

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

**Combined Financial Statements for the
Year Ended March 31, 2009**



Blackman Kallick, LLP
10 South Riverside Plaza
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Chicago, IL 60606

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

Year Ended March 31, 2009

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Blackman Kallick, LLP
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Independent Auditor's Report

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

We have audited the accompanying combined statement of financial position of **National Society to Prevent Blindness (d/b/a Prevent Blindness America) and Affiliates** as of March 31, 2009, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of **National Society to Prevent Blindness (d/b/a Prevent Blindness America) and Affiliates'** management. Our responsibility is to express an opinion on these combined financial statements based on our audit. We did not audit the financial statements of certain combined affiliates, which statements reflect total assets constituting 34% and total revenue constituting 46% of the related combined totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for these affiliates, is based solely on the reports of the other auditors. The prior year comparative summarized information has been derived from **National Society to Prevent Blindness (d/b/a Prevent Blindness America) and Affiliates'** 2008 combined financial statements and, in our report dated October 22, 2008, we expressed an unqualified opinion on those combined financial statements, based on our audit and the reports of the other auditors.

We conducted our audit 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our 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 America) and Affiliates** as of March 31, 2009, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Blackman Kallick, LLP

November 20, 2009

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

Combined Statements of Financial Position

March 31, 2009 with Comparative Amounts for March 31, 2008

<u>Assets</u>		
	2009	2008
Cash and Cash Equivalents	\$ 5,289,517	\$ 4,416,650
Contributions Receivable	1,308,389	1,495,207
Investments	17,024,790	20,643,459
Beneficial Interest in Trusts	4,166,194	5,812,575
Land, Buildings and Equipment, Net of Accumulated Depreciation and Amortization (Note 5)	4,135,498	4,293,471
Other Assets	344,204	478,157
Total Assets	\$ 32,268,592	\$ 37,139,519
<u>Liabilities and Net Assets</u>		
Accounts Payable and Accrued Expenses	\$ 607,560	\$ 551,914
Accrued Vacation and Severance Pay	288,294	325,156
Short-Term Borrowings - Bank	14,930	21,373
Due to University of Texas Southwestern Medical School	-	119,137
Mortgage Loan Payable	1,256,742	1,280,873
Deferred Revenue	141,853	225,838
Total Liabilities	2,309,379	2,524,291
Net Assets		
Unrestricted		
Undesignated - Available for general activities	16,069,353	16,333,555
Designated by the Boards of Directors for specific purposes	2,634,660	4,186,539
Designated by the Board of Directors for the endowment	1,945,554	2,945,505
Total Unrestricted	20,649,567	23,465,599
Temporarily Restricted	2,824,593	3,169,209
Permanently Restricted	6,485,053	7,980,420
Total Net Assets (Exhibit B)	29,959,213	34,615,228
Total Liabilities and Net Assets	\$ 32,268,592	\$ 37,139,519

The accompanying notes are an integrated part of the combined financial statements.

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

Combined Statements of Activities

Year Ended March 31, 2009 with Comparative Totals for the Year Ended March 31, 2008

