



National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Combined Financial Statements
and Supplementary Information
Years Ended March 31, 2020 and 2019

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(d/b/a Prevent Blindness)
and Affiliates**

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Independent Auditor's Report

The Board of Directors
National Society to Prevent Blindness
(d/b/a Prevent Blindness) and Affiliates
Chicago, Illinois

We have audited the accompanying combined financial statements of National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates, which comprise the combined statements of financial position as of March 31, 2020 and 2019, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We did not audit the financial statements of the following combined affiliates: National Society to Prevent Blindness - North Carolina Affiliate, Inc. (d/b/a Prevent Blindness North Carolina); Prevent Blindness Iowa; Georgia Society to Prevent Blindness and Prevent Blindness Wisconsin, Inc. Those statements reflect total assets of \$5,727,830 at March 31, 2020 and \$5,949,938 at March 31, 2019 (constituting 25% and 24% of combined total assets at March 31, 2020 and 2019, respectively) and total public support and operating revenue of \$3,294,852 and \$2,820,879 for the years ended March 31, 2020 and 2019, respectively (constituting 35% and 31%, of combined total public support and operating revenue for the years ended March 31, 2020 and 2019, respectively). Those statements were audited or reviewed by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these affiliates, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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, based on our audits and the reports of the other auditors, the combined financial statements referred to above present fairly, in all material respects, the financial position of National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates as of March 31, 2020 and 2019, and the changes in their net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

October 28, 2020

Combined Financial Statements

**National Society to Prevent Blindness
(d/b/a Prevent Blindness) and Affiliates**

Combined Statements of Financial Position

<i>March 31,</i>	2020	2019
Assets		
Cash and cash equivalents	\$ 2,349,130	\$ 1,440,022
Contributions and other receivables	1,484,767	1,273,073
Investments (Note 3)	12,296,402	14,543,349
Beneficial interest in trusts (Note 3)	5,501,882	6,180,148
Land, building and equipment, net of accumulated depreciation (Note 4)	828,545	823,870
Other assets	598,146	434,757
Total Assets	\$ 23,058,872	\$ 24,695,219
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 372,186	\$ 486,091
Accrued vacation and severance pay	204,029	220,860
Short-term borrowings - bank (Note 7)	75,000	75,000
Deferred revenue and other liabilities	634,734	180,320
Total Liabilities	1,285,949	962,271
Net Assets		
Without donor restriction:		
Undesignated - available for general activities	7,914,637	9,200,833
Designated by the Board of Directors for specific purposes	2,952,895	3,204,962
Total without donor restriction	10,867,532	12,405,795
With donor restriction	10,905,391	11,327,153
Total Net Assets	21,772,923	23,732,948
Total Liabilities and Net Assets	\$ 23,058,872	\$ 24,695,219

See accompanying notes to combined financial statements.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Combined Statements of Activities and Changes in Net Assets

Year ended March 31,	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Public Support and Operating Revenue						
Public Support						
Public support received directly:						
Contributions	\$ 1,860,643	\$ 2,439,702	\$ 4,300,345	\$ 1,694,342	\$ 2,091,042	\$ 3,785,384
Legacies and income from trusts held by others	465,191	23,084	488,275	1,160,540	25,000	1,185,540
Special events, net of direct costs of \$351,902 and \$513,934 in 2020 and 2019, respectively	971,404	-	971,404	1,108,515	-	1,108,515
In-kind contributions	117,274	-	117,274	-	-	-
Received indirectly - combined service campaigns	24,323	-	24,323	16,911	-	16,911
Total Public Support	3,438,835	2,462,786	5,901,621	3,980,308	2,116,042	6,096,350
Operating Revenue						
Fees and grants from governmental agencies	2,833,840	3,240	2,837,080	2,247,746	3,240	2,250,986
Program service revenue	69,109	-	69,109	54,614	-	54,614
Net investment income	308,488	17,002	325,490	347,539	17,365	364,904
Miscellaneous	202,746	-	202,746	238,395	-	238,395
Total Operating Revenue	3,414,183	20,242	3,434,425	2,888,294	20,605	2,908,899
Net Assets Released From Restrictions, satisfaction of program restrictions						
	2,175,692	(2,175,692)	-	1,872,354	(1,872,354)	-
Total Public Support and Operating Revenue	9,028,710	307,336	9,336,046	8,740,956	264,293	9,005,249
Expenses						
Program services:						
Research	371,129	-	371,129	295,017	-	295,017
Public health education	2,691,612	-	2,691,612	2,884,093	-	2,884,093
Professional education and training	1,594,969	-	1,594,969	1,417,415	-	1,417,415
Community services	3,004,666	-	3,004,666	2,483,321	-	2,483,321
Total program services	7,662,376	-	7,662,376	7,079,846	-	7,079,846
Supporting services:						
General and administrative	1,016,607	-	1,016,607	1,027,825	-	1,027,825
Fundraising	1,088,620	-	1,088,620	1,071,436	-	1,071,436
Total supporting services	2,105,227	-	2,105,227	2,099,261	-	2,099,261
Total Expenses	9,767,603	-	9,767,603	9,179,107	-	9,179,107
(Deficiency) Excess of Public Support and Operating Revenue over Expenses						
	(738,893)	307,336	(431,557)	(438,151)	264,293	(173,858)
Non-Operating Revenue, Gains and Losses						
Realized and unrealized (losses) gains on investments	(1,473,565)	(50,832)	(1,524,397)	(159,996)	3,424	(156,572)
Change in market value of beneficial interest in trusts	-	(678,266)	(678,266)	-	(85,266)	(85,266)
Gain on sale of building	674,195	-	674,195	888,086	-	888,086
Total Non-Operating Revenue, Gains and Losses	(799,370)	(729,098)	(1,528,468)	728,090	(81,842)	646,248
Total Change in Net Assets	(1,538,263)	(421,762)	(1,960,025)	289,939	182,451	472,390
Net Assets, beginning of year	12,405,795	11,327,153	23,732,948	12,766,404	11,487,414	24,253,818
Distribution of Net Assets, affiliate organization						
	-	-	-	(650,548)	(342,712)	(993,260)
Net Assets, end of year	\$ 10,867,532	\$ 10,905,391	\$ 21,772,923	\$ 12,405,795	\$ 11,327,153	\$ 23,732,948

See accompanying notes to combined financial statements.

