GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)
General Purpose Financial Statements
and
Supplementary Information
Years Ended March 31, 2013 and 2012

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

Contents

Years Ended March 31, 2013 and 2012

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

To the Board of Directors
GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
Atlanta, Georgia

Report on the General Purpose Financial Statements

In accordance with the terms and objectives of our engagement, we have audited the accompanying general purpose statements of financial position of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC. (d/b/a Prevent Blindness Georgia)** as of March 31, 2013 and 2012, and the related general purpose statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the notes to the general purpose financial statements as of and for the years ended March 31, 2013 and 2012. The objective of general purpose these financial statements is to provide financial and other information about the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** financial position, performance, and cash flows that is useful for economic decision-making by a broad range of users (e.g., existing and potential contributors, lenders, and other creditors) who are not in a position to demand financial information tailored to meet their particular information needs.

Management's Responsibility for the Financial and Other Information

Although the authority to prepare (a non-attest service) these general purpose financial statements and supplementary information has been delegated to us, management of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** is responsible for the preparation and fair presentation of these general purpose financial statements and supplementary information in accordance with **Accounting Principles Generally Accepted in the United States of America** issued by the **Financial Accounting Standards Board**.

This responsibility includes the design, implementation, and maintenance of a system of internal control relevant to the preparation and fair presentation of financial and other information that is free of material misstatements, whether due to fraud or error.

Independent Certified Public Accountant's Responsibility

Our responsibility is to express an opinion on these general purpose financial statements based on conducting an audit in accordance with **Auditing Standards Generally Accepted in the United States of America** issued by the **Auditing Standards Board** of the **American Institute of Certified Public Accountants**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether these general purpose financial statements are free of material misstatements, whether due to fraud or error. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the general purpose financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements in the general purpose financial statements, whether due to fraud or error.

In making those risk assessments, we have considered the system of internal control relevant to the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** preparation and fair presentation of the general purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** management, as well as evaluating the overall presentation of the general purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Audit Opinion of the Independent Certified Public Accountant

In our opinion, the 2013 and 2012 general purpose financial statements referred to in the first paragraph of this report present fairly, in all material respects, the financial position of the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** at March 31, 2013 and 2012, 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** issued by the **Financial Accounting Standards Board**.

Other Matters - Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** 2013 and 2012 general purpose financial statements taken as a whole. The schedules of restricted and unrestricted investments and state awards expended as of and for the years ended March 31, 2013 and 2012 presented as supplementary information are presented for purposes of additional analysis only and are not a required part of the general purpose financial statements.

Such information has been subjected to the auditing procedures and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the general purpose financial statements or to the general purpose financial statements themselves, applied in the audits of the 2013 and 2012 general purpose financial statements, and, in our opinion, are fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Report on Summarized Comparative Information

The summarized comparative totals included in the general purpose statement of activities and changes in net assets and functional expenses for the year ended March 31, 2013 were derived from the audited general purpose statement of activities and changes in net assets for the year ended March 31, 2012.

We have previously audited the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** 2011 general purpose financial statements, and we expressed an unmodified audit opinion on those general purpose financial statements in our report dated Monday, July 25, 2011. In our opinion, the summarized comparative information included in the general purpose statement of activities and changes in net assets and functional expenses for the year ended March 31, 2012 is consistent, in all material respects, with the audited general purpose financial statements from which it has been derived.

Other Matters - Robert W. Woodruff Fund

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**.

Therefore, effective April 1, 2008 (fiscal year ended March 31, 2009), the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** 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 **Georgia Society to Prevent Blindness Robert W. Woodruff Fund's** portfolio.

The **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.'s** endowment consists of two individual funds as disclosed in Note 2 to these general purpose 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** issued by the **Financial Accounting Standards Board**, 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.

The **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** 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 a original gift of $600,000 from the **Robert W. Woodruff Foundation**. As a result of this determination, the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** 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 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 the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** in a manner consistent with the standard of prudence prescribed by the **Georgia Uniform Prudent Management of Institutional Funds Act**.

Accordingly, effective April 1, 2007, for purposes of consistency, understandability, 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 $478,162 of unrestricted net assets to temporarily restricted net assets and for the years beginning April 1, 2007 changed its accounting for the fund's net investment income, appropriations, and realized and unrealized gains and losses on the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund's** portfolio.

Other Matters - The National Society to Prevent Blindness

The **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** 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.

The National Society to Prevent Blindness is a related party and there are various inter-company balances and transactions between them as follows:

	2013	2012
Restricted grants receivable	$ –	$ 6,175
Payroll deposit	$ 13,300	$ 13,900
Due to Prevent Blindness America	$ 77,743	$ 75,259
Restricted grant	$ 23,762	$ 6,175
Affiliate support from PBA	$ 63,120	$ 72,404

These general purpose financial statements will be combined with the audited financial statements of **The National Society to Prevent Blindness**. Most, if not all of these balances and transactions, will be eliminated upon combination.

