

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2024

WITH

INDEPENDENT AUDITORS' REPORT

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THE BRITTINGHAM GROUP, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

501 STATE STREET
POST OFFICE BOX 5949
WEST COLUMBIA, SOUTH CAROLINA 29171

PHONE: (803) 739-3090

FAX: (803) 791-0834

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Lions Vision Services, A South Carolina Charity
234 Outlet Pointe Boulevard, Suite C
Columbia, South Carolina 29210

Opinion

We have audited the accompanying financial statements of Lions Vision Services, A South Carolina Charity (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lions Vision Services, A South Carolina Charity, as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

The Brittingham Group LLP

West Columbia, South Carolina
November 14, 2024

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2024

Assets

Current Assets

Cash and cash equivalents	\$ 248,356
Accounts receivable	7,256
Contributions receivable	25,105
Prepaid expenses	1,845
Investments	1,816,248
Total Current Assets	<u>2,098,810</u>

Property and equipment, net of depreciation	9,307
Right of use asset, net of amortization	<u>71,262</u>

Total Assets	<u><u>\$ 2,179,379</u></u>
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 62,583
Payroll withholdings and accrued taxes	10,120
Accrued leave liability	12,643
Lease liability - current portion	22,121
Total Current Liabilities	<u>107,467</u>

Noncurrent Liabilities

Lease liability - noncurrent portion	<u>49,141</u>
Total Noncurrent Liabilities	<u>49,141</u>

Total Liabilities	<u>156,608</u>
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Net Assets

Net assets without donor restrictions	1,552,407
Net assets with donor restrictions	470,364
Total Net Assets	<u>2,022,771</u>

Total Liabilities and Net Assets	<u><u>\$ 2,179,379</u></u>
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See accompanying notes.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>Totals</u>
Revenues and Other Support			
Operating and Program Revenues			
Lions Clubs and MD 32 contributions	\$ 125,225	\$ 100,000	\$ 225,225
Other designated contributions	162,474	376,526	539,000
Satisfaction of program restrictions	454,819	(454,819)	-
Total Operating and Program Revenues	<u>742,518</u>	<u>21,707</u>	<u>764,225</u>
Program fees			
In-kind contributions	875,582	-	875,582
Total Program Fees	<u>875,582</u>	<u>-</u>	<u>875,582</u>
Other Revenues			
Investment income, net	166,172	32,102	198,274
Total Other Revenues	<u>166,172</u>	<u>32,102</u>	<u>198,274</u>
Total Revenues and Other Support	<u>1,784,272</u>	<u>53,809</u>	<u>1,838,081</u>
Expenses			
Program services	1,508,568	-	1,508,568
Supporting services	30,637	-	30,637
Fundraising	107,238	-	107,238
Total expenses	<u>1,646,443</u>	<u>-</u>	<u>1,646,443</u>
Change in net assets	137,829	53,809	191,638
Net assets at beginning of year	1,414,578	416,555	1,831,133
Net assets at end of year	<u>\$ 1,552,407</u>	<u>\$ 470,364</u>	<u>\$ 2,022,771</u>