**National Society to Prevent Blindness
(d/b/a Prevent Blindness) and Affiliates
Combined Statements of Functional Expenses**

<i>Year ended March 31, 2020</i>	Program Services					Supporting Services			2020 Total
	Research	Public Health Education	Professional Education and Training	Community Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	
Salaries	\$ 185,619	\$ 1,374,563	\$ 823,904	\$ 1,539,237	\$ 3,923,323	\$ 468,671	\$ 495,778	\$ 964,449	\$ 4,887,772
Employee benefits	36,315	242,286	144,742	313,106	736,449	90,067	105,593	195,660	932,109
Payroll taxes	12,264	109,987	59,300	115,514	297,065	39,828	37,741	77,569	374,634
Total payroll and related expenses	234,198	1,726,836	1,027,946	1,967,857	4,956,837	598,566	639,112	1,237,678	6,194,515
Accounting and audit fees	848	32,552	8,345	4,774	46,519	42,218	2,804	45,022	91,541
Legal fees	19	680	170	76	945	926	19	945	1,890
Other professional fees and outside services	96,946	259,772	170,505	363,419	890,642	58,429	177,126	235,555	1,126,197
Office supplies	778	168,125	152,253	238,709	559,865	9,749	15,202	24,951	584,816
Telephone	1,199	24,409	9,864	25,657	61,129	15,363	8,344	23,707	84,836
Postage and shipping	436	14,057	5,871	10,664	31,028	7,205	25,831	33,036	64,064
Building occupancy	4,490	149,180	53,265	92,007	298,942	151,051	35,043	186,094	485,036
Interest	54	1,934	483	215	2,686	2,632	53	2,685	5,371
Office equipment maintenance	424	20,553	7,333	27,349	55,659	14,158	7,980	22,138	77,797
Printing and publications	1,177	25,447	25,601	38,599	90,824	4,425	62,489	66,914	157,738
Travel and meetings	25,561	157,948	89,005	126,898	399,412	45,666	74,533	120,199	519,611
Insurance	584	24,489	8,358	18,510	51,941	15,688	6,507	22,195	74,136
Awards and grants	-	4,271	4,261	6,525	15,057	-	-	-	15,057
Other	3,184	42,694	17,235	46,759	109,872	23,755	22,605	46,360	156,232
Total Expenses, before depreciation	369,898	2,652,947	1,580,495	2,968,018	7,571,358	989,831	1,077,648	2,067,479	9,638,837
Depreciation, building and equipment	1,231	38,665	14,474	36,648	91,018	26,776	10,972	37,748	128,766
Total Expenses	\$ 371,129	\$ 2,691,612	\$ 1,594,969	\$ 3,004,666	\$ 7,662,376	\$ 1,016,607	\$ 1,088,620	\$ 2,105,227	\$ 9,767,603

**National Society to Prevent Blindness
(d/b/a Prevent Blindness) and Affiliates
Combined Statements of Functional Expenses**

	Program Services					Supporting Services				2019 Total
	Research	Public Health Education	Professional Education and Training	Community Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
<i>Year ended March 31, 2019</i>										
Salaries	\$ 131,176	\$ 1,538,562	\$ 661,784	\$ 1,242,568	\$ 3,574,090	\$ 532,594	\$ 569,486	\$ 1,102,080	\$ 4,676,170	
Employee benefits	24,864	274,730	118,705	270,078	688,377	89,351	102,621	191,972	880,349	
Payroll taxes	8,688	123,144	48,670	97,015	277,517	43,581	42,477	86,058	363,575	
Total payroll and related expenses	164,728	1,936,436	829,159	1,609,661	4,539,984	665,526	714,584	1,380,110	5,920,094	
Accounting and audit fees	2,174	30,320	10,393	16,515	59,402	35,824	3,554	39,378	98,780	
Legal fees	119	4,279	1,070	475	5,943	5,825	119	5,944	11,887	
Other professional fees and outside services	47,475	293,138	214,062	255,616	810,291	73,058	132,198	205,256	1,015,547	
Office supplies	882	112,269	102,515	143,229	358,895	7,173	3,503	10,676	369,571	
Telephone	602	24,166	8,502	23,234	56,504	13,384	6,869	20,253	76,757	
Postage and shipping	385	15,743	5,669	12,217	34,014	5,724	27,813	33,537	67,551	
Building occupancy	3,645	129,453	45,727	85,863	264,688	114,535	34,169	148,704	413,392	
Interest	178	1,150	509	5,438	7,275	998	1,687	2,685	9,960	
Office equipment maintenance	295	19,338	6,453	24,324	50,410	13,049	7,515	20,564	70,974	
Printing and publications	2,452	25,716	26,134	45,293	99,595	7,569	55,584	63,153	162,748	
Travel and meetings	38,380	169,091	82,312	119,607	409,390	33,290	50,902	84,192	493,582	
Insurance	1,784	24,407	10,697	22,055	58,943	6,951	7,323	14,274	73,217	
Awards and grants	23,700	12,060	34,600	36,140	106,500	-	-	-	106,500	
Other	2,312	36,358	13,241	26,978	78,889	20,890	10,335	31,225	110,114	
Total Expenses, before depreciation	289,111	2,833,924	1,391,043	2,426,645	6,940,723	1,003,796	1,056,155	2,059,951	9,000,674	
Depreciation, of building and equipment	5,906	50,169	26,372	56,676	139,123	24,029	15,281	39,310	178,433	
Total Expenses	\$ 295,017	\$ 2,884,093	\$ 1,417,415	\$ 2,483,321	\$ 7,079,846	\$ 1,027,825	\$ 1,071,436	\$ 2,099,261	\$ 9,179,107	

See accompanying notes to combined financial statements.

