

RESEARCH TO PREVENT BLINDNESS

**Combined Financial Statements
for year ended
December 31, 2015**

Independent Auditor's Report

To the Board of Trustees
Research to Prevent Blindness

We have audited the accompanying combined financial statements of Research to Prevent Blindness (the "Organization") which comprise the combined statement of financial position as of December 31, 2015 and the related combined statements of activities, cash flows and functional expenses for the year then ended and the notes to the financial statements.

Management's Responsibility for the 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 audit. 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, the combined financial statements referred to in the first paragraph of the previous page present fairly, in all material respects, the financial position of Research to Prevent Blindness at December 31, 2015 and the results of its activities, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

We have previously audited the Organization's 2014 financial statements, and our report dated March 17, 2015, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent in all material respects, with the audited financial statements from which it has been derived.

Condon O'Mara Melly & Donnelly LLP

RESEARCH TO PREVENT BLINDNESS

Combined Statement of Financial Position

Assets

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 6,079,779	\$ 7,546,156
Investments, at fair value	250,182,307	266,972,736
Interest and other receivable	1,074,054	572,770
Contributions receivable	199,866	169,280
Prepaid expenses	45,837	-
Equipment and leasehold improvements, at cost		
Equipment (less accumulated depreciation of \$970,961 in 2015 and \$956,954 in 2014)	175,403	20,201
Leasehold improvements	<u>40,000</u>	<u>-</u>
Total assets	<u>\$257,797,246</u>	<u>\$275,281,143</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 66,924	\$ 144,338
Due to investment managers – net	686,884	187,966
Grants payable	<u>7,702,286</u>	<u>7,011,507</u>
Total liabilities	<u>8,456,094</u>	<u>7,343,811</u>
Net assets		
Unrestricted		
General operating	153,953,756	170,050,869
Designated	<u>35,091,811</u>	<u>37,150,968</u>
Total unrestricted	189,045,567	207,201,837
Temporarily restricted	6,903,054	7,354,943
Permanently restricted	<u>53,392,531</u>	<u>53,380,552</u>
Total net assets	<u>249,341,152</u>	<u>267,937,332</u>
Total liabilities and net assets	<u>\$257,797,246</u>	<u>\$275,281,143</u>

See notes to combined financial statements.

RESEARCH TO PREVENT BLINDNESS

Combined Statement of Activities
Year Ended December 31, 2015
(With Summarized Comparative Information for the Year Ended December 31, 2014)

	2015				2014	
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Total
	General Operating	Designated				
Public support and revenue						
Public support						
Contributions	\$ 309,910	\$ -	\$ 386,780	\$ 5,129	\$ 701,819	\$ 619,089
Combined Federal Campaign	9,755	-	-	-	9,755	19,203
Ophthalmological associate memberships	46,750	-	-	-	46,750	63,900
Donated investments	34,697	-	-	-	34,697	750
Total public support	401,112	-	386,780	5,129	793,021	702,942
Revenue						
Interest and dividends	11,485,043	-	473,790	6,850	11,965,683	17,742,591
Other revenue	844	-	-	-	844	1,309
Total revenue	11,485,887	-	473,790	6,850	11,966,527	17,743,900
Net assets released from restrictions or designation						
Satisfaction of program restrictions or designations	2,579,157	(2,059,157)	(520,000)	-	-	-
Satisfaction of Matching Fund restrictions	793,021	-	(793,021)	-	-	-
Total net assets released from restrictions or designation	3,372,178	(2,059,157)	(1,313,021)	-	-	-
Total public support and revenue	15,259,177	(2,059,157)	13,200,020	11,979	12,759,548	18,446,842
Expenses						
Program services						
Research grants, net of refunded and canceled grants of \$21,560 in 2015 and \$86,571 in 2014	10,522,410	-	-	-	10,522,410	10,588,986
Direct research support	573,358	-	-	-	573,358	490,238
Program development to stimulate laboratory expansion and eye research activities	381,095	-	-	-	381,095	336,313
Scientific symposia, seminars and surveys	306,465	-	-	-	306,465	259,471
Laboratory construction support projects	15,764	-	-	-	15,764	13,191
Public and professional information	711,291	-	-	-	711,291	620,229
Total program services	12,510,383	-	-	-	12,510,383	12,308,428
Supporting services						
Management and general	993,182	-	-	-	993,182	1,479,701
Fund raising	79,602	-	-	-	79,602	70,049
Total supporting services	1,072,784	-	-	-	1,072,784	1,549,750
Total expenses	13,583,167	-	-	-	13,583,167	13,858,178
Excess (deficiency) of revenue over expenses before realized gain (loss) and change in unrealized appreciation (depreciation) of investments	1,676,010	(2,059,157)	(452,451)	11,979	(823,619)	4,588,664
Realized gain (loss) and change in unrealized appreciation (depreciation) of investments						
Increase (decrease) in net assets	(17,773,123)	-	562	-	(17,772,561)	(6,567,616)
Net assets, beginning of year	(16,097,113)	(2,059,157)	(451,889)	11,979	(18,596,180)	(1,978,952)
Net assets, end of year	170,050,869	37,150,968	7,354,943	53,380,552	267,937,332	269,916,284
	\$153,953,756	\$ 35,091,811	\$ 6,903,054	\$ 53,392,531	\$249,341,152	\$267,937,332

