GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.

FINANCIAL STATEMENTS

MARCH 31, 2020 AND 2019
With Independent Auditor's Report Thereon

FULTON & KOZAK

certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Georgia Society to Prevent Blindness, Inc.
Sandy Springs, Georgia

We have audited the accompanying financial statements of the Georgia Society to Prevent Blindness, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2020 and 2019 and the related statements of activities, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Society to Prevent Blindness, Inc. as of March 31, 2020 and 2019, 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.

Fulton & Kozak LLC

Morrow, Georgia
August 31, 2020

7187 Jonesboro Road, Suite 100A, Morrow, Georgia 30260
p: 770-961-4200 f: 770-961-1703 w: www.fulton-kozak.com

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash and cash equivalents	$ 90,398	$ 58,307
Contributions receivable	42,548	1,908
Grant receivable	10,000	15,384
Endowment investments	352,388	650,931
Prepaid expenses	35,210	31,855
TOTAL CURRENT ASSETS	530,544	758,385
Property and equipment, net	48,293	58,665
SECURITY DEPOSIT	3,401	3,401
TOTAL ASSETS	$ 582,238	$ 820,451

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	64,139	$ 77,849
Accrued salaries and vacation	33,262	32,026
Due to National office	48,455	57,335
Short-term borrowings – bank	75,000	75,000
Deferred rent expense	9,519	9,202
Deferred revenue	44,400	33,655
TOTAL CURRENT LIABILITIES	274,775	285,067
TOTAL LIABILITIES	274,775	285,067
NET ASSETS		
Without donor restrictions	(425,007)	(337,820)
With donor restrictions	732,470	873,204
TOTAL NET ASSETS	307,463	535,384
TOTAL LIABILITIES AND NET ASSETS	582,238	$ 820,451

The accompanying notes are an integral part of these financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 122,756	$ 262,300	$ 385,056
Special events, net of direct costs of $116,717	129,626	-	129,626
In-kind	117,274	-	117,274
Fees and grants from federal agencies	54,371	-	54,371
Program service revenue	9,184	-	9,184
Interest and dividend income	20	8,779	8,799
	433,231	271,079	704,310
Net assets released from restriction	378,721	(378,721)	-
TOTAL OPERATING REVENUES, GAINS AND OTHER SUPPORTS	811,952	(107,642)	704,310
EXPENSES			
Program activities	701,883	-	701,883
Management and general	32,887	-	32,887
Fundraising	164,364	-	164,364
TOTAL EXPENSES	899,134	-	899,134
CHANGE IN OPERATING NET ASSETS	(87,182)	(107,642)	(194,824)
NON-OPERATING REVENUE, GAINS, AND LOSSES			
Realized and unrealized gains on investments	(5)	(33,092)	(33,097)
CHANGE IN NET ASSETS	(87,187)	(140,734)	(227,921)
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR	(337,820)	873,204	535,384
NET (DEFICIT) ASSETS AT END OF YEAR	$ (425,007)	$ 732,470	$ 307,463

The accompanying notes are an integral part of these financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS AND OTHER SUPPORT			
Contributions	$ 179,447	$ 158,300	$ 337,747
Special events, net of direct costs of $134,331	169,088	-	169,088
In-kind	4,500	-	4,500
Fees and grants from federal agencies	93,256	-	93,256
Program service revenue	23,067	-	23,067
Interest and dividend income	581	6,938	7,519
	469,939	165,238	635,177
Net assets released from restriction	290,410	(290,410)	-
TOTAL OPERATING REVENUES, GAINS AND OTHER SUPPORTS	760,349	(125,172)	635,177
EXPENSES			
Program activities	619,214	-	619,214
Management and general	35,062	-	35,062
Fundraising	187,520	-	187,520
TOTAL EXPENSES	841,796	-	841,796
CHANGE IN OPERATING NET ASSETS	(81,447)	(125,172)	(206,619)
NON-OPERATING REVENUE, GAINS, AND LOSSES			
Realized and unrealized gains on investments	55	3,424	3,479
CHANGE IN NET ASSETS	(81,392)	(121,748)	(203,140)
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR	(256,428)	994,952	738,524
NET (DEFICIT) ASSETS AT END OF YEAR	$ (337,820)	873,204	535,384

