

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Audited Financial Statements**  
Year Ended March 31, 2022

With Summarized Totals for the  
Year Ended March 31, 2021

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## Independent Auditors' Report

The Board of Directors  
Prevent Blindness Wisconsin, Inc.  
Milwaukee, Wisconsin

### Opinion

We have audited the accompanying financial statements of Prevent Blindness Wisconsin, Inc., which comprise the statement of financial position as of March 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 Prevent Blindness Wisconsin, Inc. as of March 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### Basis for 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 Prevent Blindness Wisconsin, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 U.S. GAAP, and for 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 Prevent Blindness Wisconsin, 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 the 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 the judgment made by a reasonable user based on the financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

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 Prevent Blindness Wisconsin, 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 Prevent Blindness Wisconsin, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with 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.

### **Report on Summarized Comparative Information**

We have previously audited Prevent Blindness Wisconsin, Inc.'s financial statements, and our report dated June 11, 2021 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

June 23, 2022  
Milwaukee, Wisconsin

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Statements of Financial Position**  
March 31, 2022 and 2021

<b>ASSETS</b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>Current Assets:</b>		
Cash and equivalents	\$ 275,696	\$ 469,437
Certificates of deposit	65,828	142,807
Investments	612,221	349,690
Accounts receivable, net	7,967	-
Promises to give, current portion	-	80,000
Publication inventory	1,819	3,889
Prepaid expenses	22,443	20,502
<b>Total current assets</b>	<b>985,974</b>	<b>1,066,325</b>
<b>Property and equipment:</b>		
Furniture and equipment	81,937	81,937
Less: accumulated depreciation	(67,820)	(57,554)
<b>Net property and equipment</b>	<b>14,117</b>	<b>24,383</b>
<b>Total assets</b>	<b>\$ 1,000,091</b>	<b>\$ 1,090,708</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 17,863	\$ 15,267
Deferred rent liability	773	287
<b>Total current liabilities</b>	<b>18,636</b>	<b>15,554</b>
<b>Noncurrent liabilities:</b>		
Deferred rent liability, net of current portion	8,677	9,451
<b>Total liabilities</b>	<b>27,313</b>	<b>25,005</b>
<b>Net Assets:</b>		
<b>Without donor restrictions:</b>		
Undesignated, available for general activities	407,791	447,482
Designated by the Board of Directors for specific purposes	206,381	206,381
Board designated endowment - Legacies	239,433	239,433
<b>Total net assets without donor restrictions</b>	<b>853,605</b>	<b>893,296</b>
<b>With donor restrictions:</b>		
Purpose restrictions	107,871	81,105
Time-restricted for future periods	-	80,000
Endowment fund	11,302	11,302
<b>Total net assets with donor restrictions</b>	<b>119,173</b>	<b>172,407</b>
<b>Total net assets</b>	<b>972,778</b>	<b>1,065,703</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,000,091</b>	<b>\$ 1,090,708</b>