See notes to combined financial statements.

RESEARCH TO PREVENT BLINDNESS

Combined Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Cash received from contributions	\$ 727,738	\$ 1,017,042
Interest and dividends received	11,500,887	17,773,682
Miscellaneous receipts	844	1,309
Cash paid to employees and suppliers	(3,169,635)	(3,236,281)
Grants paid	<u>(9,831,631)</u>	<u>(9,887,727)</u>
Net cash provided by (used in) operating activities	<u>(771,797)</u>	<u>5,668,025</u>
Cash flows from investing activities		
Purchase of equipment and leasehold improvements	(209,209)	(1,049)
Sales and maturities of investments	116,666,118	130,783,095
Purchase of investments	<u>(117,151,489)</u>	<u>(134,688,279)</u>
Net cash (used in) investing activities	<u>(694,580)</u>	<u>(3,906,233)</u>
Net increase (decrease) in cash and cash equivalents	(1,466,377)	1,761,792
Cash and cash equivalents, beginning of year	<u>7,546,156</u>	<u>5,784,364</u>
Cash and cash equivalents, end of year	<u>\$ 6,079,779</u>	<u>\$ 7,546,156</u>
Reconciliation of (decrease) in net assets to net cash provided by (used in) operating activities		
(Decrease) in net assets	\$ (18,596,180)	\$ (1,978,952)
Adjustments to reconcile (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	14,007	21,843
Donated investments	(34,697)	(750)
Decrease in interest and other receivable	(501,284)	(94,515)
(Increase) decrease in contributions receivable	(30,586)	314,850
(Increase) in prepaid expenses	(45,837)	-
Decrease in other assets	-	6,000
Increase (decrease) in accounts payable and accrued expenses	(77,414)	5,434
Increase in grants payable	690,779	701,259
Net realized losses and change in unrealized depreciation of investments	17,772,561	6,567,616
Premiums amortized on investments	<u>36,854</u>	<u>125,240</u>
Net cash provided by (used in) operating activities	<u>\$ (771,797)</u>	<u>\$ 5,668,025</u>

See notes to combined financial statements.

RESEARCH TO PREVENT BLINDNESS

Combined Statement of Functional Expenses
Year Ended December 31, 2015

(With Summarized Comparative Information for the Year Ended December 31, 2014)

