



**Texas Society to Prevent
Blindness, Inc.
(d/b/a Prevent Blindness Texas)**

Financial Statements

March 31, 2024 and 2023

TEXAS SOCIETY TO PREVENT BLINDNESS, INC.
(d/b/a Prevent Blindness Texas)
FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

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To the Board of Directors
of Texas Society to Prevent Blindness, Inc.
(d/b/a Prevent Blindness Texas)

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Texas Society to Prevent Blindness, Inc., (d/b/a Prevent Blindness Texas) (the Society), which comprise the statements of financial position as of March 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as of March 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Society 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Society'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 auditors' 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 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.

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 the Society'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 the Society'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.

Sassetti LLC

Oak Brook, Illinois
August 6, 2024

TEXAS SOCIETY TO PREVENT BLINDNESS, INC.
(D/B/A PREVENT BLINDNESS TEXAS)
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 98,173	\$ 487,867
Certificates of deposit	357,218	249,998
Investments	1,889,303	1,696,258
Contributions and grants receivable	308,951	197,776
Other assets	31,712	31,824
Total current assets	2,685,357	2,663,723
Property and equipment, net	70,986	77,845
Right-of-use asset	102,621	88,688
Total Assets	\$ 2,858,964	\$ 2,830,256
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,783	\$ 24,097
Accrued vacation	36,760	35,644
Deferred revenue	14,325	6,960
Lease liability, current portion	42,888	25,916
Total current liabilities	97,756	92,617
Lease liability, less current portion	59,501	60,325
Total Liabilities	157,257	152,942
NET ASSETS		
Without donor restrictions	2,235,738	2,175,406
With donor restrictions	465,969	501,908
Total Net Assets	2,701,707	2,677,314
Total Liabilities and Net Assets	\$ 2,858,964	\$ 2,830,256

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

TEXAS SOCIETY TO PREVENT BLINDNESS, INC.
(D/B/A PREVENT BLINDNESS TEXAS)
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2024 AND 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OPERATING REVENUE						
Contributions	\$ 55,073	\$ -	\$ 55,073	\$ 74,774	\$ -	\$ 74,774
Foundation grants	8,544	532,956	541,500	-	540,375	540,375
Fee for service	112,592	-	112,592	125,072	-	125,072
Legacy and trust proceeds	66,302	-	66,302	480,862	-	480,862
Other revenue	3,391	-	3,391	4,018	-	4,018
Special events, net of direct costs of \$88,168 in 2024 and \$73,427 in 2023	65,117	-	65,117	40,180	-	40,180
Interest and dividend income, net of expense	40,936	-	40,936	22,162	-	22,162
Net assets released from restrictions	568,895	(568,895)	-	764,077	(764,077)	-
Total Public Support and Operating Revenue	<u>920,850</u>	<u>(35,939)</u>	<u>884,911</u>	<u>1,511,145</u>	<u>(223,702)</u>	<u>1,287,443</u>
EXPENSES						
Program services	796,909	-	796,909	727,526	-	727,526
General and administrative	46,935	-	46,935	42,796	-	42,796
Fundraising	93,857	-	93,857	85,591	-	85,591
Total Program and Support Services	<u>937,701</u>	<u>-</u>	<u>937,701</u>	<u>855,913</u>	<u>-</u>	<u>855,913</u>
Unallocated affiliate support of national programs	74,926	-	74,926	60,616	-	60,616
Total Expenses	<u>1,012,627</u>	<u>-</u>	<u>1,012,627</u>	<u>916,529</u>	<u>-</u>	<u>916,529</u>
CHANGE IN NET ASSETS, BEFORE NON-OPERATING REVENUE, GAINS, AND LOSSES						
	(91,777)	(35,939)	(127,716)	594,616	(223,702)	370,914
NON-OPERATING REVENUE, GAINS, AND LOSSES						
Realized and unrealized gains (losses) on investments	152,109	-	152,109	(86,144)	-	(86,144)
CHANGE IN NET ASSETS						
	60,332	(35,939)	24,393	508,472	(223,702)	284,770
Beginning of year	<u>2,175,406</u>	<u>501,908</u>	<u>2,677,314</u>	<u>1,666,934</u>	<u>725,610</u>	<u>2,392,544</u>
End of year	<u>\$ 2,235,738</u>	<u>\$ 465,969</u>	<u>\$ 2,701,707</u>	<u>\$ 2,175,406</u>	<u>\$ 501,908</u>	<u>\$ 2,677,314</u>