	2009			Total	2008 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Public Support and Operating Revenue					
Public Support					
Received directly					
Contributions	\$ 4,292,881	\$ 1,709,250	\$ 9,445	\$ 6,011,576	\$ 6,695,033
Legacies and income from trusts held by others	5,530,939	62,996	2,000	5,595,935	2,358,604
Special events, net of direct costs of \$867,444 and \$1,078,344 in 2009 and 2008, respectively	1,954,638	-	-	1,954,638	2,366,147
Received indirectly - Combined service campaigns	165,707	-	-	165,707	144,308
Total Public Support	<u>11,944,165</u>	<u>1,772,246</u>	<u>11,445</u>	<u>13,727,856</u>	<u>11,564,092</u>
Operating Revenue					
Fees and grants from governmental agencies	996,313	991,378	-	1,987,691	2,159,477
Program service revenue	265,220	980	-	266,200	531,330
Net investment income	501,959	48,773	477	551,209	760,742
Miscellaneous	313,150	-	-	313,150	286,557
Total Operating Revenue	<u>2,076,642</u>	<u>1,041,131</u>	<u>477</u>	<u>3,118,250</u>	<u>3,738,106</u>
Net Assets Released from Restrictions - Satisfaction of program restrictions	<u>3,176,359</u>	<u>(3,175,059)</u>	<u>(1,300)</u>	<u>-</u>	<u>-</u>
Total Public Support and Operating Revenue	<u>17,197,166</u>	<u>(361,682)</u>	<u>10,622</u>	<u>16,846,106</u>	<u>15,302,198</u>
Expenses					
Program services					
Research	704,710	-	-	704,710	777,604
Public health education	4,560,291	-	-	4,560,291	5,613,646
Professional education and training	2,213,046	-	-	2,213,046	2,508,175
Community services	4,558,612	-	-	4,558,612	4,207,284
Total Program Services	<u>12,036,659</u>	<u>-</u>	<u>-</u>	<u>12,036,659</u>	<u>13,106,709</u>
Supporting services					
General and administrative	1,951,035	-	-	1,951,035	1,966,641
Fundraising	1,521,157	-	-	1,521,157	1,560,558
Total Supporting Services	<u>3,472,192</u>	<u>-</u>	<u>-</u>	<u>3,472,192</u>	<u>3,527,199</u>
Total Expenses	<u>15,508,851</u>	<u>-</u>	<u>-</u>	<u>15,508,851</u>	<u>16,633,908</u>
Excess (Deficiency) of Public Support and Operating Revenue Over Expenses	<u>1,688,315</u>	<u>(361,682)</u>	<u>10,622</u>	<u>1,337,255</u>	<u>(1,331,710)</u>
Nonoperating Revenue, Gains and Losses					
Realized (loss) gain on sale of investments	(1,338,037)	(64,866)	(396)	(1,403,299)	483,753
Change in unrealized loss on investments	(2,773,605)	(165,626)	(5,817)	(2,945,048)	(944,242)
Change in market value of beneficial interest in trusts	(60,608)	-	(1,584,315)	(1,644,923)	(378,901)
Total Nonoperating Losses	<u>(4,172,250)</u>	<u>(230,492)</u>	<u>(1,590,528)</u>	<u>(5,993,270)</u>	<u>(839,390)</u>
Change in Net Assets before Reclassifications	<u>(2,483,935)</u>	<u>(592,174)</u>	<u>(1,579,906)</u>	<u>(4,656,015)</u>	<u>(2,171,100)</u>
Other net asset reclassifications	<u>(332,097)</u>	<u>247,558</u>	<u>84,539</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(2,816,032)</u>	<u>(344,616)</u>	<u>(1,495,367)</u>	<u>(4,656,015)</u>	<u>(2,171,100)</u>
Net Assets, Beginning of Year	<u>23,465,599</u>	<u>3,169,209</u>	<u>7,980,420</u>	<u>34,615,228</u>	<u>36,786,328</u>
Net Assets, End of Year (Exhibit A)	<u>\$ 20,649,567</u>	<u>\$ 2,824,593</u>	<u>\$ 6,485,053</u>	<u>\$ 29,959,213</u>	<u>\$ 34,615,228</u>

The accompanying notes are an integrated part of the combined financial statements.

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

Combined Statements of Functional Expenses

Year Ended March 31, 2009 with Comparative Totals for the Year Ended March 31, 2008

	Program Services			
	Research	Public Health Education	Professional Education and Training	Community Services
Salaries	\$ 280,605	\$ 2,317,059	\$ 1,029,102	\$ 2,202,096
Employee benefits	41,888	332,837	154,435	324,382
Payroll taxes	18,446	190,901	81,161	179,465
Total Payroll and Related Expenses	340,939	2,840,797	1,264,698	2,705,943
Professional fundraising fees	-	1,473	-	3,094
Accounting and audit fees	1,630	14,115	8,899	12,813
Legal fees	205	1,026	513	513
Other professional fees and outside services	94,094	406,217	215,746	482,183
Office supplies	8,377	127,227	80,717	174,857
Telephone	5,423	60,788	25,021	66,995
Postage and shipping	5,561	66,094	26,124	50,609
Building occupancy*	20,592	235,926	114,860	291,463
Office equipment maintenance	2,418	41,525	14,353	47,656
Printing and publications	16,029	126,719	80,924	149,524
Travel and meetings	64,029	304,095	222,130	290,537
Insurance	2,889	41,620	14,592	36,125
Awards and grants	126,150	31,423	30,824	29,293
Other	7,558	151,245	78,906	116,499
Total Expenses Before Depreciation and Amortization	695,894	4,450,290	2,178,307	4,458,104
Depreciation and amortization of land, buildings and equipment	8,816	110,001	34,739	100,508
Total Expenses	\$ 704,710	\$ 4,560,291	\$ 2,213,046	\$ 4,558,612

*Includes mortgage interest expense of \$83,697 and \$82,267 for fiscal 2009 and 2008, respectively.

The accompanying notes are an integrated part of the combined financial statements.

