GEORGIA SOCIETY
TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Audited Financial Statements

Years Ended March 31, 2010 and 2009

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Contents
Years Ended March 31, 2010 and 2009

Report of Independent Certified Public Accountants on the Audited Financial Statements and Supplementary Information

To the Board of Directors
GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)
Atlanta, Georgia

In accordance with the terms and objectives of our engagement, we have audited the accompanying statements of financial position of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC. (d/b/a Prevent Blindness Georgia)** as of March 31, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of **Prevent Blindness Georgia's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of the 2010 and 2009 financial statements of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** system of internal control over financial reporting. Accordingly, we do not express such an opinion.

An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and assessing the accounting principles used and significant estimates made by **Prevent Blindness Georgia's** management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the 2010 and 2009 basic financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** at March 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the 2010 and 2009 basic financial statements taken as a whole. The schedules of state awards expended for the years ended March 31, 2010 and 2009 presented as supplementary information are presented for purposes of additional analysis only and they are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In calendar year 2008 (fiscal year ended March 31, 2009), the Georgia General Assembly adopted the provisions of the **Uniform Prudent Management of Institutional Funds Act** and the Financial Accounting Standards Board issued FSP FAS 117-1 (now FASB ASC 958-205-45), **Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds**.

Accordingly, as more fully disclosed in Note 4 to these audited financial statements, effective April 1, 2007, for purposes of consistency and comparability, the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** retroactively changed its accounting and reporting for the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund** by reclassifying a substantial amount of unrestricted net assets to temporarily restricted net assets and effective April 1, 2008 (fiscal year ended March 31, 2009), changed its accounting for the fund's net investment income, appropriations, and realized and unrealized gains and losses on the permanently restricted net assets of the **Robert W. Woodruff Fund's** portfolio.

In addition, during the fiscal year ended March 31, 2009, the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** significantly improved its procedures for identifying direct and indirect program and supporting services costs and expenses. Accordingly, the percentage relationships (particularly general and administrative and fund-raising) of program and supporting services to total public support and operating revenues and the relationships within these costs and expenses have changed dramatically when compared to prior years. All of these factors affect the percentage relationships.

During the fiscal year ended March 31, 2010, **Prevent Blindness Georgia's** Board of Directors directed SunTrust Bank Trust and Investments Services to redirect its efforts and to invest primarily in registered mutual funds. In years prior to the fiscal year ended March 31, 2010, SunTrust Bank Trust and Investments Services invested in SunTrust Bank, Atlanta aggregated pooled investments.

On June 3, 2009, the Financial Accounting Standards Board (FASB) approved FASB Accounting Standards Codification (ASC) as the source of authoritative United States accounting and reporting standards for non-governmental entities, including the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC. (d/b/a Prevent Blindness Georgia)**. FASB ASC became authoritative upon its release on July 1, 2009 significantly changing the way financial statement preparers and auditors reference accounting and reporting standards in financial statements and reports of independent certified public accountants.

The FASB ASC became effective for interim and annual periods ending after September 15, 2009, which means that the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC. (d/b/a Prevent Blindness Georgia)** began using FASB ASC references for periods beginning on or about July 1, 2009.

LGG & Associates, PC
Certified Public Accountants and
Management Consultants

August 20, 2010
Lawrenceville, Georgia

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Statements of Financial Position
March 31, 2010 and 2009

Assets	2010	2009
Cash and cash equivalents	$ 40,146	$ 12,104
Contributions and other receivables:		
State grant awards expended	137,274	67,305
Other grants and miscellaneous	64,161	48,959
Total	201,435	116,264
Investments, marked-to-market:		
Equity and fixed income securities	1,260,995	1,326,436
Money market funds	12,850	20,129
Total	1,273,845	1,346,565
Mark-to-market	42,228	(279,940)
Net	1,316,073	1,066,625
Property and equipment, net	59,420	2,223
Miscellaneous other assets	2,584	-
	$ 1,619,658	$ 1,197,216
Liabilities and Net Assets		
Due to Prevent Blindness America	$ 128,112	$ 59,348
Other accounts payable and accruals, including unpaid vacations of $8,300 in 2010 and $7,227 in 2009	46,924	13,383
Total	175,036	72,731
Net assets:		
Unrestricted and undesignated	639,691	501,759
Temporarily restricted	204,931	22,726
Permanently restricted:		
Robert W. Woodruff Fund	600,000	600,000
Total	1,444,622	1,124,485
	$ 1,619,658	$ 1,197,216

See the accompanying report of independent certified public accountants and the notes to the audited financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Statement of Activities and Changes in Net Assets
Year Ended March 31, 2010
(with comparative totals for the year ended March 31, 2009)