See accompanying notes.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Eye Surgeries	Health Screening Unit	Vision Technology	Eyewear Program	Santee Blind Fishing Event	Lions Clubs	Health Awareness/ Public Relations	Vision Call Center	Total Programs	Supporting Services	Fundraising	Total
Compensation and related	\$ 71,130	\$ 8,207	\$ 8,207	\$ 2,736	\$ 27,358	\$ 27,358	\$ 32,829	\$ 27,358	\$ 205,183	\$ 21,886	\$ 46,508	\$ 273,577
Office and overhead:												
Leases and utilities	825	95	95	32	317	317	381	317	2,379	254	540	3,173
Lease amortization	5,704	658	658	219	2,194	2,194	2,633	2,194	16,454	1,755	3,729	21,938
Telephone	802	93	93	31	309	309	370	309	2,316	247	525	3,088
Conference and meetings	1,430	165	165	55	550	550	660	550	4,125	440	935	5,500
Insurance - general	861	99	99	33	331	331	398	331	2,483	265	563	3,311
Professional fees	1,677	194	194	64	645	645	774	645	4,838	516	1,097	6,451
Advertising and marketing	-	-	-	-	-	-	20,052	-	20,052	-	48,000	68,052
Other	8,168	943	943	314	3,141	3,141	3,770	3,141	23,561	2,513	5,341	31,415
Direct program expenses:												
In-kind services	870,973	899	-	3,710	-	-	-	-	875,582	-	-	875,582
Other	282,752	3,473	9,256	18,931	18,515	2,158	16,500	-	351,585	-	-	351,585
Depreciation	-	10	-	-	-	-	-	-	10	2,761	-	2,771
Total expenses	\$ 1,244,322	\$ 14,836	\$ 19,710	\$ 26,125	\$ 53,360	\$ 37,003	\$ 78,367	\$ 34,845	\$ 1,508,568	\$ 30,637	\$ 107,238	\$ 1,646,443

See accompanying notes.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2024

Cash flows from operating activities:	
Change in net assets	\$ 191,638
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	2,771
Lease amortization	21,938
Proceeds from contributions restricted to endowment	(100,000)
Gain on investments	(170,735)
Changes in operating assets and liabilities:	
Accounts receivable	(1,268)
Contributions receivable	24,895
Inventories	2,148
Accounts payable	24,934
Payroll withholdings and accrued taxes	1,407
Accrued leave	4,511
Net cash provided by operating activities	<u>2,239</u>
Cash flows from investing activities:	
Net purchases and sales of investments	(97,390)
Acquisition of right of use assets	(72,518)
Lease payments	(22,251)
Proceeds from lease liability	72,830
Net cash provided by investing activities	<u>(119,329)</u>
Cash flows from financing activities:	
Investment in restricted endowments	<u>100,000</u>
Net cash used by investing activities	<u>100,000</u>
Net increase in cash and cash equivalents	(17,090)
Cash and cash equivalents at beginning of year	<u>265,446</u>
Cash and cash equivalents at end of year	<u><u>\$ 248,356</u></u>

See accompanying notes.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

1. Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Lions Vision Services, A South Carolina Charity (the “Organization”) is a nonprofit organization under the laws of the State of South Carolina. The Organization is dedicated to ending blindness in poverty in South Carolina by providing an array of vision and eyecare services to residents of South Carolina experiencing financial need, empowering the under-served blind and visually impaired in South Carolina to live safe, meaningful, and fulfilling lives. Members of South Carolina Lions Clubs, organized under Lions Clubs International, Inc., make up the membership of Lions Vision Services, may nominate candidates for Board membership of the Organization, vote on any proposed changes to the Organization’s Bylaws, and provide much of the financial support for the Organization.

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Information regarding financial position and activities are reported according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. It is the policy of the Board to review its plans for future activities and designate appropriate sums of net assets without donor restrictions to assure adequate funding of such activities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers highly liquid investments available for current use with initial maturity of three months or less to be cash equivalents, except for small amounts of uninvested cash in brokerage accounts.

Contributions and Grants

Contributions and grants represent donations to the Organization from other private organizations or individuals and are recognized in appropriate period designated by the donor. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills and are performed by people with those skills. Discounts on health services provided by medical specialists are recorded as non-cash contributions in the accompanying financial statements.

