Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Financial Report

March 31, 2016

Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Contents

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Independent Auditor's Report

To the Board of Directors
Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

We have audited the accompanying financial statements of Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia) (the "Organization"), which comprise the statement of financial position as of March 31, 2016 and 2015 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Directors
Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia) as of March 31, 2016 and 2015 and the results of its activities and changes in net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

July 29, 2016

Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Statement of Financial Position

	March 31, 2016	March 31, 2015
Assets		
Cash	$ 93,395	$ 57,044
Contributions receivable	12,769	11,072
Grants receivable	70,045	89,925
Investments (Note 2)	1,030,657	1,375,485
Prepaid expenses and other assets	14,521	16,328
Property and equipment - Net of accumulated depreciation (Note 3)	74,848	69,293
Total assets	**$ 1,296,235**	**$ 1,619,147**
Liabilities and Net Assets		
Liabilities		
Accounts payable	$ 39,501	$ 31,376
Accrued vacation	28,210	30,197
Due to national office (Note 4)	95,842	117,531
Short-term borrowings - Bank (Note 5)	50,000	21,320
Deferred rent	2,055	5,964
Total liabilities	215,608	206,388
Net Assets		
Unrestricted	177,647	454,595
Temporarily restricted (Note 8)	302,980	358,164
Permanently restricted (Note 9)	600,000	600,000
Total net assets	1,080,627	1,412,759
Total liabilities and net assets	**$ 1,296,235**	**$ 1,619,147**

Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Statement of Activities and Changes in Net Assets

	Year Ended							
	March 31, 2016				March 31, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support								
Contributions	$ 155,583	$ 136,525	$ -	$ 292,108	$ 51,997	$ 198,010	$ -	$ 250,007
Fees and grants from governmental agencies	208,021	-	-	208,021	200,738	-	-	200,738
Program service revenue	8,793	-	-	8,793	15,696	-	-	15,696
Received indirectly - Combined service campaign	-	-	-	-	1,545	-	-	1,545
Special events - Net of direct costs of $14,943 in 2016 and $53,919 in 2015	14,212	-	-	14,212	218,490	-	-	218,490
Net realized and unrealized gains and losses on investments	(13,454)	(33,824)	-	(47,278)	7,957	13,589	-	21,546
Interest and dividend income	6,772	18,127	-	24,899	15,918	25,537	-	41,455
Total revenue and support	379,927	120,828	-	500,755	512,341	237,136	-	749,477
Net Assets Released from Restrictions	176,012	(176,012)	-	-	268,010	(268,010)	-	-
Total revenue, support, and net assets released from restrictions	555,939	(55,184)	-	500,755	780,351	(30,874)	-	749,477
Expenses								
Program services:								
Public health education	119,917	-	-	119,917	180,662	-	-	180,662
Professional education and training	9,107	-	-	9,107	21,041	-	-	21,041
Community services	570,358	-	-	570,358	577,926	-	-	577,926
Total program services	699,382	-	-	699,382	779,629	-	-	779,629
Support services:								
General and administrative	32,383	-	-	32,383	58,808	-	-	58,808
Fundraising	101,122	-	-	101,122	69,570	-	-	69,570
Total support services	133,505	-	-	133,505	128,378	-	-	128,378
Total expenses	832,887	-	-	832,887	908,007	-	-	908,007
Decrease in Net Assets	(276,948)	(55,184)	-	(332,132)	(127,656)	(30,874)	-	(158,530)
Net Assets - Beginning of year	454,595	358,164	600,000	1,412,759	582,251	389,038	600,000	1,571,289
Net Assets - End of year	**$ 177,647**	**$ 302,980**	**$ 600,000**	**$ 1,080,627**	**$ 454,595**	**$ 358,164**	**$ 600,000**	**$ 1,412,759**

See Notes to Financial Statements.

Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Statement of Functional Expenses
Year Ended March 31, 2016