	2015							2014	
	Program Services				Supporting Services			Total Expenses	Total Expenses
	Research Program Development	Scientific Symposia, Seminars and Surveys	Laboratory Construction Support Projects	Public and Professional Information	Total Program Services	Management and General	Fund Raising	Total Expenses	Total Expenses
Research Grants and Direct Research Support	\$ 10,522,410	\$ -	\$ -	\$ -	\$ 10,522,410	\$ -	\$ -	\$ 10,522,410	\$ 10,588,986
Grants	206,297	154,722	12,894	451,274	1,005,697	244,977	38,681	1,289,355	1,050,847
Salaries, pension and benefits	58,881	20,596	529	47,938	171,858	626,434	12,731	811,023	1,300,645
Professional fees and services	109,369	49,194	1,018	4,485	186,825	1,982	-	188,807	147,662
Conferences, seminars, meetings and travel	2,214	5,534	275	14,941	26,008	1,383	277	27,668	23,479
Telecommunications	1,457	4,698	1,048	22,175	33,044	1,522	5,699	40,265	55,085
Printing, stationery, postage and shipping	183,944	65,235	-	152,531	518,984	62,596	17,987	599,567	577,764
Office supplies, maintenance and occupancy	6,714	5,085	-	14,445	33,371	52,887	3,807	90,065	91,867
Dues, subscriptions, insurance and miscellaneous	4,482	1,401	-	3,502	12,186	1,401	420	14,007	21,843
Depreciation and amortization	\$ 11,095,768	\$ 306,465	\$ 15,764	\$ 711,291	\$ 12,510,383	\$ 993,182	\$ 79,602	\$ 13,583,167	\$ 13,858,178
Total expenses - 2015	\$ 11,079,224	\$ 259,471	\$ 13,191	\$ 620,229	\$ 12,308,428	\$ 1,479,701	\$ 70,049	\$ 13,858,178	\$ 13,858,178
Total expenses - 2014									

See notes to combined financial statements.

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements December 31, 2015

Note 1 – Nature of organization

Research to Prevent Blindness, Inc. (“RPB”) is a publicly supported charity formed in 1960 for the purpose of providing the organizational and financial resources necessary to support a comprehensive program of eye research.

In May 1988, Research to Prevent Blindness Endowment Fund, Inc. (“RPBEF”) was incorporated with its purpose being to support and benefit RPB and efficiently manage the assets of certain endowment funds. The officers of RPBEF are also officers of RPB.

RPBEF makes financial grants to institutions engaged in eye research.

Research to Prevent Blindness, Inc. is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported charity described in Section 509(a)(1) of the Internal Revenue Code. Research to Prevent Blindness Endowment Fund, Inc. operates as a support organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported charity described in Section 509(a)(3) of the Internal Revenue Code.

Note 2 – Summary of significant accounting policies

Basis of presentation

The accompanying combined financial statements include the accounts of RPB and its support organization, RPBEF. The effects of all transactions between RPB and RPBEF have been eliminated.

Net assets

Unrestricted net assets represent resources over which the Board of Trustees has full discretion with respect to use. Temporarily restricted net assets represent expendable resources, which have been time or purpose restricted by the donor (see note 9).

When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets represent contributions and other gifts, which require that the corpus be maintained intact and that only the income be used as designated by the donor (see note 9).

RESEARCH TO PREVENT BLINDNESS**Notes to Combined Financial Statements (continued)
December 31, 2015****Note 2 – Summary of significant accounting policies (continued)**Contributions

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

Grants payable

RPB records grants when the Board of Trustees approves them and the grantee is notified. Long-term grants are discounted to their present value using a rate of 5% to reflect the time value of money. Amortization of the discount to par value is reported as grant expense.

Cash equivalents

RPB considers short-term investments with original maturities of 90 days or less to be cash equivalents. Included as cash equivalents are money market funds.

Fair values of financial instruments

RPB's financial instruments consist of cash, investments and interest receivable. RPB estimates that the fair value of all financial instruments as of December 31, 2015 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying combined statement of financial position. The carrying amounts of cash and interest receivable reported in the combined statement of financial position approximate fair values because of the short maturities of those instruments. The fair value of investment securities is based on quoted market prices for those investments. The value of the alternative investments, which is adjusted for unrealized appreciation (depreciation), is based upon the most recent available information provided by management of the fund and may differ from the value that would have been used had a ready market for the alternative investments existed.

Equipment and leasehold improvements

It is RPB's policy to capitalize equipment items and leasehold improvements over \$1,000 and a useful life of more than one year. Depreciation of equipment is calculated on a straight-line basis over the estimated asset lives of between three and five years. Leasehold improvements will be amortized over the term of the lease.

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements (continued) December 31, 2015

Note 2 – Summary of significant accounting policies (continued)

Functional allocation of expenses

Salaries are generally allocated to the various programs based on the amount of time spent by specific individuals on each program. Fringe benefits and other employee costs are allocated on an overall basis, corresponding generally to the allocation of salary expenses. All other expenses can generally be identified with the program or supporting service to which they relate.