Total	Supporting Services			Total	
	General and Administrative	Fundraising	Total	2009	2008
\$ 5,828,862	\$ 985,223	\$ 656,201	\$ 1,641,424	\$ 7,470,286	\$ 7,973,183
853,542	136,703	92,815	229,518	1,083,060	1,101,223
469,973	85,938	55,801	141,739	611,712	668,124
7,152,377	1,207,864	804,817	2,012,681	9,165,058	9,742,530
4,567	2,136	201,680	203,816	208,383	-
37,457	62,125	5,255	67,380	104,837	116,139
2,257	8,603	6,303	14,906	17,163	51,272
1,198,240	216,548	63,586	280,134	1,478,374	1,827,362
391,178	26,848	18,767	45,615	436,793	422,374
158,227	22,054	13,732	35,786	194,013	203,294
148,388	18,543	71,478	90,021	238,409	328,133
662,841	92,233	61,232	153,465	816,306	789,752
105,952	18,465	10,155	28,620	134,572	130,905
373,196	43,039	115,403	158,442	531,638	963,672
880,791	93,403	86,613	180,016	1,060,807	1,070,178
95,226	11,757	9,313	21,070	116,296	114,556
217,690	632	1,019	1,651	219,341	120,896
354,208	55,026	28,508	83,534	437,742	408,738
11,782,595	1,879,276	1,497,861	3,377,137	15,159,732	16,289,801
254,064	71,759	23,296	95,055	349,119	344,107
\$ 12,036,659	\$ 1,951,035	\$ 1,521,157	\$ 3,472,192	\$ 15,508,851	\$ 16,633,908

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

Combined Statements of Cash Flows

Years Ended March 31, 2009 with Comparative Amounts for the Year Ended March 31, 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Change in net assets	\$ (4,656,015)	\$ (2,171,100)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	349,119	344,107
Decrease in market value of beneficial interest in trusts	1,646,381	378,901
Net loss (gain) on sale of investments	1,403,299	(483,753)
Change in unrealized loss on investments	2,945,048	944,242
Permanently restricted contributions	(11,445)	(16,730)
(Increase) decrease in		
Contributions receivable	186,818	(82,651)
Other assets	133,953	51,940
Increase (decrease) in		
Accounts payable and accrued expenses	55,646	(248,365)
Accrued vacation and severance pay	(36,862)	(11,337)
Due to University of Texas Southwestern Medical School	(119,137)	9,806
Deferred revenue	(83,985)	(96,346)
	<u>1,812,820</u>	<u>(1,381,286)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows from Investing Activities		
Capital expenditures	(191,146)	(243,857)
Proceeds from sales of investments	13,106,908	9,353,942
Purchases of investments	(13,836,586)	(8,284,151)
	<u>(920,824)</u>	<u>825,934</u>
Net Cash (Used in) Provided by Investing Activities		

The accompanying notes are an integrated part of the combined financial statements.

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

Combined Statements of Cash Flows

Years Ended March 31, 2009 with Comparative Amounts for the Year Ended March 31, 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Financing Activities		
Payments of borrowings on line of credit	\$ (6,443)	\$ (80,000)
Proceeds from borrowings on line of credit	-	21,373
Repayments of mortgage loan	(24,131)	(25,218)
Cash received from contributions and investment income restricted for permanent endowment	11,445	16,730
	<u>(19,129)</u>	<u>(67,115)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	872,867	(622,467)
Cash and Cash Equivalents, Beginning of Year	<u>4,416,650</u>	<u>5,039,117</u>
Cash and Cash Equivalents, End of Year	<u>\$ 5,289,517</u>	<u>\$ 4,416,650</u>
Cash Paid for Interest	<u>\$ 100,741</u>	<u>\$ 82,895</u>

The accompanying notes are an integrated part of the combined financial statements.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 1 - Organization and Operations

The National Society to Prevent Blindness (d/b/a Prevent Blindness America) and Affiliates (jointly referred to as Prevent Blindness America or the Society) are not-for-profit organizations dedicated to promoting research into the causes and prevention of blindness, educating and training health care professionals about the care and prevention of blindness, and increasing public awareness about blindness and vision protection. Prevent Blindness America's principal sources of revenue are public support - contributions, legacies and bequests; net revenue from fundraising events; and investment income. The Affiliates share a portion of their public support with Prevent Blindness America in accordance with their affiliation agreements and are controlled by their local Boards of Directors.

Note 2 - Summary of Significant Accounting Policies

Basis of Combination and Presentation

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

The accompanying combined financial statements include the accounts of the National Society to Prevent Blindness (d/b/a Prevent Blindness America), its Affiliates and its divisions. Intercompany transactions have been eliminated in combination.

In order to ensure the observance of limitations and restrictions placed on the use of available resources, Prevent Blindness America 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.

However, for external reporting purposes, Prevent Blindness America's combined financial statements have been prepared to focus on Prevent Blindness America 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

Temporarily Restricted - Net assets that are subject to donor-imposed restrictions that may or will be met either by actions of Prevent Blindness America or the passage of time

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

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Comparative Financial Information

The combined financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Prevent Blindness America's combined financial statements for the year ended March 31, 2008, from which the summarized information was derived.

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, including pledges, are recognized in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risk involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges receivable is provided based on management's judgment considering factors such as prior collection history, type of contribution and nature of fundraising activity.

Contributions received with donor-imposed restrictions are reported as revenue of the temporarily restricted net asset class. Contributions of land, buildings and equipment without donor-imposed restrictions concerning the use of such long-lived assets are reported as revenue of the unrestricted net asset class.