The accompanying notes are an integral part of these financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries	$ 284,171	$ 12,021	$ 61,138	$ 357,330
In-kind expense	117,274	-	-	117,274
Employee benefits	68,948	3,572	18,500	91,020
Professional fees	13,904	740	61,021	75,665
Affiliate support	46,993	5,184	5,703	57,880
Building occupancy	32,302	3,563	3,920	39,785
Travel and meetings	36,655	35	1,471	38,161
Depreciation	21,251	2,452	3,542	27,245
Payroll taxes	22,014	2,428	2,672	27,114
Direct expense- eye glasses	16,610	-	-	16,610
Office equipment maintenance	12,899	884	1,104	14,887
Telephone	9,967	767	844	11,578
Insurance	5,319	587	646	6,552
Dues and subscriptions	4,902	535	991	6,428
Printing and publications	2,512	6	1,862	4,380
Program supplies	3,965	-	-	3,965
Postage and shipping	1,176	15	797	1,988
Office supplies and equipment	1,021	98	153	1,272
TOTAL EXPENSES	$ 701,883	$ 32,887	$ 164,364	$ 781,860

The accompanying notes are an integral part of these financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019

	Program Services	Management and General	Fundraising	Total
Salaries	$ 284,524	$ 12,328	$ 114,059	$ 410,911
Employee benefits	71,586	3,612	20,844	96,042
Professional fees	20,565	992	21,406	42,963
Affiliate support	44,004	5,054	7,162	56,220
Building occupancy	36,499	4,192	5,941	46,632
Travel and meetings	42,535	129	1,817	44,481
Depreciation	26,613	3,057	4,331	34,001
Payroll taxes	24,673	2,834	4,016	31,523
Direct expense- eye glasses	21,927	-	-	21,927
Office equipment maintenance	14,237	800	2,861	17,898
Telephone	9,571	755	1,069	11,395
Insurance	4,861	558	791	6,210
Dues and subscription	5,240	588	1,560	7,388
Printing and publications	5,467	61	1,039	6,567
Program supplies	4,007	-	-	4,007
Postage and shipping	1,989	18	464	2,471
Office supplies and equipment	916	84	160	1,160
TOTAL EXPENSES	$ 619,214	$ 35,062	$ 187,520	$ 841,796

The accompanying notes are an integral part of these financial statements.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	(227,921)	$ (203,140)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	27,245	34,001
Realized and unrealized gain on investments	33,097	(3,479)
(Increase) Decrease in operating assets:		
Contributions receivable	(40,640)	16,202
Grants receivable	5,384	9,616
Prepaid expenses	46	(14,114)
Security deposit	(3,401)	-
(Decrease) Increase in operating liabilities:		
Accounts payable	(13,710)	17,639
Accrued expenses	1,236	(1,792)
Deferred revenue	10,745	(18,445)
Deferred rent	317	9,202
Due to National Office	(8,880)	(30,048)
NET CASH USED IN OPERATING ACTIVITIES	(216,482)	(184,358)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(16,873)	(15,549)
Proceeds from sales of investments securities	265,446	145,107
NET CASH PROVIDED BY INVESTING ACTIVITIES	248,573	129,558
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET CHANGE IN CASH	32,091	(54,800)
CASH AT BEGINNING OF YEAR	58,307	113,107
CASH AT END OF YEAR	$ 90,398	$ 58,307
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	5,413	$ 5,415

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2020

1. ORGANIZATION

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Basis of accounting
The accompanying financial statements of the Society have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP")

Prevent Blindness Georgia classifies its net assets and revenues and expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Prevent Blindness Georgia and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the organization. These net assets may be used at the discretion of Prevent Blindness Georgia's management and the board of directors.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Generally, the donors of these assets permit Prevent Blindness Georgia to use all of the revenue earned on the related investments for general or specific purposes. Donor-imposed restrictions are released when restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of accounting (continued)
Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are reported.