LGG & Associates, PC

LGG & Associates, PC
Certified Public Accountants and
Management Consultants

Lawrenceville, Georgia
Tuesday, October 29, 2013

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

Statements of Financial Position
March 31, 2013 and 2012

ASSETS	2013	2012
Cash and cash equivalents	$ 6,194	$ 30,494
Contributions and other receivables:		
Restricted grants	79,082	77,464
Board pledged contributions	8,850	19,300
Miscellaneous	3,499	5,130
Total	91,431	101,894
Investments, marked-to-market:		
Mutual funds, money market, and cash accounts:		
Restricted	846,167	817,727
Unrestricted	598,580	577,044
Total	1,444,747	1,394,771
Property and equipment, including program equipment, net of accumulated depreciation of $66,579 in 2013 and $44,671 in 2012	45,561	62,267
Payroll deposit with Prevent Blindness America	13,300	13,900
	$ 1,601,233	$ 1,603,326
LIABILITIES AND NET ASSETS		
Due to Prevent Blindness America	$ 77,743	$ 75,259
Line of credit outstanding	75,000	60,000
Other accounts payable and accruals, including unpaid vacations of $27,407 in 2013 and $12,600 in 2012	40,840	24,155
Total	193,583	159,414
Net assets:		
Unrestricted and undesignated	546,316	601,169
Temporarily restricted	261,334	242,743
Permanently restricted - Robert W. Woodruff Fund	600,000	600,000
Total	1,407,650	1,443,912
	$ 1,601,233	$ 1,603,326

See the accompanying report of independent certified public accountants and the notes to the general purpose 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, 2013
(with comparative totals for the year ended March 31, 2012)

	2013			Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2013	2012
Public support and operating revenue:					
Public support:					
Contributions	$ 31,039	$ 235,310	$ -	$ 266,349	$ 249,217
Special events, net of direct costs of $43,107 in 2013 and $29,977 in 2012	172,414	-	-	172,414	141,582
Combined service campaigns	4,076	-	-	4,076	4,015
Total	207,529	235,310	-	442,839	394,814
Operating revenue:					
Fees and grants from government agencies	-	220,862	-	220,862	244,403
Program service revenue	6,782	-	-	6,782	14,016
Investment income, net of administrative fees of $10,125 in 2013 and $9,929 in 2012	7,741	10,968	-	18,709	29,570
Miscellaneous	-	-	-	-	1,132
Total	14,523	231,830	-	246,353	289,121
Net assets released from restrictions	502,021	(502,021)	-	-	-
Total	724,073	(34,881)	-	689,192	683,935
Expenses:					
Program services:					
Public health education	116,300	-	-	116,300	107,315
Professional education and training	91,759	-	-	91,759	107,186
Community services	472,996	-	-	472,996	471,849
Total	681,055	-	-	681,055	686,350
Supporting services:					
General and administrative	76,601	-	-	76,601	77,988
Fund-raising	59,066	-	-	59,066	95,841
Total	135,667	-	-	135,667	173,829
Total	816,722	-	-	816,722	860,179
Excess/(deficiency)	(92,649)	(34,881)	-	(127,530)	(176,244)
Non-operating gains and losses:					
Net unrealized gains/(losses) on investments	12,070	16,751	-	28,821	(16,262)
Net realized gains/(losses) on sale of investments	25,726	36,721	-	62,447	33,813
Total	37,796	53,472	-	91,268	17,551
Net increase/(decrease) in net assets	(54,853)	18,591	-	(36,262)	(158,693)
Net assets, beginning of year	601,169	242,743	600,000	1,443,912	1,602,605
Net assets, end of year	$ 546,316	$ 261,334	$ 600,000	$ 1,407,650	$ 1,443,912

See the accompanying report of independent certified public accountants and the notes to the general purpose 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, 2012
(with comparative totals for the year ended March 31, 2011)

	2012			Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2012	2011
Public support and operating revenue:					
Public support:					
Contributions	$ 45,127	$ 204,090	$ -	$ 249,217	$ 428,349
Special events, net of direct costs of $29,977 in 2012 and $56,213 in 2011	141,582	-	-	141,582	213,433
Combined service campaigns	4,015	-	-	4,015	4,170
Total	190,724	204,090	-	394,814	645,952
Operating revenue:					
Fees and grants from government agencies	-	244,403	-	244,403	93,785
Program service revenue	4,016	10,000	-	14,016	30,911
Investment income, net of administrative fees of $9,929 in 2012 and $10,132 in 2011	14,324	15,246	-	29,570	22,188
Miscellaneous	1,132	-	-	1,132	26
Total	19,472	269,649	-	289,121	146,910
Net assets released from restrictions	507,680	(507,680)	-	-	-
Total	717,876	(33,941)	-	683,935	792,862
Expenses:					
Program services:					
Public health education	107,315	-	-	107,315	125,440
Professional education and training	107,186	-	-	107,186	73,300
Community services	471,849	-	-	471,849	397,210
Total	686,350	-	-	686,350	595,950
Supporting services:					
General and administrative	77,988	-	-	77,988	77,343
Fund-raising	95,841	-	-	95,841	90,974
Total	173,829	-	-	173,829	168,317
Total	860,179	-	-	860,179	764,267
Excess/(deficiency)	(142,303)	(33,941)	-	(176,244)	28,595
Non-operating gains and losses:					
Net realized gains/(losses) on investments	(6,656)	(9,606)	-	(16,262)	29,571
Net realized gains/(losses) on sale of investments	11,824	21,989	-	33,813	99,817
Total	5,168	12,383	-	17,551	129,388
Net increase/(decrease) in net assets	(137,135)	(21,558)	-	(158,693)	157,983
Net assets, beginning of year	738,304	264,301	600,000	1,602,605	1,444,622
Net assets, end of year	$ 601,169	$ 242,743	$ 600,000	$ 1,443,912	$ 1,602,605

