



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

Combined Financial Statements
and Supplementary Information
For the Years Ended March 31, 2018 and 2017

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

Combined Financial Statements and Supplementary Information
For the Years Ended March 31, 2018 and 2017

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

Contents

Independent Auditor’s Report	3-4
Combined Financial Statements	
Combined Statements of Financial Position as of March 31, 2018 and 2017	5
Combined Statements of Activities and Changes in Net Assets for the Years Ended March 31, 2018 and 2017	6
Combined Statements of Functional Expenses for the Years Ended March 31, 2018 and 2017	7-8
Combined Statements of Cash Flows for the Years Ended March 31, 2018 and 2017	9
Notes to Combined Financial Statements	10-23
Supplementary Information	
Independent Auditor’s Report on Supplementary Information	24
Statements of Financial Position as of March 31, 2018 and 2017 of National Society to Prevent Blindness, National Office	25
Statements of Activities and Changes in Net Assets for the Years Ended March 31, 2018 and 2017 of National Society to Prevent Blindness, National Office	26
Statement of Functional Expenses for the Year Ended March 31, 2018 with Comparative Totals for the Year Ended March 31, 2017 of National Society to Prevent Blindness, National Office	27



Tel: 312-856-9100
Fax: 312-856-1379
www.bdo.com

330 N. Wabash Avenue, Suite 3200
Chicago, IL 60611

Independent Auditor's Report

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, 2018 and 2017, 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; Northern California Society to Prevent Blindness, and Prevent Blindness Wisconsin, Inc. Those statements reflect total assets of \$6,348,842 at March 31, 2018 and \$6,898,756 at March 31, 2017, (constituting 24% and 25% of combined total assets at March 31, 2018 and 2017, respectively) and total public support and operating revenue of \$2,870,768 and \$2,838,116 for the years ended March 31, 2018 and 2017, respectively, (constituting 33% and 31%, of combined total public support and operating revenue for the years ended March 31, 2018 and 2017, 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 audit 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 audit 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, 2018 and 2017, 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

Chicago, Illinois
November 1, 2018

Combined Financial Statements

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

Combined Statements of Financial Position

<i>March 31,</i>	2018	2017
Assets		
Cash and cash equivalents	\$ 2,557,554	\$ 2,675,314
Contributions and other receivables	1,463,006	1,494,920
Investments (Note 3)	13,705,617	14,323,070
Beneficial interest in trusts (Note 3)	6,265,414	5,936,354
Land, building and equipment, net of accumulated depreciation (Note 4)	2,113,048	2,240,143
Other assets	359,210	400,606
Total Assets	\$ 26,463,849	\$ 27,070,407
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 456,051	\$ 515,579
Accrued vacation and severance pay	501,700	218,989
Short-term borrowings - bank (Note 7)	75,000	450,000
Mortgage loan payable (Note 8)	959,680	1,003,546
Deferred revenue and other liabilities	217,600	137,426
Total Liabilities	2,210,031	2,325,540
Net Assets		
Unrestricted		
Undesignated - Available for general activities	9,687,455	10,427,401
Designated by the Board of Directors for specific purposes	3,078,949	2,813,409
Total Unrestricted	12,766,404	13,240,810
Temporarily restricted (Note 9)	2,774,559	3,120,262
Permanently restricted (Note 11)	8,712,855	8,383,795
Total Net Assets	24,253,818	24,744,867
Total Liabilities and Net Assets	\$ 26,463,849	\$ 27,070,407

