

RESEARCH TO PREVENT BLINDNESS

**Combined Financial Statements
for year ended
December 31, 2014**

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, 2014 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, 2014 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 2013 financial statements, and our report dated March 18, 2014, 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, 2013, is consistent in all material respects, with the audited financial statements from which it has been derived.

Cordon O'Meara McElroy & Donnelly LLP

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Combined Statement of Financial Position

Assets

	December 31	
	2014	2013
Cash and cash equivalents	\$ 7,546,156	\$ 5,784,364
Investments, at fair value	266,972,736	269,684,238
Interest and other receivable	572,770	478,255
Contributions receivable	169,280	484,130
Equipment, at cost (less accumulated depreciation of \$956,954 in 2014 and \$935,111 in 2013)	20,201	40,995
Other assets	-	6,000
Total assets	\$275,281,143	\$276,477,982

Liabilities and Net Assets

Liabilities

Accounts payable and accrued expenses	\$ 144,338	\$ 138,904
Due to investment managers – net	187,966	112,546
Grants payable	7,011,507	6,310,248
Total liabilities	7,343,811	6,561,698

Net assets

Unrestricted		
General operating	170,050,869	169,067,606
Designated	37,150,968	38,630,293
Total unrestricted	207,201,837	207,697,899
Temporarily restricted	7,354,943	8,849,089
Permanently restricted	53,380,552	53,369,296
Total net assets	267,937,332	269,916,284
Total liabilities and net assets	\$275,281,143	\$276,477,982

See notes to combined financial statements.

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Combined Statement of Activities
Year Ended December 31, 2014
(With Summarized Comparative Information for the Year Ended December 31, 2013)

	2014				2013	
	Unrestricted		Temporarily Restricted	Permanently Restricted	Total	Total
	General Operating	Designated				
Public support and revenue						
Public support						
Contributions	\$ 505,569	\$ -	\$ 108,929	\$ 4,591	\$ 619,089	\$ 1,145,110
Combined Federal Campaign	19,203	-	-	-	19,203	33,785
Ophthalmological associate memberships	63,900	-	-	-	63,900	93,000
Donated investments	750	-	-	-	750	762
Total public support	589,422	-	108,929	4,591	702,942	1,272,657
Revenue						
Interest and dividends	17,098,926	-	637,000	6,665	17,742,591	10,562,066
Other revenue	1,309	-	-	-	1,309	3,378
Total revenue	17,100,235	-	637,000	6,665	17,743,900	10,565,444
Net assets released from restrictions or designation						
Satisfaction of program restrictions or designations	3,076,223	(1,479,325)	(1,596,898)	-	-	-
Satisfaction of Matching Fund restrictions	702,942	-	(702,942)	-	-	-
Total net assets released from restrictions or designation	3,779,165	(1,479,325)	(2,299,840)	-	-	-
Total public support and revenue	21,468,822	(1,479,325)	(1,553,911)	11,256	18,446,842	11,838,101
Expenses						
Program services						
Research grants, net of refunded and canceled grants of \$86,571 in 2014 and \$156,075 in 2013	10,588,986	-	-	-	10,588,986	12,175,306
Direct research support	490,238	-	-	-	490,238	492,512
Program development to simulate laboratory expansion and eye research activities	336,313	-	-	-	336,313	329,190
Scientific symposia, seminars and surveys	259,471	-	-	-	259,471	281,017
Laboratory construction support projects	13,191	-	-	-	13,191	14,103
Public and professional information	620,229	-	-	-	620,229	649,816
Total program services	12,308,428	-	-	-	12,308,428	13,941,944
Supporting services						
Management and general	1,479,701	-	-	-	1,479,701	1,379,347
Fund raising	70,049	-	-	-	70,049	74,018
Total supporting services	1,549,750	-	-	-	1,549,750	1,453,365
Total expenses	13,858,178	-	-	-	13,858,178	15,395,309
Excess (deficiency) of revenue over expenses before realized gain (loss) and change in unrealized appreciation (depreciation) of investments	7,610,644	(1,479,325)	(1,553,911)	11,256	4,588,664	(3,557,208)
Realized gain (loss) and change in unrealized appreciation (depreciation) of investments	(6,627,381)	-	59,765	-	(6,567,616)	4,479,780
Increase (decrease) in net assets	983,263	(1,479,325)	(1,494,146)	11,256	(1,978,952)	922,572
Net assets, beginning of year	169,067,606	38,630,293	8,849,089	53,369,296	269,916,284	268,993,712
Net assets, end of year	\$170,050,869	\$ 37,150,968	\$ 7,354,943	\$ 53,380,552	\$267,937,332	\$269,916,284

See notes to combined financial statements.

