

FRIENDS FOR SIGHT

Financial Statements

Years Ended March 31, 2020 and 2019

(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

The Board of Directors of
Friends For Sight:

We have audited the accompanying financial statements of Friends For Sight (a Utah not-for-profit organization) which comprise the statements of financial position as of March 31, 2020 and 2019 and the related statements of activities and cash flows for the fiscal years then ended, and the related notes to the 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 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.

To the Board of Directors
of Friends For Sight
June 15, 2020
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Independent Auditor's Report, continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends For Sight as of March 31, 2020, and 2019, 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 State of America.



Terry, Pfiice & Wunderli, LLC

June 15, 2020

FRIENDS FOR SIGHT

Statements of Financial Position

March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash & cash equivalents	\$ 403,303	369,058
Contributions receivable	11,509	11,542
Land, buildings, and equipment	461,976	473,272
Long-term investments	<u>797,145</u>	<u>840,775</u>
Total Assets	<u>\$ 1,673,933</u>	<u>1,694,647</u>
Liabilities and Net Assets		
Liabilities		
Accrued liabilities	<u>\$ 9,155</u>	<u>9,318</u>
Total Liabilities	<u>9,155</u>	<u>9,318</u>
Net Assets		
Without donor restrictions	1,621,878	1,685,329
With donor restrictions (Note 2)	<u>42,900</u>	<u>-</u>
Total Net Assets	<u>1,664,778</u>	<u>1,685,329</u>
Total Liabilities and Net Assets	<u>\$ 1,673,933</u>	<u>1,694,647</u>

See accompanying notes to financial statements

FRIENDS FOR SIGHT

Statements of Activities

Fiscal Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Changes in Net Assets without Donor Restrictions		
Operating Activities		
Revenues and other support		
Contributions received	\$ 383,559	541,190
Interest and dividends	33,431	32,776
Other support	<u>242</u>	<u>414</u>
Total Operating Revenues and Other Support without Donor Restrictions	<u>417,232</u>	<u>574,380</u>
Net assets released from restrictions (Note 2)		
Satisfaction of program restrictions	67,584	138,528
Satisfaction of equipment acquisition restrictions	<u>-</u>	<u>9,222</u>
Total Net Assets Released from Restrictions	<u>67,584</u>	<u>147,750</u>
Total revenues, and other support without donor restrictions	<u>484,816</u>	<u>722,130</u>
Expenses		
Program costs	452,103	412,727
Management and general	12,222	13,312
Fundraising	<u>12,222</u>	<u>13,312</u>
Total Expenses	<u>476,547</u>	<u>439,351</u>
Change in net assets from operations without donor restrictions	<u>8,269</u>	<u>282,779</u>
Nonoperating Activities		
Investment returns, net	<u>(71,720)</u>	<u>(3,896)</u>
Total Nonoperating Activities	<u>(71,720)</u>	<u>(3,896)</u>
Increase (decrease) in net assets without donor restrictions	<u>(63,451)</u>	<u>278,883</u>
Changes in Net Assets with Donor Restrictions		
Contributions received	110,484	99,000
Net assets released from restrictions (Note 2)	<u>(67,584)</u>	<u>(147,750)</u>
Increase (decrease) in Net Assets with Donor Restrictions	<u>42,900</u>	<u>(48,750)</u>
Change in Net Assets	(20,551)	230,133
Net assets at beginning of year	<u>1,685,329</u>	<u>1,455,196</u>
Net assets at end of year	\$ <u>1,664,778</u>	<u>1,685,329</u>