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,	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Operating Revenue								
Public Support Received Directly								
Contributions	\$ 1,669,501	\$ 1,561,683	\$ -	\$ 3,231,184	\$ 1,614,131	\$ 1,976,197	\$ -	\$ 3,590,328
Legacies and income from trusts held by others	1,109,799	35,150	-	1,144,949	985,125	28,100	-	1,013,225
Special events, net of direct costs of \$474,456 and \$573,1201 in 2018 and 2017, respectively	1,133,924	-	-	1,133,924	1,104,947	-	-	1,104,947
Received indirectly - Combined service campaigns	18,373	-	-	18,373	37,666	-	-	37,666
Total Public Support	3,931,597	1,596,833	-	5,528,430	3,741,869	2,004,297	-	5,746,166
Operating Revenue								
Fees and grants from governmental agencies	2,501,927	217,490	-	2,719,417	2,547,180	272,297	-	2,819,477
Program service revenue	121,828	-	-	121,828	135,857	-	-	135,857
Net investment income	180,721	29,028	-	209,749	200,829	28,337	-	229,166
Miscellaneous	215,385	-	-	215,385	254,404	-	-	254,404
Total Operating Revenue	3,019,861	246,518	-	3,266,379	3,138,270	300,634	-	3,438,904
Net assets released from restrictions - satisfaction of program restrictions	2,296,056	(2,296,056)	-	-	2,231,395	(2,231,395)	-	-
Total Public Support and Operating Revenue	9,247,514	(452,705)	-	8,794,809	9,111,534	73,536	-	9,185,070
Expenses								
Program services								
Research	396,015	-	-	396,015	462,824	-	-	462,824
Public health education	3,626,932	-	-	3,626,932	3,704,011	-	-	3,704,011
Professional education and training	1,485,755	-	-	1,485,755	1,662,083	-	-	1,662,083
Community services	2,696,792	-	-	2,696,792	2,649,473	-	-	2,649,473
Total Program Services	8,205,494	-	-	8,205,494	8,478,391	-	-	8,478,391
Supporting Services								
General and administrative	1,170,093	-	-	1,170,093	1,176,709	-	-	1,176,709
Fundraising	1,229,337	-	-	1,229,337	927,679	-	-	927,679
Total Supporting Services	2,399,430	-	-	2,399,430	2,104,388	-	-	2,104,388
Total Expenses	10,604,924	-	-	10,604,924	10,582,779	-	-	10,582,779
Deficiency of Public Support and Operating Revenue over Expenses	(1,357,410)	(452,705)	-	(1,810,115)	(1,471,245)	73,536	-	(1,397,709)
Non-operating revenue, gains, and losses - realized and unrealized gains on investments	883,004	107,002	-	990,006	888,645	89,169	-	977,814
Change in market value of beneficial interest in trusts	-	-	329,060	329,060	-	-	140,223	140,223
Total non-operating revenue, gains and losses	883,004	107,002	329,060	1,319,066	888,645	89,169	140,223	1,118,037
Total Change in Net Assets	(474,406)	(345,703)	329,060	(491,049)	(582,600)	162,705	140,223	(279,672)
Net Assets - beginning of year	13,240,810	3,120,262	8,383,795	24,744,867	13,823,410	2,957,557	8,243,572	25,024,539
Net Assets - end of year	\$ 12,766,404	\$ 2,774,559	\$ 8,712,855	\$ 24,253,818	\$ 13,240,810	\$ 3,120,262	\$ 8,383,795	\$ 24,744,867

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, 2018</i>	Program Services					Supporting Services			
	Research	Professional			Total	General and			Total
		Public Health Education	Education and Training	Community Services		Administrative	Fundraising	Total	
Salaries	\$ 191,183	\$ 1,884,591	\$ 732,158	\$ 1,360,312	\$ 4,168,244	\$ 643,662	\$ 698,087	\$ 1,341,749	\$ 5,509,993
Employee benefits	33,380	325,774	126,798	268,299	754,251	94,964	129,127	224,091	978,342
Payroll taxes	11,879	153,053	52,707	102,604	320,243	51,878	47,832	99,710	419,953
Total Payroll and Related Expenses	236,442	2,363,418	911,663	1,731,215	5,242,738	790,504	875,046	1,665,550	6,908,288
Accounting and audit fees	1,773	27,796	9,535	8,134	47,238	32,951	2,041	34,992	82,230
Legal fees	128	4,601	1,150	511	6,390	6,263	128	6,391	12,781
Other professional fees and outside services	54,375	308,970	187,187	322,592	873,124	78,032	137,164	215,196	1,088,320
Office supplies	956	215,710	109,099	157,919	483,684	9,500	7,572	17,072	500,756
Telephone	694	41,643	8,852	25,582	76,771	16,191	13,951	30,142	106,913
Postage and shipping	369	16,956	6,675	15,675	39,675	4,657	18,341	22,998	62,673
Building occupancy	2,737	183,553	45,357	88,527	320,174	118,540	38,718	157,258	477,432
Interest	1,188	4,750	3,393	4,241	13,572	2,556	848	3,404	16,976
Office equipment maintenance	355	19,520	5,790	18,868	44,533	13,451	8,194	21,645	66,178
Printing and publications	1,003	39,843	21,531	51,298	113,675	8,169	47,184	55,353	169,028
Travel and meetings	47,168	197,508	103,764	136,849	485,289	31,603	41,234	72,837	558,126
Insurance	2,633	53,641	13,058	26,174	95,506	11,201	8,899	20,100	115,606
Awards and grants	37,280	17,592	16,921	17,246	89,039	-	-	-	89,039
Other	2,769	37,602	13,444	44,051	97,866	26,276	14,365	40,641	138,507
Total expenses before depreciation	389,870	3,533,103	1,457,419	2,648,882	8,029,274	1,149,894	1,213,685	2,363,579	10,392,853
Depreciation	6,145	93,829	28,336	47,910	176,220	20,199	15,652	35,851	212,071
Total Expenses	\$ 396,015	\$ 3,626,932	\$ 1,485,755	\$ 2,696,792	\$ 8,205,494	\$ 1,170,093	\$ 1,229,337	\$ 2,399,430	\$ 10,604,924

