

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.

FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

With Independent Auditor's Report Thereon

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

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, 2023 and 2022, 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, 2023 and 2022, 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 Responsibilities for the Audit of the Financial Statements

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.

A handwritten signature in blue ink, appearing to read "J. Han & Kozak LLC".

Morrow, Georgia
September 25, 2023

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND 2022

	ASSETS	
	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 634,323	\$ 463,324
Contributions receivable	306,322	124,377
Endowment investments	394,018	441,144
Prepaid expenses	<u>58,755</u>	<u>50,531</u>
TOTAL CURRENT ASSETS	1,393,418	1,079,376
PROPERTY AND EQUIPMENT, NET	229,246	80,204
OPERATING LEASE RIGHT-OF-USE ASSET	33,164	-
SECURITY DEPOSIT	<u>3,401</u>	<u>3,401</u>
TOTAL ASSETS	<u>\$ 1,659,229</u>	<u>\$ 1,162,981</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 120,544	\$ 88,494
Accrued salaries and vacation	50,727	42,878
Due to National office	6,037	17,952
Short-term borrowings – bank	59,437	69,101
Current notes payable – EIDL Loan	3,694	3,699
Accrued interest	155	3,094
Deferred rent expense	-	6,846
Deferred revenue	154,215	21,000
Operating lease liability	<u>36,959</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	431,768	253,064
LONG TERM LIABILITIES		
Term loans	<u>143,363</u>	<u>143,195</u>
TOTAL LIABILITIES	575,131	396,259
NET ASSETS (DEFICIT)		
Without donor restrictions	13,269	(173,122)
With donor restrictions	<u>1,070,829</u>	<u>939,844</u>
TOTAL NET ASSETS	<u>1,084,098</u>	<u>766,722</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,659,229</u>	<u>\$ 1,162,981</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, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING REVENUES AND SUPPORT			
Contributions	\$ 142,873	\$ 620,350	\$ 763,223
Program service revenue	281,011	-	281,011
Special events, net of direct costs of \$213,705	162,832	-	162,832
Fees and grants from federal agencies	100,433	-	100,433
In-kind contributions	51,154	-	51,154
Investment revenue, net of fees	<u>(3)</u>	<u>(40,469)</u>	<u>(40,472)</u>
Operating revenues and support	738,300	579,881	1,318,181
Net assets released from restriction	<u>448,896</u>	<u>(448,896)</u>	<u>-</u>
TOTAL OPERATING REVENUES AND SUPPORT	1,187,196	130,985	1,318,181
EXPENSES			
Program activities	748,359	-	748,359
Supporting services:			
Management and general	18,814	-	18,814
Fundraising	<u>233,632</u>	<u>-</u>	<u>233,632</u>
Total supporting services	<u>252,446</u>	<u>-</u>	<u>252,446</u>
TOTAL EXPENSES	<u>1,000,805</u>	<u>-</u>	<u>1,000,805</u>
CHANGE IN NET ASSETS	186,391	130,985	317,376
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR	<u>(173,122)</u>	<u>939,844</u>	<u>766,722</u>
NET ASSETS AT END OF YEAR	<u>\$ 13,269</u>	<u>\$ 1,070,829</u>	<u>\$ 1,084,098</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, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
OPERATING REVENUES AND SUPPORT			
Contributions	\$ 74,035	\$ 281,975	\$ 356,010
Program service revenue	88,261	-	88,261
Special events, net of direct costs of \$162,874	321,777	-	321,777
Fees and grants from federal agencies	124,443	-	124,443
In-kind contributions	30,353	-	30,353
Investment revenue, net of fees	<u>(43)</u>	<u>2,482</u>	<u>2,439</u>
Operating revenues and support	638,826	284,457	923,283
Net assets released from restriction	<u>221,646</u>	<u>(221,646)</u>	<u>-</u>
TOTAL OPERATING REVENUES AND SUPPORT	860,472	62,811	923,283
EXPENSES			
Program activities	557,926	-	557,926
Supporting services:			
Management and general	24,344	-	24,344
Fundraising	<u>161,259</u>	<u>-</u>	<u>161,259</u>
Total supporting services	<u>185,603</u>	<u>-</u>	<u>185,603</u>
TOTAL EXPENSES	<u>743,529</u>	<u>-</u>	<u>743,529</u>
CHANGE IN NET ASSETS	116,943	62,811	179,754
NET (DEFICIT) ASSETS AT BEGINNING OF YEAR	<u>(290,065)</u>	<u>877,033</u>	<u>586,968</u>
NET (DEFICIT) ASSETS AT END OF YEAR	\$ <u>(173,122)</u>	\$ <u>939,844</u>	\$ <u>766,722</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, 2023

