



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

Financial Statements
For the Years Ended March 31, 2018 and 2017

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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)
Atlanta, Georgia

We have audited the accompanying financial statements of Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia) (the "Society"), which comprise the statements of financial position as of March 31, 2018 and 2017, 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 Society'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 Society's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia) as of March 31, 2018 and 2017 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

Chicago, Illinois
November 1, 2018

Financial Statements

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

Statements of Financial Position

<i>March 31,</i>	2018	2017
Assets		
Current Assets		
Cash	\$ 113,107	\$ 100,394
Contributions receivable	18,110	8,285
Grants receivable	25,000	40,856
Investments	792,559	904,717
Prepaid expenses and other assets	21,142	23,362
Total Current Assets	969,918	1,077,614
Property and Equipment, net of accumulated depreciation	77,117	56,536
Total Assets	\$ 1,047,035	\$ 1,134,150
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 60,210	\$ 52,681
Accrued salaries and vacation	33,818	35,503
Due to National office	87,341	68,626
Short-term borrowings - bank	75,000	75,000
Deferred revenue	52,100	6,500
Total Liabilities	308,469	238,310
Net Assets		
Unrestricted	(256,386)	(79,550)
Temporarily restricted	394,952	375,390
Permanently restricted	600,000	600,000
Total Net Assets	738,566	895,840
Total Liabilities and Net Assets	\$ 1,047,035	\$ 1,134,150

See accompanying notes to financial statements.

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

Statements of Activities and Changes in Net Assets

<i>Year ended March 31,</i>	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Operating Revenue								
Contributions	\$ 74,458	\$ 226,300	\$ -	\$ 300,758	\$ 95,742	\$ 204,305	\$ -	\$ 300,047
Fees and grants from federal agencies	73,714	-	-	73,714	89,715	-	-	89,715
Program service revenue	8,349	-	-	8,349	5,388	-	-	5,388
Special events - net of direct costs of \$83,400 in 2018 and \$8,856 in 2017	179,897	-	-	179,897	46,039	-	-	46,039
Interest and dividend income	(229)	10,037	-	9,808	1,427	14,763	-	16,190
Net assets released from restrictions	276,114	(276,114)	-	-	199,340	(199,340)	-	-
Total Public Support and Operating Revenue	612,303	(39,777)	-	572,526	437,651	19,728	-	457,379
Expenses								
Program services	603,021	-	-	603,021	616,177	-	-	616,177
General and administrative	29,422	-	-	29,422	31,240	-	-	31,240
Fundraising	157,391	-	-	157,391	53,622	-	-	53,622
Total Expenses	789,834	-	-	789,834	701,039	-	-	701,039
Surplus (deficiency) of public support and operating revenue over (under) expenses	(177,531)	(39,777)	-	(217,308)	(263,388)	19,728	-	(243,660)
Non-operating revenue, gains, and losses - realized and unrealized gains on investments	695	59,339	-	60,034	6,191	52,682	-	58,873
Total Change in Net Assets	(176,836)	19,562	-	(157,274)	(257,197)	72,410	-	(184,787)
Net Assets - beginning of year	(79,550)	375,390	600,000	895,840	177,647	302,980	600,000	1,080,627
Net Assets - end of year	\$ (256,386)	\$ 394,952	\$ 600,000	\$ 738,566	\$ (79,550)	\$ 375,390	\$ 600,000	\$ 895,840

See accompanying notes to financial statements.