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

TEXAS SOCIETY TO PREVENT BLINDNESS, INC.
(D/B/A PREVENT BLINDNESS TEXAS)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2024

	Program Services				Support Services			Unallocated Affiliate Support of National Programs	Total
	Advocacy	Awareness	Access	Total Program Services	General and Administrative	Fundraising	Total Support Services Total		
Salaries	\$ 5,330	\$ 335,804	\$ 111,935	\$ 453,069	\$ 26,651	\$ 53,302	\$ 79,953	\$ -	\$ 533,022
Employee benefits	1,195	75,266	25,089	101,550	5,974	11,947	17,921	-	119,471
Payroll taxes	385	24,255	8,085	32,725	1,925	3,850	5,775	-	38,500
Total salaries and related expenses	6,910	435,325	145,109	587,344	34,550	69,099	103,649	-	690,993
Building occupancy	466	29,383	9,794	39,643	2,332	4,664	6,996	-	46,639
Depreciation of property and equipment	176	11,098	3,699	14,973	882	1,762	2,644	-	17,617
Dues and subscriptions	212	12,393	4,462	17,067	1,062	2,125	3,187	-	20,254
Insurance	61	3,848	1,283	5,192	305	611	916	-	6,108
Office equipment maintenance	111	6,972	2,324	9,407	553	1,107	1,660	-	11,067
Office supplies	103	6,494	2,165	8,762	515	1,031	1,546	-	10,308
Other	465	7,937	9,757	18,159	2,323	4,631	6,954	-	25,113
Postage and shipping	116	7,338	2,446	9,900	582	1,165	1,747	-	11,647
Professional fees and outside services	245	36,752	5,139	42,136	1,224	2,447	3,671	-	45,807
Telephone	109	6,856	2,285	9,250	544	1,088	1,632	-	10,882
Travel and meetings	369	23,244	7,748	31,361	1,845	3,690	5,535	-	36,896
Volunteer expense	5	308	103	416	24	49	73	-	489
Visual aids and eye clinic	39	2,445	815	3,299	194	388	582	-	3,881
Unallocated affiliate support of national programs	-	-	-	-	-	-	-	74,926	74,926
Total expenses	\$ 9,387	\$ 590,393	\$ 197,129	\$ 796,909	\$ 46,935	\$ 93,857	\$ 140,792	\$ 74,926	\$ 1,012,627

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

TEXAS SOCIETY TO PREVENT BLINDNESS, INC.
(D/B/A PREVENT BLINDNESS TEXAS)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2023