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 301,301	\$ 4,901	\$ 119,440	\$ 425,642
Professional fees	78,240	1,665	29,560	109,465
Employee benefits	62,081	1,066	18,440	81,587
Affiliate support	50,864	3,107	16,018	69,989
Travel and meetings	55,482	38	2,490	58,010
In-kind expense	51,154	-	-	51,154
Building occupancy	26,696	1,630	9,148	37,474
Depreciation	26,404	3,047	4,401	33,852
Payroll taxes	23,321	1,424	7,344	32,089
Dues and subscriptions	3,100	174	16,219	19,493
Office equipment maintenance	14,403	470	3,386	18,259
Telephone	13,679	410	2,109	16,198
Program supplies	13,089	-	-	13,089
Interest	7,252	443	2,284	9,979
Insurance	6,312	385	1,988	8,685
Direct expense - eye glasses	7,226	-	-	7,226
Postage and shipping	3,354	5	331	3,690
Office supplies and equipment	3,105	49	474	3,628
Printing and publications	<u>1,296</u>	<u>-</u>	<u>-</u>	<u>1,296</u>
 TOTAL EXPENSES	 <u>\$ 748,359</u>	 <u>\$ 18,814</u>	 <u>\$ 233,632</u>	 <u>\$ 1,000,805</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, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 232,989	\$ 4,016	\$ 102,339	\$ 339,344
Professional fees	28,990	1,198	6,177	36,365
Employee benefits	53,560	1,073	6,329	60,962
Affiliate support	50,537	3,087	15,914	69,538
Travel and meetings	32,193	1,108	872	34,173
In-kind expense	30,353	-	-	30,353
Building occupancy	24,941	1,523	8,128	34,592
Depreciation	19,669	2,270	3,278	25,217
Payroll taxes	18,843	1,150	5,933	25,926
Dues and subscriptions	3,445	196	2,487	6,128
Office equipment maintenance	12,032	445	4,242	16,719
Telephone	10,685	391	2,354	13,430
Program supplies	16,103	-	-	16,103
Interest	-	7,363	-	7,363
Insurance	5,357	327	1,687	7,371
Direct expense - eye glasses	11,628	-	-	11,628
Postage and shipping	2,755	55	501	3,311
Office supplies and equipment	3,638	131	862	4,631
Printing and publications	<u>208</u>	<u>11</u>	<u>156</u>	<u>375</u>
 TOTAL EXPENSES	 <u>\$ 557,926</u>	 <u>\$ 24,344</u>	 <u>\$ 161,259</u>	 <u>\$ 743,529</u>