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

**PREVENT BLINDNESS WISCONSIN, INC.**

Milwaukee, Wisconsin

**Statement of Activities**

Year Ended March 31, 2022

With Summarized Information for the Year Ended March 31, 2021

	<u>Without Donor</u>	<u>With Donor</u>	<u>TOTALS</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Years Ended March 31,</u>	
			<u>2022</u>	<u>2021</u>
<b>Revenue, Gains, and Other Support:</b>				
<b>Nonexchange transactions:</b>				
Contributions and grants	\$ 481,470	\$ 171,218	\$ 652,688	\$ 503,036
Contribution - Payroll Protection Program Loan	-	-	-	96,328
Legacies	-	-	-	268,829
<b>Total nonexchange transactions</b>	<u>481,470</u>	<u>171,218</u>	<u>652,688</u>	<u>868,193</u>
<b>Exchange transactions:</b>				
Program service revenue	12,557	-	12,557	12,824
<b>Special events:</b>				
Special events revenue - exchange transactions	126,531	-	126,531	82,886
Special events - contributions	126,186	-	126,186	110,851
Less: Costs of direct benefits to donors	(52,795)	-	(52,795)	(31,707)
<b>Net special events revenue</b>	<u>199,922</u>	<u>-</u>	<u>199,922</u>	<u>162,030</u>
<b>Other:</b>				
Investment income	12,965	-	12,965	14,267
Unrealized (loss) gain on investments	(7,127)	-	(7,127)	67,208
Other income	-	-	-	19
<b>Total other</b>	<u>5,838</u>	<u>-</u>	<u>5,838</u>	<u>81,494</u>
<b>Net Assets Released From Restrictions:</b>				
Satisfaction of restrictions	224,452	(224,452)	-	-
<b>Net revenue, gains and other support</b>	<u>924,239</u>	<u>(53,234)</u>	<u>871,005</u>	<u>1,124,541</u>
<b>Expenses:</b>				
<b>Program Services:</b>				
Public health education	89,901	-	89,901	60,422
Professional education and training	57,905	-	57,905	81,249
Community services	511,637	-	511,637	447,252
<b>Supporting Services:</b>				
General and administrative	115,685	-	115,685	123,011
Fund-raising	126,084	-	126,084	115,854
<b>Total functional expenses</b>	<u>901,212</u>	<u>-</u>	<u>901,212</u>	<u>827,788</u>
<b>Affiliate Support of National Programs</b>	<u>62,718</u>	<u>-</u>	<u>62,718</u>	<u>190,684</u>
<b>Total expenses</b>	<u>963,930</u>	<u>-</u>	<u>963,930</u>	<u>1,018,472</u>
<b>Change in net assets</b>	<u>(39,691)</u>	<u>(53,234)</u>	<u>(92,925)</u>	<u>106,069</u>
<b>Net assets, beginning of year</b>	<u>893,296</u>	<u>172,407</u>	<u>1,065,703</u>	<u>959,634</u>
<b>Net assets, end of year</b>	<u>\$ 853,605</u>	<u>\$ 119,173</u>	<u>\$ 972,778</u>	<u>\$ 1,065,703</u>

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

**PREVENT BLINDNESS WISCONSIN, INC.**

Milwaukee, Wisconsin

**Statement of Functional Expenses**

Year Ended March 31, 2022

With Summarized Information for the Year Ended March 31, 2021

	<u>PROGRAM SERVICES</u>				<u>SUPPORTING SERVICES</u>		<u>COSTS OF DIRECT BENEFITS TO DONORS</u>	<u>TOTALS</u> Years Ended March 31,	
	<u>Public Health Education</u>	<u>Professional Education &amp; Training</u>	<u>Community Services</u>	<u>Total</u>	<u>General &amp; Administration</u>	<u>Fund-Raising</u>		<u>2022</u>	<u>2021</u>
Salaries	\$ 52,941	\$ 35,288	\$ 312,862	\$ 401,091	\$ 71,195	\$ 70,613	\$ -	\$ 542,899	\$ 507,085
Employee benefits	9,941	6,626	58,748	75,315	13,369	13,259	-	101,943	117,302
Payroll taxes	3,848	2,565	22,739	29,152	5,175	5,132	-	39,459	39,683
<b>Total salaries and related expenses</b>	<b>66,730</b>	<b>44,479</b>	<b>394,349</b>	<b>505,558</b>	<b>89,739</b>	<b>89,004</b>	<b>-</b>	<b>684,301</b>	<b>664,070</b>
Professional fees and outside services	4,976	3,317	29,405	37,698	6,691	15,538	-	59,927	36,247
Office supplies	1,314	876	7,764	9,954	1,766	1,753	-	13,473	13,996
Telephone	754	503	4,455	5,712	1,013	1,006	-	7,731	10,921
Postage and shipping	361	240	2,131	2,732	485	481	-	3,698	3,586
Building occupancy	3,145	2,096	18,587	23,828	4,230	4,195	-	32,253	32,238
Office equipment rental and maintenance	3,034	2,022	17,930	22,986	4,081	4,047	-	31,114	6,014
Printing and publications	490	327	2,898	3,715	659	2,888	-	7,262	5,626
Travel and meetings	1,825	1,216	10,785	13,826	2,455	2,434	-	18,715	9,398
Insurance	795	530	4,699	6,024	1,069	1,061	-	8,154	7,506
Public education	737	491	4,357	5,585	992	983	-	7,560	7,215
Depreciation	4,106	719	4,620	9,445	308	513	-	10,266	12,924
Other	1,634	1,089	9,657	12,380	2,197	2,181	-	16,758	18,047
Costs of direct benefits to donors	-	-	-	-	-	-	52,795	52,795	31,707
<b>Total expenses</b>	<b>89,901</b>	<b>57,905</b>	<b>511,637</b>	<b>659,443</b>	<b>115,685</b>	<b>126,084</b>	<b>52,795</b>	<b>954,007</b>	<b>859,495</b>
<b>Less expenses included with revenues on the statement of activities:</b>									
Costs of direct benefits to donors	-	-	-	-	-	-	(52,795)	(52,795)	(31,707)
<b>Total functional expenses included in the expense section on the statement of activities</b>	<b>\$ 89,901</b>	<b>\$ 57,905</b>	<b>\$ 511,637</b>	<b>\$ 659,443</b>	<b>\$ 115,685</b>	<b>\$ 126,084</b>	<b>\$ -</b>	<b>\$ 901,212</b>	<b>\$ 827,788</b>