	2010			Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2010	2009
Public support and operating revenue:					
Public support:					
Contributions	$ 94,882	$ 305,607	$ -	$ 400,489	$ 265,411
Special events, net of direct costs of $54,364 in 2010 and $53,622 in 2009	173,084	-	-	173,084	104,059
Combined service campaigns	2,653	-	-	2,653	4,006
Total	270,619	305,607	-	576,226	373,476
Operating revenue:					
Fees and grants from government agencies	-	130,384	-	130,384	143,546
Program service revenue	29,713	-	-	29,713	29,263
Investment income, net of administrative fees of $7,881 in 2010 and $9,285 in 2009	11,187	18,178	-	29,365	34,978
Miscellaneous	-	-	-	-	-
Total	40,900	148,562	-	189,462	207,787
Net assets released from restrictions	440,158	(440,158)	-	-	-
Total	751,677	14,011	-	765,688	581,263
Expenses:					
Program services:					
Public health education	125,009	-	-	125,009	94,540
Professional education and training	35,810	-	-	35,810	37,130
Community services	338,728	-	-	338,728	327,949
Total	499,547	-	-	499,547	459,619
Supporting services:					
General and administrative	136,231	-	-	136,231	67,608
Fund-raising	89,856	-	-	89,856	82,819
Total	226,087	-	-	226,087	150,427
Total	725,634	-	-	725,634	610,046
Excess/(deficiency)	26,043	14,011	-	40,054	(28,783)
Nonoperating gains and losses:					
Net gain/(loss) on sale of investments	(59,563)	2,063	-	(57,500)	(38,252)
Net unrealized gains/(losses) on investments	171,452	166,131	-	337,583	(242,929)
Total	111,889	168,194	-	280,083	(281,181)
Net increase/(decrease) in net assets	137,932	182,205	-	320,137	(309,964)
Net assets, beginning of year	501,759	22,726	600,000	1,124,485	1,434,449
Net assets, end of year	$ 639,691	$ 204,931	$ 600,000	$ 1,444,622	$ 1,124,485

See the accompanying report of independent certified public accountants and the notes to the audited financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Statement of Activities and Changes in Net Assets
Year Ended March 31, 2009
(with comparative totals for the restated year ended March 31, 2008)

	2009			Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2009	2008
Public support and operating revenue:					
Public support:					
Contributions	$ 118,786	$ 146,625	$ -	$ 265,411	$ 217,702
Special events, net of direct costs of $53,622 in 2009 and $39,713 in 2008	104,059	-	-	104,059	103,559
Combined service campaigns	4,006	-	-	4,006	1,044
Total	226,851	146,625	-	373,476	322,305
Operating revenue:					
Fees and grants from government agencies	-	143,546	-	143,546	134,364
Program service revenue	29,263	-	-	29,263	29,271
Investment income, net of administrative fees of $9,285 in 2009 and $11,707 in 2008	12,553	22,425	-	34,978	38,552
Miscellaneous	-	-	-	-	79
Total	41,816	165,971	-	207,787	202,266
Net assets released from restrictions	366,171	(366,171)	-	-	-
Total	634,838	(53,575)	-	581,263	524,571
Expenses:					
Program services:					
Public health education	94,540	-	-	94,540	88,857
Professional education and training	37,130	-	-	37,130	31,022
Community services	327,949	-	-	327,949	319,973
Total	459,619	-	-	459,619	439,852
Supporting services:					
General and administrative	67,608	-	-	67,608	120,993
Fund-raising	82,819	-	-	82,819	102,989
Total	150,427	-	-	150,427	223,982
Total	610,046	-	-	610,046	663,834
Excess/(deficiency)	24,792	(53,575)	-	(28,783)	(139,263)
Nonoperating gains and losses:					
Net loss on sale of investments	(17,814)	(20,438)	-	(38,252)	(9,652)
Net unrealized losses on investments	(92,111)	(150,818)	-	(242,929)	(56,052)
Total	(109,925)	(171,256)	-	(281,181)	(65,704)
Net increase/(decrease) in net assets	(85,133)	(224,831)	-	(309,964)	(204,967)
Net assets, beginning of year	586,892	247,557	600,000	1,434,449	1,639,416
Net assets, end of year	$ 501,759	$ 22,726	$ 600,000	$ 1,124,485	$ 1,434,449

See the accompanying report of independent certified public accountants and the notes to the audited financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Statement of Functional Expenses
Year Ended March 31, 2010
(with comparative totals for the year ended March 31, 2009)

	2010								
	Program Services				Supporting Services			Totals	
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fund-Raising	Total	2010	2009
Salaries	$ 70,121	$ 10,914	$ 161,232	$ 242,267	$ 44,350	$ 25,341	$ 69,691	$ 311,958	$ 293,126
Employee benefits	12,163	2,868	26,894	41,925	15,745	7,607	23,352	65,277	58,001
Payroll taxes	5,876	914	13,510	20,300	3,716	2,123	5,839	26,139	23,606
Total	88,160	14,696	201,636	304,492	63,811	35,071	98,882	403,374	374,733
Professional fees	-	-	32,280	32,280	7,555	33,408	40,963	73,243	41,922
Supplies and equipment	647	-	10,717	11,364	4,825	106	4,931	16,295	12,108
Telephone	546	-	2,333	2,879	9,800	-	9,800	12,679	12,204
Postage and shipping	370	-	1,577	1,947	2,563	1,940	4,503	6,450	4,017
Building occupancy	9,023	6,767	18,046	33,836	4,512	6,767	11,279	45,115	49,450
Office equipment maintenance	-	-	5,771	5,771	15,814	-	15,814	21,585	4,798
Printing and publications	8,498	341	7,765	16,604	2,324	-	2,324	18,928	11,111
Travel and meetings	4,310	43	34,470	38,823	1,345	-	1,345	40,168	38,460
Insurance	250	250	3,738	4,238	738	282	1,020	5,258	5,714
Other	705	5,013	-	5,718	9,525	6,282	15,807	21,525	9,084
Total	112,509	27,110	318,333	457,952	122,812	83,856	206,668	664,620	563,601
Affiliate support of national	12,500	8,700	12,900	34,100	13,419	6,000	19,419	53,519	45,419
Depreciation	-	-	7,495	7,495	-	-	-	7,495	1,026
Total	$ 125,009	$ 35,810	$ 338,728	$ 499,547	$ 136,231	$ 89,856	$ 226,087	$ 725,634	$ 610,046

