

EYE CARE FOR KIDS FOUNDATION

*Audited Financial Statements*

June 30, 2015

**EYE CARE FOR KIDS FOUNDATION**  
**Audited Financial Statements**  
**June 30, 2015**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Eye Care for Kids Foundation

We have audited the accompanying statement of financial position of Eye Care for Kids Foundation (a Texas nonprofit corporation) as of June 30, 2015, and the related statements of activities and changes in net assets, cash flows and financial expenses 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 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 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 auditor's judgement, including the assessment of risks and 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 evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation 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 such and opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eye Care for Kids Foundation as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*R. H. Tribolet CPA, PLLC*

Humble, Texas  
December 28, 2015

**EYE CARE FOR KIDS FOUNDATION**  
**Statement of Financial Position**  
**June 30, 2015**

<u>Assets</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 285,504	\$ 38,901	\$ 324,405
Promises to give	-	26,584	26,584
Total current assets	<u>285,504</u>	<u>65,485</u>	<u>350,989</u>
Equipment	49,081	-	49,081
less accumulated depreciation	<u>(23,277)</u>	<u>-</u>	<u>(23,277)</u>
	<u>25,804</u>	<u>-</u>	<u>25,804</u>
Total Assets	<u>\$ 311,308</u>	<u>\$ 65,485</u>	<u>\$ 376,793</u>
<b>Liabilities and Net Assets</b>			
Liabilities and Net Assets			
Accounts payable and accrued liabilities	\$ 395	\$ -	\$ 395
Net Assets	<u>310,913</u>	<u>65,485</u>	<u>376,398</u>
	<u>\$ 311,308</u>	<u>\$ 65,485</u>	<u>\$ 376,793</u>

**EYE CARE FOR KIDS FOUNDATION**  
**Statement of Activities and Change in Net Assets**  
**For Year Ended June 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues and other support</b>			
Grant Revenue	\$ 68,033	\$ 200,455	\$ 268,488
Contributions	35,233		35,233
Special event contributions:			
Golf Tournament	77,076		77,076
Donated services and facilities	-	516,163	516,163
Interest income	2,412		2,412
Other income	-		-
Net assets released from restrictions	<u>\$ 699,111</u>	<u>\$ (699,111)</u>	
	<u>\$ 881,866</u>	<u>\$ 17,507</u>	<u>\$ 899,373</u>
 <b>Expenses</b>			
Program services			
Eyeglasses and examinations	\$ 769,787	\$ -	\$ 769,787
Supporting services			
Management and general	56,038	-	56,038
Fundraising	23,765	-	23,765
Special events - golf tournament	46,924	-	46,924
	<u>896,513</u>	<u>\$ -</u>	<u>\$ 896,513</u>
 <b>Change in net assets</b>	 (14,647)	 \$ 17,507	 \$ 2,860
Net assets at beginning of year	<u>325,560</u>	<u>47,978</u>	<u>373,538</u>
Net assets at end of year	<u><u>310,913</u></u>	<u><u>\$ 65,485</u></u>	<u><u>\$ 376,398</u></u>

**EYE CARE FOR KIDS FOUNDATION**  
**Statement of Cash Flows**  
**For Year Ended June 30, 2015**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 2,860
Adjustments to reconcile change in net assets to net cash (used) or provided by operating activities:	
Depreciation	4,311
(Increase) decrease in promises to give	(3,251)
Increase (decrease ) in accounts payable	<u>(4,945)</u>
<b>Net cash provided (used) by operating activities</b>	<u>(1,025)</u>
<b>Cash flows from investing activities</b>	
Property and software additions	<u>(30,115)</u>
Net cash provided (used ) by investing activities	<u>(30,115)</u>
<b>Cash flows from financing activities</b>	
none	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	(31,140)
<b>Cash and cash equivalents at beginning of year</b>	<u>355,545</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 324,405</u></u>

**EYE CARE FOR KIDS FOUNDATION**  
**Statement of Functional Expenses**  
**For Year Ended June 30, 2015**

	<u>Eyeglasses and Examinations</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Golf Tournament</u>	<u>Total</u>
Eyeglasses and examinations	\$ 632,521	-	-	-	\$ 632,521
Salaries, wages and related taxes	118,896	21,587	21,587	-	\$ 162,070
Health insurance	2,557	-	-	-	\$ 2,557
Meals and entertainment	-	803	-	36,144	\$ 36,947
Liability insurance	-	6,729	-	-	\$ 6,729
Office supplies	2,888	1,508	133	-	\$ 4,529
Printing	-	1,421	-	10,530	\$ 11,951
Postage and delivery	-	3,258	211	-	\$ 3,469
Rent	3,668	1,834	1,834	-	\$ 7,336
Equipment rental and maintenance	-	6,531	-	-	\$ 6,531
Travel, meetings and conferences	6,819	680	-	-	\$ 7,499
Telephone	-	4,564	-	-	\$ 4,564
Information technology	312	468	-	-	\$ 780
Professional fees	-	3,034	-	-	\$ 3,034
Depreciation	2,126	2,185	-	-	\$ 4,311
Other expenses	-	1,436	-	250	\$ 1,686
	<u>\$ 769,787</u>	<u>\$ 56,038</u>	<u>\$ 23,765</u>	<u>\$ 46,924</u>	<u>\$ 896,513</u>

**Eye Care for Kids Foundation**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Note 1: Nature of Organization**

Eye Care for Kids Foundation (the Organization) is a 501 (c) (3) nonprofit organization established in Texas in May, 1998. The Organization's mission is to empower children enrolled in pre-kindergarten through high school to reach their full educational and social potential through vision by providing free eye examinations and eyeglasses to low-income, uninsured, visually impaired children enrolled in schools in the greater Houston area whose parents or guardians cannot afford to pay for these services and who are not covered by private health insurance, Medicaid or CHIP.