	Program Services				Support Services			
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Total	Total
Salaries	$ 55,403	$ 2,770	$ 280,219	$ 338,392	$ 9,855	$ 62,634	$ 72,489	$ 410,881
Employee benefits	16,758	408	65,254	82,420	1,452	13,837	15,289	97,709
Payroll taxes	4,708	891	23,477	29,076	3,171	1,626	4,797	33,873
Total salaries and related expenses	76,869	4,069	368,950	449,888	14,478	78,097	92,575	542,463
Professional fees and outside services	6,827	630	41,675	49,132	2,242	8,749	10,991	60,123
Office supplies and equipment	278	38	1,129	1,445	134	212	346	1,791
Program supplies and equipment	1,518	32	4,006	5,556	113	171	284	5,840
Telephone	1,545	289	11,079	12,913	1,029	545	1,574	14,487
Printing and publications	6,877	52	6,412	13,341	184	850	1,034	14,375
Office equipment maintenance	1,442	274	7,998	9,714	975	2,165	3,140	12,854
Posting and shipping	340	9	3,384	3,733	32	382	414	4,147
Building occupancy	4,446	914	22,443	27,803	3,234	1,270	4,504	32,307
Travel meetings	5,518	147	31,759	37,424	524	2,255	2,779	40,203
Insurance	957	181	4,772	5,910	644	331	975	6,885
Other expenses	-	-	-	-	-	880	880	880
Dues and subscriptions	1,002	143	5,415	6,560	508	967	1,475	8,035
Affiliate support of national program	9,148	1,732	45,625	56,505	6,163	3,160	9,323	65,828
Depreciation	3,150	597	15,711	19,458	2,123	1,088	3,211	22,669
Special events direct expenses	-	-	-	-	-	14,943	14,943	14,943
Total functional expenses	**$ 119,917**	**$ 9,107**	**$ 570,358**	**$ 699,382**	**$ 32,383**	**$ 116,065**	**$ 148,448**	**$ 847,830**

Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Statement of Functional Expenses
Year Ended March 31, 2015

	Program Services				Support Services			
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Total	Total
Salaries	$ 55,460	$ 10,844	$ 256,637	$ 322,941	$ 27,443	$ 25,420	$ 52,863	$ 375,804
Employee benefits	11,752	2,323	54,754	68,829	5,946	5,414	11,360	80,189
Payroll taxes	4,400	870	20,398	25,668	2,226	2,027	4,253	29,921
Total salaries and related expenses	71,612	14,037	331,789	417,438	35,615	32,861	68,476	485,914
Professional fees and outside services	64,352	1,463	61,714	127,529	3,743	15,055	18,798	146,327
Office supplies and equipment	1,440	261	12,847	14,548	667	793	1,460	16,008
Program supplies and equipment	747	-	3,210	3,957	-	-	-	3,957
Telephone	1,397	276	10,052	11,725	707	643	1,350	13,075
Printing and publications	13,751	49	5,412	19,212	125	1,851	1,976	21,188
Office equipment maintenance	802	159	3,936	4,897	405	369	774	5,671
Posting and shipping	1,044	-	2,133	3,177	256	402	658	3,835
Building occupancy	4,800	949	22,256	28,005	2,429	2,211	4,640	32,645
Travel and meetings	2,064	214	39,305	41,583	335	1,464	1,799	43,382
Insurance	892	176	4,135	5,203	538	412	950	6,153
Dues and subscriptions	956	135	3,230	4,321	5,485	5,768	11,253	15,574
Affiliate support of national program	13,335	2,636	61,821	77,792	6,747	6,143	12,890	90,682
Depreciation	3,470	686	16,086	20,242	1,756	1,598	3,354	23,596
Special events direct expenses	-	-	-	-	-	53,919	53,919	53,919
Total functional expenses	**$ 180,662**	**$ 21,041**	**$ 577,926**	**$ 779,629**	**$ 58,808**	**$ 123,489**	**$ 182,297**	**$ 961,926**

Georgia Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Georgia)

Statement of Cash Flows

	Year Ended March 31, 2016	Year Ended March 31, 2015
Cash Flows from Operating Activities		
Decrease in net assets	$ (332,132)	$ (158,530)
Adjustments to reconcile decrease in net assets to net cash from operating activities:		
Depreciation	22,669	23,596
Realized and change in unrealized loss (gain) on investments	43,608	(21,546)
Deferred rent	(3,909)	239
Changes in operating assets and liabilities which (used) provided cash:		
Contributions receivable	(1,697)	122,044
Grants receivable	19,880	(68,881)
Prepaid expenses and other assets	1,807	(1,978)
Accounts payable	8,125	13,861
Accrued vacation	(1,987)	9,965
Due to national office	(21,689)	48,168
Net cash used in operating activities	(265,325)	(33,062)
Cash Flows from Investing Activities		
Capital expenditures	(28,224)	(55,185)
Purchases of investment securities	(874,864)	(1,014,877)
Proceeds from sales of investment securities	1,176,084	1,124,303
Net cash provided by investing activities	272,996	54,241
Cash Flows from Financing Activities - Net borrowings (repayments) on line of credit	28,680	(53,680)
Net Increase (Decrease) in Cash	36,351	(32,501)
Cash - Beginning of year	57,044	89,545
Cash - End of year	**$ 93,395**	**$ 57,044**
Supplemental Disclosure of Cash Flow Information - Cash paid for interest	**$ 1,887**	**$ 1,530**

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Organization - Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia) (the "Organization") is a not-for-profit organization dedicated to promoting research in the causes and prevention of blindness and increasing public awareness about blindness and vision protection.