— CONTINUED —

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

1. Nature of Activities and Summary of Significant Accounting Policies (continued)

Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates

Property and Equipment

Purchased property and equipment is capitalized at cost. Depreciation is computed on a straight-line basis over estimated useful lives of five to forty years. The Organization capitalizes asset acquisitions in excess of \$500 at their cost. Maintenance and repairs are charged to expense as incurred. When fixed assets are retired or otherwise disposed of, the cost is removed from the asset account and related accumulated depreciation is adjusted with the difference being charged to income.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. The Organization is subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending June 30, 2024, 2023, 2022, and 2021 are still open to audit for both federal and state purposes.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. The Organization's investments have been classified as net assets without donor restrictions or net assets with donor restrictions in the statement of financial position, and income and gains or losses related to the investments are treated as net assets without donor restrictions or net assets with donor restrictions revenues and gains or losses in the statement of activities. The income and gains related to investments is reported net of related expenses in the statement of activities.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	June 30, 2024	Restricted	Net Available
Cash and cash equivalents	\$ 248,356	\$ (133,477)	\$ 114,879
Accounts receivable	7,256	-	7,256
Pledges receivable	25,105	(25,105)	-
Investments	1,816,248	(294,377)	1,521,871
	<u>\$ 2,096,965</u>	<u>\$ (452,959)</u>	<u>\$ 1,644,006</u>

3. Annuities Payable

The Organization has established a gift annuity plan whereby donors may contribute assets to the organization in exchange for the right to receive a fixed dollar annual return during their lifetimes. A portion of the transfer is a charitable contribution for income tax purposes. The difference between the amount provided for the gift annuity and discounted liability for future payments is recognized as contribution income in net assets without donor restrictions at the date of the gift. The actuarial liability for annuities payable is calculated annually using published mortality rate tables adopted by the Internal Revenue Service and assumed rate of return of 3.01%.

4. Perpetual Trusts Held by Others

The Organization is the beneficiary of a perpetual trust that is administered by trustees outside the Organization. Although the assets of this trust are not in its possession, the Organization will receive the income earned on trust assets in perpetuity. The Organization’s interest in the trust is 12.5%. The Organization’s share of assets held in this trust was \$105,393 (as of June 30, 2024).

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

5. Classification of Endowment Fund

The Organization’s “institutional endowment funds” consist of donor-restricted resources segregated into “funds” for management and monitoring for which the gifts are held intact in perpetuity. The income generated from these resources is to be used for various programs within the charitable purpose of the Organization. As required by generally accepted accounting principles, net assets associated with the “institutional endowment funds” are classified and reported based on the existence or absence of donor-imposed restrictions.

From time to time, the fair value of assets associated with individual donor-restricted funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. As of June 30, 2024, the Organization has no funds for which the current value is below the level required by the donor.

The following depicts the activity in the “institutional endowment funds” by net asset classification for the year-ended:

	Endowment Fund		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, June 30, 2023	\$ 1,325,826	\$ 217,320	\$ 1,543,146
Investment return, net	137,703	32,101	169,804
Contributions	-	100,000	100,000
Program releases	5,043	(5,043)	-
Board approved payouts	(5,043)	-	(5,043)
Endowment net assets, June 30, 2024	<u>\$ 1,463,529</u>	<u>\$ 344,378</u>	<u>\$ 1,807,907</u>
Endowment net assets, June 30, 2024	\$ 1,463,529	\$ 344,378	\$ 1,807,907
Non endowment net assets	88,878	125,986	214,864
Total net assets	<u>\$ 1,552,407</u>	<u>\$ 470,364</u>	<u>\$ 2,022,771</u>

6. Contributions receivable

Contributions receivable, which consists of unconditional promises to give are summarized as follows:

The expected collections are in:

Less than one year	<u>\$ 25,105</u>
Totals	<u>\$ 25,105</u>

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

7. Net Assets with Donor Restrictions

At June 30, 2024 net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:	
Programs and services	\$ 119,376
Blind fishing event	6,610
	<u>125,986</u>
Endowments:	
Operations	66,829
Greenville Area Programs	166,964
Sumter Area Programs	50,585
	<u>284,378</u>
Held in perpetuity:	
Operations	60,000
	<u>60,000</u>
 Total net assets with donor restrictions	 <u><u>\$ 470,364</u></u>

Net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, in the amount of \$454,819 during the year ended June 30, 2024.