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

Statements of Functional Expenses

<i>Year ended March 31, 2018</i>	Program Services				Support Services			
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Total	Total
Salaries	\$ 15,046	\$ -	\$ 286,853	\$ 301,899	\$ 11,063	\$ 95,434	\$ 106,497	\$ 408,396
Employee benefits	3,851	-	73,500	77,351	2,831	24,410	27,241	104,592
Payroll taxes	3,809	-	22,368	26,177	2,801	3,586	6,387	32,564
Total salaries and related expenses	22,706	-	382,721	405,427	16,695	123,430	140,125	545,552
Affiliate support of national program	4,678	-	27,469	32,147	3,439	4,404	7,843	39,990
Building occupancy	4,461	-	26,196	30,657	3,280	4,200	7,480	38,137
Depreciation	2,412	-	14,167	16,579	1,774	2,271	4,045	20,624
Dues and subscriptions	778	-	4,822	5,600	572	1,522	2,094	7,694
Insurance	798	-	4,686	5,484	587	751	1,338	6,822
Office equipment maintenance	1,334	-	8,636	9,970	981	4,551	5,532	15,502
Office supplies and equipment	70	-	648	718	51	196	247	965
Posting and shipping	4	-	2,808	2,812	3	440	443	3,255
Printing and publications	77	-	4,945	5,022	57	1,677	1,734	6,756
Professional fees and outside services	1,427	-	31,041	32,468	1,049	10,507	11,556	44,024
Program supplies and equipment	-	-	2,407	2,407	-	-	-	2,407
Telephone	995	-	9,643	10,638	732	937	1,669	12,307
Travel and meetings	274	-	42,818	43,092	202	2,505	2,707	45,799
Total Functional Expenses	\$ 40,014	\$ -	\$ 563,007	\$ 603,021	\$ 29,422	\$ 157,391	\$ 186,813	\$ 789,834

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

Statements of Functional Expenses

<i>Year ended March 31, 2017</i>	Program Services				Support Services			
	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Total	Total
Salaries	\$ 41,484	\$ 987	\$ 270,216	\$ 312,687	\$ 11,283	\$ 26,977	\$ 38,260	\$ 350,947
Employee benefits	12,887	215	68,167	81,269	2,454	5,143	7,597	88,866
Payroll taxes	3,948	228	19,341	23,517	2,601	2,177	4,778	28,295
Total salaries and related expenses	58,319	1,430	357,724	417,473	16,338	34,297	50,635	468,108
Affiliate support of national program	7,076	408	34,668	42,152	4,662	3,903	8,565	50,717
Building occupancy	4,918	284	24,094	29,296	3,240	2,712	5,952	35,248
Depreciation	3,331	192	16,318	19,841	2,194	1,837	4,031	23,872
Dues and subscriptions	1,039	60	5,191	6,290	684	1,052	1,736	8,026
Insurance	947	55	4,639	5,641	624	522	1,146	6,787
Office equipment maintenance	1,761	99	10,248	12,108	1,133	4,355	5,488	17,596
Office supplies and equipment	182	10	897	1,089	120	100	220	1,309
Posting and shipping	24	1	2,794	2,819	12	507	519	3,338
Printing and publications	6	-	4,061	4,067	4	1,360	1,364	5,431
Professional fees and outside services	1,922	111	30,782	32,815	1,271	1,060	2,331	35,146
Program supplies and equipment	-	-	2,127	2,127	-	-	-	2,127
Telephone	1,297	75	10,293	11,665	855	716	1,571	13,236
Travel and meetings	269	9	28,516	28,794	103	1,201	1,304	30,098
Total Functional Expenses	\$ 81,091	\$ 2,734	\$ 532,352	\$ 616,177	\$ 31,240	\$ 53,622	\$ 84,862	\$ 701,039

See accompanying notes to financial statements.