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

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 317,376	\$ 179,754
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	33,852	25,217
Realized and unrealized loss/(gain) on investments	46,992	8,321
PPP Loan forgiveness	-	(115,000)
Amortization of right-of-use asset	35,414	-
(Increase) Decrease in operating assets:		
Contributions receivable	(181,945)	(6,762)
Grants receivable	-	23,069
Prepaid expenses	(8,224)	(16,865)
Increase (Decrease) in operating liabilities:		
Accounts payable	32,050	14,811
Accrued expenses	4,910	7,011
Due to National Office	(11,915)	12,601
Deferred rent	-	(1,896)
Deferred revenue	133,215	(11,700)
Operating lease liability	<u>(38,465)</u>	<u>-</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	363,260	118,561
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(182,894)	(65,063)
Proceeds from sales of investments securities	<u>134</u>	<u>205</u>
NET CASH USED IN INVESTING ACTIVITIES	(182,760)	(64,858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments to loan	<u>(9,501)</u>	<u>(8,905)</u>
NET CASH USED IN FINANCING ACTIVITIES	(9,501)	(8,905)
NET CHANGE IN CASH	170,999	44,798
CASH AT BEGINNING OF YEAR	<u>463,324</u>	<u>418,526</u>
CASH AT END OF YEAR	<u>\$ 634,323</u>	<u>\$ 463,324</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 9,812</u>	<u>\$ 7,363</u>

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

GEORGIA SOCIETY TO PREVENT BLINDNESS, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

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 presentation

The accompanying financial statements of Prevent Blindness Georgia 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.

Donor restricted contributions are reported as increases in net assets with 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

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, 2023 and 2022, cash equivalents were \$37,547 and \$30,894, respectively.

Concentration of credit risk

Prevent Blindness Georgia maintains its funds with a financial institution that insures cash balances up to \$250,000 as of March 31, 2023, through the Federal Deposit Insurance Corporation. As of March 31, 2023, the Prevent Blindness Georgia held funds of \$343,810 that exceeded the insured limits. Prevent Blindness Georgia performs on-going evaluations of the financial institution to limit its concentration of credit risk exposure. Prevent Blindness Georgia has not experienced any losses in such accounts and management believes the Prevent Blindness Georgia is not exposed to any significant credit risk related to cash.

Contributions 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, 2023 and 2022 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.

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 as investment revenue in the statement of activities.

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

Revenue and revenue recognition

Contributions

Prevent Blindness Georgia recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Consequently, at March 31, 2023, contributions approximating \$125,000, have not been recognized in the accompanying statement of activities because the conditions on which they depend has not yet been met.

Program service revenue

Performance obligations related to program service revenue contracts are transferred to the customer over time. The principal terms of revenue recognition is ratably over the term of the contract as Prevent Blindness Georgia satisfies the promised obligations. Payment terms vary from payments due up front to payments due per agreed upon payment schedule; therefore, contract assets and contract liabilities may exist at year end. Prevent Blindness Georgia did not receive any advanced payments for the years ended March 31, 2023 and 2022.

Special events

Special events revenues are derived from several fundraising activities conducted by Prevent Blindness Georgia. These amounts are reported net of related expenses. Special events consist primarily of ticket sales and sponsorships. Prevent Blindness Georgia records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Performance obligations related to special events are transferred to the customer at a point in time and is recognized at the conclusion of the event. Special event contributions are conditional promises to give and are not recognized as revenue in the financial statements until the event takes place. Prevent Blindness Georgia received advanced payments of \$29,215 and \$21,000 for the years ended March 31, 2023 and 2022.

Fees and grants from federal agencies

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. Prevent Blindness Georgia did not receive any advanced payments for the years ended March 31, 2023 and 2022.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Donated services and assets

The value of significant donated goods and services and free use of long-lived assets and facilities is reflected as contributions in the accompanying financial statements at the estimated fair value of such goods and services at the date of contribution.

Contributed 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 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.

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, 2023.

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 2020.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Recently adopted accounting guidance

Leases

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Prevent Blindness Georgia adopted the standard effective April 1, 2022 and recognized and measured leases existing at April 1, 2022 (the beginning of the period of adoption) with certain practical expedients available. Lease disclosures for the year ended March 31, 2022 are made under prior lease guidance in FASB ASC 840.

