

**WILFORD WOODRUFF PAPERS FOUNDATION
(A NONPROFIT ORGANIZATION)
FINANCIAL STATEMENTS WITH
INDEPENDENT AUDIT REPORT
DECEMBER 31, 2021**

TABLE OF CONTENTS

| | |
|--|------------|
| Independent Auditor's Report | 1-2 |
| Statement of Financial Position | 3 |
| Statement of Activities..... | 4 |
| Statement of Functional Expenses..... | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements..... | 7-9 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Wilford Woodruff Papers Foundation

Opinion

We have audited the accompanying financial statements of Wilford Woodruff Papers Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year 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 Wilford Woodruff Papers Foundation as of December 31, 2021, and the changes in its net assets and its cash flows for the year 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. 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 Wilford Woodruff Papers 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 Wilford Woodruff Papers Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Wilford Woodruff Papers 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 Wilford Woodruff Papers 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.

Winters & Associates, P.C.

Ogden, Utah

February 7, 2023

WILFORD WOODRUFF PAPERS FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Assets:

| | | |
|---------------------------|-----------|-------------------------|
| Cash and cash equivalents | \$ | 1,993,052 |
| Accounts receivable | | - |
| Restricted Cash | | <u>234,010</u> |
| Total assets | \$ | <u>2,227,062</u> |

LIABILITIES AND NET ASSETS

Liabilities:

| | | |
|--------------------------|----|---------------|
| Accounts payable | \$ | 9,837 |
| Payroll payable | | <u>25,794</u> |
| Total liabilities | | <u>35,631</u> |

| | | |
|---|-----------|-------------------------|
| Net assets with donor restrictions | | 234,010 |
| Net assets without donor restrictions | | <u>1,957,421</u> |
| Total net assets | | <u>2,191,431</u> |
| Total liabilities and net assets | \$ | <u>2,227,062</u> |

See accompanying notes and independent auditor's report

WILFORD WOODRUFF PAPERS FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDED DECEMBER 31, 2021

| | Net Assets without donor restrictions | Net Assets with donor restrictions | Total |
|---|--|--|----------------------------|
| Support and revenue | | | |
| Donations | \$ 2,169,918 | \$ 260,000 | \$ 2,429,918 |
| In-kind support | 17,249 | | 17,249 |
| Release of restriction | 25,990 | (25,990) | - |
| Total public support and revenue | <u>2,213,157</u> | <u>234,010</u> | <u>2,447,167</u> |
| Expenses | | | |
| Program services | 640,195 | - | 640,195 |
| Supporting services | 46,066 | - | 46,066 |
| Fundraising expenses | 10,345 | - | 10,345 |
| Total expenses | <u>696,606</u> | <u>-</u> | <u>696,606</u> |
| Change in net assets | <u>1,516,551</u> | <u>234,010</u> | <u>1,750,561</u> |
| Net assets at beginning of year | <u>440,870</u> | <u>-</u> | <u>440,870</u> |
| Net assets at end of period | <u><u>\$ 1,957,421</u></u> | <u><u>\$ 234,010</u></u> | <u><u>\$ 2,191,431</u></u> |

See accompanying notes and independent auditor's report

**WILFORD WOODRUFF PAPERS FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2021**

| | <u>Program Services</u> | <u>Supporting Services</u> | <u>Fundraising</u> | <u>Total Expenses</u> |
|---------------------------|-----------------------------|--------------------------------|--------------------|---------------------------|
| Cost of services | \$ 310,222 | \$ - | \$ - | \$ 310,222 |
| Cost of materials | 18,140 | - | - | 18,140 |
| Advertising | - | 22,339 | - | 22,339 |
| Insurance | 1,317 | - | - | 1,317 |
| Foundraisers | - | - | 10,345 | 10,345 |
| Compensation | 310,516 | - | - | 310,516 |
| Professional fees | - | 19,920 | - | 19,920 |
| Licenses and Registration | - | 600 | - | 600 |
| Office expense | - | 3,207 | - | 3,207 |
| Total expenses | \$ 640,195 | \$ 46,066 | \$ 10,345 | \$ 696,606 |

See accompanying notes and independent auditor's report

WILFORD WOODRUFF PAPERS FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2021

| | |
|---|----------------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ 1,750,561 |
| Adjustments to reconcile change in net assets to net cash | |
| Provided by operating activities: | |
| (Increase) decrease in operating assets: | |
| Accounts receivable | - |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | (4,249) |
| Payroll payable | <u>25,794</u> |
| Net cash (used) by operating activities | <u>1,772,106</u> |
| | |
| Net increase (decrease) in cash and cash equivalents | 1,772,106 |
| | |
| Cash - beginning of period | <u>454,956</u> |
| | |
| Cash - end of period | <u><u>\$ 2,227,062</u></u> |

See accompanying notes and independent auditor's report

WILFORD WOODRUFF PAPERS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

A. NATURE OF ACTIVITIES

Wilford Woodruff Papers Foundation (the Foundation) was formed in 2020 as a non-profit Utah organization whose mission is to digitally preserve, transcribe, and publish Wilford Woodruff's records as an educational resource for studying his life and the history of the restoration of the gospel of Jesus Christ.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation follows the generally accepted accounting principles for not-for-profit organizations. The following is a summary of the significant accounting policies.

