

**OREGON LIONS SIGHT & HEARING  
FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2015**



— OREGON LIONS —  
Sight & Hearing Foundation

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**Year Ended June 30, 2015**

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**KERN & THOMPSON, LLC**

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
Oregon Lions Sight & Hearing Foundation, Inc.  
Portland, Oregon

We have audited the accompanying financial statements of Oregon Lions Sight & Hearing Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

The Organization's 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.

***Auditors' 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 auditors' 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 Oregon Lions Sight & Hearing Foundation, Inc. as of June 30, 2015, 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.

***Report on Summarized Comparative Information***

We have previously audited Oregon Lions Sight & Hearing Foundation, Inc.'s 2014 financial statements, and our report dated September 8, 2014, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*KERN & THOMPSON, LLC*

Portland, Oregon  
September 17, 2015

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**STATEMENT OF FINANCIAL POSITION**

**June 30, 2015**

(With Comparative Totals as of June 30, 2014)

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 522,853	\$ 366,994
Pledges and accounts receivable	33,000	46,289
Inventory	12,868	
Prepaid expenses	17,366	19,250
Investments	6,747,410	7,046,809
	7,333,497	7,479,342
Property and equipment - net	491,667	465,350
<b>Total assets</b>	<b>\$ 7,825,164</b>	<b>\$ 7,944,692</b>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 64,905	\$ 56,262
Accrued expenses	58,287	58,451
Annuity liability	9,625	14,401
<b>Total liabilities</b>	<b>132,817</b>	<b>129,114</b>
<b>Net assets</b>		
Unrestricted		
Invested in property and equipment	491,667	465,350
Designated	2,782,435	2,782,435
Undesignated	435,293	409,475
Total unrestricted	3,709,395	3,657,260
Temporarily restricted	1,730,358	1,905,724
Permanently restricted	2,252,594	2,252,594
<b>Total net assets</b>	<b>7,692,347</b>	<b>7,815,578</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,825,164</b>	<b>\$ 7,944,692</b>

See notes to financial statements.

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2015**

(With Comparative Totals for the Year Ended June 30, 2014)

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>	
	<b>2015</b>			<b>2015</b>	<b>2014</b>
<b>Revenues, gains and other support</b>					
Contributions	\$ 441,426	\$ -	\$ -	\$ 441,426	\$ 1,562,984
Bequests	228,843	158,000	-	386,843	121,799
Grants	403,102	168,413	-	571,515	238,374
Program service fees	64,007	-	-	64,007	46,480
Special events, net of expense of \$35,533 and \$32,190, respectively	9,461	-	-	9,461	15,589
Interest and dividends	626	182,427	-	183,053	162,400
Other	6,725	-	-	6,725	3,539
	1,154,190	508,840	-	1,663,030	2,151,165
Net assets released from restrictions	602,748	(602,748)	-	-	-
<b>Total revenue, gains and other support</b>	<b>1,756,938</b>	<b>(93,908)</b>	<b>-</b>	<b>1,663,030</b>	<b>2,151,165</b>
<b>Expenses</b>					
LEAP Optical Lab	219,163	-	-	219,163	-
Mobile screening	626,838	-	-	626,838	653,332
Patient and program services	708,378	-	-	708,378	1,817,660
Total program services	1,554,379	-	-	1,554,379	2,470,992
Supporting services					
Administration	44,538	-	-	44,538	41,678
Fund-raising	105,886	-	-	105,886	158,182
<b>Total expenses</b>	<b>1,704,803</b>	<b>-</b>	<b>-</b>	<b>1,704,803</b>	<b>2,670,852</b>
<b>Increase (decrease) in net assets before other changes</b>	<b>52,135</b>	<b>(93,908)</b>	<b>-</b>	<b>(41,773)</b>	<b>(519,687)</b>
<b>Other changes in net assets</b>					
Net realized gain (loss) on sale of investments	-	375,750	-	375,750	296,225
Net unrealized gain (loss) on investments	-	(457,208)	-	(457,208)	481,244
<b>Change in net assets</b>	<b>52,135</b>	<b>(175,366)</b>	<b>-</b>	<b>(123,231)</b>	<b>257,782</b>
<b>Net assets, beginning of year</b>	<b>3,657,260</b>	<b>1,905,724</b>	<b>2,252,594</b>	<b>7,815,578</b>	<b>7,557,796</b>
<b>Net assets, end of year</b>	<b>\$ 3,709,395</b>	<b>\$ 1,730,358</b>	<b>\$ 2,252,594</b>	<b>\$ 7,692,347</b>	<b>\$ 7,815,578</b>

See notes to financial statements.