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.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Donated Services

Prevent Blindness America 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. Prevent Blindness America pays for most services that require specialized expertise.

A substantial number of volunteers have donated significant amounts of their time to Prevent Blindness America's 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.

In addition, during fiscal years 2009 and 2008, specifically October 17, 2007 through October 16, 2008, Prevent Blindness America produced and distributed a public service announcement to encourage Americans to see their eye care professional. Prevent Blindness America did not air the announcement on paid airtime. The airtime (television and radio) was donated by stations throughout the nation. The campaign aired 12,151 times with an audience impression of over 91,937,247 and at a media value of \$1,365,477. No amounts have been recognized in the combined statements of activities as the criteria for recognition of those goods and services in accordance with Statement of Financial Accounting Standards 116, "Accounting for Contributions Received and Contributions Made" have not been satisfied.

Legacies, Bequests and Beneficial Interests in Trusts

Prevent Blindness America 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 America is also the income beneficiary under various trusts, the corpora of which is not controlled by Prevent Blindness America. In the absence of donor-imposed conditions, Prevent Blindness America 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.

Beneficial interest in trusts is stated at the estimated fair value of the assets from 12 trusts based on the percentage of the trust designated to Prevent Blindness America applied to the total fair value of the trust, which is based primarily on quoted market prices. 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 in the periods in which they occur.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

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 of purchase.

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

Investments

Prevent Blindness America records its investments at fair value with gains and losses included in the combined statements of activities.

Investments consist of money market instruments and mutual fund investments, common stocks, corporate bonds and notes, U.S. government obligations, mortgage-backed securities, a hedge fund and community foundations.

Prevent Blindness America's 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, Buildings and Equipment

Land, buildings and equipment are stated at cost or, in the case of gifts, fair market value as of the date of donation, less accumulated depreciation. Buildings, equipment and leasehold improvements are depreciated or amortized using the straight-line method over their estimated useful lives, which are as follows:

Buildings	40 years
Equipment	3-10 years
Leasehold improvements	5-10 years

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies (Continued)

Income Taxes

The Internal Revenue Service has informed Prevent Blindness America 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, as Prevent Blindness America has had no significant unrelated business income.

Functional Expenses

The costs of providing Prevent Blindness America's various programs and other activities have been summarized on a functional basis in the combined statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time studies.

Fair Value Measurements

Effective January 1, 2008, Prevent Blindness America partially adopted Statement of Financial Accounting Standards 157, "Fair Value Measurements" (FAS 157). FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS 157 does not require any new fair value measurements but may require some entities to change their measurement practices.

In February 2008, the Financial Accounting Standards Board (FASB) deferred the effective date of FAS 157 for one year for certain nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. Prevent Blindness America will complete its adoption of FAS 157 for any such assets and liabilities in 2010.

Prevent Blindness America's partial adoption of FAS 157 in 2009 did not have a significant effect on its financial position or results of operations.

Endowments

In August 2008, FASB issued Financial Staff Position No. 117-1, "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds" (FSP 117-1). The provisions of FSP 117-1 are effective for financial statements issued for fiscal years ending after December 15, 2008.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 2 - Summary of Significant Accounting Policies

Endowments (Continued)

FSP 117-1 addresses the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the 2006 Uniform Prudent Management of Institutional Funds Act (UPMIFA). See Note 11 for additional disclosures related to endowment funds and states that have enacted UPMIFA as of March 31, 2009. UPMIFA was enacted in Illinois, New Jersey and Wisconsin effective June 30, 2009, June 10, 2009 and July 20, 2009, respectively.

A key component of FSP 117-1 is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. In addition, FSP 117-1 requires new disclosures about an organization's donor-restricted and Board-designated endowment funds. The objective of the disclosures is to provide information so that financial statement users can understand the net asset classification, net asset composition, changes in net asset compositions, spending policy and related investment policy pertaining to an organization's endowment funds.

Prevent Blindness America's adoption of FSP 117-1 resulted in additional disclosures and reclassification of endowments as further disclosed in Note 11.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the combined financial statements and the reported amounts of revenue and expenses and gains and losses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Prevent Blindness America has evaluated subsequent events through November 20, 2009, the date the combined financial statements were available to be issued.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 3 - Fair Value Measurements

FAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. FAS 157 describes three approaches to measuring the fair value of assets and liabilities: the market approach, the income approach and the cost approach. Each approach includes multiple valuation techniques. The standard does not prescribe which valuation technique should be used when measuring fair value, but does establish a fair value hierarchy that prioritizes the inputs used in applying the various techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the hierarchy while Level 3 inputs are given the lowest priority. Financial assets and liabilities carried at fair value are classified in one of the following three categories based on the nature of the inputs to the valuation technique used:

- Level 1 - Observable inputs that reflect 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 - Observable market-based inputs or unobservable inputs that are corroborated by market data
- Level 3 - Unobservable inputs that are not corroborated by market data. These inputs reflect management's best estimate of fair value using its own assumptions about the assumptions a market participant would use in pricing the asset or liability.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 3 - Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, Prevent Blindness America's financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2009. As required by FAS 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Prevent Blindness America's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect their placement within the fair value hierarchy levels.

