

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.

FINANCIAL STATEMENTS

MARCH 31, 2021 AND 2020
With Independent Auditor's Report Thereon

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Georgia Society to Prevent Blindness, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, 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.

Basis of Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Georgia Society to Prevent Blindness, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia Society to Prevent Blindness, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Georgia Society to Prevent Blindness, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Georgia Society to Prevent Blindness, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Morrow, Georgia
September 10, 2021

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2021 AND 2020

ASSETS		
	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	\$ 418,526	\$ 90,398
Contributions receivable	117,615	42,548
Grant receivable	23,069	10,000
Endowment investments	449,670	352,388
Prepaid expenses	<u>33,666</u>	<u>35,210</u>
TOTAL CURRENT ASSETS	1,042,546	530,544
 Property and equipment, net	 40,358	 48,293
 SECURITY DEPOSIT	 <u>3,401</u>	 <u>3,401</u>
 TOTAL ASSETS	 <u>\$ 1,086,305</u>	 <u>\$ 582,238</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 73,683	\$ 64,139
Accrued salaries and vacation	35,867	33,262
Due to National office	5,351	48,455
Short-term borrowings – bank	75,000	75,000
Current notes payable- EIDL Loan	6,410	-
Accrued interest	3,094	-
Deferred rent expense	8,742	9,519
Deferred revenue- PPP loan	115,000	-
Deferred revenue-special events	<u>32,700</u>	<u>44,400</u>
TOTAL CURRENT LIABILITIES	355,847	274,775
 LONG TERM LIABILITIES		
Term loans	<u>143,490</u>	<u>-</u>
 TOTAL LIABILITIES	 499,337	 274,775
 NET ASSETS		
Without donor restrictions	(290,065)	(425,007)
With donor restrictions	<u>877,033</u>	<u>732,470</u>
TOTAL NET ASSETS	<u>586,968</u>	<u>307,463</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,086,305</u>	 <u>\$ 582,238</u>

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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 210,762	\$ 208,875	\$ 419,637
Special events, net of direct costs of \$23,745	170,799	-	170,799
Fees and grants from federal agencies	215,542	-	215,542
In-kind	55,166	-	55,166
Investment revenue, net of fees	(48)	111,489	111,441
Program service revenue	<u>4,925</u>	<u>-</u>	<u>4,925</u>
Operating Revenues, Gains and other support	657,146	320,364	977,510
Net assets released from restriction	<u>175,801</u>	<u>(175,801)</u>	<u>-</u>
TOTAL OPERATING REVENUES, GAINS AND OTHER SUPPORTS	832,947	144,563	977,510
EXPENSES			
Program activities	513,320	-	513,320
Supporting services:			
Management and general	13,837	-	13,837
Fundraising	<u>170,348</u>	<u>-</u>	<u>170,348</u>
Total supporting services	<u>184,685</u>	<u>-</u>	<u>184,685</u>
TOTAL EXPENSES	<u>698,005</u>	<u>-</u>	<u>698,005</u>
CHANGE IN NET ASSETS	134,942	144,563	279,505
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR	<u>(425,007)</u>	<u>732,470</u>	<u>307,463</u>
NET (DEFICIT) ASSETS AT END OF YEAR	<u>\$ (290,065)</u>	<u>\$ 877,033</u>	<u>\$ 586,968</u>

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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
Fees and grants from federal agencies	54,371	-	54,371
In-kind	117,274	-	117,274
Interest and dividend income	15	(24,313)	(24,298)
Program service revenue	<u>9,184</u>	<u>-</u>	<u>9,184</u>
Operating Revenues, Gains and other support	433,226	237,987	671,213
Net assets released from restriction	<u>378,721</u>	<u>(378,721)</u>	<u>-</u>
TOTAL OPERATING REVENUES, GAINS AND OTHER SUPPORTS	811,947	(140,734)	671,213
EXPENSES			
Program activities	701,883	-	701,883
Supporting services			
Management and general	32,887	-	32,887
Fundraising	<u>164,364</u>	<u>-</u>	<u>164,364</u>
Total supporting services	<u>197,251</u>	<u>-</u>	<u>197,251</u>
TOTAL EXPENSES	<u>899,134</u>	<u>-</u>	<u>899,134</u>
CHANGE IN NET ASSETS	(87,187)	(140,734)	(227,921)
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR	<u>(337,820)</u>	<u>873,204</u>	<u>535,384</u>
NET (DEFICIT) ASSETS AT END OF YEAR	<u>\$ (425,007)</u>	<u>\$ 732,470</u>	<u>\$ 307,463</u>

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, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 220,736	\$ 4,182	\$ 80,797	\$ 305,715
Professional fees	31,871	1,291	47,392	80,554
Employee benefits	53,884	995	5,734	60,613
In-kind expense	55,166	-	-	55,166
Building occupancy	26,940	1,646	8,483	37,069
Affiliate support	20,035	1,224	6,309	27,568
Payroll taxes	17,105	1,045	5,386	23,536
Depreciation	15,370	1,774	2,562	19,706
Travel and meetings	16,583	7	34	16,624
Office equipment maintenance	8,667	428	5,245	14,340
Telephone	9,690	437	2,251	12,378
Dues and subscriptions	7,198	408	4,592	12,198
Program supplies	11,936	-	-	11,936
Direct expense- eye glasses	9,178	-	-	9,178
Insurance	4,925	301	1,551	6,777
Office supplies and equipment	2,108	61	312	2,481
Postage and shipping	1,322	29	152	1,503
Printing and publications	<u>606</u>	<u>9</u>	<u>48</u>	<u>663</u>
 TOTAL EXPENSES	 \$ <u>513,320</u>	 \$ <u>13,837</u>	 \$ <u>170,848</u>	 \$ <u>698,005</u>