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

**PREVENT BLINDNESS WISCONSIN, INC.**

Milwaukee, Wisconsin

**Statements of Cash Flows**  
Years Ended March 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities:</b>		
Change in net assets	\$ (92,925)	\$ 106,069
<b>Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:</b>		
Depreciation	10,266	12,924
Unrealized loss (gain) on investments	7,127	(67,208)
Donated stock	(5,983)	-
<b>Changes in assets and liabilities:</b>		
Accounts receivable	(7,967)	15,388
Promises to give	80,000	80,000
Publication inventory	2,070	855
Prepaid expense	(1,941)	(39)
Accounts payable and accrued expenses	2,596	5,317
Due to Prevent Blindness America	-	(21,871)
Deferred rent	(288)	2,298
Deferred revenue	-	(3,800)
<b>Net cash provided (used) by operating activities</b>	<u>(7,045)</u>	<u>129,933</u>
<b>Cash Flows From Investing Activities:</b>		
Purchases of investments	(269,756)	(14,079)
Proceeds from maturity of certificates of deposits	77,077	156,102
Proceeds from sale of donated stock	5,983	-
Purchases of property and equipment	-	(9,446)
<b>Net cash provided (used) by investing activities</b>	<u>(186,696)</u>	<u>132,577</u>
<b>Net change in cash and equivalents</b>	(193,741)	262,510
<b>Cash and equivalents, beginning of year</b>	<u>469,437</u>	<u>206,927</u>
<b>Cash and equivalents, end of year</b>	<u>\$ 275,696</u>	<u>\$ 469,437</u>

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

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
March 31, 2022

**1. Summary of Significant Accounting Policies**

**Nature of Activities**

Prevent Blindness Wisconsin, Inc. (the "Organization") informs the general public about eye care, health and safety. As part of its services, the Organization provides adult and children vision screenings, eye health and safety seminars, public and professional education, and information/referral services. The Organization primarily serves the state of Wisconsin. The Organization fulfills its mission by focusing in three primary service areas.

*Public Health Education* – The Organization provides public education to teach the general public about vision health topics such as: the importance of healthy vision, common vision problems and their signs, vision safety, the prevention of eye disease, and how to access vision care. Vision health education is provided through presentations to parents, educators, community groups and others, mass media advertising, distribution of educational materials, and the Organization's website.

*Professional Education and Training* – The Organization builds local vision screening infrastructure and makes vision health a priority in communities across Wisconsin through professional education and vision screener training. Vision screener trainings certify volunteers and partners to provide vision screening for three years using the most up-to-date vision screening support as well as vision health education and resources to move individuals to further care after a failed vision screening.

*Community Services* – The Organization's vision screening program harnesses the collective efforts of hundreds of volunteers and thousands of partners to support vision health for hundreds of adults and hundreds of thousands of children across the state. Certified vision screenings detect children and adults with potential vision problems and refer them to further vision care.

**Basis of Accounting**

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

Financial statement presentation follows accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under U.S. GAAP, net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. As described in footnote 6, the governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

**Net Assets With Donor Restrictions** - Net assets subject to donor- (or certain grantor-) imposed restrictions. 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. Donor-imposed restrictions are released when a 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.