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Combined Statement of Cash Flows

	Year Ended	
	December 31	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Cash received from contributions	\$ 1,017,042	\$ 865,086
Interest and dividends received	17,773,682	10,840,607
Miscellaneous receipts	1,309	3,378
Cash paid to employees and suppliers	(3,236,281)	(3,140,633)
Grants paid	<u>(9,887,727)</u>	<u>(10,600,468)</u>
Net cash provided by (used in)		
operating activities	<u>5,668,025</u>	<u>(2,032,030)</u>
Cash flows from investing activities		
Purchase of equipment	(1,049)	(36,988)
Sales and maturities of investments	130,783,095	171,750,456
Purchase of investments	<u>(134,688,279)</u>	<u>(170,594,004)</u>
Net cash provided by (used in)		
investing activities	<u>(3,906,233)</u>	<u>1,119,464</u>
Net increase (decrease) in cash		
and cash equivalents	1,761,792	(912,566)
Cash and cash equivalents, beginning of year	<u>5,784,364</u>	<u>6,696,930</u>
Cash and cash equivalents, end of year	<u>\$ 7,546,156</u>	<u>\$ 5,784,364</u>
Reconciliation of increase (decrease) in net assets		
to net cash provided by (used in) operating		
activities		
Increase (decrease) in net assets	\$ (1,978,952)	\$ 922,572
Adjustments to reconcile increase (decrease) in		
net assets to net cash provided by (used in)		
operating activities		
Depreciation and amortization	21,843	23,716
Donated investments	(750)	(762)
(Increase) decrease in interest and other receivable	(94,515)	171,717
(Increase) decrease in contributions receivable	314,850	(406,809)
Decrease in other assets	6,000	-
Increase in accounts payable and accrued expenses	5,434	55,654
Increase in grants payable	701,259	1,574,838
Net realized (gain) losses and change in unrealized		
(appreciation) depreciation of investments	6,567,616	(4,479,780)
Premiums amortized on investments	<u>125,240</u>	<u>106,824</u>
Net cash provided by (used in)		
operating activities	<u>\$ 5,668,025</u>	<u>\$ (2,032,030)</u>

See notes to combined financial statements.

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Combined Statement of Functional Expenses

Year Ended December 31, 2014

(With Summarized Comparative Information for the Year Ended December 31, 2013)

	2014							2013	
	Program Services					Supporting Services		Total Expenses	Total Expenses
	Research and Direct Research Support	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
Grants	\$ 147,119	\$ -	\$ -	\$ -	\$ -	\$ 147,119	\$ -	\$ -	\$ 147,119
Salaries, pension and benefits	168,136	126,102	367,796	10,508	367,796	819,661	199,661	31,525	1,050,847
Professional fees and services	45,250	12,425	34,894	584	34,894	129,004	1,163,602	8,039	1,300,645
Conferences, seminars, meetings and travel	81,376	40,023	3,647	776	3,647	146,058	1,604	-	147,662
Telecommunications	1,878	4,696	12,679	235	12,679	22,070	1,174	235	25,032
Printing, stationery, postage and shipping	747	4,698	30,816	1,088	30,816	43,153	1,219	10,713	55,085
Office supplies, maintenance and occupancy	177,602	62,632	146,869	-	146,869	500,227	60,204	17,333	577,764
Dues, subscriptions, insurance and miscellaneous	8,259	6,711	18,067	-	18,067	40,265	50,053	1,549	91,867
Depreciation and amortization	6,990	2,184	5,461	-	5,461	19,004	2,184	655	21,843
Total expenses - 2014	\$11,079,224	\$ 336,313	\$ 259,471	\$ 13,191	\$ 620,229	\$12,308,428	\$ 1,479,701	\$ 70,049	\$13,858,178
Total expenses - 2013	\$12,667,818	\$ 329,190	\$ 281,017	\$ 14,103	\$ 649,816	\$13,941,944	\$ 1,379,347	\$ 74,018	\$15,395,309

See notes to combined financial statements.