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

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

Statement of Functional Expenses
Year Ended March 31, 2013
(with comparative totals for the year ended March 31, 2012)

	2013								
	Program Services				Supporting Services			Totals	
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fund-Raising	Total	2013	2012
Salaries	$ 68,002	$ 21,178	$ 232,796	$ 321,976	$ 25,058	$ 30,387	$ 55,445	$ 377,421	$ 372,311
Employee benefits	15,676	5,551	49,249	70,476	4,808	4,928	9,736	80,212	81,919
Payroll taxes	5,640	1,874	19,047	26,561	1,622	2,049	3,671	30,232	29,017
Total	89,318	28,603	301,092	419,013	31,488	37,364	68,852	487,865	483,247
Professional fees	-	-	37,525	37,525	15,400	-	15,400	52,925	54,674
Supplies and equipment	596	44,370	9,301	54,267	2,773	2,263	5,036	59,303	60,849
Telephone	528	689	5,847	7,064	2,200	1,300	3,500	10,564	10,930
Postage and shipping	736	35	3,109	3,880	800	1,898	2,698	6,578	6,779
Building occupancy	4,980	6,150	15,492	26,622	3,450	3,450	6,900	33,522	33,202
Office equipment maintenance	200	300	5,600	6,100	1,200	601	1,801	7,901	9,244
Printing and publications	4,021	400	7,501	11,922	920	1,200	2,120	14,042	15,135
Travel and meetings	1,358	1,059	33,973	36,390	1,731	1,217	2,948	39,338	43,847
Insurance	312	-	4,250	4,562	650	550	1,200	5,762	5,296
Other	365	685	256	1,306	9,677	2,911	12,588	13,894	43,313
Total	102,414	82,291	423,946	608,651	70,289	52,754	123,043	731,694	766,516
Affiliate support of national	13,886	9,468	27,142	50,496	6,312	6,312	12,624	63,120	72,404
Depreciation	-	-	21,908	21,908	-	-	-	21,908	21,259
Total	$ 116,300	$ 91,759	$ 472,996	$ 681,055	$ 76,601	$ 59,066	$ 135,667	$ 816,722	$ 860,179

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

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

Statement of Functional Expenses
Year Ended March 31, 2012
(with comparative totals for the year ended March 31, 2011)

	2012								
	Program Services				Supporting Services			Totals	
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fund-Raising	Total	2012	2011
Salaries	$ 55,355	$ 31,390	$ 195,826	$ 282,571	$ 31,994	$ 57,746	$ 89,740	$ 372,311	$ 342,122
Employee benefits	14,946	8,341	43,949	67,236	4,550	10,133	14,683	81,919	65,336
Payroll taxes	4,428	2,511	15,960	22,899	1,498	4,620	6,118	29,017	27,981
Total	74,729	42,242	255,735	372,706	38,042	72,499	110,541	483,247	435,439
Professional fees	3,120	-	38,311	41,431	13,158	85	13,243	54,674	55,480
Supplies and equipment	1,700	9,195	44,639	55,534	2,915	2,400	5,315	60,849	45,062
Telephone	1,640	1,093	5,465	8,198	1,092	1,640	2,732	10,930	10,507
Postage and shipping	1,172	-	1,861	3,033	1,701	2,045	3,746	6,779	5,197
Building occupancy	4,980	6,640	14,942	26,562	3,320	3,320	6,640	33,202	28,514
Office equipment maintenance	-	350	5,675	6,025	2,435	784	3,219	9,244	7,154
Printing and publications	1,575	-	8,618	10,193	1,367	3,575	4,942	15,135	27,760
Travel and meetings	1,460	720	40,162	42,342	798	707	1,505	43,847	34,075
Insurance	410	-	3,680	4,090	650	556	1,206	5,296	3,998
Other	600	36,085	368	37,053	5,270	990	6,260	43,313	21,710
Total	91,386	96,325	419,456	607,167	70,748	88,601	159,349	766,516	674,896
Affiliate support from PBA	15,929	10,861	31,134	57,924	7,240	7,240	14,480	72,404	72,031
Depreciation	-	-	21,259	21,259	-	-	-	21,259	17,340
Total	$ 107,315	$ 107,186	$ 471,849	$ 686,350	$ 77,988	$ 95,841	$ 173,829	$ 860,179	$ 764,267

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

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

Statements of Cash Flows
Years Ended March 31, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Net increase/(decrease) in net assets	$ (36,262)	$ (158,693)
Adjustments to reconcile the net increase in net assets to net cash flows from operating activities:		
Net realized (gains)/losses on investments	(62,447)	16,262
Net unrealized (gains)/losses on investments	(28,821)	(33,813)
Depreciation	21,908	21,259
Net change in operating assets and liabilities:		
Contributions and other receivables	10,463	(44,941)
Due to Prevent Blindness America	2,484	26,724
Other accounts payable and accruals	16,685	16,461
Net cash flows from operating activities	(75,990)	(156,741)
Cash flows from investing activities:		
Proceeds from sale of investments	983,004	1,045,947
Purchases of investments	(941,405)	(1,015,517)
Acquisition of property and equipment	(5,200)	(2,204)
Net increase in restricted cash	(181)	-
Net increase in unrestricted cash	(128)	-
Reduction in payroll deposit with Prevent Blindness America	600	-
Net cash flows from investing activities	36,690	28,226
Cash flows from financing activities:		
Net change in line of credit outstanding	15,000	60,000
Net change in cash and equivalents	(24,300)	(68,515)
Cash and cash equivalents, beginning of year	30,494	99,009
Cash and cash equivalents, end of year	$ 6,194	$ 30,494