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

Combined Statements of Functional Expenses

Year ended March 31, 2017	Program Services					Supporting Services				Total
	Research	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Total		
Salaries	\$ 228,125	\$ 1,852,165	\$ 840,661	\$ 1,335,838	\$ 4,256,789	\$ 597,724	\$ 451,249	\$ 1,048,973	\$ 5,305,762	
Employee benefits	40,970	308,528	143,916	245,009	738,423	94,536	78,985	173,521	911,944	
Payroll taxes	13,398	148,840	60,590	97,684	320,512	49,783	34,432	84,215	404,727	
Total Payroll and Related Expenses	282,493	2,309,533	1,045,167	1,678,531	5,315,724	742,043	564,666	1,306,709	6,622,433	
Accounting and audit fees	2,112	34,211	11,168	10,041	57,532	45,250	3,895	49,145	106,677	
Legal fees	331	11,253	2,648	1,324	15,556	17,210	331	17,541	33,097	
Other professional fees and outside services	82,817	368,981	191,455	318,914	962,167	112,403	121,748	234,151	1,196,318	
Office supplies	1,507	227,559	117,592	168,488	515,146	15,319	9,809	25,128	540,274	
Telephone	1,268	59,914	16,593	28,151	105,926	17,378	11,878	29,256	135,182	
Postage and shipping	548	17,310	7,318	15,006	40,182	6,915	18,445	25,360	65,542	
Building occupancy	3,132	187,104	50,043	91,979	332,258	81,622	39,134	120,756	453,014	
Interest	1,522	19,379	6,652	5,627	33,180	25,760	1,215	26,975	60,155	
Office equipment maintenance	355	20,415	6,750	22,277	49,797	13,893	8,363	22,256	72,053	
Printing and publications	1,978	44,539	36,823	64,236	147,576	11,301	55,358	66,659	214,235	
Travel and meetings	46,809	188,425	92,199	119,007	446,440	32,227	38,383	70,610	517,050	
Insurance	1,829	38,701	12,699	22,519	75,748	7,990	8,167	16,157	91,905	
Awards and grants	25,000	2,250	2,250	4,500	34,000	-	-	-	34,000	
Other	4,367	53,539	31,844	48,514	138,264	25,507	31,654	57,161	195,425	
Total expenses before depreciation	456,068	3,583,113	1,631,201	2,599,114	8,269,496	1,154,818	913,046	2,067,864	10,337,360	
Depreciation	6,756	120,898	30,882	50,359	208,895	21,891	14,633	36,524	245,419	
Total Expenses	\$ 462,824	\$ 3,704,011	\$ 1,662,083	\$ 2,649,473	\$ 8,478,391	\$ 1,176,709	\$ 927,679	\$ 2,104,388	\$ 10,582,779	