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**Year Ended June 30, 2015**

(With Comparative Totals for the Year Ended June 30, 2014)

	<b>PROGRAM SERVICES</b>				<b>SUPPORTING SERVICES</b>		<b>Total</b>	
	<b>LEAP Optical Lab</b>	<b>Mobile Screening</b>	<b>Patient and Program Services</b>	<b>Total Program</b>	<b>Adminis- tration</b>	<b>Fund Raising</b>	<b>2015</b>	<b>2014</b>
Salaries, payroll taxes and benefits	\$ 162,841	\$ 322,695	\$ 281,568	\$ 767,104	\$ 32,069	\$ 76,195	\$ 875,368	\$ 704,592
Patient services	-	-	331,790	331,790	-	-	331,790	1,519,499
Conferences, conventions and meetings	2,512	6,035	4,350	12,897	628	1,175	14,700	10,535
Depreciation	10,613	101,708	5,615	117,936	645	1,517	120,098	79,681
Equipment, maintenance and fuel	840	31,092	1,455	33,387	167	393	33,947	29,591
Grants, awards and scholarships	1,836	3,632	3,178	8,646	365	859	9,870	10,679
Insurance	934	20,352	1,617	22,903	3,751	437	27,091	25,397
Miscellaneous expense	1,944	1,536	3,323	6,803	1,344	(1,642)	6,505	10,743
Occupancy	9,404	18,608	28,667	56,679	1,871	4,400	62,950	67,994
Postage and shipping	1,094	2,312	1,894	5,300	218	512	6,030	5,377
Printing and publications	2,094	41,503	3,625	47,222	416	2,127	49,765	32,756
Professional fees and services	11,419	22,592	19,769	53,780	2,272	17,819	73,871	101,027
Supplies and materials	5,022	8,929	18,455	32,406	449	1,078	33,933	28,611
Telephone/internet	824	2,550	1,426	4,800	164	595	5,559	5,306
Travel	7,786	43,294	1,646	52,726	179	421	53,326	39,064
	<b>\$ 219,163</b>	<b>\$ 626,838</b>	<b>\$ 708,378</b>	<b>\$ 1,554,379</b>	<b>\$ 44,538</b>	<b>\$ 105,886</b>	<b>\$ 1,704,803</b>	<b>\$ 2,670,852</b>

See notes to financial statements.

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**STATEMENT OF CASH FLOWS**

**Year Ended June 30, 2015**

(With Comparative Totals for the Year Ended June 30, 2014)

	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (123,231)	\$ 257,782
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	120,098	79,681
Realized (gain) loss on sale of investments	(375,750)	(296,225)
Net unrealized (gain) loss on investments	457,208	(481,244)
Changes in assets and liabilities:		
Pledges and accounts receivable	13,289	88,004
Inventory	(12,868)	-
Prepaid expenses	1,884	(9,799)
Accounts payable	8,643	(18,928)
Accrued expenses	(164)	50,537
<b>Net cash provided by (used in) operating activities</b>	<b>89,109</b>	<b>(330,192)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	828,268	671,666
Purchase of investments	(610,327)	(500,057)
Purchase of property and equipment	(146,415)	(153,587)
<b>Net cash provided by (used in) investing activities</b>	<b>71,526</b>	<b>18,022</b>
<b>Cash flows from financing activities:</b>		
Payments on gift annuities	<b>(4,776)</b>	<b>(4,776)</b>
<b>Net increase in cash and cash equivalents</b>	<b>155,859</b>	<b>(316,946)</b>
Cash and cash equivalents		
Beginning of year	366,994	683,940
<b>End of year</b>	<b>\$ 522,853</b>	<b>\$ 366,994</b>

See notes to financial statements.