Concentration of Credit Risk
Prevent Blindness Georgia maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. Prevent Blindness Georgia has not experienced any losses in such accounts and management does not believe Prevent Blindness Georgia is exposed to any significant credit risk on cash.

Contributions and Grants Receivable
Prevent Blindness Georgia's contributions and other receivable are comprised primarily of grants and allocations committed from various funding agencies, corporations, and individuals for use in Prevent Blindness Georgia's activities. Contributions and grants receivable at March 31, 2020 are expected to be collected within one year. Prevent Blindness Georgia has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Cash and cash equivalents
For financial statement purposes, highly liquid investments with original maturities of three months or less when purchased are reported as cash and cash equivalents. For the years ended March 31, 2020 and 2019, cash equivalents were $5,769 and $-, respectively.

Financial instruments
The financial instruments shown as assets and liabilities in the statement of financial position are traditional in nature. The carrying value of cash and cash equivalents and all other financial instruments, including receivables and payables, approximate their fair value.

Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets.

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 Prevent Blindness Georgia to capitalize property and equipment if the cost 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.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund-raising activities
Special events revenues are derived from several fundraising activities conducted by Prevent Blindness Georgia. These amounts are reported net of related expenses.

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 reported at the present value of estimated future cash flows. Contributions resulting from split-interest agreements, measured at the time the agreements are entered to, are based on the obligation to third-party recipient(s) under contract.

Government Grant Revenue
Prevent Blindness Georgia enters into contracts with certain governmental and private agencies. Revenue under these contracts is recognized when earned. The activities of Prevent Blindness Georgia relating to certain contacts 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. Prevent Blindness Georgia 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 purchases if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to Prevent Blindness Georgia program services and fundraising campaigns. No amounts have been recognized in the Statement of Activities and Changes in Net Assets because the criteria for recognition of those goods and services in accordance with GAAP have not been satisfied.

Reclassifications
Certain prior year amounts have been reclassified to conform to the current year presentation.

Functional allocation of expenses
The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of Prevent Blindness Georgia. Those expenses including office expenses, professional fees, professional development, postage, printing, insurance and depreciation, which are allocated on the basis of estimates of time and effort.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Estimates
Management of Prevent Blindness Georgia makes estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare the financial statements in conformity with GAAP. Actual results could differ from these estimates.

Income taxes
Prevent Blindness Georgia qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is only subject to federal or state income taxes on specific types of income from activities that are unrelated to its exempt purpose. Prevent Blindness Georgia had no income from unrelated activities and has no income taxes due as of March 31, 2020.

Prevent Blindness Georgia's application of ASC 740 regarding uncertain tax positions had no effect on its financial position as management believes the Prevent Blindness Georgia has no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. The Prevent Blindness Georgia would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. Prevent Blindness Georgia is no longer subject to examination by federal, state or local tax authorities for periods before 2017.

New accounting pronouncement
In June 2018, the FASB issued ASU 2018-08, Nonprofit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than nonprofits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the Organization is a resource recipient, the ASU is applicable to contributions received for annual periods beginning after December 15, 2018. The Organization is currently evaluating the impact of the adoption of this guidance on its financial statements. The Organization adopted the ASU for the year ended March 31, 2020. The adoption did not have a material impact on the financial statements.

Reclassifications
Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent events
Subsequent events have been evaluated through August 31, 2020 which is the date the financial statements were available to be issued.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

3. AVAILABILITY AND LIQUIDITY

The following represents Prevent Blindness Georgia's financial assets at March 31, 2020, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Financial assets:	
Cash	$ 90,398
Investments	352,388
Contributions receivable	42,548
Grant receivable	10,000
	495,334
Less amounts unavailable to be used within one year:	
Endowment corpus	(600,000)
Net assets with time restrictions	(500)
Amounts unavailable to be used within one year	(600,500)
Financial assets available to meet cash needs for general expenditures within one year	$(105,166)

The Prevent Blindness Georgia's goal is generally to maintain financial assets to meet 6-12 months of operating expenses. As part of its liquidity plan, excess cash is invested in certificates of deposit.