**National Society to Prevent Blindness
(d/b/a Prevent Blindness) and Affiliates**

Combined Statements of Cash Flows

<i>Year ended March 31,</i>	2020	2019
Cash Flows From (For) Operating Activities		
Change in net assets	\$ (1,960,025)	\$ (520,870)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	128,766	178,433
Loss on disposal of assets	5,977	-
Gain on sale of building	(674,195)	(888,086)
Realized and unrealized losses on investments	1,524,397	156,572
Change in market value of beneficial interest in trusts	678,266	85,266
Change in operating assets and liabilities:		
Contributions and other receivables	(211,694)	189,933
Other assets	(163,389)	(75,547)
Accounts payable and accrued expenses	(113,905)	30,040
Accrued vacation and severance pay	(16,831)	(280,840)
Deferred revenue and other liabilities	454,414	(37,280)
Net Cash Used in Operating Activities	(348,219)	(1,162,379)
Cash Flows From (For) Investing Activities		
Proceeds from sale of building	689,582	2,050,000
Capital expenditures	(154,805)	(51,169)
Proceeds from sales of investment securities	2,431,388	5,654,973
Purchases of investment securities	(1,708,838)	(6,649,277)
Net Cash Provided by Investing Activities	1,257,327	1,004,527
Cash Flows From Financing Activities		
Repayments of mortgage loan	-	(959,680)
Net Cash Used in Financing Activities	-	(959,680)
Net Increase (Decrease) in Cash and Cash Equivalents	909,108	(1,117,532)
Cash and Cash Equivalents, beginning of the year	1,440,022	2,557,554
Cash and Cash Equivalents, end of the year	\$ 2,349,130	\$ 1,440,022
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 10,813	\$ 49,843
Non-Cash Financing Transaction		
Distribution of net asset - affiliate organization	\$ -	\$ 993,260

See accompanying notes to combined financial statements.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

1. Organization and Operations

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates (jointly referred to as Prevent Blindness) are not-for-profit organizations dedicated to preventing blindness and preserving sight through public and professional education, vision screening training and certification, patient service programs, public policy advocacy, and research throughout the United States of America. Prevent Blindness' principal sources of revenue are public support contributions from foundations, corporations, trusts and legacies, and bequests; grants from federal and local government entities; net revenue from fundraising events; and investment income. The Affiliates share a portion of their public support with Prevent Blindness in accordance with their affiliation agreements and are controlled by their local Boards of Directors.

2. Summary of Significant Accounting Policies

Basis of Combination and Presentation

The combined financial statements of Prevent Blindness have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Significant accounting policies followed by Prevent Blindness are described below.

The accompanying combined financial statements include the accounts of Prevent Blindness and its Affiliates. Intercompany transactions have been eliminated in combination. The Affiliates included in the accompanying combined financial statements include the following: National Society to Prevent Blindness - North Carolina Affiliate, Inc. (d/b/a Prevent Blindness North Carolina); Prevent Blindness Iowa; Prevent Blindness Wisconsin, Inc.; Texas Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Texas); Georgia Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Georgia); and National Society to Prevent Blindness, Ohio Affiliate (d/b/a Prevent Blindness, Ohio Affiliate).

In order to ensure the observance of limitations and restrictions placed on the use of available resources, Prevent Blindness maintains its financial accounts in accordance with the principles and practices of fund accounting. This is the procedure by which resources for various purposes are classified for accounting purposes into funds established in accordance with their nature and purpose.

For external reporting purposes, Prevent Blindness' combined financial statements have been prepared to focus on Prevent Blindness as a whole and to present balances and transactions classified in accordance with the existence or absence of donor-imposed restrictions. Net assets and related activity are classified as follows:

Without Donor Restriction - Net assets without donor restrictions that are not subject to donor-imposed restrictions, plus those resources for which donor-imposed restrictions have been satisfied. Certain of these assets, however, are designated by the Board of Directors for specific purposes or for the endowment.

With Donor Restriction - Net assets with donor restrictions that are subject to donor-imposed restrictions that may or will be met either by actions of Prevent Blindness or the passage of time, or that are subject to donor-imposed restrictions in perpetuity. Generally, the donors of these assets

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

permit Prevent Blindness to use all or part of the income earned on related investments for general or specific purposes. Some assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting Prevent Blindness to expend the income generated by the assets in accordance with the provisions of additional donor restrictions and the release of restrictions, respectively. Refer to Note 9 for a listing of net assets that are perpetual in nature as of March 31, 2020 and 2019.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in banks, and short-term highly liquid investments, which are readily convertible into cash within 90 days after purchase.

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

Contributions and Other Receivables

Prevent Blindness' contributions and other receivables are comprised primarily of grants and allocations committed from various funding agencies, corporations, and individuals for use in Prevent Blindness' activities. Prevent Blindness has not recorded a provision for doubtful accounts, because it is the opinion of Prevent Blindness that those receivables are collectible in full.

Investments

Investments are reported at fair value. Investment income, including net realized and unrealized gains (losses), is reflected in the combined statement of activities and changes in net assets as an increase (decrease) in net assets. Interest and dividend income is recorded on the accrual basis. Realized gains and losses are determined based on specific identification of securities sold.