Prevent Blindness Georgia elected the available practical expedients to account for their operating leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, Prevent Blindness Georgia recognized on April 1, 2022 a lease liability of \$75,423, which represents the present value of the remaining operating lease payments of \$77,134, discounted using their incremental borrowing rate of 2.44%, and a right-of-use asset of \$68,577, which represents the operating lease liability of \$75,423 adjusted for accrued rent of \$6,846.

The adoption had a material impact on Prevent Blindness Georgia's statements of financial position but did not have a material impact on the statements of activities or statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on the entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new standard, as amended, is to be applied retrospectively to annual

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. Prevent Blindness Georgia adopted the standard on April 1, 2022, on a retrospective basis. The standard did not have a material impact on the financial statements. Prevent Blindness Georgia has updated disclosures as necessary (See note 14 in-kind contributions).

Reclassifications

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

Subsequent events

Subsequent events have been evaluated through September 25, 2023, which is the date the financial statements were available to be issued.

3. AVAILABILITY AND LIQUIDITY

The following represents Prevent Blindness Georgia’s financial assets at March 31, 2023, 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 and cash equivalents	\$ 634,323
Contributions receivable	306,322
Endowment investments	<u>394,018</u>
	1,334,663

Less amounts unavailable to be used within one year:

Endowment corpus	<u>(600,000)</u>
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Financial assets available to meet cash needs for
general expenditures within one year

\$ 734,663

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. Prevent Blindness Georgia has a \$75,000 line of credit available to meet cash flow needs.

4. 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 \$13,153 and \$10,967 for the years ended March 31, 2023 and 2022, respectively.

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

5. PROPERTY AND EQUIPMENT, NET

Property and equipment at March 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Program equipment	\$ 232,485	\$ 232,485
Office equipment	176,336	61,112
Work in progress	67,670	-
Automotive equipment	34,138	34,138
Furniture and fixtures	<u>19,068</u>	<u>19,068</u>
Total property and equipment	529,697	346,803
Less: accumulated depreciation	<u>(300,451)</u>	<u>(266,599)</u>
Total property and equipment, net	<u>\$ 229,246</u>	<u>\$ 80,204</u>

6. ENDOWMENT INVESTMENTS

The following is a summary of endowment investments at March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equity funds	\$ 68,845	\$ 73,972
Mutual funds	<u>325,173</u>	<u>367,172</u>
Total endowment investments	<u>\$ 394,018</u>	<u>\$ 441,144</u>

7. 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, 2023 and 2022, are deemed as Level 1.

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

8. OPERATING LEASE ACTIVITIES

Prevent Blindness Georgia has an operating lease for office space. They assess whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. This lease did not include any options to renew.

Operating lease right-of-use asset and liability are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease did not provide an implicit rate. They made an election to use the risk-free rate as the discount rate for the purpose of lease calculations. The operating lease right-of-use asset is adjusted for any prepaid or accrued lease payments.

Supplemental Cash Flows Information for the year ended March 31, 2023:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows from operating leases \$ 39,723

Right-of-use assets obtained in exchange for lease obligations:

Operating leases \$ 75,423

Weighted Average Remaining Lease Term

Operating leases 11 months

Weighted Average Discount Rate

Operating leases 2.44%

Future minimum lease payments under non-cancellable leases as of March 31, 2023 were as follows:

2024 lease payments	\$ 37,411
Less: imputed interest	<u>(452)</u>
Present value of lease liabilities	<u>\$ 36,959</u>

9. 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 \$59,437 and \$69,101 as of March 31, 2023 and 2022. Interest is payable monthly at a rate equal to the SunTrust Prime Rate plus 2% per annum (an effective rate of 10% and 5.5% March 31, 2023 and 2022, 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 \$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 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:

2024	\$ 3,694
2025	3,797
2026	3,903
2027	4,012
2028	4,123
Thereafter	<u>127,528</u>
	<u>\$ 147,057</u>

11. 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, 2023 and 2022, Prevent Blindness Georgia was obligated to pay National \$6,037 and \$17,952, 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, 2023 and 2022, \$69,989 and \$69,538 was remitted to National, respectively.