**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
March 31, 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Cash and Equivalents**

For purposes of the statements of cash flows, the Organization considers all demand deposits and time deposits with an original maturity of three months or less to be cash and equivalents.

**Certificates of Deposit**

Certificates of deposits totaling \$65,828 (\$142,807 at March 31, 2021) are presented in the accompanying financial statements. The certificates bear interest of 0.10% (ranging from 0.03 – 0.15% at March 31, 2021) and have maturities of twelve months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. Certificates of deposit are carried at cost plus accrued interest which approximates fair value.

**Investments**

Under U.S. GAAP, investments in marketable securities with readily determinable fair value and all investments in debt securities are valued at their fair value in the statement of financial position. Unrealized gains and losses are included in the change of net assets.

U.S. GAAP defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This clarifies that the exchange price is the price in an orderly transaction between market participants to sell an asset or transfer a liability at the measurement date. It emphasizes that fair value is a market-based measurement and not an entity-specific measurement. Adoption of this standard has not had a material impact on the Organization's financial statements. U.S. GAAP establishes a fair value hierarchy that prioritizes the inputs, which are summarized as follows:

**Level 1** – Quoted prices in active markets, e.g. NYSE, NASDAQ, etc. for assets identical to the securities to be valued. If a Level 1 input is available, it must be used.

**Level 2** – Inputs other than quoted prices that are observable for securities, either directly or indirectly. Examples include matrix pricing utilizing yield curves, prepayment speeds, credit risks, etc.; quoted prices for similar assets in active markets; and inputs derived from observable market data by correlation or other means.

**Level 3** – Unobservable inputs, which contain assumptions by the party valuing those assets. For level 3 inputs, there is no market data or correlation with market assumptions. Examples would include limited partnership interests, closely held stock, etc.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at March 31, 2022 and 2021.

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the U.S. Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Purchases and sales of investments are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded when received.

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
March 31, 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Accounts Receivable**

Accounts receivable are reported at contract value, less an estimate for uncollectible amounts based on past experience. The Organization uses the allowance method for providing for uncollectible accounts. No allowance was provided for at March 31, 2022 and 2021. No bad debt expense was recognized during the year ended March 31, 2022. The Organization recognized bad debt expense in the amount of \$1,195. during the year ended March 31, 2021.

**Publication Inventory**

Publication inventory, which consist primarily of brochures and publications, are valued at the lower of cost or net realizable value. Cost is determined on the first-in, first-out method.

**Property and Equipment**

The Organization capitalizes all expenditures in excess of \$2,000 for property and equipment at cost. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the assets' useful lives.

Expenditures for maintenance and repairs are charged against income as incurred. The cost and accumulated depreciation of property and equipment disposed of are removed from the accounts and the corresponding gains and losses are included in the statement of activities.

**Donated Assets**

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair value at the date of donation.

**Donated Services**

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs such as adult and child vision screenings, eye health and safety seminars, public and professional education, and information/referral services. Volunteers also assist in special events activities, campaign solicitations, and various board and committee assignments. The Organization benefits from approximately 2,568 volunteer hours per year.

**Revenue Recognition**

The Organization recognizes revenue based on the existence or absence of an exchange transaction. The Organization recognizes revenue from exchange transactions when it satisfies a performance obligation by providing a service to a customer or member or by transferring control over a product to a customer or member. Revenue from performance obligations satisfied at a point in time consists of the following:

- **Program service revenue** – The Organization has program service revenue in the form publication sales and professional services (providing educational training to individuals or third-party entities). The Organization recognizes revenue at the point in time in which the sale takes place, which is when the publications transfer to the buyer, or when the professional services have been performed.

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
March 31, 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition (Continued)**

Revenue from non-exchange transactions consist of the following:

- **Contributions of cash and promises to give** – gifts received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restriction. Conditional promises are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.
- **Federal and state contracts** – Federal and state contracts are conditional upon the incurrence of allowable qualifying expenses. Revenue is recorded as allowable qualifying expenses are incurred.

Revenue that has characteristics of both exchange and non-exchange transactions consist of the following:

- **Special event revenue** – recognized equal to the cost of direct benefits to donors, and contribution revenue for the difference. Special event exchange revenue is recognized when the event takes place.

