

TENNESSEE LIONS CHARITIES, INC.
(A TENNESSEE CORPORATION – NOT FOR PROFIT)

FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

(Together with Independent Auditor's Report)

TENNESSEE LIONS CHARITIES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tennessee Lions Charities, Inc.
Nashville, Tennessee

I have audited the accompanying financial statements of Tennessee Lions Charities, Inc., (the organization), a nonprofit organization which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the 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

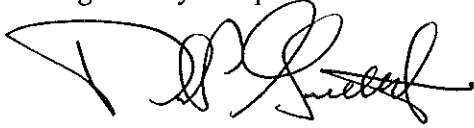
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audits in accordance with the auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about 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, I express no such opinion. An audit also includes 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Lions Charities, Inc. as of June 30, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read 'D. M. G. Smith', is written over the printed name.

Goodlettsville, Tennessee

August 29, 2016

TENNESSEE LIONS CHARITIES, INC.
(A TENNESSEE CORPORATION - NOT FOR PROFIT)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 114,292	\$ 1,730	\$ 116,022
Certificates of deposit	-	5,781	5,781
Investments	952,416	35,819	988,235
Prepaid expenses	2,748	-	2,748
Total current assets	<u>\$ 1,069,456</u>	<u>\$ 43,330</u>	<u>\$ 1,112,786</u>
Property, building, and equipment, net of accumulated depreciation of \$605,500	<u>\$ 612,102</u>	<u>\$ -</u>	<u>\$ 612,102</u>
Total assets	<u><u>\$ 1,681,558</u></u>	<u><u>\$ 43,330</u></u>	<u><u>\$ 1,724,888</u></u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable	\$ 3,509	\$ -	\$ 3,509
Accrued property tax	4,483	-	4,483
Total current liabilities	<u>\$ 7,992</u>	<u>\$ -</u>	<u>\$ 7,992</u>
Total liabilities	<u>\$ 7,992</u>	<u>\$ -</u>	<u>\$ 7,992</u>
Net assets:			
Unrestricted	\$ 1,673,566	\$ -	\$ 1,673,566
Temporarily restricted	-	43,330	43,330
Total net assets	<u>\$ 1,673,566</u>	<u>\$ 43,330</u>	<u>\$ 1,716,896</u>
Total liabilities and net assets	<u><u>\$ 1,681,558</u></u>	<u><u>\$ 43,330</u></u>	<u><u>\$ 1,724,888</u></u>

The accompanying notes to financial statements are an integral part of this statement.

2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash	\$ 513,247	\$ 504	\$ 513,751
Certificates of deposit	-	5,753	5,753
Investments	439,357	89,052	528,409
Prepaid expenses	2,667	-	2,667
Total current assets	<u>\$ 955,271</u>	<u>\$ 95,309</u>	<u>\$ 1,050,580</u>
Property, building, and equipment, net of accumulated depreciation of \$575,228	<u>\$ 642,374</u>	<u>\$ -</u>	<u>\$ 642,374</u>
Total assets	<u><u>\$ 1,597,645</u></u>	<u><u>\$ 95,309</u></u>	<u><u>\$ 1,692,954</u></u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities:			
Accounts payable	\$ 2,878	\$ -	\$ 2,878
Accrued property tax	4,483	-	4,483
Total current liabilities	<u>\$ 7,361</u>	<u>\$ -</u>	<u>\$ 7,361</u>
Total liabilities	<u>\$ 7,361</u>	<u>\$ -</u>	<u>\$ 7,361</u>
Net assets:			
Unrestricted	\$ 1,590,284	\$ -	\$ 1,590,284
Temporarily restricted	-	95,309	95,309
Total net assets	<u>\$ 1,590,284</u>	<u>\$ 95,309</u>	<u>\$ 1,685,593</u>
Total liabilities and net assets	<u><u>\$ 1,597,645</u></u>	<u><u>\$ 95,309</u></u>	<u><u>\$ 1,692,954</u></u>