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>	2018	2017
Cash Flows From Operating Activities		
Change in net assets	\$ (491,049)	\$ (279,672)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	212,071	245,419
Loss on disposal of assets	-	1,419
Donated equipment	-	(14,000)
Realized and unrealized gains on investments	(990,006)	(977,814)
Change in market value of beneficial interest in trusts	(329,060)	(140,223)
Change in operating assets and liabilities:		
Contributions and other receivables	31,914	302,492
Other assets	41,396	(90,554)
Accounts payable and accrued expenses	(59,528)	57,569
Accrued vacation and severance pay	282,711	(5,198)
Deferred revenue and other liabilities	80,174	(106,989)
Net cash used in operating activities	(1,221,377)	(1,007,551)
Cash Flows From Investing Activities		
Capital expenditures	(84,976)	(196,745)
Proceeds from sales of investment securities	3,908,925	6,569,123
Purchases of investment securities	(2,301,466)	(5,249,121)
Net cash provided by investing activities	1,522,483	1,123,257
Cash Flows From Financing Activities		
Net payments on borrowings on lines of credit	(375,000)	(30,000)
Repayments of mortgage loan	(43,866)	(42,093)
Net cash used in financing activities	(418,866)	(72,093)
Net (Decrease) Increase in Cash and Cash Equivalents	(117,760)	43,613
Cash and Cash Equivalents - beginning of the year	2,675,314	2,631,701
Cash and Cash Equivalents - end of the year	\$ 2,557,554	\$ 2,675,314
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	\$ 64,771	\$ 63,684

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; Northern California Society to Prevent Blindness, 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:

- Unrestricted - Net assets that are not subject to donor-imposed restrictions. Certain of these assets, however, are designated by the Board of Directors for specific purposes or for the endowment.
- Temporarily Restricted - Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of Prevent Blindness or the passage of time.

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

Notes to Combined Financial Statements

- Permanently Restricted - Net assets that are subject to donor-imposed restrictions to be maintained permanently by Prevent Blindness. Generally, the donors of these assets permit Prevent Blindness to use all or part of the income earned on related investments for general or specific purposes.

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 since 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 ten 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 unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or law. Expirations of temporary restrictions on net assets (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 unrestricted support. Other restricted gifts are reported as restricted support and temporarily or permanently restricted net assets.

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.

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

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. 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 has informed Prevent Blindness that they are tax-exempt organizations as provided in Section 501(c)(3) of the Internal Revenue Code 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, 2018 and 2017, 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.

Subsequent Events

Prevent Blindness has evaluated subsequent events through November 1, 2018, the date the combined financial statements were available to be issued. No events have occurred subsequent to March 31, 2018 that required recognition or disclosure in the financial statements, except those disclosed below.

In August 2018, the Northern California Society to Prevent Blindness began the dissolution of its organization and affiliation with the National Society to Prevent Blindness.

Reclassifications

Certain reclassifications have been made to the fiscal 2017 financial statements to conform to the fiscal 2018 presentation.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, "Revenue from Contracts with Customers," which supersedes nearly all existing

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

Notes to Combined Financial Statements

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 the 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 August 2015, the FASB issued ASU 2015-14, *“Revenue from Contracts with Customers,”* which defers the effective date of the new revenue recognition standard by one year. ASU 2015-14 is effective for annual reporting periods beginning after December 15, 2018 and is to be applied using one of two retrospective application methods, with early application permitted after December 15, 2016. Prevent Blindness has not yet determined the method by which ASU 2014-09 will be adopted in fiscal year 2020 and is currently evaluating the impact of ASU 2014-09 on its combined financial statements.

In February 2016, the FASB issued ASU 2016-02, *“Leases (Topic 842),”* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. ASU 2016-02 applies a right-of-use (“ROU”) model that requires, for all leases with a lease term of more than 12 months, an asset representing its ROU the underlying asset for the lease term, and a liability to make lease payments to be recorded. ASU 2016-02 is effective for the Prevent Blindness’ 2021 fiscal year with early adoption permitted. Prevent Blindness is currently evaluating the impact of ASU 2016-02 on its combined financial statements.

In August 2016, the FASB issued ASU 2016-14, *“Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities.”* ASU 2016-14 amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions,” (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for Prevent Blindness’ 2019 fiscal year with early adoption permitted. The provisions of ASU 2016-14 must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for the periods prior to adoption. Prevent Blindness is currently evaluating the impact of the adoption of ASU 2016-14 on its combined financial statements.