## OREGON LIONS SIGHT & HEARING FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS

June 30, 2015

#### NOTE A – DESCRIPTION OF ORGANIZATION

The Oregon Lions Sight & Hearing Foundation, Inc. (the Foundation) is a charitable nonprofit organization established in 1959. The Foundation's mission is to screen, treat, save and restore sight and hearing, in partnership with Lions Clubs, in order to prevent blindness and deafness for those in need. The Foundation receives its support primarily through contributions and grants from individuals, corporations, and other organizations.

The Foundation's activities are as follows:

➤ **Patient and Program Services**

The Patient Care Program was created to help financially needy Oregonians receive the eye and ear surgery or treatments they need but cannot afford. Qualified applicants receive quality medical treatment with dignity, confidentiality and compassion.

➤ **Mobile Screening**

The Foundation operates a Mobile Health Screening Program, which provides an accessible and inexpensive way to offer health screenings to those in most need. The Program provides free screenings to schools and the public throughout the year.

➤ **Other Programs**

Other programs include a refurbished Hearing Aid Bank, Low Vision Clinic for visually disabled children, Mission Cataract surgeries, and the KEX Kids Fund.

#### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Unrestricted Net Assets** - Net assets that are not subject to donor-imposed stipulations. The Board of Directors may designate unrestricted net assets for specific purposes.
- **Temporarily Restricted Net Assets** - Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time.
- **Permanently Restricted Net Assets** - Net assets subject to donor-imposed stipulations that they be permanently maintained.



**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2015**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Financial Statement Presentation (Continued)**

Expenses are reported as a decrease in unrestricted net assets. Gains and losses are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

**Cash and Cash Equivalents**

The Foundation classifies as cash and cash equivalents all checking, savings, and money market accounts used for operating purposes.

**Pledges and Accounts Receivable**

Pledges and accounts receivable of \$33,000 consist of pledges of \$9,883 all due within one year, program fees due from Oregon Lions Clubs of \$3,550 and miscellaneous receivables of \$19,917 less an allowance for doubtful accounts of \$350. The Foundation provides for losses on receivables using the allowance method. The allowance is based on experience and other circumstances based on collectability. It is the Foundation's policy to charge off uncollectible receivables when management determines the receivables will not be collected. Bad debt experience was minimal for the year ended June 30, 2015.

**Investments and Fair Value Measurements**

Investments are the only assets measured at fair value on a recurring basis. Valuation techniques used to measure fair value are prioritized into the following hierarchy:

**Level 1** – Quoted prices in active markets for identical assets.

**Level 2** – Quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data by correlation such as appraisals or other means such as calculations based on contractual rates and published tables.

**Level 3** – Unobservable inputs that reflect management's assumptions and best estimates based on available data.

Investments in bonds, equities, and mutual funds are carried at fair value based on quoted prices in active markets in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2015**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets Held in Charitable Gift Annuities**

The Foundation occasionally receives contributions for which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by the Foundation and distributions are made to the beneficiaries under the terms of the agreement. These funds are generally invested in equity and fixed income mutual funds, and the Foundation records its interest at fair value based on estimated future cash receipts. Initial recognition and subsequent adjustments to the assets' carrying values have not been material and are included in other revenues in the accompanying financial statements.

Liabilities for charitable gift annuities are recorded when incurred at the present value of the distributions to be made to the donor-designated beneficiaries. Distributions are paid over the lives of the beneficiaries. Present values are determined using discount rates determined by the Internal Revenue Service and actuarially determined life expectancies. The liabilities for charitable gift annuities are revalued annually and the net change, together with any remaining recorded obligations after all trust or gift obligations under terminated agreements have been satisfied, are offset with other revenues.

**Contributions**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. All contributions are considered available for the Foundation's general programs unless specifically restricted by the donor or designated by the Board of Directors. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

**Contributed Services and Materials**

The value of contributed services and materials meeting the requirements for recognition has been recorded in the financial statements (see Note E). Additionally, a number of volunteers have donated a significant number of hours to the Foundation. Although these services do not meet the criteria for recognition under generally accepted accounting principles, they are integral to the Foundation's mission.