The Organization works with school nurses employed by the fifty-six school districts in the greater Houston area who screen children in grades Pre-K through twelve. Children with visual deficiencies are then referred by the Organization to eye care professionals who generously donate their expertise and time. The Organization also provides vision screening services to schools in which there is no school nurse, schools where the school nurse need assistance and at community health fairs.

Eye Care for Kids Foundation is supported primarily through grant awards from numerous foundations, as well as by donations received from individuals and organizations. Additionally, they host an annual golf tournament and dinner auction, "Golf Fore Sight", to raise funds.

**Note 2: Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Organization is presented to assist in understanding the financial statements. The financial statements and notes are the representations of the Organization's management, who is responsible for their integrity and objectivity. These policies reflect industry practices, and conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Financial Statement Presentation:**

The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The Organization's net assets and changes therein are classified and reported as follows:

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed restrictions.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed restrictions that may or will be met either by actions of the Organization or the passage of time.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed restrictions that require the asset to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on the related investments. The Organization has no permanently restricted net assets.

**Contributions and Promises to Give:**

Contributions are recognized as revenue when they are received, or when the donor makes a promise to give to the Organization that is, in substance, unconditional.



**Eye Care for Kids Foundation**  
**Notes to the Financial Statements**  
**June 30, 2015**

Contributions received are classified as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increase in temporarily restricted net assets in the reporting period that the support is recognized. When the restrictions are satisfied either through time or usage, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Unconditional promises to give in a future period are reported as temporarily restricted revenue. When the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Donated Services and Facilities:**

The Organization pays eye care professionals stipulated amounts for eyeglasses. These amounts are generally less than the usual and customary rates charged by the eye care professionals for similar services.

Eye Care for Kids Foundation is also the beneficiary of individuals who donate their time to assist the Organization, but these services do not meet the criteria for recognition as donated services.

**Cash and Cash Equivalents:**

Cash and Cash equivalents consist of cash held in checking, saving and money market accounts. There are no requirements by donors to hold cash in separate accounts for restricted use.

**Concentrations of Credit Risk:**

The Organization did not have any bank accounts with balances in excess of the FDIC insurance limit at June 30, 2015.

**Property and Equipment and Depreciation:**

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the assets and is computed using either the straight line method or a declining balance method. Useful lives are generally estimated to be three to five years. Depreciation expense for the year was \$ 4,311.

**Income Taxes:**

The Organization is a Texas nonprofit corporation whose revenue is derived from contributions and has qualified for tax exemption under 501 (c) (3) of the Internal Revenue Code. Accordingly, there is no provision for federal income taxes included in the financial statements. Management believes there are no uncertain tax positions; however all tax years within statutory limits remain open subject to examination by taxing authorities.

**Use of 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

**Eye Care for Kids Foundation**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Functional Allocation of Estimates:**

The costs providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. The Organization employs personnel whose time is divided among program, management and general and fundraising activities. Management estimates the amount of salaries and related payroll costs that are allocable to program, administrative, and fundraising based on an analysis of their activities.

**Note 3: Promises to Give:**

Promises to give are promises made by donors to contribute specified amounts over a period of time. They are recognized as income upon receipt of the pledge and recorded at net realizable value. The organization considers them to be fully collectible and they are expected to be realized in fiscal year ending June 30, 2015.

**Note 4: Related Party Transactions**

Several board members who are eye care professionals provide services to the Organization. They received \$ 50 for most eyeglasses, and an additional \$ 20 for higher prescription glasses. Payments to these parties for eyeglasses were approximately \$ 7,465 during the fiscal year ended June 30, 2015.

**Note 5: Lease Commitments**

The Organization leases its office on an annual basis and is the recipient of reduced rental rates. Actual rental expense paid for office space for the current year reflected in these financial statements is \$ 7,336.

**Note 6: Fair Values of Financial Instruments**

The Organization uses fair value to measure monetary and certain nonmonetary financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value hierarchy established and prioritized fair value measurements into three levels based on the nature of the inputs. The hierarchy gives the highest priority to inputs based on market data from independent sources (observable inputs – Level 1) and the lowest priority to a reporting entity's internal assumptions based on the best information available when external market data is limited or unavailable (unobservable inputs – Level3).

The Organization's financial instruments (primarily cash and cash equivalents, promises to give and payables) are carried in the financial statements at amounts that reasonably approximate fair value.

**Eye Care for Kids Foundation**  
**Notes to the Financial Statements**  
**June 30, 2015**

**Note 7: Subsequent Events**

The Organization has evaluated subsequent events through the date the financial statements were available for issuance. No matters have been identified affecting the accompanying financial statements.