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Notes to Combined Financial Statements December 31, 2014

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. As of December 31, 2014 and December 31, 2013, no amounts were recognized for uncertain income tax positions taken during those years. In addition, RPB and RPBEF’s tax returns for the 2011 year and forward are subject to the usual review by the appropriate authorities.

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, 2014****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, 2014 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

It is RPB's policy to capitalize equipment items 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.

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Notes to Combined Financial Statements (continued) December 31, 2014

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 and investments. 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 bonds and notes issued by the United States Government and its agencies, an alternative investment, common stocks, mutual funds and corporate bonds and notes. 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, 2014. RPB routinely assesses the financial strength of its cash and investment portfolio. 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, 2013, from which the summarized information was derived.

Subsequent events

RPB has evaluated events and transactions for potential recognition or disclosure through March 17, 2015, 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, 2014****Note 3 – Investments**

The amount due to investment managers as of December 31, 2014 was \$187,966.

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.

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Notes to Combined Financial Statements (continued)
December 31, 2014**Note 3 – Investments (continued)**

The following is a summary of investments measured at fair value on a recurring basis at December 31, 2014:

	December 31, 2014	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	\$ 5,029,860	\$ 5,029,860	\$ -	\$ -
Large cap growth	<u>6,819,268</u>	<u>6,819,268</u>	<u>-</u>	<u>-</u>
Total common stock	<u>11,849,128</u>	<u>11,849,128</u>	<u>-</u>	<u>-</u>
Government Obligations	<u>26,071,073</u>	<u>26,071,073</u>	<u>-</u>	<u>-</u>
Corporate bonds and notes	<u>23,065,587</u>	<u>23,065,587</u>	<u>-</u>	<u>-</u>
Mutual funds				
Large cap core	43,699,418	43,699,418	-	-
Global equity	32,302,538	32,302,538	-	-
Enhanced yield	19,027,340	19,027,340	-	-
Inflation - Linked	23,054,790	23,054,790	-	-
Absolute return	22,130,093	22,130,093	-	-
Gold	9,638,853	9,638,853	-	-
Commodities	<u>5,480,458</u>	<u>5,480,458</u>	<u>-</u>	<u>-</u>
Total mutual funds	<u>155,333,490</u>	<u>155,333,490</u>	<u>-</u>	<u>-</u>
Alternative investment				
Absolute return	<u>50,653,458</u>	<u>-</u>	<u>40,275,520</u>	<u>10,377,938</u>
Total	<u>\$ 266,972,736</u>	<u>\$ 216,319,278</u>	<u>\$ 40,275,520</u>	<u>\$ 10,377,938</u>

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Notes to Combined Financial Statements (continued)
December 31, 2014

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, 2014:

	<u>Absolute Return</u>
Balance, January 1, 2014	\$ 9,499,780
Net gains (realized and unrealized)	429,083
Net investment (loss)	(20,302)
Net transfers in	<u>469,377</u>
Balance, December 31, 2014	<u>\$ 10,377,938</u>

Note 4 – Contributions receivable

As of December 31, 2014, the contributions receivable are due as follows:

Due within one year	\$ 140,870
Due in subsequent years	<u>66,125</u>
Total	206,995
Less discount to present value	<u>37,715</u>
Net contributions receivable	<u>\$ 169,280</u>

The contributions receivable as of December 31, 2014 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 \$515,481 in 2014 and \$503,616 in 2013.

Future obligations under this lease, excluding escalation charges, are as follows:

<u>Year</u>	<u>Amount</u>
2015	\$ 399,500
2016	<u>99,875</u>
Total	<u>\$ 499,375</u>

RESEARCH TO PREVENT BLINDNESS**Notes to Combined Financial Statements (continued)
December 31, 2014****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, 2014 and December 31, 2013 totaled \$141,902 and \$98,813, 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 \$1,025,000 were awarded in 2013. There were no professorship grants awarded in 2014. The balance of such designated funds amounted to \$25,021,725 at December 31, 2014.

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 \$1,500,000 were awarded in 2014 and \$1,750,000 in 2013. A discounted Career Development Award, totaling \$53,990, was canceled in 2014. In addition, a grant of \$88,543 was canceled in 2013. Also, grants of \$35,007 were refunded in 2013. The balance of such designated funds amounted to \$12,129,243 at December 31, 2014.