**Advertising**

The Foundation expenses all advertising costs as incurred.

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2015**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

Property and equipment of \$1,000 or more is recorded at cost. Donations of equipment and furniture are recorded as revenues at their estimated fair market values on the date of receipt. Such donations are reported as unrestricted revenues unless the donor has restricted the donated asset to a specific purpose. Depreciation on the equipment is computed using the straight-line method over the estimated useful lives of the assets that range from three to five years. Maintenance and repairs are expensed when incurred.

**Classification of Endowment Net Assets**

The Foundation has interpreted Oregon's adoption of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the Foundation to adopt investment and spending policies that preserve the fair value of the original endowed gift as of the date of the gift, absent explicit donor restrictions to the contrary. Although the Foundation has a long-term fiduciary duty to the donor (and others) for a fund of perpetual duration, the preservation of an endowment's purchasing power is only one of several factors that are considered in managing and investing these funds. Furthermore, in accordance with UPMIFA, a portion of an endowment's historic dollar value may be appropriated for expenditure in support of the designated purposes of the endowment if this is consistent with a spending policy that otherwise satisfies the requisite standard of prudence under UPMIFA.

As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) subsequent gifts to the endowment, and (3) accumulations made pursuant to the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In general, investment returns on the Foundation's permanent endowment are available for retention or appropriation based on the same prudent standards and policies established by the Board of Directors and, therefore, are classified as temporarily restricted net assets until the returns are appropriated for expenditure by the Board of Directors and, if the use of the investment return is restricted by the donor, until the restriction has also been satisfied. Any investment return classified as permanently restricted net assets represents only those amounts required to be retained permanently as a result of explicit donor stipulations.

Additionally, the Foundation has designated a portion of its unrestricted net assets as endowment. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed stipulations. Accordingly, investment returns on designated endowment funds remain designated until appropriated for expenditure by the Board of Directors.

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2015**

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Endowment Investment and Spending Policies**

The goal of the Foundation's investment program for funds held as permanent endowment is to simultaneously minimize investment risk and to achieve a total rate of return that will allow the Foundation to respond to today's needs and the long-term growth necessary to respond to future needs. The investment objective for endowed funds is to retain (at a minimum) when possible an increase in the purchasing power of the funds, while at the same time producing a reasonable return for distribution to meet current needs. To meet this investment objective, the Lions Foundation follows a strategy in which investment decisions are made with the intent of maximizing the safety and security and the long-term total return of the portfolio, combining market-value changes (realized and unrealized) and current yield (interest and dividends). Endowment assets are invested in a mixture of equities, fixed-income instruments, private instruments, and cash.

The Foundation has adopted a spending policy to determine the annual amount available for distributions from funds restricted or designated for endowment. The annual amount available for expenditure is 6% of the average market value for the three previous years.

**Income Tax Status**

The Foundation has been granted exemption from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined not to be a private foundation under Section 509(a)(1) of the Code. Accordingly, donations made to the Foundation qualify as charitable contributions.

The Organization does not believe it has unrelated trade or business income in excess of \$1,000. As such, no provision for income taxes is reflected in the financial statements.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Foundation to credit risk include cash, investments in marketable securities, and accounts receivable. Cash deposited with financial institutions regularly exceeds the related federal deposit insurance limits. Management periodically evaluates the relative credit standings of these financial institutions. Management also periodically evaluates the quality of the investments in marketable securities with other institutions, which are partially covered by federal insurance. Future changes in market prices may make such investments less valuable.

OREGON LIONS SIGHT & HEARING FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2015

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Allocation of Functional Expenses**

The costs of providing the various programs and other activities have been summarized in the Statement of Activities. Certain costs, including salaries and benefits, rent and utilities, have been allocated among the programs and supporting services benefited.

**Prior Year Summarized Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by asset class or natural expense classification by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2014, from which the summarized information was derived. Certain reclassifications have been made to the prior summarized information to conform to the current year presentation.