Prevent Blindness' investments are exposed to various risks such as interest rate, credit, and overall market volatility. Due to these risk factors, it is reasonably possible that changes in the value of investments will occur in the near term and could materially affect the amounts reported in the combined statements of financial position.

Land, Building, and Equipment

Land, building, 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. Useful lives range from 10 to 40 years for buildings, three to ten years for equipment, and five to 27.5 years for leasehold improvements. It is the policy of Prevent Blindness to capitalize building and equipment if the cost or value of the item is in excess of a

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

predetermined threshold and the useful economic life is greater than one year. Costs of repairs and maintenance are charged to expense as incurred.

Public Support and Revenue

Public support and revenue are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

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

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

Revenue from government grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreement. Revenue from program service fees is recognized when the service is completed.

Donated Services

Prevent Blindness recognizes the fair value of contributed services that require specialized skills and are provided by individuals who possess those skills as revenue in the period received.

A substantial number of volunteers have donated significant amounts of their time to Prevent Blindness' vision screening and other program services, fundraising campaigns and management. The estimated value of such donated time has not been recorded in the combined financial statements for those services that do not require special expertise.

Legacies, Bequests, and Beneficial Interests in Trusts

Prevent Blindness is the beneficiary of various wills, the total realizable amount of which is not presently determinable. Such amounts are recorded when a clear title is established, and the proceeds are clearly measurable. Prevent Blindness is also the income beneficiary under various trusts, the corpora of which is not controlled by Prevent Blindness. In the absence of donor-imposed conditions, Prevent Blindness recognizes its beneficial interest in a trust as a contribution in the period in which it receives notice that the trust agreement conveys an unconditional right to receive benefits.

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Notes to Combined Financial Statements

Beneficial interest in trusts is stated at the estimated fair value of the assets from 11 trusts based on the percentage of the trust designated to Prevent Blindness applied to the total fair value of the trust, which is based primarily on quoted market prices. The changes in the fair value of the underlying trust assets, as determined by the trustees that hold and/or manage these assets, are recognized in the combined statements of activities and changes in net assets in the periods in which they occur.

Functional Expenses

The costs of providing the program and support services have been reported on a functional basis in the combined statement of activities and changes in net assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Items included in total salaries and related expenses are based on efforts of personnel, while the remainder of expenses are based on square footage of space utilized, personnel or other appropriate determination. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

Income Taxes

The Internal Revenue Service (IRS) has informed Prevent Blindness that they are tax-exempt organizations as provided in Section 501(c)(3) of the Internal Revenue Code (IRC) and, except for taxes pertaining to unrelated business income, are exempt from federal and state income taxes. No provision has been made for income taxes in the accompanying combined financial statements for the years ended March 31, 2020 and 2019, as Prevent Blindness has had no significant unrelated business income.

Prevent Blindness' application of U.S. GAAP regarding uncertain tax positions had no effect on its financial position, as management believes they have no material unrecognized income tax benefits, including any potential risk of loss of its not-for-profit tax status. Prevent Blindness would account for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as income tax expense. Prevent Blindness is subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. Prevent Blindness is still open to examination by U.S. tax authorities from fiscal 2017 forward.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers*, which defers the effective date of the new revenue recognition standard by one year. This pronouncement is effective for Prevent Blindness in fiscal 2021 and is to be applied using one of two retrospective application methods, with early adoption permitted. Management is currently evaluating the impact of ASU 2014-09 on the combined financial statements and financial statement disclosures.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update, along with ASU 2018-10, *Codification Improvements to Topic 842: Leases*, ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and ASU 2018-20, *Leases (Topic 842) Narrow-Scope Improvements for Lessors*, establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the combined statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures as well as provides entities with an additional (and optional) transition method to adopt the new standard. The ASU is effective for Prevent Blindness' fiscal year 2023. Management is currently evaluating the impact of the ASU on their combined financial statements.

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This update addresses presentation and disclosure of contributed nonfinancial assets. This update will require a nonprofit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, disclose contributed nonfinancial assets recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial assets recognized include the following: qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period (if utilized, to disclose a description of the programs or other activities in which those assets were used), Prevent Blindness' policy (if any) about monetizing rather than utilizing contributed nonfinancial assets, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, a description of the valuation techniques and inputs used to arrive at a fair value measure at initial recognition, and the principal market used to arrive at a fair value measure if it is a market in which the recipient is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The ASU is to be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Earlier adoption is permitted. Prevent Blindness is currently evaluating the impact of this ASU on its financial statements.

Accounting Pronouncement Adopted

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred, which, depending on the outcome, determines whether Prevent Blindness follows contribution guidance or exchange transactions guidance under the new revenue recognition guidance and other applicable standards. The update also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The guidance is effective for Prevent Blindness year ended March 31, 2020; the adoption of this update did not have a material impact on Prevent Blindness' combined financial statements.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

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3. Fair Value Measurements

U.S. GAAP requires certain assets and liabilities be reported at fair value in the financial statements and provides a framework for establishing that fair value. Fair value is defined in U.S. GAAP as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. U.S. GAAP describes three levels of inputs that may be used to measure fair value.

Level 1 inputs use unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals. Fair values for Prevent Blindness' hedge fund were based on net asset value (NAV). Such NAV is based on the value of the underlying assets of the fund. The investment objectives of the funds vary and can be differentiated by the nature of their holdings.

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

Accounting Standards Codification (ASC) 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. On May 1, 2015, the FASB issued ASU 2015-07, *Disclosures for Certain Entities that Calculate Net Asset Value Per Share (or its equivalent)*. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share or its equivalent. Prevent Blindness adopted the revised guidance as of March 31, 2017. As a result, investments in hedge funds that are measured at fair value using NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy.