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 amounts reported in the financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

RPB's combined financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and contributions receivable. RPB places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, RPB's balances in its bank accounts were in excess of the FDIC insurance limit. RPB has not experienced any losses in such accounts to date. RPB invests in an alternative investment, common stocks and mutual funds. Investments are exposed to various risks such as interest rate, market volatility, liquidity and credit risks. Due to the level of uncertainty related to these risks, it is reasonably possible that changes in these risks could affect the fair value of the investments reported in the statement of financial position at December 31, 2015. RPB routinely assesses the financial strength of its cash and investment portfolio and monitors the collectability of its contributions receivable. As a consequence, concentrations of credit risk are limited.

Comparative financial information

The combined financial statements include certain prior year summarized comparative information in total, but not by net asset class or functional classification. 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 RPB's combined financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Subsequent events

RPB has evaluated events and transactions for potential recognition or disclosure through March 15, 2016, which is the date the combined financial statements were available to be issued.

RESEARCH TO PREVENT BLINDNESS**Notes to Combined Financial Statements (continued)
December 31, 2015****Note 3 – Investments**

The amount due to investment managers as of December 31, 2015 was \$686,884.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than level 1 prices such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements (continued)

December 31, 2015

Note 3 – Investments (continued)

The following is a summary of investments measured at fair value on a recurring basis at December 31, 2015:

	December 31, 2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock				
Cap growth	\$ 4,606,570	\$ 4,606,570	\$ -	\$ -
Large cap growth	6,242,738	6,242,738	-	-
Total common stock	<u>10,849,308</u>	<u>10,849,308</u>	<u>-</u>	<u>-</u>
Mutual funds				
Equity				
Large cap core	42,202,830	42,202,830	-	-
Global equity	31,847,535	31,847,535	-	-
Bond				
Core bond funds	47,521,749	47,521,749	-	-
Enhanced yield	16,939,683	16,939,683	-	-
Inflation - Linked	20,220,185	20,220,185	-	-
Absolute return	20,199,907	20,199,907	-	-
Gold	11,286,512	11,286,512	-	-
Total mutual funds	190,218,401	190,218,401	-	-
Alternative investment				
Absolute return	49,114,598	-	39,565,908	9,548,690
Total	<u>\$250,182,307</u>	<u>\$201,067,709</u>	<u>\$39,565,908</u>	<u>\$ 9,548,690</u>

RESEARCH TO PREVENT BLINDNESS
Notes to Combined Financial Statements (continued)
December 31, 2015

Note 3 – Investments (continued)

The following is a summary of the changes in the fair market value of RPB's Level 3 investments for the year ended December 31, 2015:

	<u>Absolute Return</u>
Balance, January 1, 2015	\$ 10,377,938
Net loss (realized and unrealized)	(217,954)
Net investment (loss)	(11,876)
Net transfers out	<u>(599,418)</u>
Balance, December 31, 2015	\$ <u>9,548,690</u>

Note 4 – Contributions receivable

As of December 31, 2015, the contributions receivable are due as follows:

Due within one year	\$ 102,120
Due in subsequent years	<u>136,505</u>
Total	238,625
Less discount to present value	<u>38,759</u>
Net contributions receivable	\$ <u>199,866</u>

The contributions receivable as of December 31, 2015 is discounted to its present value using a rate of 5% to reflect the time value of money and is deemed to be collectible.

Note 5 – Lease commitment

RPB leases its current office premises at 645 Madison Avenue, New York, New York for a 10-year period, which expires on March 31, 2016. Total rent expense, including escalation charges, amounted to \$530,954 in 2015 and \$515,481 in 2014.

In August 2015, RPB signed a new lease for office space at 360 Lexington Avenue, New York, New York which expires on August 31, 2031. In connection with the lease agreement, RPB gave the landlord an irrevocable letter of credit of \$102,069 as security for the lease agreement.

Future obligations under these leases, excluding escalation charges, are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 177,177
2017	309,208
2018	309,208
2019	309,208
2020	309,208
2021 and then thereafter	<u>3,703,762</u>
Total	<u>\$5,117,771</u>

RESEARCH TO PREVENT BLINDNESS**Notes to Combined Financial Statements (continued)
December 31, 2015****Note 6 – Retirement plan**

RPB has a defined contribution retirement plan covering all of its employees. Employees are partially vested on an incremental scale during their first six years of employment; thereafter, they are 100% vested. The plan expense for the years ended December 31, 2015 and December 31, 2014 totaled \$138,364 and \$141,902, respectively.

