

BOUNTIFUL CHILDREN'S FOUNDATION

AUDITED FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bountiful Children's Foundation

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, 2019 and 2018, 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 Basic 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 Bountiful Children's Foundation as of December 31, 2019 and 2018 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.

Squire & Company, PC

Orem, Utah
July 7, 2020

BOUNTIFUL CHILDREN'S FOUNDATION
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash	\$ 454,418	\$ 277,530
Prepaid expenses	<u>3,813</u>	<u>3,681</u>
Total assets	<u>\$ 458,231</u>	<u>\$ 281,211</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 3,633	\$ 2,014
Net Assets Without Donor Restrictions	<u>454,598</u>	<u>279,197</u>
Total liabilities and net assets	<u>\$ 458,231</u>	<u>\$ 281,211</u>

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

BOUNTIFUL CHILDREN'S FOUNDATION
STATEMENTS OF ACTIVITIES

Years Ended December 31, 2019 and 2018

	2019	2018
Net Assets Without Donor Restrictions:		
Revenues and support:		
Contributions	\$ 909,051	\$ 1,018,508
Interest	5	6
	<u>909,056</u>	<u>1,018,514</u>
Total revenues and support	909,056	1,018,514
Expenses:		
Program services	696,452	1,129,288
Management and general	35,332	23,591
Fundraising	1,871	9,465
	<u>733,655</u>	<u>1,162,344</u>
Total expenses	733,655	1,162,344
Change in Net Assets Without Donor Restrictions	175,401	(143,830)
Net Assets at Beginning of Year	<u>279,197</u>	<u>423,027</u>
Net Assets at End of Year	<u>\$ 454,598</u>	<u>\$ 279,197</u>

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

BOUNTIFUL CHILDREN'S FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	Program Services	Management and General	Fundraising	Total
Grants and awards	\$ 673,439	\$ -	\$ -	\$ 673,439
Wages and benefits	-	7,486	1,871	9,357
Contracted services	12,600	-	-	12,600
Insurance	-	4,028	-	4,028
Office	8,358	23,818	-	32,176
Travel	2,055	-	-	2,055
Total expenses	<u>\$ 696,452</u>	<u>\$ 35,332</u>	<u>\$ 1,871</u>	<u>\$ 733,655</u>

Year Ended December 31, 2018

	Program Services	Management and General	Fundraising	Total
Grants and awards	\$ 1,063,153	\$ -	\$ -	\$ 1,063,153
Wages and benefits	-	16,248	4,062	20,310
Contracted services	17,111	-	-	17,111
Promotion	-	-	5,403	5,403
Insurance	-	479	-	479
Office	6,842	6,864	-	13,706
Travel	42,182	-	-	42,182
Total expenses	<u>\$ 1,129,288</u>	<u>\$ 23,591</u>	<u>\$ 9,465</u>	<u>\$ 1,162,344</u>

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

BOUNTIFUL CHILDREN'S FOUNDATION
STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in net assets	\$ 175,401	\$ (143,830)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Prepaid expenses	(132)	(3,681)
Accounts payable	1,619	(1,624)
Total adjustments	<u>1,487</u>	<u>(5,305)</u>
Net cash provided (used) by operating activities / Net change in cash	176,888	(149,135)
Cash at Beginning of Year	<u>277,530</u>	<u>426,665</u>
Cash at End of Year	<u>\$ 454,418</u>	<u>\$ 277,530</u>

Supplementary Data:

The Organization paid no interest or income taxes during the years ended December 31, 2019 and 2018.

The Organization had no noncash investing or financing activities during the years ended December 31, 2019 and 2018.

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

BOUNTIFUL CHILDREN'S FOUNDATION NOTES TO THE FINANCIAL STATEMENTS

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 is organized as a Utah 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.

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, 2019, the carrying amount of the Organization's cash deposits was \$454,418, and the bank balance was \$266,417, \$250,000 of which 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. Also, the Organization is not subject to state income taxes.

BOUNTIFUL CHILDREN'S FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

New Accounting Pronouncement

The Organization has adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). Analysis of various provisions of this ASU resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued financial statements were required.

Subsequent Events

The Organization evaluated subsequent events through July 7, 2020, 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>2019</u>	<u>2018</u>
Financial assets at year end:		
Cash	\$ 454,418	\$ 277,530
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 454,418</u>	<u>\$ 277,530</u>

The Organization's board has not established a goal to maintain financial assets sufficient to meet a specific time period of operating expenses.

NOTE 3 - CONCENTRATIONS

One donor's contributions represented approximately 34 and 26 percent of total revenue and support for the years ended December 31, 2019 and 2018, respectively.

BOUNTIFUL CHILDREN'S FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – PROGRAM AND SUPPORT SERVICES

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

	<u>2019</u>	<u>2018</u>
Program services	94.9%	97.2%
Management and general	4.8%	2.0%
Fundraising	0.3%	0.8%