Significant accounting policies are as follows:

Cash - The Organization maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Classification of Net Assets - Net assets of the Organization are classified as unrestricted, temporarily restricted, or permanently restricted depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Donor-imposed restrictions that expire with the passage of time or can be removed by meeting certain requirements result in temporarily restricted net assets. Permanently restricted net assets result from donor-imposed restrictions that limit the use of net assets in perpetuity. Earnings, gains, and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

Contributions and Grants Receivables - The Organization's contributions and other receivables are comprised primarily of grants and allocations committed from various funding agencies, corporations, and individuals for use in the Organization's activities. Contributions receivable at March 31, 2016 and 2015 are expected to be collected within one year. The Organization has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Contributions - Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered into, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the same period as the gift are both reported as unrestricted support. Other restricted gifts are reported as restricted support and temporarily or permanently restricted net assets.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Government Grant Revenue - The Organization enters into contracts with certain governmental and private agencies. Revenue under these contracts is recognized when earned. The activities of the Organization relating to certain contracts are subject to review or audit by the responsible governmental agency to determine compliance with award documents and may be subject to possible adjustment based on negotiations with the funding agencies. The Organization has not provided allowances in the financial statements for potential adjustments since such amounts, if any, are not expected to be significant.

Investments - Investments in debt and equity securities are recorded at fair value based on quoted market prices.

Property and Equipment - Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred.

Federal Income Taxes - The Organization is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken by the Organization and has concluded that as of March 31, 2016 and 2015, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2013.

Functional Allocation of Expenses - The costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Upcoming Accounting Change - In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which will supersede the current revenue recognition requirements in Topic 605, *Revenue Recognition*. The ASU is based on the principle that revenue is recognized to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The new guidance will be effective for the Organization's year ending March 31, 2020. The ASU permits application of the new revenue recognition guidance to be applied using one of two retrospective application methods. The Organization has not yet determined which application method it will use or the potential effects of the new standard on the financial statements, if any.

Upcoming Accounting Change - In February 2016, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending March 31, 2021 and will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The effect of applying the new lease guidance on the financial statements has not yet been determined.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including July 29, 2016, which is the date the financial statements were available to be issued.

Note 2 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about the Organization's assets measured at fair value on a recurring basis at March 31, 2016 and 2015 and the valuation techniques used by the Organization to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The Organization currently has no Level 2 or Level 3 inputs.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

Note 2 - Fair Value Measurements (Continued)

Assets Measured at Fair Value on a Recurring Basis at March 31, 2016

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2016
Investments:				
Equity securities	$ 700,223	$ -	$ -	$ 700,223
Mutual funds	305,869	-	-	305,869
Money market funds	24,565	-	-	24,565
Total investments	$ 1,030,657	$ -	$ -	$ 1,030,657

Assets Measured at Fair Value on a Recurring Basis at March 31, 2015

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2015
Investments:				
Equity securities	$ 865,244	$ -	$ -	$ 865,244
Mutual funds	478,432	-	-	478,432
Money market funds	31,809	-	-	31,809
Total investments	$ 1,375,485	$ -	$ -	$ 1,375,485

The fair values of the Organization's equity securities, mutual funds, and money market funds at March 31, 2016 and 2015 were determined using quoted market prices in an active market.

Total investment income reported on the statement of activities and changes in net assets is net of investment expenses of $4,700 and $4,948 for the years ended March 31, 2016 and 2015, respectively.

Note 3 - Property and Equipment

Property and equipment are summarized as follows:

	2016	2015	Depreciable Life - Years
Program equipment	$ 132,770	$ 113,623	3-10
Office equipment	9,306	22,292	3-5
Automotive equipment	34,138	34,138	5
Furniture and fixtures	14,568	15,485	3-5
Total cost	190,782	185,538	
Accumulated depreciation	115,934	116,245	
Net property and equipment	$ 74,848	$ 69,293	

Depreciation expense was $22,669 and $23,595 for 2016 and 2015, respectively.