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

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)
Notes to the General Purpose Financial Statements
Years Ended March 31, 2013 and 2012

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 (individuals, foundations, corporations, etc.),
- net revenues from fund-raising activities, and
- bequests, if any.

To ensure the observance of limitations and restrictions, if any, 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 and Undesignated. Net assets that are not subject to donor or board of directors 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 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 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** general purpose 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 general purpose 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 point in 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 information.

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 general purpose 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 general purpose 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 recognized 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.).

Accordingly, the objective of these general purpose financial statements to provide financial and other information about an entity's financial position, performance, and cash flows that is useful for economic decision-making by a broad range of users (e.g., existing and potential contributors, lenders, and other creditors) who are not in a position to demand reports tailored to meet their particular information needs.

Basis of Presentation

These financial statements follow the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

information regarding its financial position and activities according to three classes of net assets: unrestricted and undesignated , temporarily restricted, and permanently restricted net assets.

Public support and recognized revenue are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. All 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, if considered material, at an appropriate rate commensurate with the risk involved. Amortization of that discount, if any, is recorded as additional revenue in accordance with donor-imposed restrictions, if any, on those contributions. If considered necessary, an allowance for uncollectible pledges receivable is provided based upon **Prevent Blindness Georgia's** management 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

Revenue from state of Georgia 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.

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 general purpose 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 currently maintains its operating cash in two financial institutions. The monthly balances in these accounts did not exceed the Federal Deposit Insurance Corporation's insured amount of $250,000 for each institution at any time during the years ended March 31, 2013 and 2012. These instruments, however, subject **Prevent Blindness Georgia** to a concentration of credit risk. Management does not consider this risk to be significant.

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 $846,167 and $817,727 as of March 31, 2013 and 2012, respectively, $600,000 of which is permanently restricted and $246,167 and $217,727, respectively, is temporarily restricted. The second account (#6) is called the **Georgia Society to Prevent Blindness Reserve Fund** and is unrestricted. As of March 31, 2013 and 2012, this account had a fair market value balance of $598,580 and $577,044, respectively. As of March 31, 2013 and 2012, the cost basis of these investments includes the following mutual funds, money market, and cash accounts:

	2013	2012
Restricted assets:		
Equity mutual funds	$ 256,027	$ 288,026
Fixed income mutual funds	164,465	193,083
Other mutual funds	309,973	240,745
Total mutual funds	730,465	721,854
Money market funds	24,974	22,076
Cash	180	–
Total restricted assets	$ 755,619	$ 743,930
Unrestricted assets:		
Equity mutual funds	$ 181,226	$ 203,172
Fixed income mutual funds	116,430	136,136
Other mutual funds	219,226	169,837
Total mutual funds	516,882	509,145
Money market funds	17,513	15,911
Cash	128	–
Total unrestricted assets	$ 534,523	$ 525,056

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**.

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 2013 and 2012 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, except for amounts due from board members. Transactions affecting the amounts pledged by board members are as follows:

	2013	2012
Total pledged	$ 36,950	$ 31,450
Payments and credits to date:		
2010	1,950	1,950
2011	4,250	4,250
2012	3,750	3,750
2013	18,150	–
Total	28,100	9,950
Balance due	8,850	21,500
Allowance for uncollectible pledges	–	(2,200)
Net balance due	$ 8,850	$ 19,300

3. CONTRIBUTIONS AND OTHER RECEIVABLES (continued)

Promised payments by years on these board member pledges are as follows:

	2013	2012
Promised payment dates:		
2011	$ 8,150	$ 8,150
2012	6,400	6,400
2013	11,100	6,600
2014	6,400	5,400
2015	4,900	4,900
Total	$ 36,950	$ 31,450

As of March 31, 2013 and 2012, $4,650 and $4,900, respectively, of these board member pledges were delinquent.

Restricted grants receivable consist of the following:

	2013	2012
State of Georgia	$ 79,082	$ 71,289
Prevent Blindness America	–	6,175
Totals	$ 79,082	$ 77,464

Prevent Blindness Georgia did not restate its general purpose financial statements for the year ended March 31, 2010 for a $25,000 understatement in the **Prevent Blindness America** grant. **Prevent Blindness Georgia** believes that such omission or misstatement would not and did not change or influence the judgment of a reasonable user of these general purpose financial statements.

3. CONTRIBUTIONS AND OTHER RECEIVABLES (continued)

The year ended March 31, 2011 included net assets released from restrictions of $6,214 that are applicable to the prior year. Accordingly, 2010 should have included an additional grant receivable from **Prevent Blindness America** of $18,786 and temporarily restricted revenues should have included an additional $25,000.