Description	Fair Values as of March 31, 2009	Fair Value Measurements as of Reporting Date		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market instruments	\$ 2,010,457	\$ 2,010,457	\$ -	\$ -
Mutual funds	1,645,005	1,645,005	-	-
Common stocks	7,435,421	7,435,421	-	-
Corporate bonds and notes	2,182,021	1,547,995	634,026	-
U.S. government obligations	2,689,782	286,580	2,403,202	-
Mortgage-backed securities	108,852	-	108,852	-
Hedge fund	307,690	-	-	307,690
Community foundations	645,562	-	645,562	-
	\$ 17,024,790	\$ 12,925,458	\$ 3,791,642	\$ 307,690
Beneficial interest in trusts	\$ 4,166,194	\$ -	\$ 4,166,194	\$ -

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 3 - Fair Value Measurements (Continued)

The following table presents a reconciliation of the beginning and ending balances recorded for instruments classified as Level 3 in the fair value hierarchy.

	Hedge Fund
Assets	
Beginning balance, March 31, 2008	\$ -
Purchases and income reinvested	300,000
Total gains	7,690
Sales and transfers out	-
	<hr/>
Ending balance, March 31, 2009	<u>\$ 307,690</u>

Total gains included in change in unrealized losses relating to Level 3 assets still held as of March 31, 2009 totaled \$7,690.

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include money market instruments, mutual funds, common stocks, corporate bonds and notes, and U.S. Treasury notes.

If quoted market prices in an active market are not available, then fair values are estimated by using quoted prices of securities with similar characteristics. Level 2 securities include U.S. agency securities and bonds, mortgage-backed agency securities, and certain corporate, asset-backed and other securities. The estimated fair value of community foundations are based on the underlying assets, which consist primarily of securities traded on an active market or secondary market. 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 America, applied to the total fair value of the trust, which is based primarily on quoted market prices. Changes in the fair value of the underlying trust assets, as determined by the trustees that hold and manage these assets, are recognized in the combined statements of activities in the periods in which they occur.

In certain cases where there are significant unobservable inputs, securities are classified within Level 3 of the valuation hierarchy. Level 3 securities include a hedge fund. The estimated fair value of the hedge fund is determined in good faith by the General Partner of the hedge fund. Prevent Blindness America utilizes the services of an independent investment advisor to assist management in assessing the reasonableness of the estimated fair value as determined by the General Partner. The investment is valued at the fund's net asset value, based on the underlying investment entities as of the valuation date, subject to adjustment for credit and liquidity risk factors.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 4 - Investments

The cost and fair value of investments by type as of March 31, 2009 and 2008 are as follows:

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Money market instruments	\$ 2,022,236	\$ 2,010,457	\$ 3,273,363	\$ 3,308,206
Mutual funds	2,105,348	1,645,005	2,964,699	3,084,850
Common stocks	8,909,365	7,435,421	7,502,423	7,725,606
Corporate bonds and notes	2,230,684	2,182,021	1,571,288	1,597,436
U.S. government obligations	2,616,854	2,689,782	3,839,543	3,978,263
Mortgage-backed securities	108,818	108,852	-	-
Hedge fund (1)	300,000	307,690	-	-
Community foundations (2)	855,059	645,562	846,002	949,098
	<u>\$ 19,148,364</u>	<u>\$ 17,024,790</u>	<u>\$ 19,997,318</u>	<u>\$ 20,643,459</u>

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

(2) In June 2005, Prevent Blindness Indiana (PBI) invested \$750,000 with the Central Indiana Community Foundation (CICF) to establish the Prevent Blindness Indiana Endowment Fund (accounted for as unrestricted in these combined financial statements). The agreement states that there are two pools of funds. The first pool is the Founding Contributor Pool, which is comprised of money transferred by PBI to CICF. The second pool is the Donor Pool, which is made up of gifts made from third party donors directly to CICF for the benefit of PBI. Once the fund has reached and maintained a value of \$1 million for at least five years, the Founding Contributor Pool can be reviewed and transferred out of the CICF at PBI's request. If PBI chooses to leave all or a portion of the Founding Contributor Pool with CICF, a review may be conducted every five years as long as the endowment fund reaches and maintains a value of \$1 million during the five-year period prior to the review.