See the accompanying report of independent certified public accountants and the notes to the audited financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Statement of Functional Expenses
Year Ended March 31, 2009
(with comparative totals for the restated year ended March 31, 2008)

	2009								
	Program Services				Supporting Services				
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fund-Raising	Total	Totals 2009	Totals 2008
Salaries	$ 46,116	$ 16,698	$ 152,894	$ 215,708	$ 29,506	$ 47,912	$ 77,418	$ 293,126	$ 305,765
Employee benefits	9,223	3,340	30,579	43,142	5,379	9,480	14,859	58,001	69,770
Payroll taxes	3,688	1,041	12,836	17,565	2,194	3,847	6,041	23,606	25,949
Total	59,027	21,079	196,309	276,415	37,079	61,239	98,318	374,733	401,484
Professional fees	-	-	35,377	35,377	6,545	-	6,545	41,922	34,700
Supplies and equipment	822	-	8,161	8,983	2,134	991	3,125	12,108	37,068
Telephone	1,606	-	6,985	8,591	2,420	1,193	3,613	12,204	12,064
Postage and shipping	502	251	2,260	3,013	502	502	1,004	4,017	4,809
Building occupancy	9,891	7,417	19,780	37,088	4,945	7,417	12,362	49,450	47,340
Office equipment maintenance	369	369	2,953	3,691	369	738	1,107	4,798	13,946
Printing and publications	3,833	338	4,425	8,596	338	2,177	2,515	11,111	12,107
Travel and meetings	1,699	726	33,955	36,380	717	1,363	2,080	38,460	39,328
Insurance	250	250	3,738	4,238	738	738	1,476	5,714	5,382
Other	6,041	-	180	6,221	402	2,461	2,863	9,084	6,173
Total	84,040	30,430	314,123	428,593	56,189	78,819	135,008	563,601	614,401
Affiliate support of national	10,500	6,700	12,800	30,000	11,419	4,000	15,419	45,419	48,407
Depreciation	-	-	1,026	1,026	-	-	-	1,026	1,026
Total	$ 94,540	$ 37,130	$ 327,949	$ 459,619	$ 67,608	$ 82,819	$ 150,427	$ 610,046	$ 663,834

See the accompanying report of independent certified public accountants and the notes to the audited financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Statements of Cash Flows
Years Ended March 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Net increase/(decrease) in net assets	$ 320,137	$ (309,964)
Adjustments to reconcile the net increase in net assets to net cash flows from operating activities:		
Net loss on sale of investments	57,500	38,252
Unrealized (gains)/losses on investments	(337,583)	242,929
Depreciation	7,495	1,026
Net change in operating assets and liabilities:		
Contributions and other receivables	(85,171)	(35,863)
Miscellaneous other assets	(2,584)	4,080
Due to Prevent Blindness America	68,764	3,358
Other accounts payable and accruals	33,541	(1,904)
Net cash flows from operating activities	62,099	(58,086)
Cash flows from investing activities:		
Proceeds from sale of investments	1,620,051	275,381
Purchases of investments	(1,589,416)	(210,359)
Acquisition of property and equipment	(64,692)	-
Net cash flows from investing activities	(34,057)	65,022
Cash flows from financing activities:		
Net change in line of credit outstanding	-	-
Net change in cash and equivalents	28,042	6,936
Cash and cash equivalents, beginning of year	12,104	5,168
Cash and cash equivalents, end of year	$ 40,146	$ 12,104

See the accompanying report of independent certified public accountants and the notes to the audited financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)
Notes to the Audited Financial Statements
Years Ended March 31, 2010 and 2009

1. ORGANIZATION AND NATURE OF OPERATIONS

The **Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia)** is a not-for-profit organization dedicated to promoting research into the causes and prevention of blindness, educating and training health care professionals about the care and prevention of blindness, and increasing public awareness about blindness and vision protection. Accordingly, **Prevent Blindness Georgia** provides vision screening training, early-detection vision screening for children, eye exams for the indigent and the working poor, public education about eye health and safety issues, advocacy for vision issues, and research. **Prevent Blindness Georgia** is a 501(c)(3) organization founded in 1965.

Prevent Blindness Georgia supports the following programs:

Vision Outreach. **Prevent Blindness Georgia** created the Vision Outreach Program to address the eye care needs of the uninsured homeless, elderly, and the indigent and working poor of Georgia.