An aging of restricted grant awards as of March 31, 2013 and 2012:

	2013	2012
Current	$ 27,650	$ 32,507
1-30 days old	22,664	16,799
31-60 days old	4,988	16,052
61-90 days old	11,743	12,106
Over 90 days old	12,037	–
Totals	$ 79,082	$ 77,464

As of Friday, September 27, 2013, all of the 2013 $79,082 and the 2012 $77,464 restricted grant awards have been collected. Prevent Blindness Georgia does not consider collectibility to be at risk. The State of Georgia is slow pay.

An aging of miscellaneous contributions receivable as of March 31, 2013 and 2012:

	2013	2012
Current	$ –	$ 825
1-30 days old	2,157	2,079
31-60 days old	766	–
61-90 days old	576	–
Over 90 days old	–	2,226
Totals	$ 3,499	$ 5,130

4. ENDOWMENT INVESTMENTS

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, on 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), the **GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.** 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 **Georgia Society to Prevent Blindness Robert W. Woodruff Fund's** portfolio.

The cost and fair value **(FV)** of endowment investments by type as of March 31, 2013 were as follows:

	Cost	FV
Mutual funds:		
Equity securities	$ 437,252	$ 561,230
Fixed income securities	280,895	287,415
Other mutual fund securities	529,199	553,305
Money market funds and cash	42,979	42,797
Totals	$1,290,143	$1,447,747

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Georgia)
Notes to the General Purpose Financial Statements
Years Ended March 31, 2013 and 2012

4. ENDOWMENT INVESTMENTS (continued)

The cost and fair value **(FV)** of endowment investments by type as of March 31, 2012 were as follows:

	Cost	FV
Mutual funds:		
Equity securities	$ 491,198	$ 590,019
Fixed income securities	329,219	340,076
Other mutual fund securities	410,582	426,689
Money market funds and cash	37,987	37,987
Totals	$1,268,986	$1,394,771

An analysis of changes in the cost basis of endowment investments for the years ended March 31, 2013 and 2012 follows:

	2013	2012
Cost basis, beginning of year	$1,268,986	$1,265,603
Securities purchased	941,405	1,015,517
Total available for sale	2,210,391	2,281,120
Cost basis of securities sold	(846,192)	(1,012,134)
Cost basis, end of year	1,364,199	1,268,986
Mark-to-market	90,548	125,785
Current fair value, end of year	$1,444,747	$1,394,771

4. ENDOWMENT INVESTMENTS (continued)

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 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 the **Georgia Uniform Prudent Management of Institutional Funds Act**.

Accordingly, effective April 1, 2007, for purposes of consistency, understandability 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 beginning April 1, 2007 changed its

4. ENDOWMENT INVESTMENTS (continued)

accounting for the fund's net investment income, appropriations, and realized and unrealized gains and losses on the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund's** portfolio.

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**.

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, 2013 and 2012, these appropriations equaled $3,000 per month. These sums were removed from the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund** only.

4. ENDOWMENT INVESTMENTS (continued)

Additional amounts equal to $2,000 per month for each of the years ended March 31, 2013 and 2012 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, 2013 and 2012, 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)**.

The three levels of the fair value hierarchy as established by **Accounting Principles Generally Accepted in the United States of America** 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.

4. **ENDOWMENT INVESTMENTS (continued)**

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.

- **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.

4. ENDOWMENT INVESTMENTS (continued)

The estimated fair values of **Prevent Blindness Georgia's** financial instruments as of March 31, 2013 are accounted for as follows:

	Carrying Amounts	Fair Value
Financial assets:		
Cash and cash equivalents	$ 6,194	$ 6,194
Contributions and other receivables	$ 91,431	$ 91,431
Endowment investments:		
Equity and fixed income securities	$1,419,592	$1,419,592
Cash and money market funds	$ 25,155	$ 25,155
Miscellaneous other assets	$ 13,300	$ 13,300
Financial liabilities:		
Due to Prevent Blindness America	$ 77,743	$ 77,743
Line of credit outstanding	$ 75,000	$ 75,000
Other accounts payable and accruals	$ 40,840	$ 40,840

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

Program equipment was purchased with restricted funds. Accordingly, these restricted funds will be transferred to unrestricted funds as this equipment is

5. PROPERTY AND EQUIPMENT (continued)

depreciated over its estimated useful life of five years. As of March 31, 2013 and 2012, these restricted funds amounted to $15,168 and $18,842, respectively.

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

	2013	2012
Program equipment	$ 40,718	$ 36,656
Office equipment	21,798	21,234
Furniture and fixtures	15,485	14,910
Automotive equipment	34,138	34,138
Totals	112,139	106,938
Accumulated depreciation	66,578	44,671
Net	$ 45,561	$ 62,267

An analysis of changes in the cost basis of property and equipment for the years ended March 31, 2013 and 2012 follows:

	2013	2012
Balance, beginning of year	$106,938	$104,735
Additions	5,201	2,203
Totals	112,139	106,938
Deletions (sold or fully depreciated)	–	–
Balance, end of year	$112,139	$106,938

5. PROPERTY AND EQUIPMENT (continued)

An analysis of changes in accumulated depreciation for the years ended March 31, 2013 and 2012 follows:

	2013	2012
Balance, beginning of year	$ 44,671	$ 23,412
Additions	21,908	21,259
Totals	66,579	44,671
Deletions (sold or fully depreciated)	–	–
Balance, end of year	$ 66,579	$ 44,671

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 $16,797 and $16,674 for the years ended March 31, 2013 and 2012, respectively.