8. Board designated net assets

The Board of Lions Vision Services has voted to designate \$830,000 in an unrestricted endowment fund to further the mission of the Organization. This amount can only be removed from the investments and used upon a vote of the Board.

9. Property and Equipment

Property and equipment consist of the following at June 30, 2024:

Furniture and equipment	\$ 21,631
Health screening unit	68,362
Less, accumulated depreciation	<u>(80,686)</u>
 Total	 <u><u>\$ 9,307</u></u>

Depreciation expense for the year ended June 30, 2024 was \$2,771 for Lions Vision Services.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

10. Investments

At June 30, 2024, cash and cash equivalents in other than investment accounts totaled \$254,344 for the Organization and was on deposit in various accounts with financial institutions that maintain insurance with the Federal Deposit Insurance Corporation. As of June 30, 2024, there was approximately \$4,344 that was not insured by the Federal Deposit Insurance Corporation. At June 30, 2024, Lions Vision Services had investments with a market value of \$1,816,248 in four custodial accounts.

At June 30, 2024, the investments were as follows:

Money market reserves	\$ 25,234
Bond funds	797,243
Other assets	993,631
Fixed income	140
Totals	<u>\$ 1,816,248</u>

Investment income from investments is comprised of the following for the year ended June 30, 2024:

Interest and dividends	\$ 42,616
Losses on investments	170,699
Advisor fees	<u>(15,041)</u>
Totals	<u>\$ 198,274</u>

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Fair Value Measurements

ASC 820, “*Fair Value Measurements and Disclosures*” establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.
Level 2	Inputs to the valuation methodology include: <ul style="list-style-type: none">- quoted prices for similar assets or liabilities in active markets;- quoted prices for similar assets or liabilities in inactive markets;- inputs other than quoted prices that are observable for the asset or liability;- inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability’s fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments are level 1. All assets and liabilities are valued at fair market value.

The preceding methods as described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

11. Fair Value Measurements (continued)

Within the fair value hierarchy, the Organization’s assets at fair value as of June 30, 2024 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Investments	\$ 1,816,248	\$ -	\$ -	\$ 1,816,248
	<u>\$ 1,816,248</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,816,248</u>

12. Retirement Plan

The Organization sponsors a simplified employee pension plan that covers all employees on the next entry date after they have completed six months of employment and have reached age 21. Contributions to the plan are matched up to 3% of each employee’s annual salary. For the year ended June 30, 2024, the amount of pension expense was \$4,855.

13. Right to Use Asset/Lease Liability

The Organization leases office space under a noncancelable lease with a base rent of \$1,575. The expiration date of the lease is June 2024. The lease was renewed in June 2024.

The Organization leases a copier under a noncancelable lease with a base rent of \$200. The lease was renewed on January 2024, with a base rent of \$258. The expiration date of the lease is December 2028.

Total payments made for all leases were \$22,251 for the year ended June 30, 2024.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Leased property being amortized				
Operating Lease	\$ 41,899	\$ 72,518	\$ (41,899)	\$ 72,518
Right of use lease property accumulated amortization				
Operating Lease	(21,216)	(21,939)	41,899	(1,256)
	<u>\$ 20,683</u>	<u>\$ 50,579</u>	<u>\$ -</u>	<u>\$ 71,262</u>

LIONS VISION SERVICES, A SOUTH CAROLINA CHARITY

NOTES TO FINANCIAL STATEMENTS

— CONTINUED —

13. Right to Use Asset/Lease Liability (continued)

The minimum future lease payments under the terms of the noncancelable lease agreements mentioned above are:

Years ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 22,121	\$ 533	\$ 22,654
2026	22,253	402	22,655
2027	22,390	265	22,655
2028	2,965	129	3,094
2029	1,533	14	1,547
	<u>\$ 71,262</u>	<u>\$ 1,343</u>	<u>\$ 72,605</u>

14. Subsequent events

Subsequent events were evaluated through November 14, 2024, which is the date the financial statements were available for issue. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.