VISION FOR CHILDREN AT RISK, INC.
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2015

VISION FOR CHILDREN AT RISK, INC.

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Linda A. Howdeshell, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Vision for Children at Risk, Inc.
2433 North Grand Blvd.
St. Louis, MO 63106

Report on the Financial Statements

I have audited the accompanying statement of financial position of Vision for Children at Risk ("VCR"), as of December 31, 2015, and the related statements of activities, cash flows, and functional expenses for the year 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 audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 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.

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 in the first paragraph present fairly, in all material respects, the financial position of the Organization, as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Linda A. Howdeshell CPA

St. Louis, Missouri

July 25, 2016

Vision for Children at Risk, Inc.
STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	110,419
Accounts receivable		44,119
Grants receivable		93,076
Prepaid expenses		5,024
Total Current Assets		252,638
PROPERTY AND EQUIPMENT, net accumulated depreciation		1,080
TOTAL ASSETS	$	253,718

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	$	9,615
Deferred Revenue		10,461
Fiscal Agency		5,138
Loan from related party		28,868
Total Liabilities		54,082
NET ASSETS		
Unrestricted		110,886
Temporarily restricted		88,750
Total Net Assets		199,636
TOTAL LIABILITIES AND NET ASSETS	$	253,718

See accompanying notes to financial statements

Vision for Children at Risk, Inc.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE			
Contributions	$ 126,179	$ -	$ 126,179
Grants	102,669	226,000	328,669
Program	254,832	-	254,832
Fiscal agent fee	498	-	498
Special events	17,780	-	17,780
Miscellaneous	5,526	-	5,526
Net assets released from restrictions	185,500	(185,500)	-
TOTAL SUPPORT AND REVENUE	692,984	40,500	733,484
EXPENSES			
Program services	503,352	-	503,352
Supporting services			
Management and general	40,205	-	40,205
Fundraising	57,483	-	57,483
TOTAL EXPENSES	601,040	-	601,040
CHANGE IN NET ASSETS	91,944	40,500	132,444
NET ASSETS, Beginning of year	18,942	48,250	67,192
NET ASSETS, End of year	110,886	88,750	199,636

See accompanying notes to financial statements

Vision for Children at Risk, Inc.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$	132,444
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation		270
(Increase) decrease in assets:		
Accounts receivable		(12,355)
Grants receivable		(32,718)
Prepaid expenses		(5,024)
(Decrease) increase in liabilities:		
Accounts payable		(20,903)
Deferred revenue		10,461
Fiscal agency		(1,428)
Loan from related party		(26,000)
Net Change in Cash and Cash Equivalents from Operating Activities		44,747
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment		(1,353)
NET CHANGE IN CASH AND CASH EQUIVALENTS		43,394
CASH AND CASH EQUIVALENTS -- BEGINNING OF THE YEAR		67,024
CASH AND CASH EQUIVALENTS -- END OF THE YEAR	$	110,419

SUPPLEMENTAL DISCLOSURES

Cash paid during the year for interest	$	1,042
Cash paid during the year for income taxes	$	-

See accompanying notes to financial statements

Vision for Children at Risk, Inc.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2015

	Program Services				Supporting Services			
	Research	Collaboration	Advocacy	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Payroll	$ 76,847	$ 249,327	$ 28,112	$ 354,286	$ 17,332	$ 1,483	$ 18,815	$ 373,101
Payroll taxes and benefits	6,364	20,646	2,328	29,338	1,435	123	1,558	30,896
Total Payroll and payroll taxes	83,211	269,973	30,440	383,624	18,767	1,606	20,373	403,997
Professional services	4,456	12,016	6,976	23,448	7,487	45,040	52,527	75,975
Meeting expense	299	46,861	299	47,459	1,497	9,319	10,816	58,275
Occupancy	6,200	6,200	6,200	18,600	6,200	-	6,200	24,800
Other	3,185	2,876	2,876	8,937	2,876	-	2,876	11,813
Conference Training & Travel	3,715	3,716	3,716	11,147	-	-	-	11,147
Office	2,046	2,046	2,046	6,138	2,045	185	2,230	8,368
Printing and reproduction	1,333	1,333	1,333	3,999	1,333	1,333	2,666	6,665
Total Expenses	$ 104,445	$ 345,021	$ 53,886	$ 503,352	$ 40,205	$ 57,483	$ 97,688	$ 601,040

See accompanying notes to financial statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations

Vision for Children at Risk ("VCR") is a not-for-profit organization incorporated in the State of Missouri on June 11, 2000. Its mission is to promote the well-being of children and youth in the St. Louis metropolitan area, targeting particularly those young people who face serious socio-economic risk.