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

Statements of Cash Flows

<i>Year ended March 31,</i>	2018	2017
Cash Flows From Operating Activities		
Change in net assets	\$ (157,274)	\$ (184,787)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	20,624	23,872
Realized and unrealized gains on investments	(60,034)	(58,873)
Deferred rent	-	(2,055)
Change in operating assets and liabilities:		
Contributions receivable	(9,825)	4,484
Grants receivable	15,856	29,189
Prepaid expenses and other assets	2,220	(8,841)
Accounts payable	7,529	13,180
Accrued salaries and vacation	(1,685)	7,293
Deferred revenue	45,600	6,500
Due to National office	18,715	(27,216)
Net cash used in operating activities	(118,274)	(197,254)
Cash Flows From Investing Activities		
Capital expenditures	(41,205)	(5,560)
Purchases of investment securities	(412,935)	(593,082)
Proceeds from sales of investment securities	585,127	777,895
Net cash provided by investing activities	130,987	179,253
Cash Flows from Financing Activities		
Net borrowings on line of credit	-	25,000
Net Increase in Cash	12,713	6,999
Cash, beginning of the year	100,394	93,395
Cash, end of the year	\$ 113,107	\$ 100,394
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 4,759	\$ 3,529

See accompanying notes to financial statements.

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

Notes to Financial Statements

1. Summary of Accounting Policies

Nature of Society

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

Basis of Presentation

The financial statements of the Society have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Use of Estimates

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

Concentration of Credit Risk

The Society maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Society has not experienced any losses in such accounts and management does not believe the Society is exposed to any significant credit risk on cash.

Contributions and Grants Receivable

The Society's contributions and other receivable are comprised primarily of grants and allocations committed from various funding agencies, corporations, and individuals for use in the Society's activities. Contributions and grants receivable at March 31, 2018 and 2017 are expected to be collected within one year. The Society has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Investment Valuation

The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). The investments of the Society have fair values determined by quoted prices in active markets for identical assets (Level 1 classification).

Equities - Equity funds consist of shares held at publicly traded companies. Shares held in equity funds that trade on national securities exchanges are valued at their trading prices and are classified within Level 1 of the valuation hierarchy as described in Note 2.

Georgia Society to Prevent Blindness, Inc.
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Notes to Financial Statements

Mutual Funds - Fair values of mutual funds are determined by reference to the fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds that trade on national securities exchanges are valued at their trading price and are classified within Level 1 of the valuation hierarchy as described in Note 2.

Money Market Funds - Fair values of money market funds are determined by reference to the fund's underlying assets, which are principally cash and cash equivalents and are classified within Level 1 of the valuation hierarchy as described in Note 2.

Property and Equipment

Property and equipment are recorded at cost or, in the case of gifts, fair value as of the date of the donation and depreciated over estimated useful lives using straight-line, accelerated, and declining-balance methods. It is the policy of the Society to capitalize property and equipment if the cost or value of the item is in excess of \$1,500 and the useful economic life is greater than one year. Costs of repairs and maintenance are charged to expense as incurred.

Classification of Net Assets

The separate classes of net assets are defined as follows:

- *Unrestricted* - Amounts that are currently available for use in the Society's operations.
- *Temporarily restricted* - Amounts that are restricted by actions of the donor and/or the passage of time.
- *Permanently restricted* - Amounts that are subject to donor-imposed restrictions to be maintained permanently by the Society. Generally, the donors of these permit the Society to use all or part of the income earned on related investments for general or specific purposes.

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.

Georgia Society to Prevent Blindness, Inc.
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Notes to Financial Statements

Government Grant Revenue

The Society enters into contracts with certain governmental and private agencies. Revenue under these contracts is recognized when earned. The activities of the Society 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 Society has not provided allowances in the financial statements for potential adjustments since such amounts, if any, are not expected to be significant.

Donated Services and Assets

Contributions of tangible goods are recognized at fair value when received. Contributed professional services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to the Society's program services and fundraising campaigns. No amounts have been recognized in the Statements of Activities and Changes in Net Assets because the criteria for recognition of those goods and services in accordance with U.S. GAAP have not been satisfied.

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. Such estimates include the amount and efforts of personnel and square footage of space utilized.

Tax Status

The Society is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). The Society is also subject to tax on any unrelated business income, which was de minimis for the years ended March 31, 2018 and 2017. U.S. GAAP requires management to evaluate tax positions taken by the Society and recognize a tax liability if the Society has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities. Management has analyzed the tax positions taken by the Society and has concluded that as of March 31, 2018 and 2017, 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 Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events

The Society has evaluated subsequent events through November 1, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to March 31, 2018 that required recognition or disclosure in the financial statements.