	Program Services			Total Program Services	Support Services		Total Support Services Total	Unallocated Affiliate Support of National Programs	Total
	Advocacy	Awareness	Access		General and Administrative	Fundraising			
Salaries	\$ 4,756	\$ 299,657	\$ 99,886	\$ 404,299	\$ 23,782	\$ 47,565	\$ 71,347	\$ -	\$ 475,646
Employee benefits	1,057	66,568	22,189	89,814	5,283	10,566	15,849	-	105,663
Payroll taxes	346	21,823	7,274	29,443	1,732	3,464	5,196	-	34,639
Total salaries and related expenses	6,159	388,048	129,349	523,556	30,797	61,595	92,392	-	615,948
Building occupancy	425	26,771	8,924	36,120	2,125	4,249	6,374	-	42,494
Depreciation of property and equipment	164	10,326	3,442	13,932	820	1,639	2,459	-	16,391
Dues and subscriptions	158	9,941	3,314	13,413	789	1,578	2,367	-	15,780
Insurance	70	4,431	1,477	5,978	352	703	1,055	-	7,033
Office equipment maintenance	82	5,165	1,722	6,969	410	820	1,230	-	8,199
Office supplies	222	14,007	4,669	18,898	1,112	2,223	3,335	-	22,233
Other	89	4,283	3,215	7,587	446	892	1,338	-	8,925
Postage and shipping	197	12,437	4,146	16,780	987	1,974	2,961	-	19,741
Printing and publications	6	401	134	541	32	64	96	-	637
Professional fees and outside services	480	30,255	10,085	40,820	2,401	4,802	7,203	-	48,023
Telephone	104	6,563	2,188	8,855	521	1,042	1,563	-	10,418
Travel and meetings	315	19,849	6,617	26,781	1,575	3,151	4,726	-	31,507
Volunteer expense	33	2,063	688	2,784	164	328	492	-	3,276
Visual aids and eye clinic	53	3,344	1,115	4,512	265	531	796	-	5,308
Unallocated affiliate support of national programs	-	-	-	-	-	-	-	60,616	60,616
Total expenses	\$ 8,557	\$ 537,884	\$ 181,085	\$ 727,526	\$ 42,796	\$ 85,591	\$ 128,387	\$ 60,616	\$ 916,529

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

TEXAS SOCIETY TO PREVENT BLINDNESS, INC.
(D/B/A PREVENT BLINDNESS TEXAS)
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 24,393	\$ 284,770
Adjustments to reconcile change in net assets to cash (used in) provided by operating activities -		
Depreciation	17,617	16,391
Unrealized (gain) loss on investments	(152,109)	86,144
Noncash lease expense	46,335	40,291
(Increase) decrease in current assets -		
Contributions and grants receivable	(111,175)	(21,927)
Other assets	112	1,017
Increase (decrease) in current liabilities -		
Accounts payable	(20,314)	21,667
Accrued vacation	1,116	7,481
Deferred revenue	7,365	(1,965)
Lease liability	(44,120)	(42,738)
	(230,780)	391,131
CASH FLOWS FROM INVESTING ACTIVITY		
Capital expenditures	(10,758)	(12,013)
Purchases of investments	(148,156)	(272,159)
	(158,914)	(284,172)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(389,694)	106,959
CASH AND CASH EQUIVALENTS		
Beginning of year	487,867	380,908
End of year	\$ 98,173	\$ 487,867
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ -	\$ -
Cash paid for taxes	\$ -	\$ -
NONCASH OPERATING ACTIVITIES		
Right-of-use lease asset obtained in exchange for lease liability	\$ 137,997	\$ 128,979

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

TEXAS SOCIETY TO PREVENT BLINDNESS, INC
(D/B/A PREVENT BLINDNESS TEXAS)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

1. NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Texas Society to Prevent Blindness, Inc (d/b/a Prevent Blindness Texas) (the Society), an affiliate of the National Society to Prevent Blindness, is a not-for-profit organization that began its program in the state of Texas in 1956 and was incorporated in 1965. The Society is concerned with preventing blindness and visual impairment through a comprehensive program of screening and public and professional education in the state of Texas. Program services, including research, public health education, and professional education and teachings, are provided through offices located in major metropolitan areas, including Dallas, Houston, and San Antonio.

Basis of Presentation – The financial statements of the Society have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

Cash and Cash Equivalents – The Society considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

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 and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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

Receivables – The Society's contributions and grants receivable are comprised primarily of grants and allocations committed from various funding agencies, corporations, and individuals for use in the Society's activities. Contributions and grants receivable at March 31, 2024 and 2023 are expected to be collected within one year. The Society has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

For contract receivables that are not currently deemed at-risk, an allowance is recorded based on expected loss rates derived pursuant to the Society's current expected credit losses (CECL) methodology that assesses four components - historical losses, current conditions, reasonable and supportable forecasts, and a reversion to history, if applicable. The Society has not recorded a provision for credit losses since it is the opinion of management that those receivables are collectible in full.