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1). None of the Organization's current activities are subject to taxation as unrelated business income.

Under U.S. GAAP, management is required to evaluate any uncertain tax positions taken, if any, and provide additional disclosures. At this time, the Organization does not believe it has taken any uncertain tax positions that may have a material effect on its financial statements or note disclosures.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and on a natural basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on the basis of estimates of time and effort. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
March 31, 2022  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

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

**Subsequent Events**

The Organization evaluated its March 31, 2022 financial statements for subsequent events through June 23, 2022, the date the financial statements were available for issuance. There were no subsequent events that required recognition or disclosure.

**Recent Accounting Guidance**

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, *Leases* (Topic) 842, which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for most leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021. The effects of this standard have not yet been determined by management.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets are received and how they are used and recognized by the entity. The new standard requires that contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The ASU also requires the additional footnote disclosures for each category of contributed nonfinancial assets. The effective date for this standard is for annual reporting periods beginning after June 15, 2021. The effects of this standard have not yet been determined by management.

**2. Concentration of Credit Risk**

Cash and equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances. As of March 31, 2022, the amount of insurance coverage was \$250,000 per depositor at each financial institution.

**PREVENT BLINDNESS WISCONSIN, INC.**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
March 31, 2022  
(Continued)

**3. Investments**

The following summarizes the classification of investments by classification and method of valuation in accordance with U.S. GAAP as of March 31, 2022:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Mutual funds:</b>				
Money market mutual funds	\$ 244,067	\$ 244,067	\$ -	\$ -
Total stock market ETF	29,369	29,369	-	-
Moderate growth - equity	318,900	318,900	-	-
Total bond market ETF	19,885	19,885	-	-
<b>Total mutual funds</b>	<b>\$ 612,221</b>	<b>\$ 612,221</b>	<b>\$ -</b>	<b>\$ -</b>

The statement of activities includes \$7,127 in unrealized losses for 2022.

The following summarizes the classification of investments by classification and method of valuation in accordance with U.S. GAAP as of March 31, 2021:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurement at Reporting Date Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Mutual funds:</b>				
Moderate growth - equity	\$ 349,690	\$ 349,690	\$ -	\$ -

The statement of activities includes \$67,208 in unrealized gains for 2021.

**4. Property and Equipment**

At March 31, 2022 and 2021, the recorded value of property and equipment was as follows:

	<u>As of March 31,</u>	
	<u>2022</u>	<u>2021</u>
Equipment	\$ 81,937	\$ 81,937
Less accumulated depreciation	(67,820)	(57,554)
<b>Net</b>	<b>\$ 14,117</b>	<b>\$ 24,383</b>

Depreciation expense amounted to \$10,266 and \$12,924 for the years ended March 31, 2022 and 2021, respectively.

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**5. Promises to Give**

Included in promises to give are unconditional promises to give in the amount of \$0 and \$80,000 at March 31, 2022 and 2021, respectively. As of March 31, 2022 and 2021, management has determined, based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**6. Designated Net Assets**

Designations are voluntary Board approved segregations of net assets for specific purposes, projects or investments. The governing Board may approve designations as an aid in planning future expenditures. Designations may be reversed by the governing Board at any time and, accordingly, designated portions of net assets are not considered restricted. Designations are reported as classifications of net assets without donor restrictions on the statements of financial position. At March 31, 2022 and 2021, the Organization's Board had approved the following designations:

	<u>2022</u>	<u>2021</u>
Investment or special purpose	\$ 206,381	\$ 206,381
Board designated endowment – operating reserve from legacies	239,433	239,433
<b>Total designated net assets</b>	<u>\$ 445,814</u>	<u>\$ 445,814</u>