TENNESSEE LIONS CHARITIES, INC.
(A TENNESSEE CORPORATION - NOT FOR PROFIT)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions	\$ 43,935	\$ 8,257	\$ 52,192
Grant income	-	50,288	50,288
Rental income	76,862	-	76,862
Investment income	52,858	2,224	55,082
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>103,191</u>	<u>(103,191)</u>	<u>-</u>
Total revenues, gains, and other support	\$ <u>276,846</u>	\$ <u>(42,422)</u>	\$ <u>234,424</u>
Expenses:			
Program services	\$ 104,755	\$ -	\$ 104,755
Management and general	61,873	-	61,873
Fund raising expenses	<u>29,548</u>	<u>-</u>	<u>29,548</u>
Total expenses	\$ <u>196,176</u>	\$ <u>-</u>	\$ <u>196,176</u>
Excess (deficit) of revenue and support over expense	\$ 80,670	\$ (42,422)	\$ 38,248
Transfer of net assets to the Community			
Foundation (Note 8)	-	(8,325)	(8,325)
Loss on sale of assets	-	-	-
Unrealized (loss) gain on investments	<u>2,612</u>	<u>(1,232)</u>	<u>1,380</u>
Increase (Decrease) in net assets	\$ 83,282	\$ (51,979)	\$ 31,303
Net assets at beginning of year	<u>1,590,284</u>	<u>95,309</u>	<u>1,685,593</u>
Net assets at end of year	\$ <u><u>1,673,566</u></u>	\$ <u><u>43,330</u></u>	\$ <u><u>1,716,896</u></u>

The accompanying notes to financial statements are an integral part of this statement.

	<u>2015</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Contributions	\$ 42,812	\$ 9,287	\$ 52,099
Grant income	-	24,465	24,465
Rental income	75,713	-	75,713
Investment income	46,964	2,203	49,167
Net assets released from restrictions:			
Satisfaction of program restrictions	<u>114,566</u>	<u>(114,566)</u>	<u>-</u>
Total revenues, gains, and other support	\$ <u>280,055</u>	\$ <u>(78,611)</u>	<u>201,444</u>
Expenses:			
Program services	\$ 108,036	\$ -	\$ 108,036
Management and general	61,455	-	61,455
Fund raising expenses	<u>28,455</u>	<u>-</u>	<u>28,455</u>
Total expenses	\$ <u>197,946</u>	\$ <u>-</u>	\$ <u>197,946</u>
Excess (deficit) of revenue and support over expense	\$ 82,109	\$ (78,611)	\$ 3,498
Transfer of net assets to the Community Foundation (Note 8)	-	(11,875)	(11,875)
Loss on sale of assets	(5,000)	-	(5,000)
Unrealized (loss) gain on investments	<u>(17,078)</u>	<u>(2,244)</u>	<u>(19,322)</u>
Increase (Decrease) in net assets	\$ 60,031	\$ (92,730)	\$ (32,699)
Net assets at beginning of year	<u>1,530,253</u>	<u>188,039</u>	<u>1,718,292</u>
Net assets at end of year	\$ <u><u>1,590,284</u></u>	\$ <u><u>95,309</u></u>	\$ <u><u>1,685,593</u></u>

TENNESSEE LIONS CHARITIES, INC.
(A TENNESSEE CORPORATION - NOT FOR PROFIT)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>			
	<u>Program</u>	<u>Management</u>	<u>Fund</u>	<u>Total</u>
	<u>Services</u>	<u>and</u>	<u>Raising</u>	
		<u>General</u>		
Salaries	\$ 51,163	\$ 14,269	\$ 27,076	\$ 92,508
Screening expenses	10,058	-	-	10,058
Building utilities and expenses	19,331	4,937	-	24,268
Accounting	-	5,513	-	5,513
Property taxes	-	8,967	-	8,967
Telephone	5,576	1,394	-	6,970
Payroll taxes	3,914	1,092	2,072	7,078
Supplies	663	321	-	984
Investment fees	-	8,167	-	8,167
Meetings	395	99	400	894
Taxes and licenses	-	424	-	424
Freight and postage	59	14	-	73
Misceellaneous	-	-	-	-
Total expenses before depreciation	\$ 91,159	\$ 45,197	\$ 29,548	\$ 165,904
Depreciation	<u>13,596</u>	<u>16,676</u>	<u>-</u>	<u>30,272</u>
	<u>\$ 104,755</u>	<u>\$ 61,873</u>	<u>\$ 29,548</u>	<u>\$ 196,176</u>
	53%	32%	15%	100%

The accompanying notes to financial statements are an integral part of this statement.