7. LEASE COMMITMENT

Prevent Blindness Georgia has entered into a 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, 2013 are as follows:

2014	$ 34,137
2015	35,161
2016	36,185
Thereafter	35,553
Total	$ 141,036

Rent expense, including allocated common area expenses, for the years ended March 31, 2013 and 2012 equal $33,522 and $33,202, 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 its financial position or results of operations.

8. LINE OF CREDIT

On January 20, 2012, **Prevent Blindness Georgia** entered into a "Revolving Demand Master Borrowing Loan" with SunTrust Bank in the amount of $75,000. As of March 31, 2013, **Prevent Blindness Georgia** had drawn down all $75,000. This is an open end revolving line of credit and is payable on demand. This loan arrangement may be terminated without notice by SunTrust Bank.

This is a variable interest rate transaction based on the prime rate as established by SunTrust Bank. The SunTrust Bank prime rate is a reference for fixing the lending rate for commercial loans and does not necessarily represent the lowest rate of interest charged for commercial borrowings. This rate is subject to increase or decrease at the sole option of SunTrust Bank. The rate shall be equal to the index

8. LINE OF CREDIT (continued)

plus 2.00% per annum. Adjustments to the rate shall be effective as of the date the index changes. The rate as of March 31, 2013 and 2012 was 5.25% per annum and is subject to change with changes in the index. The rate shall not exceed any maximum interest rate permitted by applicable law.

To the extent permitted by law, **Prevent Blindness Georgia** has granted SunTrust Bank a security interest in and a lien upon all deposits and investments maintained by **Prevent Blindness Georgia** with SunTrust Bank and any affiliates thereof. Collateral for the line of credit includes, but is not limited to, the financial assets maintained in the investment advisory account known as the **Georgia Society to Prevent Blindness Robert W. Woodruff Fund** held by SunTrust Bank as more fully described in a certain Security Agreement dated January 20, 2012 executed by **Prevent Blindness Georgia**.

9. TEMPORARILY RESTRICTED NET ASSETS

The components of net assets released from restrictions are as follows:

	2013	2012
Public support contributions	$ 235,310	$ 214,090
Fees and grants from government agencies	220,862	244,403
Total Public support and operating revenue	456,172	458,493
Distributions from Robert W. Woodruff Fund	36,000	36,000
Depreciation of program equipment	7,737	7,203
Additions to program equipment	(4,063)	(1,286)
Prevent Blindness America restricted grant:		
Beginning of year	6,175	13,445
End of year	–	(6,175)
Assets released from restrictions	$ 502,021	$ 507,680

9. TEMPORARILY RESTRICTED NET ASSETS (continued)

Temporarily restricted net assets as of March 31, 2013 and 2012 consists of the following components:

	2013	2012
Robert W. Woodruff Endowment:		
Investments, at cost	$ 755,620	$ 743,931
Mark-to-market	90,547	73,796
Total value	846,167	817,727
Permanently restricted net assets	(600,000)	(600,000)
Net value	246,167	217,727
Program equipment:		
Cost basis	40,718	36,656
Accumulated depreciation	(25,551)	(17,815)
Net book value	15,167	18,842
Restricted grant - Prevent Blindness America	–	6,175
Temporarily restricted net assets	$ 261,334	$ 242,743

10. SUBSEQUENT EVENTS

Prevent Blindness Georgia's management has considered subsequent events affecting conditions existing at the date of these general purpose 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 Tuesday, October 29, 2013, which is the date these general purpose financial statements were available for issuance.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
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Schedule of Restricted Investments
Years Ended March 31, 2013 and 2012

	2013		2012	
	Cost	Market	Cost	Market
Equity Securities:				
Mutual Funds - Equity:				
Dow Jones Select Dividend Index Fund	$ 39,026	$ 47,487	$ 41,431	$ 44,488
Russell 1000 Growth Index Fund	97,729	140,813	179,845	220,311
Russell 1000 Value Index Fund	119,271	140,343	66,750	81,211
Total	256,026	328,643	288,026	346,010
Mutual Funds - Fixed Income:				
Barclays MBS Bond Fund	65,054	65,304	43,119	43,504
Barclays 3-7 Treasure Bonds Fund	65,250	65,326	-	-
Investment Grade Corporate Bond Fund	34,161	37,648	65,802	69,262
Vanguard Short Term Bond Fund	-	-	34,653	34,804
Vanguard Total Market Bond Fund	-	-	49,509	51,884
Total	164,465	168,278	193,083	199,454
Total Equity Securities	420,491	496,921	481,109	545,464
Other Mutual Funds:				
Advisors Inner Circle Fund	9,307	9,370	8,492	8,876
Doubleline Total Return Bond Fund	46,201	46,488	-	-
Eaton Vance Growth Trust Fund	31,420	37,798	-	-
Eaton Vance Mutual Funds Trust Fund	23,268	23,370	13,262	13,149
Goldman Sachs Local Emerging Markets Fund	18,615	18,369	28,504	36,824
Invesco Growth Service Fund	-	-	6,216	8,978
Manning & Napier World Opportunities Fund	81,030	83,181	59,250	54,748
MFS Research International Fund	-	-	16,396	17,538
Newberger Berman High Income Bond Fund	21,603	23,268	21,225	21,927
Oppenheimer Developing Markets Fund	50,817	54,433	43,575	44,525
Pimco Foreign Bond Hedged Fund	-	-	21,825	22,030
Pimco Emerging Local Bond Fund	18,405	18,445	-	-
Templeton Income Global Bond Fund	-	-	22,000	21,592
T Rowe Price Diversified Small Company Fund	9,307	9,369	-	-
Total Other Mutual Funds	309,973	324,091	240,745	250,187
Federated Money Market Obligations	24,975	24,975	22,076	22,076
Cash Accounts:				
Income cash	(394,082)	(394,082)	(372,017)	(372,017)
Principal cash	394,263	394,263	372,017	372,017
Net	181	181	-	-
Grand Totals	$ 755,620	$ 846,168	$ 743,930	$ 817,727