Total investment returns reported as operating revenue, nonoperating revenue, gains and losses in the combined statements of activities amounted to a loss of \$3,797,138 and a gain of \$300,253, net of related expenses of approximately \$132,000 and \$135,000 for the years ended March 31, 2009 and 2008, respectively.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 5 - Property, Buildings and Equipment

Prevent Blindness America's property, buildings and equipment consisted of the following as of March 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Land	\$ 850,507	\$ 850,507
Buildings	3,636,335	3,636,335
Equipment	2,610,316	2,718,065
Leasehold improvements	<u>4,055</u>	<u>4,055</u>
	7,101,213	7,208,962
Less accumulated depreciation and amortization	<u>2,965,715</u>	<u>2,915,491</u>
	<u><u>\$ 4,135,498</u></u>	<u><u>\$ 4,293,471</u></u>

Note 6 - Employee Benefit Plan

Prevent Blindness America offers a contributory defined contribution annuity pension plan to substantially all employees who meet the eligibility requirements of age and length of service. Total contributions under the plan were approximately \$304,000 and \$293,000 for the years ended March 31, 2009 and 2008, respectively.

Note 7- Lease Commitments

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

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 7 - Lease Commitments (Continued)

As of March 31, 2009, the minimum future rent payments due under operating leases with noncancelable lease terms in excess of one year are as follows:

Year Ending March 31:	
2010	\$ 385,981
2011	308,436
2012	246,409
2013	99,527
2014	25,374
Thereafter	<u>3,376</u>
	<u><u>\$ 1,069,103</u></u>

Total rent expense on all operating leases was approximately \$593,000 and \$542,000 for the years ended March 31, 2009 and 2008, respectively.

Note 8 - Short-Term Borrowings - Bank

Short-term borrowings include outstanding borrowings of \$14,930 under a \$30,000 unsecured line of credit agreement with Fidelity National Bank. There were no borrowings on a \$600,000 unsecured line of credit agreement with AmericaUnited Bank and Trust Company in Schaumburg, Illinois. Interest is charged at the banks' prime rate as of March 31, 2009. The lines of credit are available through November 28, 2009 and October 1, 2009, respectively. It is management's expectation that Fidelity National Bank will renew their agreement or that a similar arrangement with another lender will be concluded. On September 23, 2009, the AmericaUnited Bank and Trust Company line of credit was renewed until October 1, 2010.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 9 - Mortgage Loan Payable

Prevent Blindness America has a mortgage loan payable to America United Bank and Trust. The mortgage loan is secured by the office building used by the National Society to Prevent Blindness and payable in monthly installments of principal and interest of \$8,635, with the final balloon payment due on October 1, 2013. The mortgage loan bears interest at 6.5%.

Maturities on the mortgage loan consist of the following as of March 31, 2009:

Year Ending March 31:	
2010	\$ 21,257
2011	22,701
2012	24,027
2013	25,875
2014	<u>1,162,882</u>
	<u><u>\$ 1,256,742</u></u>

Note 10 - Temporarily Restricted Net Asset Balances

Temporarily restricted net assets consist of the following as of March 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Gifts and other unexpended resources available for research and other program support	\$ 1,624,593	\$ 1,969,209
Term endowment funds	30,000	30,000
Real property with time restrictions	<u>1,170,000</u>	<u>1,170,000</u>
	<u><u>\$ 2,824,593</u></u>	<u><u>\$ 3,169,209</u></u>

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 11 - Endowments

Prevent Blindness America's endowment consists of 17 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Boards of Directors to function as endowments. Prevent Blindness America does not consider its beneficial interests in trusts to be part of its endowment since the trustees determine the investment objectives for the assets included in the trusts. As required by accounting principles generally accepted in the United States of America, 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.

As of March 31, 2009, several states had not enacted a version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). In addition, Prevent Blindness America is controlled by their local Boards of Directors located in different states. Consequently, the following interpretations of relevant law are presented in two groups as follows based on their UPMIFA enactment status as of March 31, 2009:

<u>States Governed by UPMIFA</u>	<u>States Governed by UMIFA</u>
California	Illinois
Connecticut	New Jersey
Georgia	Wisconsin
Indiana	Ohio
Oklahoma	

Interpretation of Relevant Law Subject to an Enacted Version of UPMIFA

The Boards of Directors of Prevent Blindness America have interpreted the Uniform Prudent Management of Institutional Funds Act (the Act) 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 America 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; (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; and (d) the portion of investment return added to the permanent endowment to maintain its purchasing power. For purposes of determining that portion, each year Prevent Blindness America maintains the original value of the gifts as its real value. In accordance with the Act, Prevent Blindness America considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 11 - Endowments

Interpretation of Relevant Law Subject to an Enacted Version of UPMIFA (Continued)

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

Interpretation of Relevant Law Under UMIFA

The Boards of Directors of Prevent Blindness America have interpreted the Uniform Management of Institutional Funds Act (UMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, Prevent Blindness America 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UMIFA. In accordance with UMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Return Objectives and Risk Parameters

Prevent Blindness America 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 America must hold in perpetuity or for a donor-specified period(s) as well as Board-designated funds. Prevent Blindness America expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 11 - Endowments (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

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

The National Society to Prevent Blindness, which holds 30% of total donor restricted endowment funds, 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 America 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 America 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 America 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.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UMIFA requires Prevent Blindness America to retain as a fund of perpetual duration. Such deficiencies may result from unfavorable market fluctuations and continued appropriation for certain programs that was deemed prudent by the Boards of Directors. There were no such deficiencies as of March 31, 2009 and 2008.