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

12. NET ASSETS

Net assets with donor restrictions were as follows for the years ended March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Perpetual in nature	\$ 600,000	\$ 600,000
Specific purpose	433,456	262,002
Value (under) endowments	<u>37,373</u>	<u>77,842</u>
Total	<u>\$ 1,070,829</u>	<u>\$ 939,844</u>

The purpose restrictions of net assets with donor restrictions follows:

	<u>2023</u>	<u>2022</u>
<i>Subject to expenditure for specified purpose:</i>		
Star Pupils	\$ 7,500	\$ 154,502
Vision Outreach	79,500	107,500
Capital campaign	<u>346,456</u>	<u>-</u>
	433,456	262,002
<i>Endowments:</i>		
Subject to endowment spending policy and appropriation	600,000	600,000
Value (under) over endowments	<u>37,373</u>	<u>77,842</u>
	<u>637,373</u>	<u>677,842</u>
Total net assets with donor restrictions	<u>\$ 1,070,829</u>	<u>\$ 939,844</u>

The cumulative position of the endowment fund follows:

	<u>2023</u>	<u>2022</u>
Original donor restricted gift amount required to be maintained in perpetuity by donor	\$ 600,000	\$ 600,000
Cumulative investment return	350,665	344,142
Spending in excess of original gift and accumulated investment income	<u>(313,292)</u>	<u>(266,300)</u>
Total endowment with donor restrictions	<u>\$ 637,373</u>	<u>\$ 677,842</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2023</u>	<u>2022</u>
Star Pupils	\$ 194,003	\$ 97,599
Vision Outreach	72,000	124,047
Capital campaign	<u>182,893</u>	<u>-</u>
	<u>\$ 448,896</u>	<u>\$ 221,646</u>

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

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.

Changes in endowment net assets for the fiscal year ended March 31, 2023 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, 2022	\$ 600,000	\$ 77,842	\$ 677,842	\$ 677,842
Investment return income	-	6,523	6,523	6,523
Net appreciation (realized and unrealized)	-	(46,992)	(46,992)	(46,992)
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets				
March 31, 2023	\$ 600,000	\$ 37,373	\$ 637,373	\$ 637,373

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

13. ENDOWMENT FUND – Continued

Changes in endowment net assets for the fiscal year ended March 31, 2022 were as follows:

	With Donor Restrictions			Total Funds
	Original Gift Amount	Accumulated Gains (Losses) and Other	Total with Donor Restrictions	
Endowment net assets				
March 31, 2021	\$ 600,000	\$ 75,360	\$ 675,360	\$ 675,360
Investment return income	-	10,803	10,803	10,803
Net appreciation (realized and unrealized)	-	(8,321)	(8,321)	(8,321)
Appropriation of endowment assets for expenditure	-	-	-	-
Endowment net assets				
March 31, 2022	\$ 600,000	\$ 77,842	\$ 677,842	\$ 677,842

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 \$0 and \$0 as of March 31, 2023 and 2022. 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, 2023 and 2022, the appropriations totaled \$0 and \$0, respectively.

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

14. IN-KIND CONTRIBUTIONS

In-kind contributions for the years ended March 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Star Pupils Children Program - Staffing	\$ 24,454	\$ 10,003
Star Pupils Children Program - Materials	4,400	-
Vision Outreach Adult Program - Staffing	<u>22,300</u>	<u>20,350</u>
Total in-kind contributions	<u>\$ 51,154</u>	<u>\$ 30,353</u>

Prevent Blindness Georgia’s policy related to in-kind contributions is to utilize the assets given to carry out the mission of Prevent Blindness Georgia. If an asset is provided that does not allow Prevent Blindness Georgia to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. All in-kind donations received by Prevent Blindness Georgia for the years ended March 31, 2023 and 2022 were considered without donor restrictions and are able to be used by Prevent Blindness Georgia, as determined by the board of directors and management.