See accompanying notes to financial statements

FRIENDS FOR SIGHT

Statements of Cash Flows

Fiscal Years Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (20,551)	230,133
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	54,132	49,633
Decrease (increase) in contributions receivable	33	240
Increase (decrease) in accrued liabilities	(163)	(4,212)
Net depreciation (appreciation) on investments	<u>59,375</u>	<u>(1,666)</u>
Net cash provided by operating activities	92,826	274,128
Cash Flows from Investing Activities		
Purchases of building and equipment	(33,441)	(19,982)
Proceeds from sale of investments	264,715	155,578
Purchase of investments	<u>(289,855)</u>	<u>(193,882)</u>
Net cash (used) by investing activities	(58,581)	(58,286)
Cash Flows from Financing Activities		
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	34,245	215,842
Cash and cash equivalents at beginning of year	<u>369,058</u>	<u>153,216</u>
Cash and cash equivalents at end of year	<u>\$ 403,303</u>	<u>369,058</u>
Additional disclosures regarding cash		
Interest paid	\$ 0	0
Income taxes paid	\$ 0	0
Supplemental data		
Noncash gifts of glasses	\$ 36,850	29,300

See accompanying notes to financial statements

FRIENDS FOR SIGHT

Notes to Financial Statements

March 31, 2020 & 2019

(1) Nature of Operations

Friends For Sight (the Organization) is a Utah non-profit organization dedicated to providing vision screening to children and adults for the purpose of early detection of preventable eye diseases and educating and training health care professionals and volunteers about the care and prevention of blindness and vision protection. The Organization's principal sources of support are public contributions, legacies and bequests, and investment income.

(2) Summary of Significant Accounting Policies and Practices

(a) *Basis of Presentation-*

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which requires Friends For Sight to report information regarding its financial position and activities to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Friends For Sight's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Friends For Sight or by the passage of time.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

(b) *Measure of Operations-*

The statements of activities reports all changes in net assets including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributed to Friends For Sight's ongoing programs and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

(c) *Cash and Cash Equivalents*

Friends For Sight's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

(d) *Contributions and Other Support*

The Organization accounts for contributions and other support in accordance with the provisions of FASB Accounting Standards Update Statement 2016-14, *Presentation of Financial Statements of Not -for -Profit Entities*. Except for the Driver's License "Check the Box" program (see below), contributions including unconditional promises to give, are recognized in the period received at their fair values.

FRIENDS FOR SIGHT

Notes to Financial Statements (Continued)

March 31, 2020 & 2019

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value.

Contributions and other support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Contributions received with donor-imposed restrictions are reported as increases in net assets with donor restrictions if the restrictions on the contributions had not yet been met as of the financial statement date.

The Organization received the benefit of substantial hours of service from volunteers during the year. These volunteers include eye care professionals (181 hours), screeners (6,723 hours), trainers (201 hours), interns (1,199 hours), and Board members (224 hours). The estimated total fair value of these volunteer hours of service is \$234,868, and the value has not been recognized as revenue in the financial statements.

The balance in "Contributions Receivable" represents the amount collected during February and March 2020 by the Utah Driver's License Division for the Organization's "Check the Box" program, but was not received by the Organization until April, 2020. It has been considered as revenue in these financial statements.

At March 31, 2020, there were restricted donations totaling \$42,900 whose restriction purpose had not been satisfied.

(e) *Liquidity*

The Organization has \$414,812 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$403,303 and contributions receivable of \$11,509. Of the financial assets, \$42,900 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The Organization has a policy to structure its financial assets to be available as its general expenditures and liabilities come due.

(f) *Investments*

The Organization accounts for its investments in accordance with the provisions of FASB-ASC-958-320 and 958-325. The Organization's investments are stated at fair market value and consist primarily of common stocks, mutual funds and fixed debt instruments. Realized and unrealized gains and losses are reported in the statement of activities as other changes in net assets. The Organization in net assets. The Organization considers all of its investments as "available for sale."

Investments in debt securities and equity securities with readily determinable fair values are carried at fair value. Investments at March 31, 2020 were comprised of the following:

	<u>Cost</u>	<u>Carrying Value</u>
Mutual funds & exchange traded products	\$ 379,662	\$ 359,714
Common stocks	183,996	171,284
Debt securities	<u>265,350</u>	<u>266,147</u>
Total of investments	\$ <u>829,008</u>	\$ <u>797,145</u>

FRIENDS FOR SIGHT

Notes to Financial Statements (Continued)

March 31, 2020 & 2019

	2020	2019
Investment return consisted of the following		
Gains (losses) from sales of investments	\$ (2,968)	\$ 7,030
Unrealized increase (decrease) in fair value	(59,375)	1,666
Investment advisory fees	(9,317)	(11,921)
Foreign taxes withheld	(60)	(671)
Total investment return	\$ <u>(71,720)</u>	\$ <u>(3,896)</u>

All of the Organization's investments are considered *Level 1* type assets as their market values are obtained from quoted prices in active markets.