**7. Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods as of March 31:

	<u>2022</u>	<u>2021</u>
<b>Restricted to expenditure for a specific purpose:</b>		
Adult Vision Health Program – Racine County	\$ -	\$ 3,069
Birnschein – Training videos	5,000	-
Brown County Program	1,704	-
Calumet County Program	1,885	-
Children's Vision Program – Racine County	66,184	64,769
Doolittle – Information Technology Upgrades	-	3,420
Head Start Program – Green Bay Area	4,048	5,775
PB National – Health Eyes and Diabetes	24,000	-
Rock County SEES	-	4,072
Waukesha County Program	5,050	-
<b>Total purpose restricted</b>	<u>107,871</u>	<u>81,105</u>
<b>Subject to passage of time:</b>		
2021-22 fiscal year	-	80,000
<b>Total time restricted</b>	-	80,000
<b>Endowments:</b>		
Beneficial interests in perpetual funds	11,302	11,302
<b>Total</b>	<u>\$ 119,173</u>	<u>\$ 172,407</u>

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**8. Net Assets – Beneficial Interest in Perpetual Trust**

**Endowment**

The Organization's endowment fund consists of assets that are commingled with other funds within a brokerage account at a Wisconsin area financial institution. Income from the funds can be used to support the Organization's general activities and amounted to \$196 and \$189 in 2022 and 2021, respectively.

As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Organization
- (7) The investment policies of the Organization

Endowment net assets by type of fund as of March 31, 2022 and 2021 are as follows:

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total Endowment</u>
<b><u>March 31, 2022</u></b>			
<b>Board designated endowment funds</b>	\$ -	\$ 239,433	\$ 239,433
<b>Donor-restricted endowment Funds:</b>			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	11,302	-	11,302
<b>Total</b>	<u>\$ 11,302</u>	<u>\$ 239,433</u>	<u>\$ 250,735</u>
<b><u>March 31, 2021</u></b>			
<b>Board designated endowment funds</b>	\$ -	\$ 239,433	\$ 239,433
<b>Donor-restricted endowment Funds:</b>			
Original donor-restricted gift amount required to be maintained in perpetuity by donor	11,302	-	11,302
<b>Total</b>	<u>\$ 11,302</u>	<u>\$ 239,433</u>	<u>\$ 250,735</u>

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**9. Affiliation Agreement**

The Organization has entered into an affiliation agreement with Prevent Blindness of America (“National”). Under the terms of the affiliation agreement, the Organization agrees to comply with the national/affiliate support formula as may, from time to time, be prescribed by National’s Board of Directors.

Affiliate support of National is provided through the affiliation fee. The fee is a percentage of prior year traditional income. Traditional income includes all revenue elements except those that are excluded under Section 3; Section 3 exclusions include legacies and bequests, special events direct expenses, endowments and funds permanently restricted by donor, donor restricted capital campaign gifts, purchase of National educational materials, investment income, gifts in kind, National sub-recipient grants, and other various items. The sharing policy for traditional income is 10%.

The sharing policy for unrestricted legacies, inter-vivos trusts, and testamentary trusts shall be as follows:

- A. All unrestricted income from legacies, inter-vivos trusts and testamentary trusts received from affiliate territory after January 1, 1996, from wills or codicils dated January 1, 1996, and after are shared 67% to the affiliate and 33% to the national organization after deducting the first 3% to fund the nationwide planned giving program.
- B. All unrestricted income from legacies, inter-vivos trusts and testamentary trusts which come from unaffiliated areas and which do not name an existing affiliate as beneficiary belong solely to the national organization, but the first 3% of each such gift will be used to fund the nationwide planned giving program.
- C. All unrestricted income received after January 1, 1996, from wills or codicils dated prior to January 1, 1996, is shared in accordance with the prior legacy sharing formula after deducting the first 3% to fund the nationwide planned giving program.

On October 30, 2020, National provided an update to the sharing policy for unrestricted legacies, inter-vivo trusts, and testamentary trusts. The update eliminates the requirement to deduct the first 3% of such gifts to fund the nationwide planned giving program. Going forward, all legacy gifts are to be shared as follows: 67% to the affiliate and 33% to National.