TEXAS SOCIETY TO PREVENT BLINDNESS, INC
(D/B/A PREVENT BLINDNESS TEXAS)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

Investments – The investments of the Society are reported at fair value. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). The investments of the Society have fair values determined by quoted prices in active markets for identical assets (Level 1 classification), and by significant other observable inputs (Level 2 classification). Cash and cash equivalents held with the broker are included in investments.

Mutual Funds – The fair value of mutual funds are determined by reference to each fund's underlying assets, which are principally marketable equity and fixed-income securities.

Equities - Equity funds consist of shares held at publicly traded companies. Shares held in equity funds that trade on national securities exchanges are valued at their trading prices.

U.S. Treasuries – U.S. Treasuries consist of government securities that are traded in markets that may not be considered active and may be valued based on quote prices or alternative pricing sources.

Municipal Bonds - Municipal bonds consist of government and agency securities traded in markets that are not considered active and are valued based on quoted market prices or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and, therefore, have little or no price transparency are valued using management's best estimates.

Corporate Bonds - Corporate bonds consist of securities traded in markets that are not considered active and are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and, therefore, have little or no price transparency are valued using management's best estimates.

Property and Equipment - Property and equipment are recorded at cost or, in the case of gifts, fair value as of the date of the donation and depreciated over estimated useful lives using straight-line, accelerated, and declining-balance methods. Useful lives range from ten to forty years for buildings and improvements and three to ten years for equipment. It is the policy of the Society to capitalize property and equipment if the cost or value of the item is in excess of \$1,500 and the useful economic life is greater than one year. Costs of repairs and maintenance are charged to expense as incurred.

The Society reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset.

TEXAS SOCIETY TO PREVENT BLINDNESS, INC
(D/B/A PREVENT BLINDNESS TEXAS)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Deferred Revenue - Cash received in the current year that is applicable to the sponsorship events in the subsequent year is recorded as deferred revenue and recognized as revenue when the sponsorship event takes place.

Net Assets - The Society reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net assets without donor restrictions are resources that are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied.

Grants with donor-stipulated purposes are classified as net assets with donor restrictions. Amounts are released from restriction as the funds are spent toward the specific restricted purposes. See Note 6 for purpose of grants.

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 restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions 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.

The Society may be the beneficiary of various wills, the total realizable amount of which is not presently determinable. Such amounts are recorded as legacy revenue when clear title is established, and the proceeds are clearly measurable.

Revenue Recognition – The Society receives revenue from the following sources:

Contributions and Foundation Grants - Contributions and foundation grants are recognized at a point in time when the donor makes a promise to give to the Society that is, in substance, unconditional. Contributions and foundation grants received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a 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 statements of activities as net assets released from restrictions.

TEXAS SOCIETY TO PREVENT BLINDNESS, INC
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MARCH 31, 2024 AND 2023

A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions/barriers on which they depend are substantially met.

Fee for Service - The Society has a contract with the Texas Department of Health and Human Services to provide eye screening services under the Blindness Education, Screening, and Treatment (BEST) program at a specified rate as agreed upon in the contract. The Society bills the state monthly as screenings/services are provided and revenue is recognized at a point in time as the screenings are provided.

Special Events - Special event revenue is recognized in the period that the event occurs.

Investment Income - Realized gains and losses from changes in market values are reflected in the statements of activities. Investment fees are netted against the total interest and dividends as reflected in the statement of activities.

Donated Services and Assets - Contributions of tangible goods are recognized at fair value when received. Contributed professional services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

A substantial number of volunteers have donated significant amounts of their time to the Society's program services and fundraising campaigns. No amounts have been recognized in the statements of activities because the criteria for recognition of those goods and services in accordance with U.S. GAAP have not been satisfied.