Children's Vision Screening. **Prevent Blindness Georgia** provides early-detection vision screening for pre kindergarten children.

Public Education. **Prevent Blindness Georgia** provides good eye health and safety information which assists the public in protecting their sight.

Advocacy. **Prevent Blindness Georgia** is the consumer eye health and safety advocate agency for the state of Georgia.

Research. **Prevent Blindness Georgia** contributes to the funding of basic and clinical national research projects.

1. ORGANIZATION AND NATURE OF OPERATIONS (continued)

In summary, the mission of **Prevent Blindness Georgia** is preventing blindness and preserving sight for the residents of Georgia. In addition, **Prevent Blindness Georgia** is an affiliate of **The National Society to Prevent Blindness (d/b/a Prevent Blindness America)**, founded in 1908, the nation's leading volunteer eye health and safety organization, dedicated to preventing blindness and preserving sight.

Prevent Blindness Georgia's principal sources of revenues is public support –

- contributions,
- bequests, if any, and
- net revenues from fund-raising activities.

To ensure the observance of limitations and restrictions placed on the use of available resources, **Prevent Blindness Georgia** maintains its financial records in accordance with modified principles and practices identified as fund accounting. Fund accounting is a method by which resources for various purposes are classified for internal accounting purposes into classes established in accordance with their nature and purpose. For external financial reporting purposes, however, **Prevent Blindness Georgia's** financial statements are presented to focus on the organization as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Accordingly, net assets and related activities are classified as follows:

Unrestricted. Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted. Net assets that are subject to donor-imposed purpose or time restrictions that will be met either by rendering program services or the passage of time. See Note 4 to these audited financial statements for additional information.

1. ORGANIZATION AND NATURE OF OPERATIONS (continued)

Permanently Restricted. Net assets that are subject to donor-imposed restrictions to be maintained by **Prevent Blindness Georgia**. These net assets are subject to the Georgia Uniform Prudent Management of Institutional Funds Act. See Note 4 to these audited financial statements for additional information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Generally Accepted Accounting Principles

This summary of significant accounting policies is presented to assist the user in understanding **Prevent Blindness Georgia's** financial statements. These financial statements and notes are the representations of **Prevent Blindness Georgia's** management, who is responsible for their integrity and objective.

These accounting policies conform to accounting principles generally accepted in the United States of America **("US GAAP")** and have been applied on a consistent basis in the presentation of these financial statements.

The phrase **"Generally Accepted Accounting Principles"** is a technical accounting term that encompasses the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. It includes not only broad guidelines of general application, but also detailed practices and procedures. These conventions, rules, and procedures provide standards by which to present, measure, and judge financial statements.

Generally accepted accounting principles are concerned with the measurement of economic activity, the time when such measurements are to be made and recorded, the disclosures surrounding this activity, and the preparation and presentation of summarized economic information in the form of financial statements. **US GAAP** is developed when questions arise about how to best accomplish those objectives – measurement, timing and recognition, disclosure, or presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Generally Accepted Accounting Principles (continued)

US GAAP is prescribed in either official pronouncements of authoritative bodies empowered to create it, or it originates over time through the development of customary practices that evolve when authoritative bodies fail to respond.

Thus, **US GAAP** is a reaction to and a product of the economic environment in which it develops. As such, the development of accounting and financial reporting standards has lagged the development and creation of increasingly intricate economic structures and transactions.

There are two broad categories of accounting principles – **Recognition and Disclosure**. **Recognition** principles determine the timing and measurement of items that enter the accounting cycle and impact the financial statements. These are quantitative standards that require economic information to be reflected numerically.

Disclosure principles deal with factors that are not always numeric. Disclosures involve qualitative information that is an essential ingredient of a full set of financial statements. Their absence would make the financial statements misleading by omitting information relevant to the decision-making needs of the user of the financial statements.

Disclosure principles complement recognition principles by explaining estimates and assumptions underlying the numerical information and providing additional information on accounting policies, contingencies, uncertainties, etc., which are essential to fully understand the performance and financial condition of the reporting entity.

The preparation of financial statements in conformity with **US GAAP** requires **Prevent Blindness Georgia's** management to make estimates and assumptions that

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Generally Accepted Accounting Principles (continued)

affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of earned revenues and costs and expenses during the reporting period. Actual results can differ significantly from those estimates.

For purposes of these financial statements, certain matters may be described as either material or immaterial. Items are considered material if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

An omission or misstatement that is small in amount could be considered material as a result of qualitative factors (for example, economic, political, etc.).

Basis of Presentation

These financial statements follow the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification 958-205 (formerly Statements of Financial Accounting Standards No. 116, ***Accounting for Contributions Received and Contributions Made*** and No. 117, ***Financial Statements of Not-for-Profit Organizations***.

Under FASB ASC 958-205, **Prevent Blindness Georgia** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

Public support and earned revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. All

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by operation of law. The expiration of temporary restrictions on net assets (i.e., the donor-imposed purpose has been fulfilled or a stipulated time period has elapsed) is disclosed as a reclassification between the applicable classes of net assets.

Contributions, including unconditional pledges, if any, are recognized in the period received. Conditional pledges, if any, are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash, if any, are recognized at their estimated fair value.

