

**Eye Care For Kids dba  
The Eye Care For Kids Family of Charities**

Consolidated Financial Statements  
Includes Operations in AZ, CA, NJ, NV, and UT

December 31, 2020

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Consolidated Financial Statements  
December 31, 2020

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*Certified Public Accountants*

**Independent Auditors' Report**

To The Board of Directors for  
Eye Care For Kids

We have audited the accompanying statement of consolidated financial position of Eye Care For Kids, a nonprofit organization as of December 31, 2020, and the related consolidated statements of activity and net assets, and cash flow for the year 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 statement 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 of 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.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Eye Care For Kids as of December 31, 2020 and the results of its operations and its cash flow for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Davies Allen, P.C.*

Salt Lake City, UT  
May 27, 2021

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**Eye Care For Kids dba**  
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Consolidated Statement of Financial Position  
For the Year Ended December 31, 2020

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<b>Assets</b>		<b>2020</b>
<b>Current Assets</b>		
Cash and Cash Equivalents		\$ 1,163,059
Inventory		2,495,281
<b>Total Current Assets</b>		<u>3,658,340</u>
 <b>Fixed Assets</b>		
Buildings		832,956
Land		317,931
Leasehold Improvements		124,000
Equipment		698,962
Vehicles		307,230
Accumulated Depreciation		<u>(1,051,875)</u>
<b>Total Fixed Assets</b>		<u>1,229,204</u>
<b>Total Assets</b>		<u>\$ 4,887,544</u>
 <b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts Payable		\$ -
Accrued Liabilities		23,601
Current Portion of Long-Term Debt		<u>36,192</u>
<b>Total Current Liabilities</b>		<u>59,793</u>
 <b>Long Term Liabilities</b>		
Mortgage Payable		669,358
PPP Loan		240,500
Less Current Portion		<u>(36,192)</u>
<b>Total Long Term Liabilities</b>		<u>873,666</u>
<b>Total Liabilities</b>		<u>933,459</u>
 <b>Net Assets</b>		
Net Assets without Donor Restrictions		3,954,085
Net Assets with Donor Restrictions		<u>-</u>
<b>Total Net Assets</b>		<u>3,954,085</u>
<b>Total Liabilities and Net Assets</b>		<u>\$ 4,887,544</u>

See Accountants' Report and Notes

**Eye Care For Kids dba**  
**The Eye Care For Kids Family of Charities**  
Consolidated Statements of Activities and Net Assets  
For the Year Ended December 31, 2019

	<b>Net Assets without Donor Restrictions</b>	<b>Net Assets with Donor Restrictions</b>	<b>Total</b>
<b>Revenues and Other Support</b>			
Donations	\$ 1,949,683	\$ -	\$ 1,949,683
Donations In Kind	615,024		615,024
Service Income	584,331		584,331
Clinic Income	477,000	-	477,000
Other Income	27,399	-	27,399
<b>Total Revenues</b>	<u>3,653,437</u>	<u>-</u>	<u>3,653,437</u>
<b>Net Assets Released From Restriction</b>			
Satisfaction of Program Restriction	-	-	-
Satisfaction of Asset Acquisition	-	-	-
<b>Change is Net Assets Released from Restriction</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>			
Program Services	2,922,147	-	2,922,147
Management and General	286,932	-	286,932
Fundraising	242,701	-	242,701
<b>Total Expenses</b>	<u>3,451,780</u>	<u>-</u>	<u>3,451,780</u>
<b>Change in Net Assets</b>	<u>201,657</u>	<u>-</u>	<u>201,657</u>
<b>Net Assets - Beginning of Year</b>	<u>3,752,428</u>	<u>-</u>	<u>3,752,428</u>
<b>Net Assets - End of Year</b>	<u>\$ 3,954,085</u>	<u>\$ -</u>	<u>\$ 3,954,085</u>

See Accountants' Report and Notes

**Eye Care For Kids dba**  
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Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2020