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

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

Notes to Combined Financial Statements

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. During the years ended March 31, 2018 and 2017, there were no such transfers.

The following tables present information about Prevent Blindness' assets and liabilities measured at fair value on a recurring basis at March 31, 2018 and 2017 and the valuation techniques used by Prevent Blindness to determine those fair values.

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

Notes to Combined Financial Statements

Description	Fair Value as of March 31, 2018	Recurring Fair Value Measurements as of Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money market instruments	\$ 92,526	\$ 82,246	\$ 10,280	\$ -
Mutual funds	5,953,299	5,337,232	616,067	-
Common stocks	4,335,994	4,317,268	18,726	-
Corporate bonds and notes	779,144	-	779,144	-
U.S. government obligations	881,693	-	881,693	-
Other Investments				
Community foundations	109,176	-	-	109,176
	\$ 12,151,832	\$ 9,736,746	\$ 2,305,910	\$ 109,176
Beneficial Interest in Trusts	\$ 6,265,414	\$ -	\$ -	\$ 6,265,414

Description	Fair Value as of March 31, 2017	Recurring Fair Value Measurements as of Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Money market instruments	\$ 35,111	\$ 20,466	\$ 14,645	\$ -
Mutual funds	5,493,915	4,919,599	574,316	-
Common stocks	5,718,703	5,697,478	21,225	-
Corporate bonds and notes	890,294	-	890,294	-
U.S. government obligations	725,524	-	725,524	-
Other Investments				
Community foundations	101,703	-	-	101,703
	\$ 12,965,250	\$ 10,637,543	\$ 2,226,004	\$ 101,703
Beneficial Interest in Trusts	\$ 5,936,354	\$ -	\$ -	\$ 5,936,354

Not included in the table above as of March 31, 2018 are cash and cash equivalents of \$405,785, money market funds of \$315,721, and certificates of deposit of \$62,394. Not included in the table above as of March 31, 2017 are cash and cash equivalents of \$238,481, money market funds of \$217,860, and certificates of deposit of \$172,229.

On the Combined Statement of Activities and Changes in Net Assets, net investment income amounts are reported net of related investment management expenses of \$89,242 and \$99,406 for the years ended March 31, 2018 and 2017, 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

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

Notes to Combined Financial Statements

fair value of community foundations are based on the underlying assets, which consist primarily of securities traded on an active market or secondary market.

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 at March 31, 2016	\$ 94,084	\$ 5,796,131	\$ 5,890,215
Total gains (realized and unrealized)	7,619	140,223	147,842
Balance at March 31, 2017	101,703	5,936,354	6,038,057
Total gains (realized and unrealized)	7,473	329,060	336,533
Balance at March 31, 2018	\$ 109,176	\$ 6,265,414	\$ 6,374,590

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, 2018 and 2017, 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:

	March 31, 2018 Fair Value	March 31, 2017 Fair Value	Unfunded Commitments	Redemption Frequency (If currently eligible)	Redemption Notice Period
Lighthouse Hedge Fund (1)	\$ 532,092	\$ 507,243	None	Monthly	90 days
Ironwood Hedge Fund (2)	237,793	222,007	None	Bi-Annually	95 days
Total	\$ 769,885	\$ 729,250			

(1) This hedge fund is a fund of funds held with Lighthouse Diversified Fund, Ltd. and was purchased on December 31, 2008.

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

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

Notes to Combined Financial Statements

4. Land, Building, and Equipment

Prevent Blindness' land, building, and equipment consisted of the following as of March 31:

	2018	2017
Land	\$ 512,045	\$ 512,045
Buildings	1,996,428	1,996,428
Equipment	2,182,642	2,141,473
Leasehold improvements	10,244	4,451
	4,701,359	4,654,397
Less accumulated depreciation	2,588,311	2,414,254
Total	\$ 2,113,048	\$ 2,240,143

Depreciation expense was \$212,071 and \$245,419 for the years ended March 31, 2018 and 2017, respectively.