Georgia Society to Prevent Blindness, Inc.
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Notes to Financial Statements

Reclassifications

Certain reclassifications have been made to the fiscal 2017 amounts to conform to the fiscal 2018 classifications.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") ASU 2016-02, "*Leases (Topic 842)*," to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its ROU of the underlying asset for the lease term and a liability to make lease payments to be recorded. ASU 2016-02 is effective for the Society's 2020 fiscal year with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on its financial statements.

In August 2016, the FASB issued ASU 2016-14, "*Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) Present - Presentation of Financial Statements of Not-for-Profit Entities.*" ASU 2016-14 amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions," (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for the Society's 2019 fiscal year with early adoption permitted. The provisions of ASU 2016-14 must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for the periods prior to adoption. Management is currently evaluating the impact of ASU 2016-14 on its financial statements.

In May 2014, FASB issued ASU 2014-09, "*Revenue from Contracts with Customers*," which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP. In August 2015, the FASB issued ASU 2015-14, "*Revenue from Contracts with Customers*," which defers the effective date of the new revenue recognition standard by one year. ASU 2015-14 is effective for annual reporting periods beginning after December 15, 2018, and is to be applied using one of two retrospective application methods, with early application permitted after December 15, 2016. The Society has not yet determined the method by which ASU

Georgia Society to Prevent Blindness, Inc.
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Notes to Financial Statements

2014-09 will be adopted in fiscal year 2020 and is currently evaluating the impact of ASU 2014-09 on its financial statements.

2. Fair Value Measurements

The Society performs fair value measurements in accordance with Auditing Standards Codification ("ASC") 820, *"Fair Value Measurements and Disclosures,"* which defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements.

Fair value is defined in the ASC as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 - *Quoted Prices in Active Markets for Identical Assets* - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 - *Significant Other Observable Inputs* - Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and the fair value can be determined through the use of models or other valuation methodologies; and

Level 3 - *Significant Unobservable Inputs* - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

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 Society's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

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Georgia Society to Prevent Blindness, Inc.
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Notes to Financial Statements

The following tables present information about the Society's assets measured at fair value on a recurring basis at March 31, 2018 and 2017 and the valuation techniques used by the Society to determine those fair values.

	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, 2018
Investments				
Equity securities	\$ 434,604	\$ -	\$ -	\$ 434,604
Mutual funds	275,709	-	-	275,709
Money market funds	82,246	-	-	82,246
Total	\$ 792,559	\$ -	\$ -	\$ 792,559

	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, 2017
Investments				
Equity securities	\$ 549,448	\$ -	\$ -	\$ 549,448
Mutual funds	334,803	-	-	334,803
Money market funds	20,466	-	-	20,466
Total	\$ 904,717	\$ -	\$ -	\$ 904,717

The fair values of the Society's equity securities, mutual funds, and money market funds at March 31, 2018 and 2017 were determined using quoted market prices in an active market.

Total investment income reported on the Statements of Activities and Changes in Net Assets is net of investment expenses of \$8,780 and \$4,835 for the years ended March 31, 2018 and 2017, respectively.

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**Georgia Society to Prevent Blindness, Inc.
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Notes to Financial Statements

3. Property and Equipment

Property and equipment is summarized as follows:

<i>March 31,</i>	2018	2017	Depreciable Life - Years
Program equipment	\$ 177,135	\$ 135,930	3-10
Office equipment	11,706	11,706	3-5
Automotive equipment	34,138	34,138	5
Furniture and fixtures	14,568	14,568	3-5
Total cost	237,547	196,342	
Less accumulated depreciation	(160,430)	(139,806)	
Total	\$ 77,117	\$ 56,536	

Depreciation expense was \$20,624 and \$23,872 for the years ended March 31, 2018 and 2017, respectively.