4. INVESTMENTS

Investment revenue for the year is comprised of the following:

	2020	2019
Interest and dividends	8,799	$ 7,519
Unrealized gain (loss)	(33,097)	3,479
Total	$ (24,298)	$ 10,998

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

5. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2020 and 2019 consisted of the following:

	2020	2019
Program Equipment	$ 205,056	188,183
Office Equipment	11,706	11,706
Automotive Equipment	34,138	34,138
Furniture and Fixtures	19,068	19,068
Less Accumulated Depreciation	(221,675)	(194,430)
Total	$ 48,293	58,665

6. FAIR VALUE MEASUREMENTS

Prevent Blindness Georgia has adopted the provisions of Accounting Standards Codifications 820 ("ASC 820"), Fair Value Measurements, for financial assets and liabilities. Under ASC 820, fair value is based on the price 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. In order to increase consistency and comparability in fair value measurements, ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels. These levels, in order of highest priority to lowest priority, are described as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.
Level 2: Unobservable prices that are based on inputs not quoted on active markets, but corroborated by market data.
Level 3: Inputs are unobservable inputs for the asset that are supported by little or no market activity and that are significant to the fair value of the underlying asset.

Prevent Blindness Georgia's financial instruments measured at fair value on a recurring basis in accordance with ASC 820 as of March 31, 2020, are deemed as Level 1.

7. DUE TO NATIONAL OFFICE

Prevent Blindness Georgia 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 Prevent Blindness Georgia.

As of March 31, 2020 and 2019, Prevent Blindness Georgia was obligated to pay National $48,455 and $57,335, related to personnel and related fringe benefit expenses.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

8. DUE TO NATIONAL OFFICE- Continued

Additionally, in accordance with the terms of the affiliation agreement, Prevent Blindness Georgia remits 10% 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 all 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 testamentary trusts on 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, 2020 and 2019, $57,880 and 56,220 was remitted to National.

9. OPERATING LEASES

Prevent Blindness Georgia entered into an operating lease for a copier in May 2018. The lease is for 39 months, ending September 2022, with monthly payments of $199.

In November 2018, Prevent Blindness Georgia entered into an office lease agreement covering the period November 17, 2018 through February 29, 2024 with a monthly base rent of $3,022 with an annual escalation rate of 3% payable starting March 1, 2019.

Aggregate amounts of minimum lease payments required under the operating leases are as follows:

Year	
2021	39,837
2022	39,762
2023	39,723
2024	37,411
Total	$ 156,733

Total rent expense incurred for the year ended March 31, 2020 and 2019 was $42,545 and $37,860, respectively.

10. SHORT-TERM BORROWINGS - BANK

Prevent Blindness Georgia 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 and 75,000 as of March 31, 2020 and 2019. Interest in payable monthly at a rate equal to the SunTrust Prime Rate plus 2% per annum (an effective rate of 5.25% and 7.50% March 31, 2020 and 2019, respectively).

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

11. EMPLOYEE BENEFIT PLANS

Prevent Blindness Georgia 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 $13,577 and $13,941 for the years ended March 31, 2020 and 2019, respectively.

12. NET ASSETS

Net assets with donor restrictions were available for the following purposes at March 31, 2020:

	2020	2019
Perpetual in nature	$ 600,000	600,000
Purpose restrictions	173,599	23,720
Value (under) endowments	(41,129)	249,484
Total	$ 732,470	873,204

The purpose restrictions of net assets with donor restrictions follows:

	2020	2019
Subject to expenditure for specified purpose:		
Star Pupils and Vision Outreach	$ 173,599	23,270
Endowments:		
Subject to endowment spending policy and appropriation	600,000	600,000
Value (under) over endowments	(41,129)	249,484
Total Endowments	$ 558,871	849,484
	$ 732,470	873,204

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

12. NET ASSETS-Continued

The cumulative position of the endowment fund follows:

	2020	2019
Original donor restricted gift amount Required to be maintained in perpetuity by donor	$ 600,000	600,000
Cumulative investment return	225,171	349,484
Spending in excess of original gift and Accumulated investment income	(266,300)	(100,000)
Total	$ 558,871	849,484

13. ENDOWMENT FUND

The Prevent Blindness Georgia's endowment consists of a donor-restricted endowment fund.