Net Assets - Net assets not restricted by donors are reported as net assets without donor restrictions in the statement of financial position.

Net assets restricted by donors for specified purposes or investment in perpetuity are reported as net assets with donor restrictions in the statement of financial position. When donor specified purposes are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as restricted donations.

Revenue Recognition - The provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, have been analyzed. It has been concluded that no changes are necessary to conform with the new standard. The program service fees are recognized at a point in time when service is provided, technical ownership, risks, and rewards are transferred. Funds received in advance of providing the services are recorded as deferred income until the services are provided.

Contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation receives a majority of their money from online donations. Donations are used for any operation costs the Foundation incurs.

Contributions and Donated Services - If and when received, contributions are recorded as donations with donor restrictions or donations without donor restrictions depending on the existence and/or nature of any restrictions. Restricted contributions are reported as contributions with donor restrictions and are then reclassified to net assets without donor restriction upon expiration of the time restriction or appropriate use of the assets.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are reflected as contributions at their estimated values at date of receipt

WILFORD WOODRUFF PAPERS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses - The financial statements report certain categories of expenses that are attributable to program services or supporting activities of the Foundation. These expenses include those incurred in shared support services. Costs are generally allocated based on the relative size of the underlying goods or services utilized by the respective program or supporting activity.

Program activities include transcribing, editing, and otherwise recording Wilford Woodruff's records.

Property and Equipment - Acquisitions of buildings, equipment, and improvements in excess of \$5,000 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. Assets are recorded at cost or, if donated, at the fair value of the assets when received, and are depreciated over the estimated useful lives using the straight-line method. Buildings and related improvements are depreciated over useful lives ranging from 5 to 40 years. Furniture and equipment are depreciated over 5 to 10 years. Depreciation expense for the year ended December 31, 2021 was \$0.

Income Taxes - The Foundation is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. It received its 501(c)(3) determination from the Internal Revenue Service in 2020.

Cash and Cash Equivalents - For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable - Accounts are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts at December 31, 2021 was \$0. Changes in the valuation allowance have not been material to the financial statements.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Advertising - The Foundation expenses advertising costs as they are incurred. The amount of advertising expenses in 2021 was \$22,339.

Liquidity and Availability of Financial Resources - The Foundation regularly monitors liquidity to meet its cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, external limitations imposed by donors or contracts with others.

C. CASH

Balances on deposit with financial institutions are insured by the FDIC or NCUA up to \$250,000. The Foundation had deposits of \$1,977,062 in excess of federally insured limits at December 31, 2021.

WILFORD WOODRUFF PAPERS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

D. LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

A summary of financial assets available to meet cash needs for general expenditures within one year as of December 31, 2021 is as follows:

| | |
|---|--------------|
| Cash and equivalents | \$ 2,227,062 |
| Accounts Receivable | - |
| Other current assets | - |
| Less amounts not available to be used within one year | |
| Cash and equivalents - donor restricted | (234,010) |
| | \$ 1,993,052 |

Donor restricted funds are available for expenditure upon satisfaction of the restriction, the expected timing of which is not generally determinable in advance.

E. DISAGGREGATION OF REVENUE AND PERFORMANCE OBLIGATIONS

The Foundation considers performance obligations to be the rendering of services to its participants or fulfillment of grant obligations according to those contracts. When the services are rendered the obligations have been satisfied and revenue is recognized at that point in time. Transaction prices and amounts are allocated to the performance obligation.

Transaction price and amounts allocated to performance obligations as the services are rendered.

Donations without performance obligations are recognized as revenue when the promise to give is awarded or the money is received.

A disaggregation of revenues based on the performance obligations is displayed below:

| | |
|---|-----------------|
| <u>Performance obligations satisfied at a point in time</u> | <u>2021</u> |
| Donations | \$ 2,429,918 |
| In-kind donations | 17,249 |
| | \$ 2,447,167 |
| <u>Performance obligations satisfied over time</u> | <u>2021</u> |
| Donations | \$ - |
| In-kind donations | - |
| | \$ - |

F. DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through February 7, 2023, which is the date the financial statements were available to be issued.