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the younique FOUNDATION

The Younique Foundation

Financial Statements

As of and for the Year Ended December 31, 2016

Together with Independent Auditors' Report

The Younique Foundation
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December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Younique Foundation

We have audited the accompanying financial statements of The Younique Foundation (the Foundation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditors consider 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 The Younique Foundation as of December 31, 2016, 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.

Tanner LLC

June 30, 2017

Assets

Cash	$ 227,709
Related party and other receivables	71,424
Inventory	179,092
Prepaid expenses	53,010
Other assets	3,500
Property and equipment, net	252,367
Total assets	$ 787,102

Liabilities and Net Assets

Liabilities:	
Accounts payable	$ 106,836
Accrued liabilities	196,656
Other accrued liabilities	6,512
Total liabilities	310,004
Net assets:	
Without donor restrictions	477,098
Total liabilities and net assets	$ 787,102

The Younique Foundation

Statement of Activities

For the Year Ended December 31, 2016

Revenues, gains, and other support:	
Contributions	$ 3,906,099
In-kind donations	144,083
Sales of merchandise	55,407
Total revenues, gains, and other support	4,105,589
Expenses:	
Healing services	2,225,353
Public dialogue	573,089
Education	455,253
Management and general	348,355
Fundraising	312,905
Total expenses	3,914,955
Change in net assets without donor restrictions	190,634
Net assets without donor restrictions at beginning of year	286,464
Net assets without donor restrictions at end of year	$ 477,098

The Younique Foundation

Statement of Functional Expenses

For the Year Ended December 31, 2016

	Program Services				Supporting Services		
	Healing Services	Public Dialogue	Education	Total	Management & General	Fundraising	Total
Salaries and benefits	$1,378,462	$221,336	$ 373,910	$1,973,708	$ 251,166	$ 165,884	$2,390,758
Occupancy	317,614	28,816	29,041	375,471	31,499	28,817	435,787
Advertising and promotion	300	271,048	19,675	291,023	8,057	24,922	324,002
Materials and supplies	215,476	7,746	5,923	229,145	3,833	21,783	254,761
Professional services	179,486	23,115	11,982	214,583	23,109	13,258	250,950
Travel & professional training	39,965	9,625	6,598	56,188	8,434	374	64,996
Insurance	15,668	4,695	2,618	22,981	6,093	1,975	31,049
Information technology	9,200	1,506	1,384	12,090	6,926	3,540	22,556
Depreciation	63,487	4,972	3,979	72,438	4,606	1,502	78,546
Cost of sales	-	-	-	-	-	42,982	42,982
Other	5,695	230	143	6,068	4,632	7,868	18,568
Total expenses	$2,225,353	$573,089	$ 455,253	$3,253,695	$ 348,355	$ 312,905	$3,914,955

Cash flows from operating activities:	
Increase in net assets	$ 190,634
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	78,546
Decrease (increase) in:	
Related party and other receivables	(28,804)
Inventory	(179,092)
Prepaid expenses	(32,778)
Other assets	(318)
Increase in:	
Accounts payable	86,971
Accrued liabilities	153,632
Other accrued liabilities	3,347
Net cash provided by operating activities	272,138
Cash flows from investing activities:	
Purchase of property and equipment	(178,060)
Cash flows from financing activities	-
Net change in cash	94,078
Cash at beginning of the year	133,631
Cash at end of the year	$ 227,709

Note 1 - Organization

The Younique Foundation (the Foundation), a nonprofit corporation, was incorporated on December 5, 2014. The Foundation's mission is to inspire hope in women who were sexually abused as children or adolescents by providing healing services through retreats, survivor communities, and online resources. The Foundation also empowers parents and caregivers to protect children from sexual abuse through education and online resources, and makes it safe to openly discuss sexual abuse through community dialogue and social awareness.

The Foundation is governed by an independent, volunteer Board of Directors who oversees the Foundation's operations. Revenues to support the Foundation are primarily received from donations of cash, materials, and services.

The accompanying financial statements have been prepared in accordance with standards for not-for-profit foundations adopted by the Financial Accounting Standards Board. They are stated on the accrual basis of accounting whereby expenses are recorded when incurred, donations are recorded when notice is received, and grant revenues are recorded when earned.

Note 2 – Summary of Significant Accounting Policies

Financial Statement Presentation
The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. There were no net assets with donor restrictions as of December 31, 2016.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent 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.

Cash
From time to time during the year, the Foundation's cash balance in financial institutions has exceeded the Federal Deposit Insurance Corporation (FDIC) coverage limits. As of December 31, 2016, the Foundation had $57,812 in bank deposit accounts that exceeded FDIC coverage limits.

Note 2 – Summary of Significant Accounting Policies -C*ontinued*

Cash - Continued
To date, the Foundation has not experienced a material loss or lack of access to its cash; however, no assurance can be provided that access to the Foundation's cash will not be impacted by adverse conditions in the financial markets.

Related Party and Other Receivables
Related party receivables consists primarily of receivables from Younique LLC and its presenters (sellers). Those amounts include commission donations, payroll donations, and round-up donations. The Foundation receives a monthly statement from Younique LLC identifying what those amounts are (prior to payment being made). As of December 31, 2016, related party receivables totaled $58,756. All other amounts are recorded when received. In addition to these related party receivables, the Foundation had a sales tax receivable in the amount of $12,668 from the state of Utah. Management has determined that an allowance for doubtful accounts was not necessary as of December 31, 2016.

