

David Ortiz Children's Fund

Financial Statements

June 30, 2017



4401 Dominion Boulevard
Glen Allen, Virginia 23060
Tel: 804.747.0000
www.keitercpa.com

DAVID ORTIZ CHILDREN'S FUND

Table of Contents

	<u>Page</u>
Report of Independent Accountants	1
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors
David Ortiz Children's Fund

Report on the Financial Statements

We have audited the accompanying financial statements of David Ortiz Children's Fund (the "Organization"), which comprise the statement of financial position as of June 30, 2017, 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

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

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. 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 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, 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 David Ortiz Children's Fund as of June 30, 2017, 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.

A handwritten signature in black ink, appearing to read "Keita", with a stylized, flowing script.

July 2, 2018
Glen Allen, Virginia

DAVID ORTIZ CHILDREN'S FUND

Statement of Financial Position
June 30, 2017

Assets

Current assets:	
Cash and cash equivalents	<u>\$ 1,984,736</u>
Property and equipment:	
Medical equipment	133,950
Less: accumulated depreciation	<u>(26,790)</u>
Net property and equipment	<u>107,160</u>
Total assets	<u>\$ 2,091,896</u>

Liabilities and Net Assets

Liabilities:	
Accounts payable	\$ 248,862
Net assets:	
Unrestricted	<u>1,843,034</u>
Total liabilities and net assets	<u>\$ 2,091,896</u>

See accompanying notes to financial statements.

DAVID ORTIZ CHILDREN'S FUND

Statement of Activities
Year Ended June 30, 2017

Unrestricted net assets:	
Revenues and support:	
Contributions	\$ 3,543,082
In-kind contributions	<u>360,483</u>
Total revenues and support	<u>3,903,565</u>
Expenses:	
Program services	928,803
Management and general	92,813
Fundraising	<u>1,175,649</u>
Total expenses	<u>2,197,265</u>
Change in net assets	1,706,300
Net assets, beginning of year	<u>136,734</u>
Net assets, end of year	<u>\$ 1,843,034</u>

See accompanying notes to financial statements.

DAVID ORTIZ CHILDREN'S FUND

Statement of Functional Expenses Year Ended June 30, 2017

	Program Services	Management and General	Fundraising	Total
Special events	\$ -	\$ -	\$ 937,625	\$ 937,625
Medical services - in-kind	166,533	-	-	166,533
Professional services	219,838	25,222	219,699	464,759
Grants awarded to medical facilities and organizations	455,298	-	-	455,298
Administrative services - in-kind	-	60,000	-	60,000
Travel	30,083	-	-	30,083
Depreciation	26,790	-	-	26,790
Charitable medical activities	16,974	-	-	16,974
Processing fees	-	-	14,098	14,098
Meals and entertainment	12,918	-	-	12,918
Advertising and marketing	-	-	3,318	3,318
Office expense and supplies	-	3,204	786	3,990
Bank and brokers fees	-	1,459	-	1,459
Taxes and licenses	-	1,148	-	1,148
Insurance	-	961	-	961
Telephone	369	123	123	615
Website	-	422	-	422
Miscellaneous	-	274	-	274
	<u>\$ 928,803</u>	<u>\$ 92,813</u>	<u>\$ 1,175,649</u>	<u>\$ 2,197,265</u>

See accompanying notes to financial statements.

DAVID ORTIZ CHILDREN'S FUND

Statement of Cash Flows Year Ended June 30, 2017

Cash flows from operating activities:	
Change in net assets	\$ 1,706,300
Adjustment to reconcile change in net assets to net cash from operations:	
Depreciation	26,790
Contributed property and equipment	(133,950)
Changes in operating assets and liabilities:	
Prepaid expenses	67,236
Accounts payable	<u>126,087</u>
Net cash provided by operating activities	1,792,463
Cash and cash equivalents, beginning of year	<u>192,273</u>
Cash and cash equivalents, end of year	<u>\$ 1,984,736</u>

See accompanying notes to financial statements.

DAVID ORTIZ CHILDREN'S FUND

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Description of Organization: David Ortiz Children's Fund (the "Organization") is committed to helping children in New England and the Dominican Republic who do not have access to the critical pediatric services they need. The Organization's main purposes are to (1) link medical services to sick children from the Dominican Republic who are unable to pay for and receive such services, (2) bring such children to medically advanced facilities as necessary to receive such surgical services, and return them to their homes, and (3) provide grants to organizations described in section 501(c)(3) of the Internal Revenue Code for similar purposes for sick children living within New England.

Basis of Accounting: The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"), which require reporting information regarding its financial position and activities according to these three classes of net assets:

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. If the Board of Directors specifies a purpose where none has been stated by the original donor, such assets are classified as Board-designated within unrestricted net assets.

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization did not have any temporarily restricted net assets as of June 30, 2017.

Permanently restricted net assets are subject to donor-imposed stipulations that the original fair value of the gift be maintained permanently by the Organization and use of all or part of the income earned on any related investments is for general or specific purposes. The Organization did not have any permanently restricted net assets as of June 30, 2017.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DAVID ORTIZ CHILDREN'S FUND

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents: The Organization considers as cash equivalents all short term, highly liquid investments with maturities of three months or less at date of acquisition.

Property and Equipment: Property and equipment are recorded at cost for purchased assets and at fair value for donated items. Major repairs and betterments are capitalized and normal maintenance and repairs are charged to expense as incurred. Depreciation is computed on a straight-line basis over the estimated useful lives of the related assets, which was determined to be three years. Upon retirement or sale of an asset, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

Income Taxes: The Organization is a not-for-profit Corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Income Tax Uncertainties: Management has evaluated the effects of accounting guidance related to uncertain income tax positions and concluded that the Organization had no significant financial statement exposure to uncertain income tax positions at June 30, 2017. The Organization is not currently under audit by any tax jurisdiction.

Recognition of Contributions: Contributions are recognized as revenue when the donor makes a promise to give to the Organization that is in substance unconditional. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the fiscal year in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted. There were no donor restricted contributions for the year ended June 30, 2017.

Advertising Costs: The Organization expenses advertising costs when incurred. Advertising expense amounted to \$3,318 for the year ended June 30, 2017.

Functional Allocation of Expenses: The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Subsequent Events: Management has evaluated subsequent events through July 2, 2018, the date the financial statements were available to be issued, and has determined there are no subsequent events to be reported in the accompanying financial statements.