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 \$239,692 and \$250,858 for the years ended March 31, 2018 and 2017, 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, 2018, the minimum future rent payments due under operating leases with non-cancelable lease terms in excess of one year are as follows:

<i>Year ending March 31,</i>	Amount
2019	\$ 252,567
2020	113,153
2021	93,741
2022	98,384
2023	24,987
Thereafter	109,568
Total	\$ 692,400

Total rent expense on all operating leases was \$390,724 and \$408,291 for the years ended March 31, 2018 and 2017, respectively.

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

Notes to Combined Financial Statements

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, 2018:

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 variable and was 6.75% on March 31, 2018. The line of credit is collateralized by Prevent Blindness Georgia's 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, 2017 and expires on December 3, 2018. Interest is payable monthly at one-month LIBOR plus 2.75% (effective rate of 4.443% on March 31, 2018). This line of credit is secured by collateral described in a Mortgage dated May 15, 2017 to Heartland Bank and Trust on a real property located in Cook County, Illinois.

Outstanding borrowings amounted to \$450,000 of an available \$675,000 on the following two lines of credit at March 31, 2017:

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, 2013. 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 variable and was 6% on March 31, 2017. The line of credit is collateralized by Prevent Blindness Georgia's general investment account.
2. \$375,000 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 May 13, 2016 and was to expire on May 15, 2017. Interest is payable monthly at one-month LIBOR plus 2.75% (effective rate of 3.74% on March 31, 2017). This line of credit is secured by Prevent Blindness' deposit accounts with the institution. Subsequent to March 31, 2017, and prior to expiration, this line of credit was renewed with a new expiration date of December 3, 2017 and with substantially similar terms with the addition of substantially all assets of Prevent Blindness as collateral.

8. Mortgage Loan Payable

Prevent Blindness has a mortgage loan payable to Heartland Bank and Trust Company. The mortgage loan is secured by the office condominium used by Prevent Blindness and is payable in monthly installments of principal and interest of \$7,243, with the final balloon payment due on July 1, 2020. The mortgage loan bears interest at 4.375%. Principal payments due on the mortgage loan payable at March 31, 2018 are as follows:

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

Notes to Combined Financial Statements

<i>Year ending March 31,</i>		<i>Amount</i>
2019	\$	45,827
2020		47,768
2021		866,085
Total	\$	959,680

9. Temporarily Restricted Net Asset Balances

Temporarily restricted net assets of \$2,774,559 and \$3,120,262 as of March 31, 2018 and 2017, 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.

10. Endowments

Prevent Blindness' endowment consists of 15 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 Boards of Directors to function as endowments. Prevent Blindness does not consider its beneficial interest in trusts to be part of its endowment since 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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts donated 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.

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.
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.

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

Notes to Combined Financial Statements

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% - 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 60% of total donor restricted endowment funds as of March 31, 2018 and 2017, 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.

Endowment net asset composition by type of fund as of March 31, 2018 was as follows:

Description	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 732,307	\$ 2,447,441	\$ 3,179,748

**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, 2018 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning of year	\$ -	\$ 686,676	\$ 2,447,441	\$ 3,134,117
Investment return:				
Investment income	-	36,965	-	36,965
Net appreciation (realized and unrealized)	-	214,716	-	214,716
Total investment return	-	251,681	-	251,681
Appropriation of endowment assets for expenditure	-	(206,050)	-	(206,050)
Endowment Net Assets - end of year	\$ -	\$ 732,307	\$ 2,447,441	\$ 3,179,748

Endowment net asset composition by type of fund as of March 31, 2017 was as follows:

Description	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 686,676	\$ 2,447,441	\$ 3,134,117

Changes in endowment net assets for the year ended March 31, 2017 were as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets - beginning of year	\$ 2,007,120	\$ 659,345	\$ 2,447,441	\$ 5,113,906
Investment return:				
Investment income	-	41,734	-	41,734
Net appreciation (realized and unrealized)	-	196,813	-	196,813
Total investment return	-	238,547	-	238,547
Appropriation of endowment assets for expenditure	(2,007,120)	(207,546)	-	(2,214,666)
Adjustment - other	-	(3,670)	-	(3,670)
Endowment Net Assets - end of year	\$ -	\$ 686,676	\$ 2,447,441	\$ 3,134,117

