

**EYE CARE FOR KIDS FOUNDATION
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2014**

EYE CARE FOR KIDS FOUNDATION
Audited Financial Statements
June 30, 2014

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Ronald H. Tribolet, CPA

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, 2014, 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, 2014, 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
August 10, 2015

EYE CARE FOR KIDS FOUNDATION
Statement of Financial Position
June 30, 2014

<u>Assets</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Current Assets			
Cash and cash equivalents	\$ 330,900	\$ 24,645	\$ 355,545
Promises to give	-	23,333	23,333
Total current assets	<u>330,900</u>	<u>47,978</u>	<u>378,878</u>
Equipment	28,866	-	28,866
less accumulated depreciation	<u>(28,866)</u>	<u>-</u>	<u>(28,866)</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 330,900</u>	<u>\$ 47,978</u>	<u>\$ 378,878</u>
Liabilities and Net Assets			
Liabilities and Net Assets			
Accounts payable and accrued liabilities	\$ 5,340	\$ -	\$ 5,340
Net Assets	<u>325,560</u>	<u>47,978</u>	<u>373,538</u>
	<u>\$ 330,900</u>	<u>\$ 47,978</u>	<u>\$ 378,878</u>

EYE CARE FOR KIDS FOUNDATION
Statement of Activities and Change in Net Assets
For Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues and other support			
Grant Revenue	\$ 186,024	\$ 55,000	\$ 241,024
Contributions	34,173		34,173
Special event contributions:			
Golf Tournament	77,810		77,810
Donated services and facilities	1,650	589,050	590,700
Interest income	2,977		2,977
Other income	9,068		9,068
Net assets released from restrictions	<u>\$ 620,717</u>	<u>\$ (620,717)</u>	
	<u>\$ 932,419</u>	<u>\$ 23,333</u>	<u>\$ 955,752</u>
Expenses			
Program services			
Eyeglasses and examinations	\$ 866,822	\$ -	\$ 866,822
Supporting services			
Management and general	60,505	-	60,505
Fundraising	24,253	-	24,253
Special events - golf tournament	<u>33,923</u>	<u>-</u>	<u>33,923</u>
	<u>985,502</u>	<u>\$ -</u>	<u>\$ 985,502</u>
Change in net assets	(53,083)	\$ 23,333	\$ (29,750)
Net assets at beginning of year	<u>378,643</u>	<u>24,645</u>	<u>403,288</u>
Net assets at end of year	<u><u>325,560</u></u>	<u><u>\$ 47,978</u></u>	<u><u>\$ 373,538</u></u>

EYE CARE FOR KIDS FOUNDATION
Statement of Cash Flows
For Year Ended June 30, 2014

Cash flows from operating activities:	
Change in net assets	\$ (29,750)
Adjustments to reconcile change in net assets to net cash (used) or provided by operating activities:	
Depreciation	1,118
(Increase) decrease in promises to give	(4,770)
Increase (decrease) in accounts payable	<u>(1,278)</u>
Net cash provided (used) by operating activities	<u>(34,680)</u>
Cash flows from investing activities	
none	<u>-</u>
Cash flows from financing activities	
none	<u>-</u>
Net increase in cash and cash equivalents	(34,680)
Cash and cash equivalents at beginning of year	<u>390,225</u>
Cash and cash equivalents at end of year	<u><u>\$ 355,545</u></u>

EYE CARE FOR KIDS FOUNDATION
Statement of Functional Expenses
Year Ended June 30, 2014

	<u>Eyeglasses and Examinations</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Golf Tournament</u>	<u>Total</u>
Eyeglasses and examinations	\$ 714,424	\$ -	\$ -	\$ -	\$ 714,424
Salaries, wages and related taxes	124,345	20,208	20,208	-	164,761
Health insurance	2,529	-	-	-	2,529
Meals and entertainment	176	176	-	31,080	31,432
Liability insurance	-	4,644	-	-	4,644
Office supplies	1,658	554	-	-	2,211
Printing	-	3,449	-	2,843	6,292
Postage and delivery	855	2,258	753	-	3,866
Rent	13,506	1,688	1,688	-	16,882
Equipment rental and maintenance	-	7,711	-	-	7,711
Travel, meetings and conferences	3,437	499	-	-	3,936
Telephone	-	4,381	-	-	4,381
Information technology	176	274	-	-	450
Professional fees	-	9,495	-	-	9,495
Depreciation	559	-	559	-	1,118
Other expenses	5,157	5,167	1,045	-	11,369
	<u>\$ 866,822</u>	<u>\$ 60,505</u>	<u>\$ 24,253</u>	<u>\$ 33,923</u>	<u>\$ 985,502</u>

Eye Care for Kids Foundation
Notes to the Financial Statements
June 30, 2014

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.

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

Eye Care for Kids Foundation
Notes to the Financial Statements
June 30, 2014

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. During the year ended June 30, 2014, the value of professional services contributed by the eye care professionals was \$ 579,155 and is recognized in the statement of activities as donated services revenue and as program services expense.

Also during the fiscal year ended June 30, 2014, the cost of the Organization's office space was donated to them at a reduced rental fee. The donated amount was \$ 9,775 and is reflected in the statement of activities as donated services and facilities revenue and is included in management and general supporting services. Further, certain expenses were paid by board members and aggregated \$1,770.

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, 2014.

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 \$ 1,118.

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 tax years that remain subject to examination by taxing authorities begin with 2011.

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
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June 30, 2014

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, 2014.

Note 5: Lease Commitments

The Organization leases its office on an annual basis. As described in the Summary of Significant Accounting Policies it is the recipient of reduced rental rates. Actual rental expense paid for office space for the current year reflected in these financial statements is \$ 7,107.

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.

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Notes to the Financial Statements
June 30, 2014

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.