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

Prevent Blindness' policy is to recognize transfers in and transfers out of Level 1, 2, and 3 fair value classifications as of the beginning of the reporting period in circumstances that caused the transfer. There were no such transfers during the years ended March 31, 2020 and 2019.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

The following tables present information about Prevent Blindness' assets and liabilities measured at fair value on a recurring basis at March 31, 2020 and 2019 and the valuation techniques used by Prevent Blindness to determine those fair values.

<i>March 31, 2020</i>	Fair Values	Recurring Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments:				
Money market instruments	\$ 3,928	\$ -	\$ 3,928	\$ -
Mutual funds	8,334,260	7,696,191	497,210	140,859
Common stocks	1,842,407	1,821,714	-	20,693
Corporate bonds and notes	521,109	-	521,109	-
U.S. government obligations	570,434	-	570,434	-
Other investments:				
Community foundations	106,193	-	-	106,193
	<u>\$ 11,378,331</u>	<u>\$ 9,517,905</u>	<u>\$ 1,592,681</u>	<u>\$ 267,745</u>
Beneficial interest in trusts	<u>\$ 5,501,882</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,501,882</u>

<i>March 31, 2019</i>	Fair Values	Recurring Fair Value Measurements		
		Level 1	Level 2	Level 3
Investments:				
Money market instruments	\$ 28,205	\$ 16,402	\$ 11,803	\$ -
Mutual funds	9,920,813	9,244,077	676,736	-
Common stocks	2,238,040	2,211,353	26,687	-
Corporate bonds and notes	711,627	-	711,627	-
U.S. government obligations	710,071	-	710,071	-
Other investments:				
Community foundations	110,167	-	-	110,167
	<u>\$ 13,718,923</u>	<u>\$ 11,471,832</u>	<u>\$ 2,136,924</u>	<u>\$ 110,167</u>
Beneficial interest in trusts	<u>\$ 6,180,148</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,180,148</u>

Not included in the table above as of March 31, 2020 are cash and cash equivalents of \$11,646, money market funds of \$356,011, and certificates of deposit of \$295,146. Not included in the table above as of March 31, 2019 are cash and cash equivalents of \$10,884, money market funds of \$282,432, and certificates of deposit of \$288,396.

On the combined statements of activities and changes in net assets, net investment income amounts are reported net of related investment management expenses of \$85,762 and \$83,653 for the years ended March 31, 2020 and 2019, respectively.

Investments classified as Level 3 are comprised of beneficial interests in perpetual trusts and community foundations investments. The beneficial interests in trusts are stated at the estimated fair value, which is based on the percentage of the trust designated to Prevent Blindness, applied to the total fair value of the trust, which is based primarily on quoted market prices. The estimated fair value of community foundations are based on the underlying assets, which consist primarily of securities traded on an active market or secondary market.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

The following tables present reconciliations of the beginning and ending balances recorded for instruments classified as Level 3 in their fair value hierarchy:

	Community Foundations	Beneficial Interest in Trusts	Total
Balance, March 31, 2018	\$ 109,176	\$ 6,265,414	\$ 6,374,590
Total gains (realized and unrealized)	991	(85,266)	(84,275)
Balance, March 31, 2019	110,167	6,180,148	6,290,315
Total gains (realized and unrealized)	(3,974)	(678,266)	(682,240)
Balance, March 31, 2020	\$ 106,193	\$ 5,501,882	\$ 5,608,075

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets and liabilities. As a result, the unrealized gains and losses for these assets and liabilities presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

Investments in Entities that Calculate Net Asset Value per Share

At March 31, 2020 and 2019, the estimated fair values for the hedge funds were determined by the respective fund manager. Such NAV is based on the value of the underlying assets and liabilities of the fund. At year end, the fair values, unfunded commitments, and redemption rules of those investments are as follows:

<i>March 31,</i>	2020 Fair Value	2019 Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period (Days)
Ironwood Hedge Fund ⁽¹⁾	\$ 255,268	\$ 242,714	None	Bi-annually	95
Total	\$ 255,268	\$ 242,714			

(1) This hedge fund is held with Ironwood Multi-Strategy Fund LLC and was purchased in September and November 2012.

4. Land, Building, and Equipment

Prevent Blindness' land, building, and equipment consisted of the following:

<i>March 31,</i>	2020	2019
Land	\$ 175,000	\$ 189,897
Buildings	535,105	688,939
Equipment	1,888,353	1,763,040
Leasehold improvements	27,455	10,244
	2,625,913	2,652,120
Less: accumulated depreciation	1,797,368	1,828,250
Total	\$ 828,545	\$ 823,870

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

Depreciation expense was \$128,766 and \$178,433 for the years ended March 31, 2020 and 2019, respectively. In March 2019, the National Society to Prevent Blindness sold its building and land. The gain on sale of the building and land are included as non-operating revenue, gains and losses in the statements of activities and changes in net assets.

5. Employee Benefit Plan

Prevent Blindness offers a contributory defined contribution plan to substantially all employees who meet the eligibility requirements of age and length of service. Total contributions under the plan were \$232,289 and \$224,045 for the years ended March 31, 2020 and 2019, respectively.

6. Lease Commitments

Prevent Blindness occupies certain operating facilities under various operating lease agreements expiring at various dates through 2027. Substantially all of these leases require that Prevent Blindness pay real estate taxes, utilities, and maintenance expenses.

As of March 31, 2020, the minimum future rent payments due under operating leases with non-cancelable lease terms in excess of one year are as follows:

Year ending March 31,

2021	\$	291,004
2022		399,963
2023		334,133
2024		343,282
2025		307,733
Thereafter		1,288,546
Total	\$	2,964,661

Total rent expense on all operating leases was \$461,528 and \$333,370 for the years ended March 31, 2020 and 2019, respectively.

