

**BEAUTY OF SIGHT FOUNDATION, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2019

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>INDEPENDENT AUDITOR'S REPORT</b> .....	1-2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position. ....	3
Statement of Activities and Changes in Net Assets .....	4
Statement of Functional Expenses .....	5
Statement of Cash Flows. ....	6
Notes to the Financial Statements. ....	7-9



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Beauty of Sight Foundation, Inc.  
Miami, Florida

We have audited the accompanying financial statements of Beauty of Sight Foundation, Inc. (the "Organization") (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statement of activities and changes in net assets, functional expenses, and cash flows for the year ended June 30, 2019, 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the changes in its net assets and its cash flows for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

*Verdeja De Armas Trujillo, LLP*  
CERTIFIED PUBLIC ACCOUNTANTS

Coral Gables, Florida  
July 6, 2020

**BEAUTY OF SIGHT FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**

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<b>ASSETS</b>	
ASSETS	
Cash and cash equivalents	\$ 122,314
<b>TOTAL ASSETS</b>	<u><u>\$ 122,314</u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
LIABILITIES	
Accounts payable	\$ 4,844
<b>TOTAL LIABILITIES</b>	<u>4,844</u>
NET ASSETS	
Without donor restrictions	<u>117,470</u>
<b>TOTAL NET ASSETS</b>	<u>117,470</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u><u>\$ 122,314</u></u>

The accompanying notes are an integral part of these financial statements.

**BEAUTY OF SIGHT FOUNDATION, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**JUNE 30, 2019**

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	<u>Without Donor Restrictions</u>
REVENUE	
Contributions:	
Grants	\$ 200,600
Donations	46,300
TOTAL REVENUE	<u>246,900</u>
EXPENSES	
Program Services	286,888
Supporting Activities	16,640
TOTAL EXPENSES	<u>303,528</u>
CHANGES IN NET ASSETS	(56,628)
BEGINNING NET ASSETS	<u>174,098</u>
ENDING NET ASSETS	<u><u>\$ 117,470</u></u>

The accompanying notes are an integral part of these financial statements.

**BEAUTY OF SIGHT FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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	<u>Program Services</u>	<u>Supporting Activities</u>	<u>Total Expenses</u>
Operating and Other Expenses:			
Professional fees	\$ -	\$ 1,343	\$ 1,343
Marketing expenses	-	4,890	4,890
Other expenses	-	10,407	10,407
Project funding	8,064	-	8,064
Research grants	278,824	-	278,824
	<u>\$ 286,888</u>	<u>\$ 16,640</u>	<u>\$ 303,528</u>

The accompanying notes are an integral part of these financial statements.

**BEAUTY OF SIGHT FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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CASH FLOWS FROM OPERATING ACTIVITIES	
Changes in net assets	\$ (56,628)
Changes in operating assets and liabilities:	
Decrease in accounts payable	(56)
Total adjustments	<u>(56)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(56,684)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(56,684)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>178,998</u>
CASH AND CASH EQUIVALENTS - End of year	<u><u>\$ 122,314</u></u>

The accompanying notes are an integral part of these financial statements.



**BEAUTY OF SIGHT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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**NOTE 1 – ORGANIZATION**

Beauty of Sight Foundation, Inc. (the “Organization”) was incorporated in the State of Florida in 2016, as a not-for-profit corporation. The Organization is committed to promoting global awareness and providing support for vision related research, services, and education.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES**

**Basis of Accounting**

The financial statements have been prepared using the accrual basis of accounting principles generally accepted in the United States of America (“GAAP”). Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

**New Accounting Pronouncement**

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standard changes the following aspects of the Organization’s financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resource. See Note 5.

Refer to Note 6 for reclassifications resulting from the implementation of the new accounting pronouncement.

**Financial Statement Presentation**

The Organization prepares its financial statements in accordance with the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). The Organization is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

The portion of the net assets of the Organization that can be used subject to the broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its articles of incorporation or bylaws. In some cases, the use of these resources is also subject to limits resulting from contractual agreements with suppliers, creditors, and others entered into by the Organization in the normal course of business. The Organization has the greatest ability to choose when using these resources. Net assets without donor restrictions generally result from contributions that are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions

The portions of net assets of the Organization that is subject to either donor-imposed time restrictions or donor-imposed purpose restrictions. These restrictions limit the Organization’s choices when using these resources because the Organization has a fiduciary responsibility to its donors to follow the donor’s instructions. Net assets with donor restrictions generally result from donor-restricted contributions. As of June 30, 2019, there were no net assets with donor restrictions.

**BEAUTY OF SIGHT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents and accounts payable approximate fair value due to the short maturity of these financial instruments.

**Contributions**

Contributions including unconditional promises to give are to be recognized as revenue in the period received. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions are reported as with donor restrictions or without donor restrictions depending on the existence or nature of any donor restrictions. The Organization considers all contributions without donor restrictions, unless specifically restricted by donors. Donor restricted contributions whose restrictions are met in the same reporting period are reported initially as with donor restriction and later reclassified to net assets without donor restriction once the restrictions expire.

**Research grants**

The Organization provides research grants to other organizations and foundations as part of its mission to promote global awareness and provide support for vision related research, services, and education. During 2019, a grant of \$278,824 was provided to another organization and included in these financial statements in research grant expense.

**Use of Estimates**

The preparation of financial statements in accordance 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 and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Income Tax Status**

The Organization is exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

The Organization has adopted the provisions of FASB ASC 740-10-25, which requires that a tax position be recognized or derecognized based on a “more likely than not” threshold. This applies to positions taken or expected to be taken in a tax return. The Organization does not believe its financial statements include any uncertain tax positions. The Organization is not subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2016.

**BEAUTY OF SIGHT FOUNDATION, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (Continued)

**Subsequent Events**

The Organization has evaluated subsequent events through July 6, 2020, which is the date the financial statements were available to be issued.

In March 2020, the World Health Organization declared a novel strain of coronavirus disease (“COVID-19”) a pandemic. The extent of COVID-19’s effect on the Organization’s operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on the Organization’s business.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents are exposed to interest rate, market, and credit risks. The Organization maintains its cash and cash equivalents with a large quality financial institution and, at times, may exceed federally insured limits. The bank account balances are insured up to \$250,000 per depositor accounts by the Federal Deposit Insurance Corporation (the “FDIC”), an independent agency of the United States government.

NOTE 4 – GRANTS-RELATED PARTY

Florida Lions Eye Bank, Inc. is a non-profit organization and related party of the Organization. During the 2018-2019 fiscal year, Florida Lions Eye Bank, Inc. contributed \$200,600 to the Organization. At June 30, 2019 the Organization had no payables or receivables due to or due from Florida Lions Eye Bank, Inc.

NOTE 5 – LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization monitors its liquidity so that it is able to meet its operating needs while maximizing the investment of its excess operating cash. The Organization has the \$122,314 that could be made readily available within one year of the statement of financial position date to fund operating expenses without limitation, such as donor imposed or contractual restrictions or internal designations, as of June 30, 2019:

NOTE 6 – NEW ACCOUNTING PRONOUNCEMENT RECLASSIFICATIONS

The implementation of ASU 2016-14 required the following changes to June 30, 2019 beginning net assets:

Net Asset Class	As Originally Presented	After Adoption of ASU 2016-14
Unrestricted net assets	\$ 174,098	\$ -
Temporarily restricted net assets	-	-
Permanently restricted net assets	-	-
Net assets without donor restrictions	-	174,098
Net assets with donor restrictions	-	-
Total net assets	\$ 174,098	\$ 174,098