See the accompanying report of independent certified public accountants.

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

Schedule of Unrestricted Investments
Years Ended March 31, 2013 and 2012

	2013		2012	
	Cost	Market	Cost	Market
Equity Securities:				
Mutual Funds - Equity:				
Dow Jones Select Dividend Index Fund	$ 27,619	$ 33,602	$ 29,188	$ 31,338
Russell 1000 Growth Index Fund	69,161	99,633	126,872	155,354
Russell 1000 Value Index Fund	84,446	99,352	47,112	57,317
Total	181,226	232,587	203,172	244,009
Mutual Funds - Fixed Income:				
Barclays MBS Bond Fund	45,915	46,090	30,385	30,658
Barclays 3-7 Treasure Bonds Fund	46,254	46,309	-	-
Investment Grade Corporate Bond Fund	24,261	26,738	46,366	48,796
Vanguard Short Term Bond Fund	-	-	24,420	24,525
Vanguard Total Market Bond Fund	-	-	34,965	36,643
Total	116,430	119,137	136,136	140,622
Total Equity Securities	297,656	351,724	339,308	384,631
Other Mutual Funds:				
Advisors Inner Circle Fund	6,583	6,627	6,006	6,277
Doubleline Total Return Bond Fund	32,677	32,880	-	-
Eaton Vance Growth Trust Fund	22,221	26,732	9,355	9,275
Eaton Vance Mutual Funds Trust Fund	16,457	16,529	-	-
Goldman Sachs Local Emerging Markets Fund	13,165	12,991	20,116	25,987
Invesco Growth Service Fund	-	-	4,387	6,334
Manning & Napier World Opportunities Fund	57,301	58,830	41,775	38,604
MFS Research International Fund	-	-	11,559	12,363
Newberger Berman High Income Bond Fund	15,281	16,456	14,975	15,470
Oppenheimer Developing Markets Fund	35,941	38,498	30,750	31,420
Pimco Foreign Bond Hedged Fund	13,017	13,045	15,400	15,545
Templeton Income Global Bond Fund	-	-	15,514	15,227
T Rowe Price Diversified Small Company Fund	6,583	6,627	-	-
Total Other Mutual Funds	219,226	229,215	169,837	176,502
Federated Money Market Obligations	17,513	17,513	15,911	15,911
Cash Accounts:				
Income cash	(129,560)	(129,560)	(115,397)	(115,397)
Principal cash	129,688	129,688	115,397	115,397
Net	128	128	-	-
Grand Totals	$ 534,523	$ 598,580	$ 525,056	$ 577,044

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, 2013

State Organization and Program	Awarded	Earned	Expended	Earned, but Unpaid	Balance
Georgia Department of Human Resources:					
Vision Clinics for Adults and Preschool					
Vision Screening:					
41900-032-11110297 - Drive for Sight Grant:					
July 1, 2011 through June 30, 2012:					
April, 2012		$ 2,125	$ 2,125	$ -	
May, 2012		1,347	1,347	-	
June, 2012		1,553	1,553	-	
Total	$ 98,000	$ 5,025	$ 5,025	$ -	$ -
40500-032-12110297 - Drive for Sight Grant:					
July 1, 2011 through June 30, 2012:					
July, 2012		$ 3,619	$ 3,619	$ -	
August, 2012		7,772	7,772	-	
September, 2012		13,685	13,685	-	
October, 2012		10,596	10,596	-	
November, 2012		8,671	8,671	8,671	
December, 2012		6,694	6,694	6,694	
January, 2013		4,988	4,988	4,988	
February, 2013		9,200	9,200	9,200	
March, 2013		27,650	27,650	27,650	
Total	$ 98,000	$ 92,875	$ 92,875	$ 57,203	$ 5,125
Totals - Drive of Sight Grant		$ 97,900	$ 97,900	$ 57,203	$ 5,125
41900-042-11110428 - DPH Training Grant:					
July 1, 2011 through June 30, 2012:					
April, 2012		$ -	$ -	$ -	
May, 2012		-	-	-	
June, 2012		-	-	-	
Total	$ -	$ -	$ -	$ -	$ -
40500-042-12110428 - DPH Training Grant:					
July 1, 2012 through June 30, 2013:					
July, 2012		$ 41,670	$ 41,670	$ -	
August, 2012		-	-	-	
September, 2012		-	-	-	
October, 2012		-	-	-	
November, 2012		-	-	-	
December, 2012		-	-	-	
January, 2013		-	-	-	
February, 2013		-	-	-	
March, 2013		-	-	-	
Total	$ 41,670	$ 41,670	$ 41,670	$ -	$ -
Totals - DCH Training Grant		$ 41,670	$ 41,670	$ -	$ -

