total revenue and support for the years ended December 31, 2022 and 2021, respectively.

**NOTE 4 – FAIR VALUE MEASUREMENTS**

As described in Notes 1, Organization uses various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Organization has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

During 2022, no changes in valuation techniques and related inputs have occurred. Whenever available, Organization measures fair values using Level 1 inputs because they generally provide the most reliable evidence of fair value.

A description of the valuation techniques applied to Organization's major categories of assets and liabilities measured at fair value on a recurring basis follows:

*Equity securities* – Valued using quoted market prices held by Organization at year end.

**NOTE 5 – INVESTMENTS**

Investments, comprised of various equity securities, are presented in the financial statements at fair value (see Note 4).

A summary of investments at December 31, 2022 was as follows:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	<u>\$ 95,082</u>	<u>\$ 95,082</u>	<u>\$ -</u>	<u>\$ -</u>

**BOUNTIFUL CHILDREN'S FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 6 – PROGRAM AND SUPPORT SERVICES**

The Organization's program services, management and general, and fundraising function expenses as a percentage of total expenses were as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Program services	91.1%	89.4%
Management and general	7.6%	9.9%
Fundraising	1.3%	0.7%