Basis of Accounting

The accompanying financial statements of VCR have been prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Net Assets

The financial statements report net assets and changes in net assets in three classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

> Unrestricted net assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
>
> Temporarily restricted net assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The organization's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

Permanently restricted net assets are resources whose use by the organization is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of the organization's donor-restricted endowment funds that must be maintained in perpetuity are classified in this net asset class, as is the organization's beneficial interest in a perpetual charitable trust held by a bank trustee.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to temporary or permanent donor restrictions. All expenses and net losses are reported as decreases in unrestricted net assets.

Currently, VCR does not have any permanently restricted net assets.

Cash and Cash Equivalents

Cash and cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less. Included in cash and cash equivalents is $5,138 for Fiscal Agency.

Accounts Receivable

Accounts receivable are fees for services rendered and expenses that have not yet been collected. Accounts receivable that are expected to be collected in less than one year are reported at net realizable value. The allowance for uncollectible accounts receivable is determined based on management's evaluation of the collectability of outstanding amounts. Accounts receivable that remain uncollected more than one year after their due dates are written off. There are no amounts that have been determined uncollectible.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants Receivable

Grants receivable are recognized as support in the period in which the promise is made by the grantor. Grants receivable at December 31, 2015 are all collectible in less than one year.

VCR considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Equipment

Equipment is reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Computer equipment	5 Years
Furniture and equipment	5-7 Years

Equipment is reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in unrestricted net assets unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in either temporarily restricted or permanently restricted net assets, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as temporarily restricted until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Gifts-in-Kind Contributions

The organization periodically receives contributions in a form other than cash or investments. If the organization receives a contribution of land, buildings, or equipment, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the organization's capitalization policy. Donated use of facilities is reported as contributions and as expenses at the estimated fair value of similar space for rent under similar conditions. If the use of the space is promised unconditionally for a period greater than one year, the contribution is reported as a contribution and an unconditional promise to give at the date of gift, and the expense is reported over the term of use. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

The organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the organization's program operations and in its fund-raising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (*a*) the services create or enhance nonfinancial assets or (*b*) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

Tax Status

The organization is incorporated exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). The tax years ending 2014, 2013, and 2012 are still open to audit for both federal and state purposes. Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The organization is not classified as a private foundation.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Recognition and Allocation

The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising. Additionally, advertising costs are expensed as incurred.

NOTE B – PROPERTY AND EQUIPMENT

Property and equipment are as follows at December 31, 2015:

Computer equipment	$ 10,506
Furniture and equipment	12,289
	22,795
Less accumulated depreciation	(21,715)
Net Property and Equipment	$ 1,080

NOTE C – DEFERRED REVENUE

Deferred revenue represents amounts given to VCR as a start-up fund for Project Launch from NCADA. An amount is applied to monthly invoices for the program.

NOTE D – LOAN FROM RELATED PARTY

The Executive Director has loaned VCR amounts during periods of low cash flow. During the year ending December 31, 2015, $26,000 was repaid leaving a balance of $28,868. There is no interest paid on loaned amounts.

NOTE E – RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods at December 31, 2015:

Missouri Foundation for Health General Support	$ 78,750
Stupp Foundation	10,000
	$ 88,750

NOTE F – CONCENTRATION

VCR received 39% of its support and revenue from the National Council on Alcoholism and Drug Abuse. A significant reduction in the level of this support, if this were to occur, could have a significant effect on programs and activities.

NOTE G – SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 25, 2016, which is the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

NOTE H – FISCAL AGENT TRANSACTIONS

VCR has entered into a fiscal agent agreement with an entity to provide organizational financial support. The transactions will be limited to receipt and dispersal of funds related to the entity's operations. In return, VCR will assess a fee of 3% on all transactions involving the deposit or dispersal of the entity's funds. The total amount of fees received from fiscal agent transactions was $498 for the year ending December 31, 2015.

NOTE I – LEASES

VCR leases office space from an outside party on an annual basis with monthly payments of $987.50. Annual rent expense was $11,850.

In 2011, VCR entered into a lease agreement for a copier. Lease payments were $205 per month for 60 months. The lease terminated in October 2015. In October 2015, entered into a new lease agreement for a copier for 60 months. Lease payments are $256 per month. Expense for the copier leases amounted to $2,816 for the year ending December 31, 2015. The lease terminates October 2020. Future minimum lease payments are as follows:

2016	$ 3,072
2017	3,072
2018	3,072
2019	3,072
2020	2,560
Total	$ 14,848

NOTE J – RETIREMENT PLAN

VCR maintains a contributory retirement savings plan under Section 403(b) of the Internal Revenue Code, which covers substantially all employees who meet the eligibility requirements. Currently, there are no employer contributions to the plan.