Interpretation of Relevant Law Subject to an Enacted Version of UPMIFA

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted the Uniform Prudent Management of Institutional Funds Act to permit spending from underwater endowments in accordance with the prudent measures required under law. We have adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. In accordance with UPMIFA, Prevent Blindness Georgia 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 Prevent Blindness Georgia 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 appreciation of investments.
(6) Other resources of the Society.
(7) The investment policies of the Society.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

14. ENDOWMENT FUND – Continued

Changes in endowment net assets for the fiscal year ended March 31, 2020 were as follows:

	With Donor Restrictions			
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions	Total Funds
Endowment net assets March 31, 2019	$ 600,000	$ 249,484	$ 849,484	$ 849,484
Investment return income	-	8,779	8,779	8,779
Net appreciation (realized and unrealized)	-	(33,092)	(33,092)	(33,092)
Appropriation of endowment assets for expenditure	-	(266,300)	(266,300)	(266,300)
Endowment net assets March 31, 2020	$ 600,000	$ (41,129)	$ 558,871	$ 558,871

Changes in endowment net assets for the fiscal year ended March 31, 2019 were as follows:

	With Donor Restrictions			
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions	Total Funds
Endowment net assets March 31, 2018	$ 600,000	$ 339,122	$ 939,122	$ 939,122
Investment return income	-	6,938	6,938	6,938
Net appreciation (realized and unrealized)	-	3,424	3,424	3,424
Appropriation of endowment assets for expenditure	-	(100,000)	(100,000)	(100,000)
Endowment net assets March 31, 2019	$ 600,000	$ 249,484	$ 849,484	$ 849,484

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

14. ENDOWMENT FUND – 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 UPMIFA requires Prevent Blindness Georgia to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported with donor restrictions were $41,129 and $0 as of March 31, 2020 and 2019. These deficiencies resulted from unfavorable operating budget variances and market conditions.

Return Objectives and Risk Parameters

Prevent Blindness Georgia 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 endowment assets.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, Prevent Blindness Georgia 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). Prevent Blindness Georgia targets a diversified asset allocation that places greater emphasis on equity-based investments to achieve its long-term return objectives with prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Prevent Blindness Georgia 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 year ended March 31, 2020 and 2019, the appropriations totaled $266,300 and $100,000, respectively.

15. SUBSEQUENT EVENTS

On April 29, 2020, Prevent Blindness Georgia received loan proceeds in the amount of $115,000 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to eligible entities for amounts up to 2.5 times of the average monthly payroll expenses of the entity. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities during the twenty-four week period starting from the day the loan proceeds were received. The amount of loan forgiveness will be reduced if certain staffing and salaries requirements are not met. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1 percent, with a deferral of payments for the first six months. Prevent Blindness Georgia intends to use the proceeds for purposes consistent with the PPP.

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS – Continued

15. SUBSEQUENT EVENTS- Continued

While Prevent Blindness Georgia currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, no assurances can be provided.

On June 26, 2020, Prevent Blindness Georgia received an Economic Injury Disaster Loan (EIDL) in the amount of $150,000 from the U.S. Small Business Administration. The Organization is required to use all the proceeds of this loan solely as working capital to alleviate economic injury caused by the Coronavirus pandemic. Installment payments, including principal and interest, of $641.00 Monthly, will begin twelve (12) months from the date of the promissory note. The balance of principal and interest will be payable thirty (30) years from the date of the promissory note. Interest will accrue at the rate of 2.75% per annum. This loan is collateralized by all assets of the Prevent Blindness Georgia.

As of the issuance date of these financial statements, the coronavirus pandemic was having an adverse effect on financial markets. The effects of the coronavirus are widespread and unprecedented. The pandemic is causing a severe slowdown in economic activity. The effects of the pandemic upon Prevent Blindness Georgia are unknown at this time.