7. Short-Term Borrowings - Bank

Short-term borrowings include two lines of credit agreements with different financial institutions. Outstanding borrowings amounted to \$75,000 of an available \$675,000 on the following two lines of credit at March 31, 2020:

1. \$75,000 under a secured line of credit agreement with SunTrust Bank with total available borrowings of \$75,000. This agreement was entered into on January 20, 2012. This is an open-end revolving line of credit and is payable on demand. This loan arrangement may be terminated without notice by SunTrust Bank. The interest rate is equal to the SunTrust Prime Rate plus 2% (effective rate of 6.25% on March 31, 2020). The line of credit is collateralized by Georgia Society to Prevent Blindness' general investment account.
2. \$0 under a secured line of credit agreement with Heartland Bank and Trust Company in Illinois with total available borrowings of \$600,000. This agreement was entered into on December 3, 2019 and expires on December 3, 2020. Interest is payable monthly at one-

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

month LIBOR plus 2.00% (effective rate of 2.99% on March 31, 2020). This line of credit is secured by collateral described in the substitution agreement dated February 25, 2019 to Heartland Bank and Trust on a brokerage account held by Prevent Blindness.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions of \$3,293,990 and \$3,037,486 as of March 31, 2020 and 2019, respectively, consist of gifts and other unexpended resources restricted for research and other program support. Some of the gifts and unexpended resources restricted for research and other program support are also restricted for time.

Net assets restricted in perpetuity consist of the following:

<i>March 31,</i>		2020		2019
Donor-restricted endowment funds	\$	2,109,519	\$	2,109,519
Beneficial interest in trusts		5,501,882		6,180,148
Total	\$	7,611,401	\$	8,289,667

9. Endowments

Prevent Blindness' endowment consists of 12 individual funds established for a variety of purposes including vision screening, eye health education, safety, and general operations. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors. Prevent Blindness does not consider its beneficial interest in trusts to be part of its endowment, because the trustees of those trusts determine the investment objectives for the assets included in the trusts. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Boards of Directors to function as endowments, are classified and reported based on existences or absences of donor-imposed restrictions.

Interpretation of Relevant Law Subject to an Enacted Version of UPMIFA

The various Boards of Directors of Prevent Blindness have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the real value of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Prevent Blindness classifies as net assets with donor restrictions in perpetuity (a) the original value of gifts donated to the endowment in perpetuity; (b) the original value of subsequent gifts donated to the endowment in perpetuity; and (c) accumulations to the endowment in perpetuity made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

In accordance with UPMIFA, Prevent Blindness 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 purpose of Prevent Blindness and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effect of inflation and deflation.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

5. The expected total return from income and the appreciation of investments.
6. Other resources of Prevent Blindness.
7. The investment policies of Prevent Blindness.

Return Objectives and Risk Parameters

Prevent Blindness 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 real value of the endowment assets. Endowment assets include those assets of donor-restricted funds that Prevent Blindness must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Prevent Blindness expects its endowment funds, over time, to provide an average rate of return of approximately 4% to 5% annually. Actual returns in any given year may vary from this amount.

Spending Policy and How the Investment Objectives Relate to Spending Policy

National Society to Prevent Blindness and Affiliates has various policies of appropriating for the distribution part of its endowment fund's fair value.

National Society to Prevent Blindness, which holds 70% of total donor restricted endowment funds as of March 31, 2020 and 2019, has a policy to hold the original value of the gift in perpetuity while income earned can be used as designated by the donor. The Affiliates' policies include policies such as the following:

1. Holding the original value of the gift in perpetuity while income earned can be used as designated by the donor.
2. Specific fixed dollar appropriations.

In establishing its policies, Prevent Blindness considered the long-term expected return on its endowments.

Strategies Employed for Achieving Objectives

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

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National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

Endowment net asset composition by type of fund as of March 31, 2020 was as follows:

	Without Donor Restriction		With Donor Restriction		Total
Board-designated endowment fund	\$ 78,633	\$	-	\$	78,633
Donor-restricted endowment fund:					
Original donor-restricted gift amounts require to be maintained in perpetuity by the donor	-		2,109,519		2,109,519
Accumulated investment gain	-		313,583		313,583
Total Endowment Funds	\$ 78,633	\$	2,423,102	\$	2,501,735

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

	Without Donor Restriction		With Donor Restriction		Total
Endowment Net Assets, beginning of year	\$ 62,435	\$	2,841,826	\$	2,904,261
Investment return:					
Investment income	-		61,591		61,591
Net appreciation (realized and unrealized)	-		(344,559)		(344,559)
Total Investment Return	-		(282,968)		(282,967)
Contributions	16,198		-		16,198
Appropriation of endowment assets for expenditure	-		(135,756)		(135,756)
Endowment Net Assets, end of year	\$ 78,633	\$	2,423,102	\$	2,501,735

Endowment net asset composition by type of fund as of March 31, 2019 was as follows:

	Without Donor Restriction		With Donor Restriction		Total
Board-designated endowment fund	\$ 62,435	\$	-	\$	62,435
Donor-restricted endowment fund:					
Original donor-restricted gift amounts require to be maintained in perpetuity by the donor	-		2,109,519		2,109,519
Accumulated investment gain	-		732,307		732,307
Total Endowment Funds	\$ 62,435	\$	2,841,826	\$	2,904,261

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

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

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, beginning of year	\$ -	\$ 3,179,748	\$ 3,179,748
Investment return:			
Investment income	-	37,925	37,925
Net appreciation (realized and unrealized)	-	(46,291)	(46,291)
Total Investment Return	-	(8,366)	(8,366)
Contributions	62,435	-	62,435
Appropriation of endowment assets for expenditure	-	8,366	8,366
Affiliate organization distribution	-	(337,922)	(337,922)
Endowment Net Assets, end of year	\$ 62,435	\$ 2,841,826	\$ 2,904,261