2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 48,654	\$ 14,000	\$ 26,406	\$ 89,060
Screening expenses	11,469	-	-	11,469
Building utilities and expenses	22,861	6,327	-	29,188
Accounting	-	5,150	-	5,150
Property taxes	-	8,995	-	8,995
Telephone	5,491	1,373	-	6,864
Payroll taxes	3,723	1,071	2,019	6,813
Supplies	991	833	-	1,824
Investment fees	-	6,187	-	6,187
Meetings	1,227	307	-	1,534
Taxes and licenses	-	467	-	467
Freight and postage	24	6	-	30
Miscellaneous	-	-	30	30
Total expenses before depreciation	\$ 94,440	\$ 44,716	\$ 28,455	\$ 167,611
Depreciation	<u>13,596</u>	<u>16,739</u>	<u>-</u>	<u>30,335</u>
	<u>\$ 108,036</u>	<u>\$ 61,455</u>	<u>\$ 28,455</u>	<u>\$ 197,946</u>
	55%	31%	14%	100%

TENNESSEE LIONS CHARITIES, INC.
(A TENNESSEE CORPORATION - NOT FOR PROFIT)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating activities:		
Increase (decrease) in net assets	\$ 31,303	\$ (32,699)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used for) operating activities:		
Depreciation	30,272	30,335
Unrealized (gain) loss on investments	(1,380)	19,322
Loss on property held for sale	-	5,000
Changes in operating assets and liabilities:		
(Increase) decrease in prepaid expenses	(81)	(69)
Increase (decrease) in accounts payable and accrued expenses	<u>631</u>	<u>762</u>
Net cash provided by (used for) operating activities	\$ <u>60,745</u>	\$ <u>22,651</u>
Investing activities:		
(Purchase) sale of investments, net	(458,446)	(18,001)
(Increase) decrease in certificates of deposit	(28)	484
Purchase of furniture, fixtures, and equipment	<u>-</u>	<u>-</u>
Net cash provided by (used for) investing activities	\$ <u>(458,474)</u>	\$ <u>(17,517)</u>
 Increase (decrease) in cash	 \$ (397,729)	 \$ 5,134
Cash at beginning of year	<u>513,751</u>	<u>508,617</u>
Cash at end of year	<u>\$ 116,022</u>	<u>\$ 513,751</u>

The accompanying notes to financial statements are an integral part of this statement.

TENNESSEE LIONS CHARITIES, INC.
(A TENNESSEE CORPORATION – NOT FOR PROFIT)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

(1) SIGNIFICANT ACCOUNTING POLICIES:

Organization – Tennessee Lions Charities, Inc. (the Organization) was formed on October 1, 1995 to provide financial support and volunteer involvement in health care programs; primarily for preventable and curable eyesight difficulties with a special emphasis on pediatric vision problems in very young children. The Organization is affiliated with Lions Clubs Volunteer Services, Inc., Lions Clubs International, Lions Clubs International Foundation, as well as other Lions Clubs organizations and chapters throughout Tennessee. The Organization was involved in one program of service, the Operation KidSight Campaign, which was a project to raise money to fund the Tennessee Lions Eye Center (Eye Center) at Vanderbilt Children's Hospital in Nashville, Tennessee. During the year ended June 30, 2004, the Organization met its \$4,000,000 goal that established the Eye Center and, therefore, ended the Operation KidSight Campaign. Currently, the Organization is involved in one program of service, KidSight Outreach, which is a project to raise money to fund the outreach activities of the Eye Center. As of June 30, 2016, volunteers using the latest specially designed vision screening equipment designed for preschool children have screened approximately 527,009 children. The Organization plans to continue to fulfill its mission by continuing to raise support for the KidSight Outreach Vision Screening Program and creating new programs in the future.

Accrual Basis – The financial statements of the Organization are prepared using the accrual basis of accounting, under which income is recognized when earned rather than when collected and expenses are recognized when incurred rather than when disbursed.