Inventory
Inventory consists mainly of online store merchandise and is stated at the lower of cost or current market value, based upon the average cost method. The Foundation periodically reviews inventory for obsolescence and management determined that an allowance for obsolete inventory was not necessary as of December 31, 2016.

Property and Equipment
Property and equipment is recorded at cost for purchased assets or fair value at the date of donation for donated assets. The Foundation capitalizes all acquisitions greater than $500. Minor replacements, maintenance and repairs, which do not increase the useful lives of the property and equipment, are expensed as incurred. Depreciation is recorded using the straight-line basis over the estimated useful lives of the assets, ranging from three to seven years.

Impairment of Long-Lived Assets
The Foundation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable through undiscounted future cash flows. If it is determined an impairment loss has occurred based on expected cash flows, such loss is recognized in the statement of activities.

Note 2 – Summary of Significant Accounting Policies -C*ontinued*

Contributions and Donor Restrictions
Contributions received are classified depending on the existence and/or nature of any donor restrictions. Contributions are classified as either "contributions with donor restrictions" or "contributions without donor restrictions" depending on donor imposed restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), the 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.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated assets are acquired or placed in service as instructed by the donor. The Foundation reclassifies net assets with donor restrictions to net assets without donor restriction at that time.

In-Kind Donations
Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Many individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs and assignments; however, those services do not meet the above criteria. The Foundation receives donations from a variety of sources for services and materials in the furtherance of its objectives. The in-kind donations reported in the financial statements consists principally of the value of leased office space contributed by Younique LLC.

Revenue Recognition
Revenue in relation to sales of merchandise are recognized at the time goods are provided, the price is fixed or determinable, and collection is reasonably assured.

Note 2 – Summary of Significant Accounting Policies -C*ontinued*

Advertising and Promotion
The Foundation expenses advertising and promotion costs as incurred. Total advertising and promotion expense was $324,002 for the year ended December 31, 2016.

Program Services
Healing Services: Includes activities associated with hosting adult female survivors of childhood sexual abuse at a retreat, where they are uplifted by each other and learn skills that can help them find individual healing. In addition, outpatient services are provided to some local clients for long-term care.

Public Dialogue: Involves operations associated with leading the public dialogue to bring the epidemic of sexual abuse to light.

Education: Includes education activities designed to empower parents and caregivers to protect children from sexual abuse.

Allocated Administrative Expenses
The costs of providing the programs and services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and services benefited.

Income Taxes
The Foundation is organized as a state of Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as being exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as a foundation described in section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under sections 509(a)(1). The Foundation is required to file a return of Foundation Exempt from Income Tax (Form 990) with the IRS. The Foundation is subject to taxation on unrelated business income, if any.

As of December 31, 2016, the Foundation had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Recent Accounting Pronouncements
In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 improves the current net asset classification requirements and the information presented in the financial statements and notes about not-for-profit entity's liquidity, financial performance, and cash flows. It further provides more useful

Note 2 – Summary of Significant Accounting Policies -C*ontinued*

Recent Accounting Pronouncements - Continued
information to donors, grantors, creditors, and other users of the financial statements. ASU 2016-14 is effective for annual financial statements issued for fiscal years beginning after December 15, 2017, with early adoption permitted. As of December 31, 2016, management has determined to early adopt ASU 2016-14.

Subsequent Events
Management has evaluated subsequent events through June 30, 2017 which is the date the financial statements were available to be issued.

Note 3 – Property and Equipment

As of December 31, 2016, the cost of property and equipment was as follows:

	Depreciable Lives	2016
Vehicles	3 – 5 years	$ 193,502
Computer equipment	3 years	109,987
Equipment	3 – 5 years	35,563
Furniture & fixtures	3 – 7 years	3,088
Total Cost		342,140
Less accumulated depreciation		(89,773)
Net property and equipment		$ 252,367

Depreciation expense on property and equipment for the year ended December 31, 2016 was $78,546.

Note 4 – Commitments and Contingencies

The Foundation has one year rent agreements for the facilities used in its Haven Retreat. As of December 31, 2016, the prepaid rent associated with those facilities was $29,970. The Foundation also has a rent agreement for facilities used in its outpatient services. The prepaid rent, which covers January 1 through June 30, 2017, was $23,040.

Note 4 – Commitments and Contingencies -*Continued*

In the normal course of operations, the Foundation may become party to lawsuits or other claims. Management is not aware of any such claims for which the uninsured amount would be material to the Foundation's financial position.

Note 5 – Related Parties

The Foundation receives a significant portion of its support from one related party (Younique LLC, Donor A below). As of December 31, 2016, the Foundation had receivables of $58,756 from this related party for donations from its presenters and customers, which is included in related party and other receivables on the statement of financial position. For the year ended December 31, 2016, the following donations came from related party donors, or activities associated with the related party donor:

Donors:		
Donor A	91%	$3,534,560
Donor B	6%	250,103
Donor C	3%	101,200
Total related party donations		$3,885,863