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

Notes to Combined Financial Statements

11. Permanently Restricted Net Assets

Permanently restricted net assets consist of the following:

<i>March 31,</i>	2018	2017
Donor-restricted endowment funds	\$ 2,447,441	\$ 2,447,441
Beneficial interest in trusts	6,265,414	5,936,354
Total	\$ 8,712,855	\$ 8,383,795

Supplementary Information



Tel: 312-856-9100
Fax: 312-856-1379
www.bdo.com

330 N. Wabash Avenue, Suite 3200
Chicago, IL 60611

Independent Auditor's Report on Supplementary Information

Our audit 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, 2018 and 2017, included in the preceding section of this report, was 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 audit 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, 2018 and 2017 is fairly stated in all material respects in relation to the combined financial statements as of and for the years ended March 31, 2018 and 2017 as a whole.

BDO USA, LLP

Chicago, Illinois
November 1, 2018

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

National Society to Prevent Blindness, National Office

Statements of Financial Position

<i>March 31,</i>	2018	2017
Assets		
Cash	\$ 248,394	\$ 676,618
Contributions and other receivables	1,031,364	1,007,049
Investments	5,440,565	5,001,038
Land, building, and equipment, net	1,228,867	1,307,374
Beneficial interest in trusts	6,265,414	5,936,354
Other assets	125,660	126,132
Total Assets	\$ 14,340,264	\$ 14,054,565
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 243,868	\$ 204,766
Accrued vacation and severance	346,815	59,317
Mortgage payable	959,680	1,003,546
Line of credit	-	375,000
Deferred revenue and other liabilities	253,000	226,200
Total Liabilities	1,803,363	1,868,829
Net Assets		
Unrestricted		
Undesignated - available for general activities	3,138,863	2,826,995
Designated by the Board of Directors for specific purposes	174,617	159,978
Total unrestricted net assets	3,313,480	2,986,973
Temporarily restricted	1,479,790	1,784,192
Permanently restricted	7,743,631	7,414,571
Total Net Assets	12,536,901	12,185,736
Total Liabilities and Net Assets	\$ 14,340,264	\$ 14,054,565

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,	2018				2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public Support and Operating Revenue								
Public support								
Received directly								
Contributions and government grants	\$ 471,383	\$ 755,133	\$ -	\$ 1,226,516	\$ 469,568	\$ 1,119,204	\$ -	\$ 1,588,772
Legacies and income from trusts held by others	1,048,084	35,150	-	1,083,234	929,853	28,100	-	957,953
Special events, net of direct costs of \$154,256 in 2018 and \$213,714 in 2017	209,569	-	-	209,569	275,338	-	-	275,338
Received indirectly - combined service campaigns	6,608	-	-	6,608	12,301	-	-	12,301
Total Public Support	1,735,644	790,283	-	2,525,927	1,687,060	1,147,304	-	2,834,364
Operating Revenue								
Fees and grants from governmental agencies	453,689	-	-	453,689	479,068	-	-	479,068
Contributions from affiliates	524,940	-	-	524,940	537,785	-	-	537,785
Program service revenue	33,803	-	-	33,803	49,787	-	-	49,787
Net investment income	41,728	-	-	41,728	45,236	-	-	45,236
Miscellaneous	201,485	-	-	201,485	196,726	-	-	196,726
Total Operating Revenue	1,255,645	-	-	1,255,645	1,308,602	-	-	1,308,602
Net assets released from restrictions - satisfaction of program restrictions	1,094,685	(1,094,685)	-	-	996,985	(996,985)	-	-
Total Public Support and Operating Revenue	4,085,974	(304,402)	-	3,781,572	3,992,647	150,319	-	4,142,966
Expenses								
Program services								
Research	373,223	-	-	373,223	430,678	-	-	430,678
Public health education	1,292,203	-	-	1,292,203	1,221,428	-	-	1,221,428
Professional education and training	749,938	-	-	749,938	796,231	-	-	796,231
Community services	693,482	-	-	693,482	661,714	-	-	661,714
Total Program Services	3,108,846	-	-	3,108,846	3,110,051	-	-	3,110,051
Supporting services								
General and administrative	661,311	-	-	661,311	676,854	-	-	676,854
Fundraising	385,753	-	-	385,753	260,825	-	-	260,825
Total Supporting Services	1,047,064	-	-	1,047,064	937,679	-	-	937,679
Total Expenses	4,155,910	-	-	4,155,910	4,047,730	-	-	4,047,730
Excess (deficiency) of public support and operating revenue over expenses	(69,936)	(304,402)	-	(374,338)	(55,083)	150,319	-	95,236
Nonoperating revenue, gains and losses:								
Net realized and unrealized gains (losses) on investments	396,443	-	329,060	396,443	364,173	-	140,223	364,173
Change in market value of beneficial interest in trusts	-	-	-	329,060	-	-	-	140,223
Total nonoperating revenue, gains and losses	396,443	-	329,060	725,503	364,173	-	140,223	504,396
Change in Net Assets	326,507	(304,402)	329,060	351,165	309,090	150,319	140,223	599,632
Net Assets - beginning of year	2,986,973	1,784,192	7,414,571	12,185,736	2,677,883	1,633,873	7,274,348	11,586,104
Net Assets - end of year	\$ 3,313,480	\$ 1,479,790	\$ 7,743,631	\$ 12,536,901	\$ 2,986,973	\$ 1,784,192	\$ 7,414,571	\$ 12,185,736