Basis of Presentation – Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification ASC 958-225 (formerly SFAS No. 117). Under ASC 958-225, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. A description of the three net asset categories follows:

Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted – Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Permanently Restricted – Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. At June 30, 2016 and 2015, there were no permanently restricted net assets.

Use of Estimates – Management of the Organization has made a number of estimates and assumptions relating to the reporting of assets and liabilities and disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from these estimates.

Cash Equivalents – For purposes of the Statements of Cash Flows, cash equivalents include any liquid investments with an original maturity of three months or less. At June 30, 2016 and 2015, there were no cash equivalents.

Accounts Receivable – An allowance for doubtful accounts is established through a provision for receivable losses charged to expense. Receivables are charged against the allowance when management believes the collectability of the receivable is unlikely. Management's estimate of doubtful accounts is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance for doubtful accounts could change. There was no bad debt expense recognized in 2015 and 2014 related to accounts receivable.

Accounts receivable are considered delinquent after sixty days. Late fees and interest are not assessed on delinquent accounts. It is not the policy of the Organization to place a club or vendor on non-accrual status. As of June 30, 2016 and 2015, there were no outstanding receivables.

Investments – Investments consist of marketable securities

Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value with gains and losses included as unrestricted on the Statements of Activities and Changes in Net Assets. Other investments (such as real property) are carried at the lower of cost or fair value.

Promises to Give – Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

The Organization uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made. It is reasonably possible that management's estimate of the allowance for doubtful promises to give could change.

Promises to give are not considered delinquent until the program is completed. It is not the Organization's policy to place a club on non-accrual status. There were no promises to give and no bad debt expense for the years ended June 30, 2016 and 2015.

Property, Building and Equipment – Property, building and equipment are stated at cost or, if donated, at fair market value at the date of gift. Upon retirement or disposition, costs and accumulated depreciation are removed from the accounts, and the resulting profit or loss is reflected in income. Maintenance and repairs and items under \$600 are charged to expense as incurred. Property, building and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to thirty years.

Contributions – Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions.

Income Taxes – The Internal Revenue Service granted the Organization exempt status under Code Section 501(c)(3) as a charitable organization, and has classified it as other than a private foundation as defined in Code Section 590(a). Tax returns for the years ended June 30, 2016, 2015 and 2014 are subject to routine audit by federal authorities.

Contributed Services – A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, particularly in the areas of program service and fund raising. No amounts have been recognized in the accompanying financial statements because the criteria for recognition of such volunteer effort under ASC 958-605 (formerly SFAS No. 116, *Accounting for Contributions Received and Contributions Made*), have not been satisfied.

(2) RELATED PARTY TRANSACTIONS:

The Organization received donated services and use of office equipment from Lions Clubs Volunteer Services, Inc. (LCVS), an affiliated organization. No expense or revenue has been recorded on the books for the year ended June 30, 2015 due to the immateriality of the amount involved. LCVS was disbanded in August, 2015, and its net cash assets of \$30,871 were transferred to the Organization and recognized as temporarily restricted grant income.

(3) INVESTMENTS:

Investments are stated at fair value and are summarized at June 30 as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Market</u>	<u>Cost</u>	<u>Market</u>	<u>Cost</u>
Cash and cash equivalents	\$ 278,550	\$ 278,550	\$ 227,349	\$ 227,349
Mutual funds - Equity	518,684	499,550	301,060	279,656
Mutual funds - Fixed income	<u>191,001</u>	<u>185,032</u>	<u>-</u>	<u>-</u>
	<u>\$ 988,235</u>	<u>\$ 963,132</u>	<u>\$ 528,409</u>	<u>\$ 507,005</u>

	<u>2016</u>	<u>2015</u>
Market value	\$ 988,235	528,409
Cost	<u>963,132</u>	<u>507,005</u>
Unrealized gain (loss)	<u>\$ 25,103</u>	<u>\$ 21,404</u>
Investment income	\$ 32,994	\$ 25,772
Investment fees	<u>(8,167)</u>	<u>(6,187)</u>
	<u>\$ 24,827</u>	<u>\$ 19,585</u>

(4) FAIR VALUE MEASUREMENTS:

The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

The Organization's investments are reported at fair value in the accompanying statement of financial position as of June 30, 2016 and 2015, respectively:

Fair Value Measurements at June 30, 2016

	<u>Fair Value</u>	<u>Quoted Market Prices (Level 1)</u>
<u>Financial Assets:</u>		
Investments, at fair value		
Cash and cash equivalents	\$ 278,550	\$ 278,550
Mutual funds - Equity	518,684	518,684
Mutual funds - Fixed income	191,001	191,001
	<u>\$ 988,235</u>	<u>\$ 988,235</u>

Fair Value Measurements at June 30, 2015

	<u>Fair Value</u>	<u>Quoted Market Prices (Level 1)</u>
<u>Financial Assets:</u>		
Investments, at fair value		
Cash and cash equivalents	\$ 227,349	\$ 227,349
Mutual funds - Equity	301,060	301,060
Mutual funds - Fixed income	-	-
	<u>\$ 528,409</u>	<u>\$ 528,409</u>

The following methods and assumptions were used to estimate the fair value for each class of financial investment measured at fair value:

Cash and Cash Equivalents

Investments in certain cash and cash equivalents represent investments in money market accounts. These investments are classified as Level 1 as they are traded in an active market for which daily closing prices, measured primarily on a net asset value basis, are available.

Equity

Investments in domestic equities represent investments in commingled funds that invest primarily in equity securities of companies based in the United States. These investments are classified as Level 1 as they are traded in an active market for which daily closing prices, measured primarily on a net asset value basis, are available.

Fixed Income

Investments in certain fixed income securities represent investments in debt securities. These investments are classified as Level 1 as they are traded in an active market for which daily closing prices are available.

(5) PROPERTY, BUILDING AND EQUIPMENT:

Property, building and equipment consist of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Land	\$ 240,000	\$ 240,000
Building and improvements	870,495	870,495
Furniture, fixtures + equipment	<u>107,107</u>	<u>107,107</u>
	\$ 1,217,602	\$ 1,217,602
Less: Accumulated depreciation	<u>(605,500)</u>	<u>(575,228)</u>
	<u><u>\$ 612,102</u></u>	<u><u>\$ 642,374</u></u>

(6) LEASING ARRANGEMENTS:

The Organization leases office space and land to unrelated third parties under operating leases expiring October, 2019 and September, 2016, respectively. Minimum future rentals to be received for years ending June 30 under the leases are as follows:

2017	\$ 62,436
2018	61,686
2019	<u>20,562</u>
	<u><u>\$ 144,684</u></u>

(7) TEMPORARILY RESTRICTED NET ASSETS:

Temporary restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
KidSight Outreach	\$ 1,470	\$ 60,323
Screening equipment	-	-
Endowment transfer	3	70
Leadership recognition	<u>41,857</u>	<u>34,916</u>
	<u><u>\$ 43,330</u></u>	<u><u>\$ 95,309</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2016</u>	<u>2015</u>
KidSight Outreach	\$ 103,191	\$ 114,566
Screening equipment	-	-
	<u>\$ 103,191</u>	<u>\$ 114,566</u>

(8) CONCENTRATIONS OF CREDIT RISK:

The majority of the Organization's revenue is derived from individuals, corporations, and Lions Clubs organizations located in Tennessee. No single source contributed more than 10% of total revenues, gains, and other support for the years ended June 30, 2016 and 2015.

(9) ENDOWMENT FUND:

Prior to June 30, 2008, the Organization received donations of \$375,000 designated for the establishment of an endowment fund. During the year ended June 30, 2010, the Organization established an endowment fund with The Community Foundation of Middle Tennessee (the "Foundation"). The Foundation is responsible for the investment and management of this fund. Net income from this fund will be forwarded to the Organization and may be used for its general operations. Income recovered during the years ended June 30, 2016 and 2015 amounted to \$23,300 and \$24,000.

During the years ended June 30, 2016 and 2015, \$8,325 and \$11,875 were transferred to this fund. Additional designated donations of \$8,000 and \$8,700 (net of donor recognition expenses of \$547 and \$168) were also received.

(10) SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through August 29, 2016, the date which the financial statements were available to be issued. No events have occurred which would have material effect on the financial statements of the Organization as of that date.