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 11 - Endowments (Continued)

Endowment net asset composition by type of fund as of March 31, 2009 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 22,727	\$ 2,484,630	\$ 2,507,357
Board-designated endowment funds	<u>1,945,554</u>	<u>-</u>	<u>-</u>	<u>1,945,554</u>
Total Funds	<u>\$ 1,945,554</u>	<u>\$ 22,727</u>	<u>\$ 2,484,630</u>	<u>\$ 4,452,911</u>

Changes in endowment net assets for the year ended March 31, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	<u>\$ 2,945,505</u>	<u>\$ -</u>	<u>\$ 2,386,457</u>	<u>\$ 5,331,962</u>
Investment return				
Investment income	55,937	22,425	-	78,362
Net depreciation (realized and unrealized)	<u>(629,719)</u>	<u>(171,256)</u>	<u>2,189</u>	<u>(798,786)</u>
Total Investment Return	(573,782)	(148,831)	2,189	(720,424)
Contributions	8,462	-	11,445	19,907
Appropriation of endowment assets for expenditure	(102,534)	(76,000)	-	(178,534)
Other changes				
Other net asset reclassifications	<u>(332,097)</u>	<u>247,558</u>	<u>84,539</u>	<u>-</u>
Endowment net assets, end of year	<u>\$ 1,945,554</u>	<u>\$ 22,727</u>	<u>\$ 2,484,630</u>	<u>\$ 4,452,911</u>

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

Notes to Combined Financial Statements

Years Ended March 31, 2009 and 2008

Note 11 - Endowments (Continued)

Permanently restricted net assets consist of the following for the year ended March 31, 2009:

Donor-restricted endowment funds	\$ 2,484,630
Beneficial interests in trusts	<u>4,000,423</u>
Total permanently restricted net assets	<u>\$ 6,485,053</u>

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**Independent Auditor's Report on
Supplementary Information**

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

Our report on our audit of the basic combined financial statements of National Society to Prevent Blindness (d/b/a Prevent Blindness America) and Affiliates as of and for the year ended March 31, 2009 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The information included in the supplementary statements of Oklahoma Society to Prevent Blindness, Inc. on pages 27-29 is presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

The 2008 comparative total information in the supplementary statements of Oklahoma Society to Prevent Blindness, Inc. on pages 27-29 was compiled by us and we do not express an opinion or any other form of assurance on that information.

Blackman Kallick, LLP

November 20, 2009

OKLAHOMA SOCIETY TO PREVENT BLINDNESS, INC
(d/b/a/ PREVENT BLINDNESS OKLAHOMA)

Statement of Financial Position
 March 31, 2009, with comparative amounts as of March 31, 2008

Assets	2009	2008
Cash	\$ 190,391	120,421
Contributions and other receivables	12,521	12,682
Investments	1,684,762	2,178,123
Land, building, and equipment, net	32,243	25,199
Other assets	466	947
	<hr/>	<hr/>
Total assets	\$ 1,920,383	2,337,372
	<hr/> <hr/>	<hr/> <hr/>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 11,456	5,719
Accrued vacation pay	10,643	12,550
	<hr/>	<hr/>
Total liabilities	22,099	18,269
	<hr/>	<hr/>
Net assets:		
Unrestricted	1,690,784	2,111,603
Temporarily restricted	7,500	7,500
Permanently restricted	200,000	200,000
	<hr/>	<hr/>
Total net assets	1,898,284	2,319,103
	<hr/>	<hr/>
Total liabilities and net assets	\$ 1,920,383	2,337,372
	<hr/> <hr/>	<hr/> <hr/>

See accompanying independent auditors' report on supplementary information.

OKLAHOMA SOCIETY TO PREVENT BLINDNESS, INC
(d/b/a/ PREVENT BLINDNESS OKLAHOMA)

Statement of Activities

Year ended March 31, 2009,
with comparative totals for the year ended March 31, 2008