Note 7 – Special RPB Jules and Doris Stein Professorship Grants and RPB Career Development Awards

During 1986, the Board of Trustees of RPB designated funds from unrestricted net assets of \$11,500,000 to assure adequate financial support for the Jules and Doris Stein RPB Professorship Grants. During 1995, the Board designated an additional \$30,000,000 for this purpose. In addition, during 2005, the Board designated an additional \$4,971,303 for this purpose. The grants of \$625,000 each cover a period of five years with the opportunity to apply for an additional 2-year grant for \$250,000. Payments are not subject to annual renewal by the Board. Professorship grants totaling \$250,000 were awarded in 2015. There were no professorship grants awarded in 2014. The balance of such designated funds amounted to \$24,736,422 at December 31, 2015.

During 1990, the Board of Trustees of RPBEF designated funds from unrestricted net assets of \$10,000,000 to assure adequate financial support for the RPB career development awards. During 2005, the Board designated an additional \$24,458,917 for this purpose. The grants of \$250,000 each cover a period of four years and were developed to attract young physicians and basic scientists into investigative careers in eye research. Career development awards totaling \$1,800,000 were awarded in 2015 and \$1,500,000 in 2014, respectively. Grants of \$21,496 were refunded in 2015. Discounted Career Development Awards, totaling \$53,990, were canceled in 2014. The balance of such designated funds amounted to \$10,355,389 at December 31, 2015.

Note 8 – Jules and Doris Stein Matching Fund

During 1984, the Jules and Doris Stein Foundation contributed \$10,756,710 to RPB to establish the Jules and Doris Stein Matching Fund (the “Fund”). This Fund, which commenced in the beginning of 1985, enables RPB to continue Dr. and Mrs. Stein’s traditional year-end offers to match up to \$1,000,000 in contributions from others. The principal from the Fund may be used for matching only to the extent that there is insufficient investment return. Investment return earned in excess of the matching requirements is added to the Fund balance.

The Fund had net investment return of \$257,834 (interest, dividends, capital gains and losses) for the year ended December 31, 2015, and a net investment return of \$476,875 for the year ended December 31, 2014. In accordance with the terms of the Fund, \$793,021 was released in 2015 and \$702,942 in 2014 for the general programs and activities of RPB to match contributions received during these years.

RESEARCH TO PREVENT BLINDNESS**Notes to Combined Financial Statements (continued)
December 31, 2015****Note 8 – Jules and Doris Stein Matching Fund (continued)**

The principal of the Fund was decreased by \$535,187 and \$226,067 for the years ended December 31, 2015 and December 31, 2014, respectively.

Note 9 – Net assets**Endowments**

RPB classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as unrestricted and temporarily restricted net assets based on donor stipulations.

RPB's long-term assets shall be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. In establishing the investment objectives of RPB, the Board of Trustees takes into account a number of factors including the financial needs and circumstances of RPB, the time horizon available for investment, the nature of RPB's cash flows and liabilities, and other factors that affect their risk tolerance.

RPB has a policy of spending the investment return generated from its permanently restricted funds, which is allowable under the donor guidelines. At December 31st, any unspent donor-restricted investment return is added to the temporarily restricted balance of the appropriate fund. This is consistent with RPB's objective to maintain the purchasing power of the endowment assets held in perpetuity as well as to provide additional growth through investment return and new gifts.

Permanently restricted net assets

These net assets represent contributions and bequests made into the following funds and are restricted to investment in perpetuity. Investment return from these funds is available for unrestricted use except with respect to the William & Mary Greve Memorial Fund, the Dolly Green Endowment Fund, the two Sybil B. Harrington Funds and the John D. and Patricia Sakona Endowment Fund, David B. Sykes Endowment Fund and The Ernest E. and Elizabeth P. Althouse Memorial Fund where investment return is temporarily restricted.