Contributions to be received after one year, if any, are discounted at an appropriate rate commensurate with the risk involved. Amortization of that discount, if any, is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on those contributions.

If considered necessary, an allowance for uncollectible pledges receivable will be provided based upon management's judgment considering factors such as prior collection history, type of contribution, and the nature of the fund-raising activity.

Contributions received with donor-imposed restrictions are reported as revenue of the temporarily restricted net asset fund. Contributions of land, buildings, and equipment, if any, without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue in the unrestricted net asset classification.

Revenue from government grant agreements is recognized as it is earned through expenditures in accordance with those agreements. Revenue from program service fees, if any, is recognized when the service is completed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Prevent Blindness Georgia recognizes the fair value of contributed services, if any, that require specialized skills and are provided by individuals who possess those skills as revenue and expenses in the period received. **Prevent Blindness Georgia**, however, pays for most services that require specialized expertise. A substantial number of volunteers have donated significant amounts of their time to **Prevent Blindness Georgia** vision screening and other program services, fund-raising campaigns, and management. No amounts have been reflected in the accompanying financial statements for these donated services because the criteria for recognition under FASB ASC 958-205 have not been satisfied.

Cash and Cash Equivalents

For purposes of the accompanying statements of financial position and cash flows, **Prevent Blindness Georgia** considers all highly liquid financial instruments with a maturity of three months or less when purchased to be cash equivalents. Cash equivalents are short-term, extremely liquid investments that are both readily convertible to known amounts and so near maturity that they present only a small risk of change in value because of changes in interest rates.

Prevent Blindness Georgia maintains its operating cash in one financial institution. The monthly balance in this account did not exceed the Federal Deposit Insurance Corporation's insured amount of $250,000 at any time during the years ended March 31, 2010 and 2009. These instruments, however, subject **Prevent Blindness Georgia** to a concentration of credit risk. Management does not consider this risk to be significant.

As of March 31, 2010, cash and cash equivalents include restricted agency funds of $24,826. This amount represents unearned funds collected that are to be remitted directly to **Prevent Blindness America**. The liability side of these transactions are included in the amounts due to **Prevent Blindness America**.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment Investments

The **Prevent Blindness Georgia** endowment funds consist of two (#'s 5 & 6) accounts held and managed by SunTrust Bank Trust and Investment Services. The first account (#5) is known as the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund**. This account had a fair market value balance of $773,098 and $622,726 as of March 31, 2010 and 2009, respectively, $600,000 of which is permanently restricted and $173,098 and $22,726, respectively, are temporarily restricted. The second account (#6) is called the **Georgia Society to Prevent Blindness Reserve Fund** and is not restricted. As of March 31, 2010 and 2009, this account had a fair market value balance of $542,975 and $443,898, respectively.

During the fiscal year ended March 31, 2010, **Prevent Blindness Georgia's** Board of Directors charged SunTrust Bank Trust and Investments Services to redirect its efforts and to invest primarily in registered mutual funds. Accordingly, as of March 31, 2010, endowment fund investments include registered mutual funds at a cost basis of $1,260,995 as follows:

	Fund #5	Fund #6	Total
Equity securities:			
Equity	$ 298,764	$ 209,881	$ 508,645
Fixed income	282,725	198,641	481,366
Totals	581,489	408,522	990,011
Other	159,228	111,756	270,984
Totals	$ 740,717	$ 520,278	$ 1,260,995

In years prior to the year ended March 31, 2010, SunTrust Bank Trust and Investments Services invested in SunTrust Bank, Atlanta aggregated pooled investments. These investments did not perform as well as might reasonably be expected.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Endowment Investments (continued)

Prevent Blindness Georgia presents its investments at fair value with any realized or unrealized gains or losses included in the accompanying statements of activities and changes in net assets. These fair values are determined using quoted market prices of the underlying securities. Investments received by gift, if any, are recorded at their estimated fair market value on the date received.

See Note 4 to these audited financial statements for more details.

Property and Equipment

Property and equipment are stated at cost or, in the case of gifts, if any, at fair market value at the date of donation, net of accumulated depreciation. These items of property and equipment are depreciated using the straight-line method over their estimated useful lives, which is five years.

See Note 5 to these audited financial statements for details of balances and transactions.

Functional Expenses

The costs and expenses of providing **Prevent Blindness Georgia's** various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs and expenses have been allocated between the various programs and supporting services that benefitted therefrom including the costs of affiliate support from **Prevent Blindness America**.

For the year ended March 31, 2008, presented on a summary basis with the year ended March 31, 2009, these costs have been reclassified to conform with the allocation basis adopted during the year ended March 31, 2009.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Prevent Blindness America has received a favorable determination letter dated January 17, 2001, indicating that both it and its affiliates are qualified as a tax exempt organization, as provided by Section 501(c)(3) of the Internal Revenue Code of 1986 and, except for taxes pertaining to unrelated business income, are exempt from Federal and state income taxes.

Prior to the year ended March 31, 2009, **Prevent Blindness America** filed a consolidated nonprofit federal information return which included the activities of **Prevent Blindness Georgia**. Effective with the year ended March 31, 2009, **Prevent Blindness Georgia** began filing its own information returns. No provision has been made for income taxes in the accompanying 2010 and 2009 financial statements because **Prevent Blindness Georgia** has not had any material unrelated business income.