See accompanying independent auditor's report on supplementary information.

National Society to Prevent Blindness, National Office

Statement of Functional Expenses

Year ended March 31, 2018, with comparative totals for the year ended March 31, 2017

	Program Services					Supporting Services			Total	
	Research	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Total	2018	2017
	Salaries	\$ 178,267	\$ 668,383	\$ 364,535	366,657	\$ 1,577,842	\$ 370,962	\$ 208,380	\$ 579,342	\$ 2,157,184
Employee benefits	30,199	109,483	64,452	61,208	265,342	54,397	33,834	88,231	353,573	315,018
Payroll taxes	10,856	52,160	25,467	24,532	113,015	28,949	11,706	40,655	153,670	143,875
Total Payroll and Related Expenses	219,322	830,026	454,454	452,397	1,956,199	454,308	253,920	708,228	2,664,427	2,371,678
Accounting fees	1,773	26,072	8,740	6,587	43,172	32,006	1,437	33,443	76,615	96,485
Legal fees	128	4,601	1,150	511	6,390	6,263	128	6,391	12,781	33,097
Other professional fees and outside services	42,245	137,498	99,650	93,600	372,993	12,855	58,892	71,747	444,740	577,687
Office supplies	627	4,539	1,962	1,588	8,716	4,414	938	5,352	14,068	19,668
Telephone	463	8,431	2,306	2,228	13,428	9,541	195	9,736	23,164	21,398
Postage and shipping	160	3,635	1,058	1,054	5,907	1,973	13,361	15,334	21,241	25,137
Building occupancy	1,422	51,226	12,806	5,692	71,146	69,724	1,422	71,146	142,292	99,138
Interest	1,188	4,750	3,393	4,241	13,572	2,545	848	3,393	16,965	60,155
Office equipment maintenance	203	7,310	1,827	812	10,152	9,949	203	10,152	20,304	20,346
Printing and publications	378	5,559	2,018	1,999	9,954	613	27,391	28,004	37,958	53,325
Travel and meetings	46,028	114,410	76,524	56,670	293,632	16,992	20,803	37,795	331,427	295,554
Insurance	2,320	9,281	6,629	8,287	26,517	4,972	1,657	6,629	33,146	19,667
Awards and grants	49,105	49,192	56,171	34,071	188,539	-	-	-	188,539	220,000
Other	2,466	14,094	5,836	4,478	26,874	23,596	705	24,301	51,175	57,110
Total expenses before depreciation	367,828	1,270,624	734,524	674,215	3,047,191	649,751	381,900	1,031,651	4,078,842	3,970,445
Depreciation of building and equipment	5,395	21,579	15,414	19,267	61,655	11,560	3,853	15,413	77,068	77,285
Total Expenses	\$ 373,223	\$ 1,292,203	\$ 749,938	\$ 693,482	\$ 3,108,846	\$ 661,311	\$ 385,753	\$ 1,047,064	\$ 4,155,910	\$ 4,047,730

See accompanying independent auditor's report on supplementary information.