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements (continued)
December 31, 2015Note 9 – Net assets (continued)Permanently restricted net assets (continued)

Permanently restricted net assets activity for the year ended December 31, 2015 is as follows:

	Balance at December 31, <u>2014</u>	Contributions to Fund	Investment Return	Balance at December 31, <u>2015</u>
Jules & Doris Stein Endowment Fund	\$ 45,087,782	\$ -	\$ -	\$ 45,087,782
Lew R. & Edie Wasserman Fund	1,407,412	-	-	1,407,412
Sybil B. Harrington Macular Degeneration Fund	1,500,000	-	-	1,500,000
Sybil B. Harrington Eye Disease Fund	1,500,000	-	-	1,500,000
William & Mary Greve Memorial Fund	519,943	-	-	519,943
Dolly Green Fund	500,000	-	-	500,000
Desiree L. Franklin Endowment Fund	138,700	-	-	138,700
Eugene G. Blackford Memorial Fund	28,000	-	-	28,000
John D. and Patricia Sakona Endowment Fund	75,453	-	-	75,453
David B. Sykes Endowment Fund	240,495	-	6,850	247,345
The Ernest E. and Elizabeth P. Althouse Memorial Fund	2,193,667	-	-	2,193,667
William Malloy, Jr. Endowment Fund	<u>189,100</u>	<u>5,129</u>	<u>-</u>	<u>194,229</u>
Total permanently restricted net assets	<u>\$ 53,380,552</u>	<u>\$ 5,129</u>	<u>\$ 6,850</u>	<u>\$ 53,392,531</u>

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements (continued)
December 31, 2015Note 9 – Net assets (continued)Temporarily restricted net assets

Temporarily restricted net assets activity for the year ended December 31, 2015 is as follows:

	Balance at December 31, 2014	Contributions to Fund	Net Assets Released from Restrictions	Investment Return (Includes Realized Gain)	Balance at December 31, 2015
Jules & Doris Stein Matching Fund	\$ 5,289,678	\$ -	\$ (793,021)	\$ 257,834	\$ 4,754,491
Sybil B. Harrington Fund	134,408	-	(50,000)	2,431	86,839
Income available from the Sybil B. Harrington Macular Degeneration Fund	122,171	-	(55,000)	43,864	111,035
Income available from the Sybil B. Harrington Eye Disease Fund	217,780	-	(55,000)	46,439	209,219
Income available from the William & Mary Greve Memorial Fund	654,788	-	(60,000)	33,500	628,288
Income available from the Dolly Green Fund	35,878	-	(25,000)	15,318	26,196
Walt & Lilly Disney Foundation	100,433	100,000	-	2,763	203,196
John D. & Patricia Sakona Fund	65,238	-	-	4,636	69,874
David B. Sykes Endowment Fund	8,501	-	-	-	8,501
The Ernest E. and Elizabeth P. Althouse Memorial Fund	300,163	-	(75,000)	67,567	292,730
Margaret Nelson Trust	343,841	-	(200,000)	-	143,841
McCreary Trust	88,016	20,754	-	-	108,770
Francis W. Hatch	-	13,450	-	-	13,450
Stavros S. Niarchos Foundation	-	246,624	-	-	246,624
International Retinal Research Foundation	(5,952)	5,952	-	-	-
Total temporarily restricted net assets	\$ 7,354,943	\$ 386,780	\$ (1,313,021)	\$ 474,352	\$ 6,903,054

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements (continued)
December 31, 2015**Note 9 – Net assets (continued)**Designated funds

The Board of Trustees of RPB designated funds from unrestricted net assets to assure adequate financial support for the Jules and Doris Stein Professorship Grants and for the RPB Career Development Awards (see note 7). The grants awarded below include the change in the discount during 2015 and 2014. Designated fund activity for the years ended December 31, 2015 and December 31, 2014 is as follows:

	<u>December 31</u>	
	<u>2015</u>	<u>2014</u>
Jules and Doris Stein Professorship Grants		
Balance, beginning of year	\$ 25,021,725	\$ 25,064,976
Grants awarded	<u>(285,303)</u>	<u>(43,251)</u>
Balance, end of year	<u>24,736,422</u>	<u>25,021,725</u>
Career Development Awards		
Balance, beginning of year	12,129,243	13,565,317
Grants awarded	(1,795,350)	(1,490,064)
Grants canceled/refunded	<u>21,496</u>	<u>53,990</u>
Balance, end of year	<u>10,355,389</u>	<u>12,129,243</u>
Total designated funds, at year-end	<u>\$ 35,091,811</u>	<u>\$ 37,150,968</u>