	2009			Total	
	Unrestricted	Temporarily restricted	Permanently restricted	2009	2008
Public support and operating revenue:					
Public support:					
Received directly:					
Contributions	\$ 450,374	-	-	450,374	456,650
Legacies and income from trusts held by others	-	-	-	-	7,500
Special events, net of direct costs of \$29,797 in 2009 and \$29,528 in 2008	96,066	-	-	96,066	84,899
Received indirectly – combined service campaigns	4,897	-	-	4,897	5,325
Total public support	<u>551,337</u>	<u>-</u>	<u>-</u>	<u>551,337</u>	<u>554,374</u>
Operating revenue:					
Program service revenue	39,507	-	-	39,507	53,956
Net investment income	73,656	-	-	73,656	83,546
Miscellaneous	2,508	-	-	2,508	2,512
Total operating revenue	<u>115,671</u>	<u>-</u>	<u>-</u>	<u>115,671</u>	<u>140,014</u>
Net assets released from restrictions – Satisfaction of program restrictions	-	-	-	-	-
Total public support and operating revenue	<u>667,008</u>	<u>-</u>	<u>-</u>	<u>667,008</u>	<u>694,388</u>
Expenses:					
Program services:					
Public health education	156,264	-	-	156,264	140,452
Professional education and training	139,629	-	-	139,629	127,017
Community services	255,283	-	-	255,283	232,828
Total program services	<u>551,176</u>	<u>-</u>	<u>-</u>	<u>551,176</u>	<u>500,297</u>
Supporting services:					
General and administrative	33,332	-	-	33,332	36,919
Fund-raising	27,094	-	-	27,094	26,923
Total supporting services	<u>60,426</u>	<u>-</u>	<u>-</u>	<u>60,426</u>	<u>63,842</u>
Total program and supporting services	<u>611,602</u>	<u>-</u>	<u>-</u>	<u>611,602</u>	<u>564,139</u>
Affiliate support of national programs	<u>48,688</u>	<u>-</u>	<u>-</u>	<u>48,688</u>	<u>45,864</u>
Total expenses	<u>660,290</u>	<u>-</u>	<u>-</u>	<u>660,290</u>	<u>610,003</u>
Excess (deficiency) of public support and operating revenue over expenses	<u>6,718</u>	<u>-</u>	<u>-</u>	<u>6,718</u>	<u>84,385</u>
Nonoperating revenue, gains and losses:					
Net gain on sale of investments	(94,197)	-	-	(94,197)	-
Unrealized gain (loss) on investments	(333,340)	-	-	(333,340)	(13,321)
Total nonoperating revenue, gains and losses	<u>(427,537)</u>	<u>-</u>	<u>-</u>	<u>(427,537)</u>	<u>(13,321)</u>
Increase (decrease) in net assets	<u>(420,819)</u>	<u>-</u>	<u>-</u>	<u>(420,819)</u>	<u>71,064</u>
Net assets at beginning of year	<u>2,111,603</u>	<u>7,500</u>	<u>200,000</u>	<u>2,319,103</u>	<u>2,248,039</u>
Net assets at end of year	\$ <u>1,690,784</u>	<u>7,500</u>	<u>200,000</u>	<u>1,898,284</u>	<u>2,319,103</u>

See accompanying independent auditors' report on supplementary information.

OKLAHOMA SOCIETY TO PREVENT BLINDNESS, INC
(d/b/a/ PREVENT BLINDNESS OKLAHOMA)

Statement of Functional Expenses

Year ended March 31, 2009,
with comparative totals for the year ended March 31, 2008

	Program services				Supporting services			Total	
	Public health education	Professional Education and Training	Community services	Total	General and administrative	Fund-raising	Total	2009	2008
	Salaries	\$ 82,155	73,409	134,214	289,778	17,524	14,245	31,769	321,547
Employee benefits	11,701	10,455	19,115	41,271	2,496	2,029	4,525	45,796	32,361
Payroll taxes	6,390	5,710	10,439	22,539	1,363	1,108	2,471	25,010	24,536
Total payroll and related expenses	100,246	89,574	163,768	353,588	21,383	17,382	38,765	392,353	345,299
Professional fundraising fees	—	—	—	—	—	—	—	—	—
Accounting fees	4,622	4,130	7,550	16,302	986	801	1,787	18,089	15,058
Legal Fees	—	—	—	—	—	—	—	—	—
Other professional fees	—	—	—	—	—	—	—	—	9,090
Office supplies	3,691	3,298	6,030	13,019	787	640	1,427	14,446	33,849
Telephone	2,116	1,891	3,457	7,464	451	367	818	8,282	7,407
Postage and shipping	1,581	1,413	2,583	5,577	337	274	611	6,188	4,301
Building occupancy	9,674	8,644	15,804	34,122	2,063	1,677	3,740	37,862	37,885
Office equipment maintenance	2,676	2,391	4,371	9,438	571	464	1,035	10,473	834
Printing and publications	643	574	1,050	2,267	137	111	248	2,515	3,107
Travel and meetings	24,066	21,504	39,315	84,885	5,133	4,173	9,306	94,191	77,205
Insurance	1,939	1,733	3,168	6,840	414	336	750	7,590	7,590
Other	1,621	1,449	2,651	5,721	347	281	628	6,349	11,289
Total expenses before depreciation	152,875	136,601	249,747	539,223	32,609	26,506	59,115	598,338	552,914
Depreciation of building and equipment	3,389	3,028	5,536	11,953	723	588	1,311	13,264	11,225
Total expenses	\$ 156,264	139,629	255,283	551,176	33,332	27,094	60,426	611,602	564,139

See accompanying independent auditors' report on supplementary information.