NOTE C – INVESTMENTS

Investments are measured at fair value as follows as of the year ended June 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ -	\$ 54,979	\$ -	\$ 54,979
Mutual and exchange traded funds	1,062,021	-	-	1,062,021
Common stocks	3,233,976	-	-	3,233,976
Corporate bonds	-	1,810,386	-	1,810,386
Government securities	-	586,048	-	586,048
	<u>\$ 4,295,997</u>	<u>\$ 2,451,413</u>	<u>\$ -</u>	<u>\$ 6,747,410</u>

Investment expenses of \$38,478 were netted against interest and dividend income for the year ended June 30, 2015.

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30, 2015:

Office improvements	\$ 161,922
Mobile screening unit and vehicles	434,521
Furniture and equipment	468,934
	<u>1,065,377</u>
Less accumulated depreciation and amortization	<u>(573,710)</u>
	<u>\$ 491,667</u>

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2015**

**NOTE E – IN-KIND CONTRIBUTIONS**

The Organization records donated materials and services that create or enhance non-financial assets or require specialized skills (that the Organization would have purchased if not donated) as support in the statement of activities. In-kind contributions included in the statement of activities for the year ended June 30, 2015 are summarized as follows:

Rent	\$	50,400
Professional services		<u>140,752</u>
	\$	<u><u>191,152</u></u>

**NOTE F – RETIREMENT PLAN**

During the year ended June 30, 2015, the Foundation terminated its 401(k) retirement plan and established a new Simplified Employee Pension retirement plan (a “SEP” plan). The SEP is a defined contribution plan in which the Foundation may make discretionary contributions directly into eligible employees individual retirement accounts. Such contributions cannot exceed annual prescribed limits and are tax-deferred to the employee. Total Foundation contributions for the year ended June 30, 2015 were \$24,456.

**NOTE G – TEMPORARILY RESTRICTED NET ASSETS**

As of June 30, 2015, temporarily restricted net assets consist of:

Restricted for purpose:	\$	295,248
Restricted for timing:		
Charitable gift annuity - net		47,936
Unappropriated from permanent endowment		<u>1,387,174</u>
	\$	<u><u>1,730,358</u></u>

**NOTE H – PERMANENTLY RESTRICTED NET ASSETS**

As of June 30, 2015, the following principal amounts are permanently restricted by the donors or by public policy:

Irrigon Trust	\$	28,587
Tyler Trust		75,926
General endowment		<u>2,148,081</u>
	\$	<u><u>2,252,594</u></u>

**OREGON LIONS SIGHT & HEARING FOUNDATION, INC.**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**June 30, 2015**

**NOTE I – ENDOWMENT NET ASSETS**

Generally accepted accounting principles require additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA).

The State of Oregon enacted its version of UPMIFA effective January 1, 2008, the provisions of which apply to endowment funds existing on or established after that date. As more fully described in NOTE B, the Board of Directors has determined that the Foundation's permanently restricted net assets meet the definition of donor-restricted endowment funds under UPMIFA. The composition of and changes therein of the Foundation's endowment funds for the year ended June 30, 2015 are as follows:

<u>Changes in Endowment Net Assets for the Year Ended June 30, 2015</u>	<u>Designated Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Endowment net assets, July 1, 2014</b>	<b>\$ 2,782,435</b>	<b>\$ 1,645,626</b>	<b>\$ 2,252,594</b>	<b>\$ 6,680,655</b>
Designations of the Board	-	-	-	-
Appropriation of endowment assets for expenditure in year ended June 30, 2015	-	(358,003)	-	<b>(358,003)</b>
Net investment income (loss)	-	99,551	-	<b>99,551</b>
 <b>Endowment net assets as of June 30, 2015</b>	 <b><u>\$ 2,782,435</u></b>	 <b><u>\$ 1,387,174</u></b>	 <b><u>\$ 2,252,594</u></b>	 <b><u>\$ 6,422,203</u></b>

**NOTE J – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through September 17, 2015, which is the date the financial statements were available to be issued.