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, 2013 (Continued)

State Organization and Program	Awarded	Earned	Expended	Earned, but Unpaid	Balance
Georgia Department of Human Resources:					
Vision Clinics for Adults and Preschool Vision Screening:					
41900-032-11110314 - Diabetic Retinopathy:					
July 1, 2011 through June 30, 2012:					
February, 2012		$ 1,683	$ 1,683		
March, 2012		1,683	1,683		
April, 2012		8,415	8,415	$ -	
May, 2012		13,464	13,464	-	
June, 2012		8,995	8,995	-	
Total	$ -	$ 34,240	$ 34,240	$ -	$ -
41900-032-12110314 - Diabetic Retinopathy:					
July 1, 2012 through June 30, 2013:					
July, 2012		$ 1,248	$ 1,248	$ -	
August, 2012		1,063	1,063	-	
September, 2012		-	-	-	
October, 2012		-	-	-	
November, 2012		3,366	3,366	3,366	
December, 2012		5,049	5,049	5,049	
January, 2013		1,683	1,683	1,683	
February, 2013		5,049	5,049	5,049	
March, 2013		6,732	6,732	6,732	
Total	$ 60,595	$ 24,190	$ 24,190	$ 21,879	$ 36,405
Total - Diabetic Retinopathy		$ 58,430	$ 58,430	$ 21,879	$ 36,405

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, 2012

State Organization and Program	Awarded	Earned	Expended	Earned, but Unpaid	Balance
Georgia Department of Human Resources:					
Vision Clinics for Adults and Preschool					
Vision Screening:					
41900-032-11110297 - Drive for Sight Grant:					
July 1, 2010 through June 30, 2011:					
April, 2011		$ 8,304	$ 8,304	$ -	
May, 2011		5,855	5,855	-	
June, 2011		9,000	9,000	-	
Total	$ 98,000	$ 23,159	$ 23,159	$ -	$ -
40500-032-12110297 - Drive for Sight Grant:					
July 1, 2011 through June 30, 2012:					
July, 2011		$ 2,571	$ 2,571	$ -	
August, 2011		8,764	8,764	-	
September, 2011		15,251	15,251	-	
October, 2011		9,706	9,706	-	
November, 2011		9,203	9,203	-	
December, 2011		7,897	7,897	7,897	
January, 2012		14,369	14,369	14,369	
February, 2012		13,433	13,433	13,433	
March, 2012		11,781	11,781	11,781	
Total	$ 98,000	$ 92,975	$ 92,975	$ 47,480	$ 5,025
Totals - Drive of Sight Grant		$ 116,134	$ 116,134	$ 47,480	$ 5,025
41900-042-11110428 - DCH Training Grant:					
July 1, 2010 through June 30, 2011:					
April, 2011		$ 17,267	$ 17,267	$ -	
May, 2011		23,239	23,239	-	
June, 2011		14,073	14,073	-	
Total	$ 57,787	$ 54,579	$ 54,579	$ -	$ 3,208
40500-042-12110428 - DCH Training Grant:					
July 1, 2011 through June 30, 2012:					
July, 2011		$ 5,236	$ 5,236	$ 5,236	
August, 2011		-	-	-	
September, 2011		-	-	-	
October, 2011		-	-	-	
November, 2011		-	-	-	
December, 2011		-	-	-	
January, 2012		900	900	900	
February, 2012		-	-	-	
March, 2012		-	-	-	
Total	$ 57,787	$ 6,136	$ 6,136	$ 6,136	$ 51,651
Totals - DCH Training Grant		$ 60,715	$ 60,715	$ 6,136	$ 54,859

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, 2012
(Continued)

State Organization and Program	Awarded	Earned	Expended	Earned, but Unpaid	Balance
Georgia Department of Human Resources:					
Vision Clinics for Adults and Preschool Vision Screening:					
41900-032-11110314 - Diabetic Retinopathy:					
March 24, 2011 through June 30, 2011:					
March, 2011		$ 1,683	$ 1,683	$ -	
April, 2011		3,366	3,366	-	
May, 2011		13,464	13,464	-	
June, 2011		11,784	11,784	-	
Total	$ 30,297	$ 30,297	$ 30,297	$ -	$ -
41900-032-12110314 - Diabetic Retinopathy:					
July 1, 2011 through June 30, 2012:					
July, 2011		$ -	$ -	$ -	
August, 2011		-	-	-	
September, 2011		3,364	3,364	-	
October, 2011		1,952	1,952	-	
November, 2011		3,366	3,366	-	
December, 2011		4,209	4,209	4,209	
January, 2012		1,683	1,683	1,683	
February, 2012		3,366	3,366	3,366	
March, 2012		8,415	8,415	8,415	
Total	$ 60,595	$ 26,355	$ 26,355	$ 17,673	$ 34,240
Total - Diabetic Retinopathy		$ 56,652	$ 56,652	$ 17,673	$ 34,240

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