Functional Allocation of Expenses - The costs of providing various programs and support services are presented on a functional basis in the statements of activities. The costs that are directly associated with a particular program or supporting service are allocated directly to that functional category.

Additionally, certain costs have been allocated among the programs and supporting services benefited based on staff time devoted to the functional areas or other appropriate allocation methods determined by management. All other expenses are allocated based on actual expense for programs and various other criteria.

TEXAS SOCIETY TO PREVENT BLINDNESS, INC
(D/B/A PREVENT BLINDNESS TEXAS)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

Tax Status - The Society is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code (the Code) Section 501 (c)(3). The Society is also subject to tax on any unrelated business income, which was de minimis for the years ended March 31, 2024 and 2023. U.S. GAAP requires management to evaluate tax positions taken by the Society and recognize a tax liability if the Society has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities. Management has analyzed the tax positions taken by the Society and has concluded that as of March 31, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Society is still open to examination by U.S. tax authorities from fiscal 2020 forward.

Adopted Accounting Pronouncements – The Society adopted Accounting Standards Update (ASU) 2016-13, *Measurement of Credit Losses on Financial Instruments* (ASC 326), issued by the Financial Accounting Standards Board (FASB). This standard replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and trade receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The Society adopted the policy in the current year with no impact on the financial statements. No allowance for credit losses was deemed necessary as of March 31, 2024 and 2023.

Leases - The Society determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date. The Society has elected to use the practical expedient when determining the discount rate and has used an estimated risk-free rate as of the commencement date in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. The Society does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less).

Subsequent Events - Subsequent events were evaluated through August 6, 2024, which is the date the financial statements were available to be issued.

TEXAS SOCIETY TO PREVENT BLINDNESS, INC
(D/B/A PREVENT BLINDNESS TEXAS)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024 AND 2023

2. PROPERTY AND EQUIPMENT

The cost of property and equipment is summarized as follows:

	2024	2023
Property and equipment	\$ 635,700	\$ 624,942
Less accumulated depreciation and amortization	(564,714)	(547,097)
	\$ 70,986	\$ 77,845

3. FAIR VALUE MEASUREMENT

The Society performs fair value measurements in accordance with Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, which defines fair value, establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements.

Fair value is defined in the ASC 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. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1: Quoted Prices in Active Markets for Identical Assets - This level consists of inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date.

Level 2: Significant Other Observable Inputs - This level consists of inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and the fair value can be determined through the use of models or other valuation methodologies

Level 3: Significant Unobservable Inputs - This level consists of inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimates and assumptions relating to the pricing of the asset or liability, including assumptions regarding risk.

In instances whereby 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. The Society's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

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The following tables present information about the Society's assets measured at fair value on a recurring basis and the valuation techniques used by the Society to determine those fair values.

March 31, 2024

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ -	\$ 353,730	\$ -	\$ 353,730
Municipal bonds	-	9,377	-	9,377
Corporate bonds	-	65,882	-	65,882
Equities	346,834	-	-	346,834
Mutual funds	896,941	-	-	896,941
	<u>\$ 1,243,775</u>	<u>\$ 428,989</u>	<u>\$ -</u>	<u>\$ 1,672,764</u>

March 31, 2023

	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ -	\$ 390,256	\$ -	\$ 390,256
Municipal bonds	-	9,351	-	9,351
Corporate bonds	-	64,999	-	64,999
Equities	384,046	-	-	384,046
Mutual funds	508,330	-	-	508,330
	<u>\$ 892,376</u>	<u>\$ 464,606</u>	<u>\$ -</u>	<u>\$ 1,356,982</u>

Not included in the above tables are \$216,539 and \$339,276 in cash and cash equivalents held in brokerage accounts as of March 31, 2024 and 2023, respectively.