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

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

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, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 279,505	\$ (227,921)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	19,706	27,245
Realized and unrealized (gain)/loss on investments	(105,667)	33,097
(Increase) Decrease in operating assets:		
Contributions receivable	(75,067)	(40,640)
Grants receivable	(13,069)	5,384
Prepaid expenses	1,554	46
Security deposit	-	(3,401)
Increase (Decrease) in operating liabilities:		
Accounts payable	9,544	(13,710)
Accrued expenses	5,699	1,236
Deferred revenue	103,300	10,745
Deferred rent	(777)	317
Due to National Office	<u>(43,104)</u>	<u>(8,880)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	181,615	(216,482)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(11,772)	(16,873)
Proceeds from sales of investments securities	<u>8,385</u>	<u>265,446</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	(3,387)	248,573
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	<u>149,900</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	149,900	-
NET CHANGE IN CASH	328,128	32,091
CASH AT BEGINNING OF YEAR	<u>90,398</u>	<u>58,307</u>
CASH AT END OF YEAR	<u>\$ 418,526</u>	<u>\$ 90,398</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 7,107</u>	<u>\$ 5,413</u>

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

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, 2021 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, 2021 and 2020, cash equivalents were \$19,929 and \$5,769, 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 \$1,000 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 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. 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.

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.

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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2021.

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 2018.

Upcoming accounting guidance

FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed 12 months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. ASU No. 2020-05 delayed the application of the new leases standard for one year. As a result, the leases standard is effective for Prevent Blindness Georgia's fiscal year ended March 31, 2023.

Reclassifications

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

Subsequent events

Subsequent events have been evaluated through September 10, 2021 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, 2021, 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	\$ 418,526
Investments	449,670
Contributions receivable	117,615
Grant receivable	<u>23,069</u>
	\$ 1,008,880
Less amounts unavailable to be used within one year:	
Endowment corpus	<u>(600,000)</u>
Amounts unavailable to be used within one year	<u>(600,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 408,880</u>

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. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Program Equipment	\$ 215,651	\$ 205,056
Office Equipment	12,883	11,706
Automotive Equipment	34,138	34,138
Furniture and Fixtures	19,068	19,068
Less Accumulated Depreciation	<u>(241,382)</u>	<u>(221,675)</u>
Total	<u>\$ 40,358</u>	<u>\$ 48,293</u>

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

5. 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, 2021, are deemed as Level 1.

6. 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, 2021 and 2020, Prevent Blindness Georgia was obligated to pay National \$5,351 and \$48,455, related to personnel and related fringe benefit expenses.

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, 2021 and 2020, \$27,568 and 57,880 was remitted to National.

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

7. 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	
2022	39,762
2023	39,723
2024	<u>37,411</u>
Total	\$ <u>116,896</u>

Total rent expense incurred for the years ended March 31, 2021 and 2020 was \$40,179 and \$42,545, respectively.

8. 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, 2021 and 2020. Interest is 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, 2021 and 2020, respectively).

9. 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 \$11,038 and \$13,577 for the years ended March 31, 2021 and 2020, respectively.

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

10. DEBT

On June 26, 2020, Prevent Blindness Georgia received an Economic Injury Disaster Loan (EIDL) in the amount of \$149,900 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. Obligations under debt for the next five years and thereafter are as follows:

	2022	2,237
	2023	3,588
	2024	3,688
	2025	3,897
	2026	4,005
	Thereafter	<u>132,485</u>
		<u>\$ 149,900</u>

11. NET ASSETS

Net assets with donor restrictions were available for the following purposes at March 31, 2021:

	<u>2021</u>	<u>2020</u>
Perpetual in nature	\$ 600,000	\$ 600,000
Purpose restrictions	201,673	173,599
Value (under) endowments	<u>-</u>	<u>(41,129)</u>
Total	<u>\$ 801,673</u>	<u>\$ 732,740</u>

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

11. NET ASSETS-Continued

The purpose restrictions of net assets with donor restrictions follows:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Star Pupils and Vision Outreach	\$ 201,673	\$ 173,599
Endowments:		
Subject to endowment spending policy and appropriation	600,000	600,000
Value (under) over endowments	<u>75,360</u>	<u>(41,129)</u>
Total Endowments	\$ <u>675,360</u>	\$ <u>558,871</u>
	<u>\$ 877,033</u>	<u>\$ 732,470</u>

The cumulative position of the endowment fund follows:

	<u>2021</u>	<u>2020</u>
Original donor restricted gift amount		
Required to be maintained in perpetuity by donor	\$ <u>600,000</u>	<u>600,000</u>
Cumulative investment return	75,360	225,171
Spending in excess of original gift and Accumulated investment income	<u>-</u>	<u>(266,300)</u>
Total	<u>\$ 675,360</u>	<u>558,871</u>

12. PAYCHECK PROTECTION PROGRAM

On January 19, 2021 Prevent Blindness Georgia received loan proceeds in the amount of \$115,000 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business’s average monthly payroll expenses. PPP loans and accrued interest are forgivable after a “covered period” (24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1% with a federal deferral of payments for 10 months after the end of the covered period. Prevent Blindness Georgia has recorded deferred revenue and will record forgiveness

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

12. PAYCHECK PROTECTION PROGRAM-Continued

upon legally being released from the loan obligation. Prevent Blindness Georgia received forgiveness in July 2021.

Previously, on April 29, 2020, Prevent Blindness Georgia received a PPP loan in the amount of \$115,000. Prevent Blindness Georgia initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. Prevent Blindness Georgia recognized \$115,000 of loan forgiveness income for the year ended March 31, 2021.