3. CONTRIBUTIONS AND OTHER RECEIVABLES

All contributions and other receivables are expected to be collected within one year.

An aging of state grant awards expended as of March 31, 2010 and 2009:

	2010	2009
Current	$ 19,140	$ 7,693
1-30 days old	8,266	7,013
31-60 days old	–	13,315
61-90 days old	16,510	21,507
Over 90 days old	93,358	17,777
Totals	$ 137,274	$ 67,305

3. CONTRIBUTIONS AND OTHER RECEIVABLES (continued)

As of August 20, 2010, all of these state grant awards expended were collected, except for $13,315 which was written-off during the year ended March 31, 2010.

An aging of other grants and miscellaneous contributions receivable as of March 31, 2010 and 2009:

	2010	2009
Current	$ 20,000	$ 19,313
1-30 days old	4,028	20,713
31-60 days old	23,786	1,000
61-90 days old	2,805	–
Over 90 days old	13,542	7,932
Totals	$ 64,161	$ 48,959

Most of these other grants and miscellaneous contributions receivable have been collected as of August 20, 2010.

4. ENDOWMENT INVESTMENTS

The cost and fair market value of endowment investments by type as of March 31, 2010 were as follows:

	Cost Basis	FMV
Mutual funds:		
Equity securities	$ 508,645	$ 536,984
Fixed income securities	481,366	481,553
Other	270,984	284,686
Money market funds	12,850	12,850
Totals	$1,273,845	$1,316,073

4. ENDOWMENT INVESTMENTS (continued)

The cost and fair market value of endowment investments by type as of March 31, 2009 were as follows:

	Cost Basis	FMV
SunTrust Bank aggregated pooled investments:		
Common stocks	$ 516,511	$ 518,264
Corporate bonds	509,925	528,232
Money market funds	20,129	20,129
Totals	$1,346,565	$1,066,625

An analysis of changes in the cost basis of endowment investments for the years ended March 31, 2010 and 2009 follows:

	2010	2009
Cost basis, beginning of year	$1,066,625	$1,633,554
Securities purchased	1,589,416	210,358
Cost basis adjustments	15,415	(183,204)
Subtotal	2,671,456	1,660,708
Cost basis of securities sold	(1,397,611)	(314,143)
Cost basis, end of year	1,273,845	1,346,565
Mark-to-market	42,228	(279,940)
Current fair value, end of year	$1,316,073	$1,066,625

4. ENDOWMENT INVESTMENTS (continued)

All SunTrust Common Trust Funds are adjusted for the proceeds from the sale of securities which are retained by the trust and passed through to the participant in the form of a cost basis adjustment. For example, the proceeds from a realized gain will be passed through as an increase in the cost basis of the securities to the participant. Accordingly, income tax liabilities are reduced when a participant sells the units in a common trust fund. These adjustments amounted to an increase of $15,415 and a decrease of $183,204 for the years ended March 31, 2010 and 2009, respectively.

All gains and/or losses on sales of investments are computed based on the individual adjusted cost basis of the securities. **Prevent Blindness Georgia** doesn't pay income taxes as disclosed in Note 2 to these audited financial statements. These cost basis adjustments are included in the net unrealized gains/(losses) of $337,583 and ($242,929) for the years ended March 31, 2010 and 2009, respectively, in the statements of activities and changes in net assets.

Prevent Blindness Georgia's endowment consists of two individual funds as disclosed in Note 2 to these audited financial statements. Its endowment includes both donor-restricted and funds designated to function as endowments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds, including funds designated to function as endowments, are classified and reported based on the existence or absence of donor-restrictions.

Prevent Blindness Georgia has interpreted the Georgia Uniform Prudent Management of Institutional Funds Act enacted by the Georgia General Assembly in 2008 as requiring the preservation of the fair value of the original gift of $600,000 from the Robert W. Woodruff Foundation. As a result of this interpretation, **Prevent Blindness Georgia** classifies, or will classify, as permanently restricted net assets (1) the original value of gifts donated to its permanent endowment, (2) the original value of subsequent gifts to its permanent

4. ENDOWMENT INVESTMENTS (continued)

endowment, and (3) accumulations to its permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of donor-restricted endowment funds that is not classified in permanently restricted net assets is classified, or will be classified, as temporarily restricted net assets until those amounts are appropriated by **Prevent Blindness Georgia** in a manner consistent with the standard of prudence prescribed by Georgia Uniform Prudent Management of Institutional Funds Act.

Accordingly, **Prevent Blindness Georgia** considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the funds.
- The purposes of **Prevent Blindness Georgia** and the donor-restricted endowment funds.
- General economic conditions.
- The possible effect of inflation and deflation.
- The expected return from income and the appreciation of investments.
- Other resources of **Prevent Blindness Georgia**.
- The investment policies of **Prevent Blindness Georgia**.

Accordingly, effective April 1, 2007, for purposes of consistency and comparability, **Prevent Blindness Georgia** retroactively changed its accounting and reporting for the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund** by reclassifying $478,162 of unrestricted net assets to temporarily restricted net assets and for the years ended March 31, 2009 and 2008 changed its accounting for the fund’s net investment income, appropriations, and realized and unrealized gains and losses on the fund’s portfolio.