The total support provided to National for the years ended March 31, 2022 and 2021 is summarized below:

	<u>2022</u>		<u>2021</u>
Affiliation fee - At rate of 10% in 2022 and 2021	\$ 62,718	\$	101,391
Legacy sharing	-		89,293
<b>Total support to National Programs</b>	<u>\$ 62,718</u>	<u>\$</u>	<u>190,684</u>

**10. Pension Plan**

**403(b) Retirement Plan**

The Organization participates in a defined contribution retirement plan sponsored by National covering all eligible employees who join. Regular employees who work at least 20 hours per week and are at least 18 years of age are eligible to participate on their second anniversary of employment. Employees who join must contribute 5% of their salary per pay period to the plan to receive the match. The Organization will then contribute 7% of the employee’s salary. All contributions are fully vested. Total employer contributions under the plan for the years ended March 31, 2022 and 2021 were \$23,658 and \$23,106, respectively.



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**11. Paycheck Protection Program**

On April 22, 2020, the Organization received loan proceeds in the amount of \$96,328 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. On February 24, 2021, the entire amount of the PPP loan was forgiven by the Small Business Administration. In accordance with FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*, management determined that the conditions of the PPP loan have been substantially met and therefore recorded the transaction was recognized as a contribution during the year ended March 31, 2021. The Organization did not receive a second PPP loan during the year ended March 31, 2022.

**12. Lease Commitments**

**Operating Leases**

During the year ended March 31, 2019, the Organization entered into a lease agreement for office space with a commencement date of April 1, 2018. The lease term is 110 months. Monthly rent payments, which include a \$94 electricity charge, start at \$1,987 and incrementally increases from \$1,987 to \$2,335 for the remainder of the lease term. In accordance with the lease agreement, the Organization received two months of free rent during the year ended March 31, 2019 and one month of free rent during the year ended March 31, 2020. The Organization also received free rent for the month of June 2020. As a result of this, a deferred rent liability in the amount of \$9,450 and 9,738 at March 31, 2022 and 2021, respectively has been accrued on the statements of financial position for the free rent.

Occupancy expenses for the years ended March 31, 2022 and 2021 were:

	<u>2022</u>	<u>2021</u>
Base rental	\$ 25,629	\$ 23,044
Parking, storage and additional rent	6,911	6,896
Deferred rent adjustment	(287)	2,298
<b>Total</b>	<u>\$ 32,253</u>	<u>\$ 32,238</u>

The Organization also leases a mail machine, phone system, and copier machine under operating leases. Total lease expense amounted to \$5,711 and \$5,842 for the years ending March 31, 2022 and 2021, respectively.

The future minimum required payments, under the terms of the above non-cancelable leases, are as follows:

<u>Years Ending</u> <u>March 31,</u>	<u>Amount</u>
2023	\$ 31,440
2024	28,028
2025	27,125
2026	27,645
2027	28,172
Thereafter	4,710
<b>Total</b>	<u>\$ 147,120</u>

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**13. Liquidity and Availability**

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are maintained in checking or savings accounts.

The following table reflects the Organization's financial assets as of March 31, 2022 and 2021, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date. Amounts not available to meet general expenditures within one year include net assets with donor restrictions.

	<u>2022</u>	<u>2021</u>
Cash and equivalents	\$ 275,696	\$ 469,437
Certificates of deposit	65,828	142,807
Investments	612,221	349,690
Accounts receivable, net	7,967	-
Promises to give, current portion	-	80,000
<b>Total financial assets</b>	961,712	1,041,934
Funds designated by the Board of Directors for specific purposes	(206,381)	(206,381)
Board designated endowment - Legacies	(239,433)	(239,433)
Donor-restricted endowments	(11,302)	(11,302)
Donor-imposed time and purpose restricted net assets	(107,871)	(161,105)
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	\$ 396,725	\$ 423,713

Endowment funds consist of donor-restricted endowments (\$11,302 at March 31, 2022 and 2021) and funds designated by the board as endowments (\$239,433 at March 31, 2022 and 2021). Income from donor-restricted endowment is not restricted for specific purposes. Donor-restricted endowment funds are not available for general expenditure.

Although, the organization does not intend to spend from the board-designated endowment (other than amounts appropriated for general expenditure as part of our Board's annual budget approval and appropriation), these amounts could be made available if necessary.

**14. Concentrations**

During the year ended March 31, 2022, approximately 26% total revenues and other support were received from two donors. No significant portion of revenues and other support were received from a single donor, or concentration of donors during the year ended March 31, 2021.

**15. Prior-Year Summarized Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2021, from which the summarized information was derived.

**16. Reclassifications**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.