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 \$476,875 (interest, dividends, capital gains and losses) for the year ended December 31, 2014, and a net investment return of \$275,914 for the year ended December 31, 2013. In accordance with the terms of the Fund, \$702,942 was released in 2014 and \$1,000,000 in 2013 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, 2014****Note 8 – Jules and Doris Stein Matching Fund (continued)**

The principal of the Fund was decreased by \$226,067 and \$724,086 for the years ended December 31, 2014 and December 31, 2013, 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.

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Notes to Combined Financial Statements (continued)
December 31, 2014

Note 9 – Net assets (continued)

Permanently restricted net assets (continued)

Permanently restricted net assets activity for the year ended December 31, 2014 is as follows:

	Balance at December 31, <u>2013</u>	Contributions to Fund	Investment Return	Balance at December 31, <u>2014</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	233,830	-	6,665	240,495
The Ernest E. and Elizabeth P. Althouse Memorial Fund	2,193,667	-	-	2,193,667
William Malloy, Jr. Endowment Fund	<u>184,509</u>	<u>4,591</u>	<u>-</u>	<u>189,100</u>
Total permanently restricted net assets	<u>\$ 53,369,296</u>	<u>\$ 4,591</u>	<u>\$ 6,665</u>	<u>\$ 53,380,552</u>

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Notes to Combined Financial Statements (continued)
December 31, 2014Note 9 – Net assets (continued)Temporarily restricted net assets

Temporarily restricted net assets activity for the year ended December 31, 2014 is as follows:

	Balance at December 31, 2013	Contributions to Fund	Net Assets Released from Restrictions	Investment Return (Includes Realized Gain)	Balance at December 31, 2014
Jules & Doris Stein Matching Fund	\$ 5,515,745	\$ -	\$ (702,942)	\$ 476,875	\$ 5,289,678
Sybil B. Harrington Fund	179,472	-	(50,000)	4,936	134,408
Income available from the Sybil B. Harrington Macular Degeneration Fund	132,999	-	(55,000)	44,172	122,171
Income available from the Sybil B. Harrington Eye Disease Fund	226,049	-	(55,000)	46,731	217,780
Income available from the William & Mary Greve Memorial Fund	681,856	-	(60,000)	32,932	654,788
Income available from the Dolly Green Fund	45,888	-	(25,000)	14,990	35,878
Walt & Lilly Disney Foundation	149,821	100,000	(151,898)	2,510	100,433
John D. & Patricia Sakona Fund	59,395	-	-	5,843	65,238
David B. Sykes Endowment Fund	8,501	-	-	-	8,501
The Ernest E. and Elizabeth P. Althouse Memorial Fund	307,387	-	(75,000)	67,776	300,163
Margaret Nelson Trust	843,841	-	(500,000)	-	343,841
McCreary Trust	88,016	-	-	-	88,016
Francis W. Hatch	366,071	8,929	(375,000)	-	-
International Retinal Research Foundation	244,048	-	(250,000)	-	(5,952)
Total temporarily restricted net assets	<u>\$ 8,849,089</u>	<u>\$ 108,929</u>	<u>\$ (2,299,840)</u>	<u>\$ 696,765</u>	<u>\$ 7,354,943</u>

RESEARCH TO PREVENT BLINDNESS

Notes to Combined Financial Statements (continued)
December 31, 2014

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 2014 and 2013. Designated fund activity for the years ending December 31, 2014 and December 31, 2013 is as follows:

	<u>December 31</u>	
	<u>2014</u>	<u>2013</u>
Jules and Doris Stein Professorship Grants		
Balance, beginning of year	\$ 25,064,976	\$ 26,067,911
Grants awarded	<u>(43,251)</u>	<u>(1,002,935)</u>
Balance, end of year	<u>25,021,725</u>	<u>25,064,976</u>
Career Development Awards		
Balance, beginning of year	13,565,317	15,160,261
Grants awarded	(1,490,064)	(1,718,494)
Grants canceled	<u>53,990</u>	<u>123,550</u>
Balance, end of year	<u>12,129,243</u>	<u>13,565,317</u>
Total designated funds, at year-end	<u>\$ 37,150,968</u>	<u>\$ 38,630,293</u>