Note 4 - Due to National Office

The Organization is an independent affiliate of the National Society to Prevent Blindness (National). National provides and is reimbursed for personnel and related fringe benefits to administer the operations of the Organization.

As of March 31, 2016 and 2015, the Organization was obligated to pay National $95,842 and $117,531, respectively, related to personnel and related fringe benefit expenses.

Additionally, in accordance with the terms of the affiliation agreement, the Organization remits 12 percent of all discretionary income, calculated based on prior year income, to National. Discretionary income includes all income received except interest in investments, reimbursements, fees for services, and/or sales of materials or contributions that are designated or expressly restricted by the donor. Twenty-five percent of the receipts, not expressly restricted, from legacies, inter vivos trusts, or property from testamentary trusts from decedents dying on or after January 1, 1978 and whose wills are dated before December 31, 1995 are remitted to National. Thirty-three percent of the receipts, not expressly restricted, from legacies, inter vivos trust, or property from testamentary trusts from decedents whose wills are dated on or after January 1, 1996 are remitted to National. In addition, 3 percent of the receipts received after January 1, 1996, not expressly restricted, from legacies, inter vivos trusts, or property from testamentary trusts is remitted to National for bequest development. For the years ended March 31, 2016 and 2015, $65,828 and $90,682, respectively, was remitted to National.

Note 5 - Short-term Borrowings - Bank

The Organization has an open-end revolving line of credit with SunTrust Bank with total available borrowings of $75,000. There were outstanding borrowings on this line of credit of $50,000 and $21,320 as of March 31, 2016 and 2015, respectively. Interest is payable monthly at a rate equal to the SunTrust Prime Rate plus 2.00 percent per annum (an effective rate of 5.50 and 5.25 percent at March 31, 2016 and 2015, respectively). The line of credit is collateralized by the Organization's general investment account.

Note 6 - Employee Benefit Plan

The Organization participates in a contributory defined contribution plan offered by Prevent Blindness America to substantially all employees who meet the eligibility requirements of age and length of service. Total contributions under the plan were $13,388 and $12,516 for the years ended March 31, 2016 and 2015, respectively.

Note 7 - Operating Leases

The Company is obligated under certain operating leases, primarily for facilities and office equipment. Total rent expense under these leases was $39,096 for both years ended March 31, 2016 and 2015.

Future minimum rental commitments are as follows:

Years Ending March 31		Amount
2017		$ 28,000
2018		3,316
2019		1,305
	Total	$ 32,621

Note 8 - Temporarily Restricted Net Assets

Temporarily restricted net assets at March 31, 2016 and 2015 are restricted for the following:

	2016	2015
Unappropriated earnings on endowment	$ 253,970	$ 301,997
Contributions restricted for Star Pupils and Vision Outreach	49,010	56,167
Total temporarily restricted net assets	$ 302,980	$ 358,164

Note 9 - Donor-restricted Endowments

The Organization's endowment consists of a donor-restricted endowment fund.

Interpretation of Relevant Law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Endowment Net Asset Composition by Type of Fund as of March 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 253,970	$ 600,000	$ 853,970

Note 9 - Donor-restricted Endowments (Continued)

Changes in Endowment Net Assets for the Fiscal Year Ended March 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ -	$ 301,997	$ 600,000	$ 901,997
Investment return:				
Investment income - Net of related expenses of $3,404	-	18,127	-	18,127
Net depreciation (realized and unrealized)	-	(30,154)	-	(30,154)
Total investment return	-	(12,027)	-	(12,027)
Appropriation of endowment assets for expenditure	-	(36,000)	-	(36,000)
Endowment net assets - End of year	$ -	$ 253,970	$ 600,000	$ 853,970

Endowment Net Asset Composition by Type of Fund as of March 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 301,997	$ 600,000	$ 901,997

Changes in Endowment Net Assets for the Fiscal Year Ended March 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - Beginning of year	$ -	$ 298,871	$ 600,000	$ 898,871
Investment return:				
Investment income - Net of related expenses of $3,047	-	25,537	-	25,537
Net appreciation (realized and unrealized)	-	13,589	-	13,589
Total investment return	-	39,126	-	39,126
Appropriation of endowment assets for expenditure	-	(36,000)	-	(36,000)
Endowment net assets - End of year	$ -	$ 301,997	$ 600,000	$ 901,997

Note 9 - Donor-restricted Endowments (Continued)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of March 31, 2016 and 2015.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization 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.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating fixed dollar amounts rather than a percentage of its endowment's average fair value or some other variable computation mechanism. For both years ended March 31, 2016 and 2015, the appropriations totaled $36,000.