

WORLD OPTOMETRY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

WORLD OPTOMETRY FOUNDATION

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report | 1 |
| Statements of Financial Position | 2 |
| Statements of Activities and Changes in Net Assets | 3 |
| Statements of Cash Flows | 4 |
| Notes to Financial Statements | 5 - 7 |
| <u>Supplemental Information</u> | |
| Schedules of Functional Expenses | 8 - 9 |

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Independent Auditor's Report

To the Governing Board of Directors
World Optometry Foundation
Elkins Park, Pennsylvania

We have audited the accompanying statements of financial position of the World Optometry Foundation as of December 31, 2008 and 2007 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of World Optometry Foundation as of December 31, 2008 and 2007, and the results of its operation and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on pages 8 and 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Bolden Lipkin PC

BOLDEN LIPKIN PC

April 6, 2009

**WORLD OPTOMETRY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2008 AND 2007**

| | <u>2008</u> | <u>2007*</u> |
|---|-------------------|---------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 488,948 | \$ 735,663 |
| Accounts Receivable | 12,500 | 134,560 |
| Prepaid Insurance | 254 | 254 |
| Marketable Securities | 279,198 | 365,610 |
| Total Current Assets | <u>780,900</u> | <u>1,236,087</u> |
| TOTAL ASSETS | <u>\$ 780,900</u> | <u>\$ 1,236,087</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 490 | \$ 31,768 |
| Total Current Liabilities | <u>490</u> | <u>31,768</u> |
| NET ASSETS | | |
| Unrestricted Net Assets | 882,277 | 1,204,202 |
| Unrealized (Loss) Gain on Marketable Securities | (101,867) | 117 |
| Total Net Assets | <u>780,410</u> | <u>1,204,319</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 780,900</u> | <u>\$ 1,236,087</u> |

* Restated for Comparative Purposes

See accompanying notes to the financial statements and auditor's report.

WORLD OPTOMETRY FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2008 AND 2007

| | <u>2008</u> | <u>2007*</u> |
|---|-------------|--------------|
| UNRESTRICTED NET ASSETS: | | |
| SUPPORT AND REVENUE | | |
| Legacies & Bequests | \$ 8,219 | \$ 380,173 |
| Sponsorship Fees | 32,006 | 4,560 |
| Contributions | 27,500 | 425,291 |
| Investment Income | 23,055 | 31,517 |
| | 90,780 | 841,541 |
| EXPENSES | | |
| Fund Raising | 5,206 | 34,273 |
| Fellowship | - | 25,421 |
| OGS | 296,684 | - |
| Conference | 60,178 | 58,947 |
| Administration | 50,637 | 70,138 |
| | 412,705 | 188,779 |
| (DECREASE) INCREASE IN UNRESTRICTED NET ASSETS | (321,925) | 652,762 |
| NET ASSETS - Beginning | 1,204,202 | 551,440 |
| NET ASSETS - Ending | \$ 882,277 | \$ 1,204,202 |

* Restated for Comparative Purposes

See accompanying notes to the financial statements and auditor's report.

**WORLD OPTOMETRY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

| | <u>2008</u> | <u>2007</u> |
|--|-------------------|-------------------|
| OPERATING ACTIVITIES | | |
| (Decrease) Increase in Unrestricted Net Assets | \$ (321,925) | \$ 652,762 |
| Adjustments to Reconcile (Decrease) Increase in Unrestricted Net Assets to Net Cash (Used In) Provided by Operating Activities | | |
| (Increase) Decrease in Assets: | | |
| Accounts Receivable | 122,060 | (119,219) |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | (31,278) | 6,656 |
| Cash (Used In) Provided By Operating Activities | <u>(231,143)</u> | <u>540,199</u> |
| INVESTING ACTIVITIES | | |
| Proceeds from Sales of Marketable Securities | 200,000 | 250,000 |
| Acquisition of Marketable Securities | (215,572) | (374,784) |
| Cash (Used) In Investing Activities | <u>(15,572)</u> | <u>(124,784)</u> |
| (DECREASE) INCREASE IN CASH | (246,715) | 415,415 |
| CASH AND CASH EQUIVALENTS - Beginning | 735,663 | 320,248 |
| CASH AND CASH EQUIVALENTS - Ending | <u>\$ 488,948</u> | <u>\$ 735,663</u> |

See accompanying notes to the financial statements and auditor's report.

**WORLD OPTOMETRY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 1: ORGANIZATION AND OTHER MATTERS

World Optometry Foundation (WOF) was incorporated in the Commonwealth of Pennsylvania on January 12, 2000. It was formed as a charitable organization within the meaning of Section 501(c)(3) and Section 170 of the Internal Revenue Code of 1986 and has been recognized as being exempt from Federal income taxes. WOF is the fundraising arm of World Council of Optometry (WCO), which is an independent entity, although there are some common officers and Board of Directors.

The WOF's executive office is located in Pennsylvania. The mission of the WOF is to facilitate the enhancement and development of eye and vision care worldwide.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies of the WOF are summarized as follows:

Financial Statement Presentation

The Organization elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Contributions

The Organization also elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions consist of funds received from individual and corporate donors for charitable activities.

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.

Cash and Cash Equivalents

For financial statement purposes, the organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash equivalents are carried at cost, which approximates market value.

See Accountants' Audit Report

**WORLD OPTOMETRY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Allowance for Doubtful Accounts

Bad debts are provided for using the allowance method based on historical experience and management's evaluation of outstanding accounts at the end of each year. Bad debt expense for December 31, 2008 and 2007 is \$0, and \$15,341, respectively.