4. EMPLOYEE BENEFIT PLANS

The Society sponsors a 403(b) retirement plan covering substantially all employees who meet certain eligibility requirements. The amount contributed by the Society to the plan is dependent on the contribution of each employee. Total contributions to the plan were \$22,789 and \$21,708 for the years ended March 31, 2024 and 2023, respectively.

The Society also maintains a tax deferred annuity (TDA) plan. Employee contributions are made on a tax-deferred basis pursuant to a salary reduction agreement, in accordance with the requirements of the Code Section 403 (b). All employees are eligible to participate in the TDA. The Society does not make contributions to the TDA.

5. LEASE COMMITMENTS

The Society occupies certain operating facilities under various operating lease agreements expiring at various dates through 2027, where monthly rent expense ranges from \$1,400 to \$2,348.

Substantially all of these leases require that the Society pay real estate taxes, utilities, and maintenance expenses.

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The ROU assets and lease liabilities were calculated based on the present value of future lease payments over the lease terms. The rate applied to calculate lease liabilities as of April 1, 2022, the date of the adoption of the lease pronouncement, was 5%.

An amended lease agreement was signed for the San Antonio office space on April 14, 2023. Under the amended agreement, the office square footage was reduced and term was extended through May 31, 2026. The risk-free rate utilized to calculate lease liabilities was applied as of April 14, 2023, the date the lease amendment was signed.

As of March 31, 2024, the remaining lease term for the Organization's operating leases is 2.27 years. Total occupancy expense under the lease agreements, was \$46,640 and \$42,494 for the years ended March 31, 2024 and 2023, respectively.

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

2025	\$	46,160
2026		48,122
2027		<u>12,792</u>
Total undiscounted lease payments		107,074
Less: present value discount		<u>(4,685)</u>
Total lease liability	\$	<u><u>102,389</u></u>

6. NET ASSETS WITH DONOR RESTRICTIONS

The Society's net assets with donor restrictions are as follows:

	2024	2023
Restricted for use within 100 miles of Crosbyton, Texas	\$ 269,914	\$ 269,994
Restricted by time, location or purpose	<u>196,055</u>	<u>231,914</u>
Total Net Assets with Donor Restrictions	<u><u>\$ 465,969</u></u>	<u><u>\$ 501,908</u></u>

7. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time. The net assets released from restrictions for the years ended March 31, 2024 and 2023 amounted to \$568,895 and \$764,077, respectively.

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8. COMMUNITIES FOUNDATION OF TEXAS, INC.

Communities Foundation of Texas, Inc. (CFT) holds and controls assets for the benefit of the Dallas branch of the Society. Investments are restricted for office and business expenses at the Dallas branch and are released to the Society upon approval by CFT. The Society is not recording the value of the assets in the financial statements, as the Society currently does not have the unconditional right to receive the benefits. The investment balances were \$452,917 and \$391,509 as of March 31, 2024 and 2023, respectively

9. RELATED PARTY TRANSACTIONS

The Society is part of an affiliate agreement with the National Society to Prevent Blindness. This affiliate agreement includes a profit-sharing policy where the National Society to Prevent Blindness receives 10% on donor restricted contributions and records it as dues income. The affiliate dues are included in the Society's schedule of functional expenses.

10. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Society's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 98,173	\$ 487,867
Certificates of deposit	357,218	249,998
Investments	1,889,303	1,696,258
Contributions and grants receivable	<u>308,951</u>	<u>197,776</u>
Total financial assets available within one year	<u>2,653,645</u>	<u>2,631,899</u>
Less: Amounts unavailable for general expenditures within one year, due to:		
Net assets restricted by donor for a specific area	(269,914)	(269,994)
Net assets restricted by time, location or purpose	<u>(196,055)</u>	<u>(231,834)</u>
Total financial assets available to management for general expenditure within one year	<u><u>\$ 2,187,676</u></u>	<u><u>\$ 2,130,071</u></u>

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