10. Liquidity and Availability of Resources

Prevent Blindness' financial assets available within one year of the statements of financial position date for general expenditures are as follows:

<i>March 31,</i>	2020		2019
Cash and cash equivalents	\$ 2,349,130	\$	1,440,022
Contributions and other receivables	1,484,767		1,273,073
Investments	12,296,402		14,543,349
Total Financial Assets Available Within One Year	16,130,299		17,256,444
Less:			
Amounts unavailable for general expenditures within one year, due to:			
Restricted by donors with purpose restrictions	3,293,990		3,037,486
Restricted in perpetuity	2,109,519		2,109,519
Total Amounts Unavailable for General Expenditures Within One Year	5,403,509		5,147,005
Total Financial Assets Available to Management for General Expenditures Within One Year	\$ 10,726,790	\$	12,109,439

Prevent Blindness maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations due. Investments are included in the table above as these assets are available to be used should Prevent Blindness deem necessary; however, the investments are not expected to be used within one year.

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

11. Contingency

COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on Prevent Blindness' financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, Prevent Blindness is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.

CARES Act

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer-side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions, and technical corrections to tax depreciation methods for qualified improvement property. It also appropriated funds for the SBA Paycheck Protection Program loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19. Refer to Note 12 for information related to the SBA PPP loans received by Prevent Blindness.

12. Subsequent Events

Prevent Blindness has evaluated subsequent events through October 28, 2020, the date the combined financial statements were available to be issued.

On April 15, 2020, the National Society to Prevent Blindness executed, in good faith, a PPP loan totaling \$421,700 with an interest rate of 1%. No payments are due on this loan for six months from the date of the loan. Interest will continue to accrue during the deferment period. Loan payments of principal and interest are due monthly over the remaining 18 months of the loan. The SBA will forgive the loan if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest, or utilities. While the National Society to Prevent Blindness anticipates the full portion of the loan to be forgiven, the organization must comply with the stipulations of the loan and the SBA will have to authorize any forgiveness of part or all of the outstanding loan balances.

On April 26, 2020, the Texas Society to Prevent Blindness, Inc. executed, in good faith, a PPP loan totaling \$144,700 with an interest rate of 1%. No payments are due on this loan for six months from the date of the loan. Interest will continue to accrue during the deferment period. Loan payments of principal and interest are due monthly over the remaining 18 months of the loan. The SBA will

National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates

Notes to Combined Financial Statements

forgive the loan if all employees are kept on the payroll for eight weeks and the money is used for payroll, rent, mortgage interest or utilities. While the Texas Society to Prevent Blindness anticipates the full portion of the loan to be forgiven, the organization must comply with the stipulations of the loan and the SBA will have to authorize any forgiveness of part or all of the outstanding loan balances.

On June 25, 2020, the Texas Society to Prevent Blindness, Inc. executed an additional SBA PPP loan totaling \$150,000 with an interest rate of 2.75%. Loan payments of principal and interest of \$641 are due monthly and will commence 12 months from the date of the loan, with a maturity date of June 2050. The Texas Society to Prevent Blindness, Inc. may use proceeds of the loan solely as working capital to alleviate economic injury caused by the COVID-19 outbreak.

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. Prevent Blindness Georgia is required to use all the proceeds of this loan solely as working capital to alleviate economic injury caused by the COVID-19 outbreak. Installment payments, including principal and interest of \$642 monthly, will begin 12 months from the date of the promissory note. The balance of principal and interest will be payable 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 Prevent Blindness Georgia.

Refer to Note 11 for information related to the CARES Act that triggered the SBA PPP Loans.

In June 2020, Prevent Blindness North Carolina was awarded a block grant from the State of North Carolina in the amount of \$1,036,997.

Supplementary Information



Independent Auditor's Report on Supplementary Information

Our audits of the combined financial statements of National Society to Prevent Blindness (d/b/a Prevent Blindness) and Affiliates as of and for the years ended March 31, 2020 and 2019 included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented on National Society to Prevent Blindness, National Office in the following section of this report is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audits of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information as of and for the years ended March 31, 2020 and 2019 is fairly stated in all material respects in relation to the combined financial statements as of and for the years ended March 31, 2020 and 2019 as a whole.

BDO USA, LLP

October 28, 2020

National Society to Prevent Blindness, National Office

Statements of Financial Position

March 31,	2020	2019
Assets		
Cash	\$ 98,486	\$ 121,847
Contributions and other receivables	823,182	879,425
Investments	5,487,666	6,610,998
Land, building, and equipment, net	121,921	44,468
Beneficial interest in trusts	5,501,882	6,180,148
Other assets	302,382	198,075
Total Assets	\$ 12,335,519	\$ 14,034,961
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 114,279	\$ 258,541
Accrued vacation and severance	64,854	94,119
Deferred revenue and other liabilities	665,025	218,800
Total Liabilities	844,158	571,460
Net Assets		
Without donor restriction:		
Undesignated - available for general activities	2,379,481	3,940,784
Designated by the Board of Directors for specific purposes	145,958	173,224
Total without donor restriction	2,525,439	4,114,008
With donor restriction	8,965,922	9,349,493
Total Net Assets	11,491,361	13,463,501
Total Liabilities and Net Assets	\$ 12,335,519	\$ 14,034,961

See accompanying independent auditor's report on supplementary information.