4. Due to National Office

The Society 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 Society.

As of March 31, 2018 and 2017, the Society was obligated to pay National \$87,341 and \$68,626, respectively, related to personnel and related fringe benefit expenses.

Additionally, in accordance with the terms of the affiliation agreement, the Society remits 12% 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. 25% 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. 33% 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% 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, 2018 and 2017, \$39,990 and \$50,717, respectively, was remitted to National.

5. Short-Term Borrowings - Bank

The Society 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 \$75,000 as of March 31, 2018 and 2017. Interest is payable monthly at a rate equal to the SunTrust Prime Rate plus 2% per annum (an effective rate of 6.75% and 6% at March 31, 2018 and 2017, respectively).

The line of credit is collateralized by the Society’s general investment account.

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Notes to Financial Statements

6. Employee Benefit Plans

The Society 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 \$10,705 and \$12,478 for the years ended March 31, 2018 and 2017, respectively.

7. Operating Leases

The Society is obligated under certain operating leases, primarily for facilities and office equipment. Total rent expense under these leases was \$46,985 and \$46,151 for the years ended March 31, 2018 and 2017, respectively.

As of March 31, 2018, the minimum future lease payments due under operating leases with non-cancelable lease terms in excess of one year are \$14,066 for the year ended March 31, 2019.

Subsequent to March 31, 2018 the Society entered in a new office lease agreement covering the period November 17, 2018 through February 29, 2024 with a monthly base rent of \$3,022 with annual escalation rate of 3% payable starting March 1, 2019.

8. Temporarily Restricted Net Assets

Temporarily restricted net assets as of March 31, 2018 and 2017 are available for the following purpose:

	2018	2017
Unappropriated earnings on endowment	\$ 339,122	\$ 281,745
Contributions restricted for Star Pupils and Vision Outreach	55,830	93,645
Total Temporarily Restricted Net Assets	\$ 394,952	\$ 375,390

9. Donor-Restricted Endowments

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

Interpretation of Relevant Law Subject to an Enacted Version of UPMIFA

The Board of Directors of the Society 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 Society 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 Society in a manner consistent

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with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Society 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 Society 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 Society.
- (7) The investment policies of the Society.

Endowment net asset composition by type of fund as of March 31, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Fund	\$ -	\$ 339,122	\$ 600,000	\$ 939,122

Changes in endowment net assets for the fiscal year ended March 31, 2018 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - beginning of year	\$ -	\$ 281,745	\$ 600,000	\$ 881,745
Investment return:				
Investment income - net of related expenses of \$7,923	-	10,038	-	10,038
Net appreciation (realized and unrealized)	-	59,339	-	59,339
Total investment return	-	69,377	-	69,377
Appropriation of endowment assets for expenditure	-	(12,000)	-	(12,000)
Endowment Net Assets - end of Year	\$ -	\$ 339,122	\$ 600,000	\$ 939,122

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Endowment net asset composition by type of fund as of March 31, 2017 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Fund	\$ -	\$ 281,745	\$ 600,000	\$ 881,745

Changes in endowment net assets for the fiscal year ended March 31, 2017 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning of year	\$ -	\$ 250,300	\$ 600,000	\$ 850,300
Investment return:				
Investment income - net of related expenses of \$4,463	-	14,763	-	14,763
Net appreciation (realized and unrealized)	-	52,682	-	52,682
Total investment return	-	67,445	-	67,445
Appropriation of endowment assets for expenditure	-	(36,000)	-	(36,000)
Endowment Net Assets - end of Year	\$ -	\$ 281,745	\$ 600,000	\$ 881,745

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 Society to retain as a fund of perpetual duration. There were no such deficiencies as of March 31, 2018 and 2017.

Return Objectives and Risk Parameters

The Society 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 Society 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 Society 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.

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Spending Policy and How the Investment Objectives Relate to Spending Policy

The Society 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, 2018 and 2017, the appropriations totaled \$36,000.