4. ENDOWMENT INVESTMENTS (continued)

To satisfy its long-term rate-of-return objectives, **Prevent Blindness Georgia** relies on a return strategy in which investment returns are to be achieved through both current net investment income (dividends and interest, net of administrative fees) and capital appreciation (realized and unrealized). **Prevent Blindness Georgia**, through SunTrust Bank Trust and Investment Services, targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

It is **Prevent Blindness Georgia's** policy to appropriate fixed dollar amounts rather than some percentage of its endowment's average fair value or some other variable computation mechanism. For the years ended March 31, 2010 and 2009, these appropriations equaled $3,000 per month. These sums were removed from the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund** only. Additional amounts equal to $2,000 per month for each of the years ended March 31, 2010 and 2009 were removed from the **Georgia Society to Prevent Blindness Reserve Fund**. This latter endowment fund is not restricted.

From time to time, the fair value of the assets associated with the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund** may fall below $600,000; the amount required to be retained as a fund of perpetual duration. Such deficiencies may result from unfavorable market fluctuations and the continued fixed dollar appropriations from these permanently restricted net assets. There were no such deficiencies, however, as of March 31, 2010 and 2009, respectively.

Effective January 1, 2009, a new framework for establishing fair values for assets and liabilities was established by accounting principles generally accepted in the United States of America. That framework establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair values.

The hierarchy gives priority to unadjusted quoted prices in active markets for identical assets or liabilities (so-called level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

4. ENDOWMENT INVESTMENTS (continued)

The three levels of the fair value hierarchy as established by generally accepted accounting principles are described as follows:

Level 1: Quoted prices (unadjusted) of identical assets or liabilities in active markets that an entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions a participant in that market would use in pricing the items as assets or liabilities.

The asset and liability fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used by Prevent Blindness Georgia in estimating fair value disclosures for financial instruments:

- **Cash, cash equivalents, short term unconditional promises to give, if any, and notes payable, if any:** The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

- **Short-term and endowment investments:** The fair values of investments are based on quoted market prices for those or similar investments.

4. ENDOWMENT INVESTMENTS (continued)

- **Long-term unconditional promises to give:** The fair value of promises to give that are due in more than one year, if any, is estimated by discounting expected future cash flows using a rate of return based on the yield of a U.S. Treasury security with a maturity date similar to the expected collection period.

The estimated fair values of **Prevent Blindness Georgia's** financial instruments as of March 31, 2010 are accounted for as follows:

	Carrying Amounts	Fair Value
Financial assets:		
Cash and cash equivalents	$ 40,146	$ 40,146
Contributions and other receivables	201,435	201,435
Endowment investments:		
Equity and fixed income securities	1,303,223	1,303,223
Money market funds	12,850	12,850
Miscellaneous other assets	2,584	2,584
Financial liabilities:		
Due to Prevent Blindness America	128,112	128,112
Other accounts payable and accruals	46,924	46,924

A fair value measurement should be determined based on the assumptions – referred to as Level 1, 2, or 3 inputs – that market participants would use in pricing the asset or liability. Level 1, used by **Prevent Blindness Georgia**, uses quoted prices in active markets for identical assets and liabilities. A quoted price in an active market provides the most reliable evidence of fair value and should be used to measure fair value in almost all cases for which it is available. This definition is referred to as a market approach, which uses prices and other relevant information generated by market transactions for identical or comparable assets or liabilities to price as asset or liability.

5. PROPERTY AND EQUIPMENT

Property and equipment consists of program equipment, office equipment, furniture and fixtures, and a donated vehicle as follows:

	2010	2009
Program equipment	$ 35,370	$ –
Office equipment	17,352	25,805
Furniture and fixtures	11,970	25,146
Donated vehicle	5,130	5,130
Totals	69,822	56,081
Accumulated depreciation	10,402	53,858
Net	$ 59,420	$ 2,223

The program equipment was purchased with restricted funds. Accordingly, these restricted funds will be transferred to unrestricted funds as this equipment is depreciated over its estimated useful life of five years. As of March 31, 2010, these restricted funds amounted to $31,833.

An analysis of changes in the cost basis of property and equipment for the years ended March 31, 2010 and 2009 follows:

	2010	2009
Balance, beginning of year	$ 56,081	$ 56,081
Additions	64,692	–
Totals	120,773	56,081
Deletions (fully depreciated)	50,951	–
Balance, end of year	$ 69,822	$ 56,081

5. PROPERTY AND EQUIPMENT (continued)

An analysis of changes in accumulated depreciation for the years ended March 31, 2010 and 2009 follows:

	2010	2009
Balance, beginning of year	$ 53,858	$ 52,832
Additions	7,495	1,026
Totals	61,353	53,858
Deletions (fully depreciated)	50,951	–
Balance, end of year	$ 10,402	$ 53,858

The write-off of these fully depreciated assets is because they are worn-out, abandoned, or just gathering dust. It is not practical to identify specifically what items are included therein.