Marketable Securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statements of financial position. Unrealized gains and losses are also included in the statements of financial position.

Sponsorship Fees

Sponsorship fees represent support from corporate sponsors who agree to contribute in exchange for advertisement.

Concentration of Credit Risk

The organization maintains its funds at financial institutions that at times exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). Management does not consider the excess funds to be at risk.

Reclassification

Certain accounts and amounts have been reclassified to the prior year's financial statements in order to conform to current year's presentation.

NOTE 3: MARKETABLE SECURITIES

As of December 31, 2008 and 2007, the aggregate market value of marketable securities amounted to \$279,198 and \$365,610, respectively. The aggregate unrealized (loss) gain on marketable securities being reflected on statements of financial position at December 31, 2008 and 2007 are (\$101,867) and \$117 respectively.

**WORLD OPTOMETRY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2008 AND 2007**

NOTE 4: MANAGEMENT FEE

The WOF reimbursed WCO for use of the management and administrative services used by WOF on project performed. WCO originally received those services as part of a management agreement with the Pennsylvania College of Optometry (PCO).

NOTE 5: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Supplemental Information

**WORLD OPTOMETRY FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2008**

| | <u>Fund Raising</u> | <u>Fellowship</u> | <u>OGS</u> | <u>Conference</u> | <u>Administration</u> | <u>Total</u> |
|-------------------------|---------------------|-------------------|------------------|-------------------|-----------------------|-------------------|
| Accounting | \$ - | \$ - | \$ - | \$ - | \$ 5,400 | \$ 5,400 |
| Bad Debts | - | - | - | - | - | - |
| Bank Charges | 45 | - | - | - | 210 | 255 |
| Board of Trustees | - | - | - | - | 895 | 895 |
| Consulting | - | - | - | - | - | - |
| External Printing | - | - | - | - | 63 | 63 |
| Fellowship Travel | - | - | - | - | - | - |
| Insurance | - | - | - | - | 1,525 | 1,525 |
| Internal Printing | - | - | - | - | 54 | 54 |
| Legal Fees | - | - | - | - | 325 | 325 |
| Management Fee | - | - | - | - | - | - |
| Meetings | - | - | - | 59,794 | 281 | 60,075 |
| Miscellaneous | - | - | - | - | - | - |
| ICEE-Sri Lanka | - | - | 123,333 | - | - | 123,333 |
| OGS | - | - | 173,351 | - | - | 173,351 |
| Other Travel | 5,161 | - | - | - | - | 5,161 |
| Postage | - | - | - | - | 382 | 382 |
| President's Travel | - | - | - | 384 | 3,942 | 4,326 |
| Professional Dues | - | - | - | - | 35,000 | 35,000 |
| Program Supplies | - | - | - | - | - | - |
| Staff Travel | - | - | - | - | - | - |
| Telephone | - | - | - | - | 221 | 221 |
| Treasurer's Travel | - | - | - | - | 2,339 | 2,339 |
| Vice President's Travel | - | - | - | - | - | - |
| | <u>\$ 5,206</u> | <u>\$ -</u> | <u>\$296,684</u> | <u>\$ 60,178</u> | <u>\$ 50,637</u> | <u>\$ 412,705</u> |

See Accountants' Audit Report

**WORLD OPTOMETRY FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2007**

| | <u>Fund Raising</u> | <u>Fellowship</u> | <u>OGS</u> | <u>Conference</u> | <u>Administration</u> | <u>Total</u> |
|-------------------------|---------------------|-------------------|-------------|-------------------|-----------------------|-------------------|
| Accounting | \$ - | \$ - | \$ - | \$ - | \$ 4,900 | \$ 4,900 |
| Bad Debts | - | - | - | - | 15,341 | 15,341 |
| Bank Charges | 3,715 | 30 | - | - | 150 | 3,895 |
| Board of Trustees | - | - | - | - | 2,151 | 2,151 |
| Consulting | - | 3,334 | - | - | 600 | 3,934 |
| External Printing | - | - | - | 190 | 835 | 1,025 |
| Fellowship Travel | - | 343 | - | - | - | 343 |
| Insurance | - | - | - | - | 1,525 | 1,525 |
| Internal Printing | - | - | - | 300 | 349 | 649 |
| Legal Fees | - | - | - | - | - | - |
| Management Fee | - | 7,500 | - | 5,000 | 31,278 | 43,778 |
| Meetings | - | - | - | 629 | 1,475 | 2,104 |
| Miscellaneous | 29,872 | 1,228 | - | 37,276 | 1,850 | 70,226 |
| OGS Personnel Expansion | - | - | - | - | - | - |
| Other Travel | 686 | - | - | 11,462 | 1,281 | 13,429 |
| Postage | - | - | - | - | 896 | 896 |
| President's Travel | - | - | - | - | 1,193 | 1,193 |
| Program Supplies | - | 12,986 | - | - | 161 | 13,147 |
| Staff Travel | - | - | - | 3,781 | 2,701 | 6,482 |
| Telephone | - | - | - | 309 | 509 | 818 |
| Treasurer's Travel | - | - | - | - | 1,053 | 1,053 |
| Vice President's Travel | - | - | - | - | 1,890 | 1,890 |
| | <u>\$ 34,273</u> | <u>\$ 25,421</u> | <u>\$ -</u> | <u>\$ 58,947</u> | <u>\$ 70,138</u> | <u>\$ 188,779</u> |

See Accountants' Audit Report