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	<b>2021</b>
<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 201,657
<b>Adjustments to Reconcile Net Loss to Net Cash from Operating Activities</b>	
Changes in Operating Assets and Liabilities:	
Depreciation and Amortization	84,836
Accounts Payable	(2,131)
Accrued Liabilities	(500)
Net Adjustments	82,205
<b>Net Cash from Operating Activities</b>	283,862
 <b>Cash Flows from Investing Activities</b>	
Purchase of Property & Equipment	(73,119)
Proceeds From Sale of Assets	-
Purchase of Inventory	271,581
<b>Net Cash Used in Investing Activities</b>	198,462
 <b>Cash Flows from Financing Activities</b>	
Proceeds from PPP Loans	240,500
Payments on Notes Payable	(107,213)
<b>Net Cash from Financing Activities</b>	133,287
 <b>Net Change in Cash</b>	615,611
 <b>Cash - Beginning of Year</b>	547,448
 <b>Cash – End of Year</b>	\$ 1,163,059
 <b>Supplemental Cash Flow Information</b>	
Interest Paid	\$ 40,010

See Accountants' Report and Notes

**Eye Care For Kids dba**  
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Consolidated Statement of Functional Expenses  
For the Year January 1, 2020 thru December 31, 2020

	<b>Supporting Services</b>			<b>Total</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>	
Cost of Goods	\$ 1,321,845	\$ -	\$ -	\$ 1,321,845
Gross Wages	600,191	77,724	17,868	695,783
Outside Services	470,379	70,974	158,537	699,890
President/CEO Wages	103,044	37,961	43,985	184,990
Payroll Taxes	79,950	-	-	79,950
Insurance	52,104	-	-	52,104
Travel	5,676	2,000	-	7,676
Accounting Expenses	-	34,547	-	34,547
Vehicle Expenses	16,475	332	-	16,807
Employee Health Insurance	20,968	6,609	-	27,577
Legal Expense	-	8,428	-	8,428
Office Expense	30,543	23,001	-	53,544
Repairs and Maintenance	2,047	995	-	3,042
Utilities	9,287	4,699	-	13,986
Employee Benefits	14,812	-	-	14,812
Telephone	10,052	5,629	-	15,681
Meals and Entertainment	4,094	925	146	5,165
Marketing	4,305	-	9,990	14,295
Operating Supplies	31,945	276	-	32,221
Miscellaneous	837	-	5,009	5,846
Dues & Subscriptions	-	4,198	-	4,198
Credit Card Disc	8,077	-	-	8,077
Permits & Licenses	5,483	3,421	-	8,904
Advertising & Promotion	-	-	13,065	13,065
Laundry and Uniforms	600	-	-	600
Information Technology	6,117	758	-	6,875
Freight & Postage	1,831	453	-	2,284
Rent	641	-	-	641
Donations	-	-	-	-
Income Tax - Unrelated Business	-	-	-	-
<b>Total Expenses Before Depreciation</b>	<b>2,801,303</b>	<b>282,930</b>	<b>248,600</b>	<b>3,332,833</b>
Interest Income	-	-	1,511	1,511
Dividend Income	-	-	2,606	2,606
Interest Expense	(36,008)	(4,002)	-	(40,010)
Other Income	-	-	1,782	1,782
Depreciation	(84,836)	-	-	(84,836)
<b>Total Expenses</b>	<b>\$ 2,922,147</b>	<b>\$ 286,932</b>	<b>\$ 242,701</b>	<b>\$ 3,451,780</b>

See Accountants' Report and Notes

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Notes to Consolidated Financial Statements

December 31, 2020

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**Note 1 – Summary of Significant Accounting Policies**

***Nature of Operations*** – Eye Care For Kids (the “Organization”) was incorporated under the laws of the State of Utah as a nonprofit corporation on February 15, 2002. The Organization’s mission is to serve and administer relief, by providing proper eye care for visually impaired children and other individuals of our community. The Organization is committed to providing high-quality eye care and vision education. Since 2001 Eye Care for Kids Foundation has grown to serve over 300,000 children in several clinics in Utah, Nevada, Arizona, New Jersey, California, Indian reservations trips and its International Humanitarian Outreach.