6. EMPLOYEE BENEFIT PLAN

Prevent Blindness Georgia's eligible employees are participants in a contributory annuity pension plan offered through **Prevent Blindness America**. **Prevent Blindness Georgia's** contributions on behalf of these employees amounted to $13,363 and $7,834 for the years ended March 31, 2010 and 2009, respectively.

7. LEASE COMMITMENT

Prevent Blindness Georgia has entered into a new operating lease agreement with the **Center for the Visually Impaired, Inc.**, a Georgia nonprofit corporation, for approximately 1,500 square feet. Subject to certain termination rights, **Prevent Blindness Georgia** has agreed to lease these property rights for a term of seven (7) years beginning January 1, 2010.

7. LEASE COMMITMENT (continued)

Future minimum lease commitments as of March 31, 2010 are as follows:

2011	$ 31,241
2012	32,178
2013	33,143
2014	34,137
2015	35,161
Thereafter	71,738
Total	$ 237,598

Rent expense, including allocated common area expenses, for the years ended March 31, 2010 and 2009 equal $45,115 and $49,450, respectively.

Rent expense normalization equals $33,942 per fiscal year. However, **Prevent Blindness Georgia** does not believe that rent deferral will have either a material quantitative or qualitative impact on financial position or results of operations.

8. SUBSEQUENT EVENTS

Prevent Blindness Georgia's management has considered subsequent events affecting conditions existing at the date of the financial statements and subsequently discovered facts which could affect the financial statements and have determined that none of these events need to be incorporated into the financial statements. In addition, **Prevent Blindness Georgia's** management has evaluated its ability to continue as a going concern. These determinations have been made through August 20, 2010, which is the date these financial statements were available for issuance.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Schedule of State Awards Expended
Year Ended March 31, 2010

State Organization and Program	Awarded	Earned	Expended	Balance
Georgia Department of Human Resources:				
Vision Clinics for Adults and Preschool				
Vision Screening:				
427-93-09050606-04 - Drive for Sight Grant:				
July 1, 2009 through June 30, 2010:				
April, 2010		$ 5,641	$ 5,641	
May, 2010		8,232	8,232	
June, 2010		17,933	17,933	
Total	$ 98,000	$ 31,806	$ 31,806	$ -
427-93-09050606-04 - Drive for Sight Grant:				
July 1, 2009 through June 30, 2010:				
July, 2009		$ 3,457	$ 3,457	
August, 2009		11,475	11,475	
September, 2009		12,322	12,322	
October, 2009		11,879	11,879	
November, 2009		6,596	6,596	
December, 2009		6,388	6,388	
January, 2010		3,678	3,678	
February, 2010		4,588	4,588	
March, 2010		5,811	5,811	
Total	$ 98,000	$ 66,194	$ 66,194	$ 31,806
427-93-08080759-00 - Diabetic Retinopathy Clinics:				
July 1, 2009 through June 30, 2010:				
April, 2010		$ 3,487	$ 3,487	
May, 2010		2,993	2,993	
June, 2010		-	-	
Total	$ 98,000	$ 6,480	$ 6,480	$ -
427-93-08080759-00 - Diabetic Retinopathy Clinics:				
July 1, 2009 through June 30, 2010:				
July, 2009		$ 9,693	$ 9,693	
August, 2009		5,454	5,454	
September, 2009		4,882	4,882	
October, 2009		8,775	8,775	
November, 2009		12,812	12,812	
December, 2009		10,122	10,122	
January, 2010		-	-	
February, 2010		-	-	
March, 2010		-	-	
Total	$ -	$ 51,738	$ 51,738	$ -

See the accompanying report of independent certified public accountants.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)

Schedule of State Awards Expended
Year Ended March 31, 2009

State Organization and Program	Awarded	Earned	Expended	Balance
Georgia Department of Human Resources:				
Vision Clinics for Adults and Preschool				
Vision Screening:				
93-08050606-03 - Drive for Sight Grant:				
July 1, 2007 through June 30, 2008:				
April, 2008		$ 4,590	$ 4,590	
May, 2008		5,381	5,381	
June, 2008		6,033	6,033	
Total	$ 96,000	$ 16,004	$ 16,004	$ -
93-09050606-04 - Drive for Sight Grant:				
July 1, 2008 through June 30, 2009:				
July, 2008		$ 4,541	$ 4,541	
August, 2008		8,059	8,059	
September, 2008		13,165	13,165	
October, 2008		11,974	11,974	
November, 2008		6,679	6,679	
December, 2008		4,800	4,800	
January, 2009		6,019	6,019	
February, 2009		7,013	7,013	
March, 2009		7,693	7,693	
Total	$ 98,000	$ 69,943	$ 69,943	$ -
93-08080759-00 - Diabetic Retinopathy Clinics:				
July 1, 2007 through December 31, 2008:				
April, 2008		$ -	$ -	
May, 2008		-	-	
June, 2008		-	-	
July, 2008		2,114	2,114	
August, 2008		4,834	4,834	
September, 2008		3,553	3,553	
October, 2008		3,152	3,152	
November, 2008		4,124	4,124	
December, 2008		21,507	21,507	
Total	$ 69,000	$ 39,284	$ 39,284	$ -

See the accompanying report of independent certified public accountants.