(g) Property and Equipment

Land, building, furniture and equipment are stated at cost or, in the case of gifts, fair market value at date of donation, less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense, and expenditures greater than \$1,000 for purchases and improvements are capitalized. Depreciation is computed on a straight-line basis over 30 years for the building, 15 years for improvements, and 5 years for the equipment and furniture. When property and equipment are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the statement of activities. Depreciation expenses for the year ended March 31, 2020 totaled \$54,132 and \$49,633 for the year ended March 31, 2019.

(h) Income Taxes

The Organization is a tax-exempt organization as provided in Section 501(c)(3) of the Internal Revenue Code of 1986 and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. No provision is made for income taxes in the accompanying financial statements, as the Organization had no unrelated business income for the year.

The Organization's Forms 990, Return of Organization Exempt from Tax for the years ending March 31, 2018, 2019 and 2020 are subject to examination by the IRS.

(i) Use of Estimates and Concentration of Risk

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

The Organization received contributions from seventeen separate foundations during the fiscal year ended March 31, 2020, which comprised 56% of total contributions. The Organization did not hold a special event fund-raiser during the fiscal year ended March 31, 2020.

The balance shown for cash is held in two different financial institutions. Each account is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

FRIENDS FOR SIGHT

Notes to Financial Statements (Continued)

March 31, 2020 & 2019

(i) Subsequent Events

Subsequent events were evaluated through June 15, 2020, which is the date the financial statements were available to be issued. As of June 15, 2020, the value of the investment portfolio had recovered more than enough to exceed the cost, and was up nearly \$80,000 from the value reported at March 31, 2020, in these financial statements. The increase does not affect the amount reported as "carrying value" at March 31, 2020, in Note 2(f).

(3) Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. All of the costs are "joint activity" costs that are not identifiable to a specific program or activity. Accordingly, the costs have been allocated among the program and support services benefitted.

Expenses incurred during the fiscal year ended March 31, 2020, were allocated as follows:

	Program Services		Support Services		2020 Totals
	Public Health Education	Outreach	Management and General	Fund-raising	
Salaries, wages, and benefits	\$ 195,067	\$ 105,528	\$ 9,594	\$ 9,594	\$ 319,783
Professional fees	3,660	1,980	180	180	6,000
Printing and office expenses	1,089	589	10	10	1,698
Occupancy and equipment expenses	10,222	5,533	463	463	16,681
Depreciation	33,020	17,864	1,624	1,624	54,132
Driver's license checkoff screening	26,555	-	-	-	26,555
Glasses and cases	-	36,850	-	-	36,850
Other expenses	<u>9,181</u>	<u>4,965</u>	<u>351</u>	<u>351</u>	<u>14,848</u>
Total expenses	<u>\$ 278,794</u>	<u>\$ 173,309</u>	<u>\$ 12,222</u>	<u>\$ 12,222</u>	<u>\$ 476,547</u>

(4) Retirement Plan

The Organization offers a Simple-IRA plan (the "Plan") to qualifying employees. The Plan requires the employer to make a matching contribution of up to 3% of salary for those employees who choose to make voluntary contributions. The Organization made contributions of \$6,252.53 to the employees' Simple-IRA accounts for the year ended March 31, 2020, and \$5,967.24 for the year ended March 31, 2019.

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Notes to Financial Statements (Continued)

March 31, 2020 & 2019

(5) Equipment Lease

The Organization has entered into a lease agreement for office equipment in Salt Lake City, Utah. The lease term is for 5 years 3 months, ending February 28, 2023. Rental expense for the year ended March 31, 2020 was \$1,058.

Future minimum rental payments are as follows:

2021	\$ 1,058
2022	1,058
2023	970