***Management 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

***Financial Statement Presentation*** - Eye Care For Kids prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. The operations of Utah, Nevada, Arizona, New Jersey, and California are all consolidated into the financials.

***Cash and Cash Equivalents*** – The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The Company has no cash equivalents as of the balance sheet

***Inventory*** - Inventory consists of eyeglass frames and lenses and are valued at cost if purchased and fair market value if donated.

***Depreciation*** - The Company depreciates using the straight line method over the useful life of the asset, 5, 7, 15, or 39 years.

***Income Taxes*** – The Organization is a disregarded entity with the single member being a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Management has evaluated income tax position taken or expected to be taken, if any, on income tax returns filed and the likelihood that, upon examination by relevant jurisdictions, those income tax positions would be sustained. Based on the results of this evaluation management determined there are no positions that necessitated disclosures and/or adjustments. All required filings are current.



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Notes to Consolidated Financial Statements

December 31, 2020

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**Note 2 - In-Kind Donations**

The Organization receives large amounts of in-kind donations each year. The largest part of the In-Kind donations are eye glass frames and lens inventory. The Organization has determined to value these at the estimated wholesale value. Other In-Kind donations include supplies, leasehold improvements, and rent all valued at estimated market value.

**Note 3 - In-Kind Expense**

The In-Kind Expense are the recorded when the company uses goods or services that were donated in In-Kind. The expense is valued at the same price as the donation received, the estimated market value. The largest part of this expense is the cost of goods In-Kind for the use of inventory assets. The Organization also has In-Kind expense for supplies, services and rent.

<u>In-Kind Expenses</u>	<u>Amount</u>
Cost of Goods	\$ 428,412
Rent	216,167
Supplies	40,298
Services	173,053
Total	\$ 857,930

**Note 4- Cash and Cash Equivalents**

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:	\$ 2,157,719	\$ 1,163,059

**Concentration of Risk** - The Company has multiple accounts with Zion's Bank, Nevada State Bank and Chase Bank. The total funds held in these accounts at December 31, 2020 was \$2,157,719, of that amount \$632,866 is covered by FDIC insurance.

**Note 5 - Inventory**

The inventory asset consists of eye glass frames and lens. The inventory is valued at its historical purchase price or the estimated wholesale value if the inventory is acquired through an In-Kind donation. The Organization counts and inspects the inventory regularly to determine accurate values and if any of the inventory has become obsolete. As of December 31, 2020 the inventory balance is \$2,495,281.

**Note 6 - Mortgage and Notes Payable**

Mortgage payable to Zions bank in the original principal amount of \$945,000, due on August 1, 2034 fixed interest rate of 5.31% payable monthly as monthly interest and principal payments of \$6,441 beginning August 14, 2015. The Mortgage is secured by the organization's building in Salt Lake City, Utah. The outstanding principal balance as of December 31, 2020 is \$669,358.

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December 31, 2020

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**Note 6 - Mortgage and Notes Payable (Continued)**

Future scheduled maturities of long-term debt are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2021	37,017
2022	39,031
2023	41,155
2024	43,394
2025	45,754
Thereafter	463,006
Total minimum future payments required	\$ 669,358

**Note 7 - PPP Loan**

During 2020 the Company applied for and received a PPP loan. Forgiveness has been applied for and is expected to be granted. As such the entire balance is current. The balance as of December 31, 2020 is \$240,500.

**Note 8 - Donor Restrictions on Assets**

Some of the donations are location specific but there are no restriction on what they can be used for. Each location has its own separate bank accounts and operates as an independent clinic. As such it has been determined that they qualify as assets without donor restrictions.

**Note 9 - Subsequent Event Evaluation Date**

Subsequent events have been evaluated through May 27, 2021, which is the date the financial statements were available to be issued