National Society to Prevent Blindness, National Office

Statements of Activities and Changes in Net Assets

Year ended March 31,	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Public Support and Operating Revenue						
Public Support						
Received directly						
Contributions and government grants	\$ 914,441	\$ 1,027,604	\$ 1,942,045	\$ 562,013	\$ 1,014,223	\$ 1,576,236
Legacies and income from trusts held by others	448,994	23,084	472,078	1,098,105	25,000	1,123,105
Special events, net of direct costs of \$62,836 in 2020 and \$125,927 in 2019	81,194	-	81,194	202,758	-	202,758
Received indirectly - combined service campaigns	778	-	778	4,735	-	4,735
Total Public Support	1,445,407	1,050,688	2,496,095	1,867,611	1,039,223	2,906,834
Operating Revenue						
Fees and grants from governmental agencies	464,329	-	464,329	380,189	-	380,189
Contributions from affiliates	501,677	-	501,677	498,022	-	498,022
Program service revenue	45,566	-	45,566	29,192	-	29,192
Net investment income	165,531	-	165,531	169,326	-	169,326
Miscellaneous	202,485	-	202,485	234,950	-	234,950
Total Operating Revenue	1,379,588	-	1,379,588	1,311,679	-	1,311,679
Net assets released from restrictions - satisfaction of program restrictions	755,993	(755,993)	-	827,885	(827,885)	-
Total Public Support and Operating Revenue	3,580,988	294,695	3,875,683	4,007,175	211,338	4,218,513
Expenses						
Program services:						
Research	278,808	-	278,808	273,279	-	273,279
Public health education	1,202,891	-	1,202,891	1,351,164	-	1,351,164
Professional education and training	769,129	-	769,129	675,848	-	675,848
Community services	837,960	-	837,960	583,181	-	583,181
Total program services	3,088,788	-	3,088,788	2,883,472	-	2,883,472
Supporting services:						
General and administrative	665,037	-	665,037	634,297	-	634,297
Fundraising	325,315	-	325,315	369,936	-	369,936
Total supporting services	990,352	-	990,352	1,004,233	-	1,004,233
Total Expenses	4,079,140	-	4,079,140	3,887,705	-	3,887,705
(Deficiency) Excess of Public Support and Operating Revenue Over Expenses	(498,152)	294,695	(203,457)	119,470	211,338	330,808
Non-operating revenue, gains and losses						
Net realized and unrealized gains on investments	(1,090,417)	-	(1,090,417)	(207,028)	-	(207,028)
Change in market value of beneficial interest in trusts	-	(678,266)	(678,266)	-	(85,266)	(85,266)
Gain on sale of building	-	-	-	888,086	-	888,086
Total non-operating revenue, gains and losses	(1,090,417)	(678,266)	(1,768,683)	681,058	(85,266)	595,792
Change in Net Assets	(1,588,569)	(383,571)	(1,972,140)	800,528	126,072	926,600
Net Assets - beginning of year	4,114,008	9,349,493	13,463,501	3,313,480	9,223,421	12,536,901
Net Assets - end of year	\$ 2,525,439	\$ 8,965,922	\$ 11,491,361	\$ 4,114,008	\$ 9,349,493	\$ 13,463,501

See accompanying independent auditor's report on supplementary information.

National Society to Prevent Blindness, National Office

Statement of Functional Expenses (with comparative totals for 2019)

Year ended March 31,	Program Services					Supporting Services			Total	
	Research	Public Health Education	Professional Education and Training	Community Services	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	2020	2019
Salaries	\$ 171,432	\$ 563,180	\$ 451,068	\$ 545,676	\$ 1,731,356	\$ 283,826	\$ 94,609	\$ 378,435	\$ 2,109,791	\$ 1,835,175
Employee benefits	32,856	100,705	84,139	100,628	318,328	49,465	16,488	65,953	384,281	329,879
Payroll taxes	11,128	44,513	31,795	39,743	127,179	23,846	7,949	31,795	158,974	137,541
Total payroll and related expenses	215,416	708,398	567,002	686,047	2,176,863	357,137	119,046	476,183	2,653,046	2,302,595
Accounting fees	848	30,538	7,635	3,393	42,414	41,566	848	42,414	84,828	83,542
Legal fees	19	680	170	76	945	926	19	945	1,890	11,887
Other professional fees and outside services	23,470	173,950	60,750	50,922	309,092	35,837	76,051	111,888	420,980	481,020
Office supplies	437	4,751	1,577	1,017	7,782	4,728	(190)	4,538	12,320	15,517
Telephone	853	9,125	3,198	2,843	16,019	9,711	674	10,385	26,404	21,984
Postage and shipping	134	3,179	794	418	4,525	3,423	19,873	23,296	27,821	30,231
Building occupancy	2,437	87,715	21,929	9,746	121,827	119,390	2,437	121,827	243,654	166,288
Interest	54	1,934	483	215	2,686	2,632	54	2,686	5,372	2,543
Office equipment maintenance	195	7,023	1,756	780	9,754	9,559	195	9,754	19,508	19,980
Printing and publications	594	5,275	2,250	3,291	11,410	1,127	46,532	47,659	59,069	50,751
Travel and meetings	22,955	104,257	60,819	56,780	244,811	36,304	55,586	91,890	336,701	315,277
Insurance	218	7,867	1,967	874	10,926	10,708	219	10,927	21,853	20,992
Awards and grants	8,200	25,840	28,660	14,300	77,000	2,940	60	3,000	80,000	247,000
Other	2,691	22,031	7,557	6,111	38,390	14,992	3,624	18,616	57,006	47,620
Total expenses before depreciation	278,521	1,192,563	766,547	836,813	3,074,444	650,980	325,028	976,008	4,050,452	3,817,227
Depreciation of building and equipment	287	10,328	2,582	1,147	14,344	14,057	287	14,344	28,688	70,478
Total Expenses	\$ 278,808	\$ 1,202,891	\$ 769,129	\$ 837,960	\$ 3,088,788	\$ 665,037	\$ 325,315	\$ 990,352	\$ 4,079,140	\$ 3,887,705

See accompanying independent auditor's report on supplementary information.