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

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

The report accompanying these financial statements was issued by
BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of
BDO International Limited, a UK company limited by guarantee.

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

Financial Statements

For the Years Ended March 31, 2018 and 2017

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

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Independent Auditor's Report

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

We have audited the accompanying financial statements of Texas Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Texas), which comprise the statements of financial position as of March 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audits. 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the 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 Society'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Texas Society to Prevent Blindness, Inc. (d/b/a Prevent Blindness Texas) as of March 31, 2018 and 2017 and the changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BDO USA, LLP

Chicago, Illinois
August 31, 2018

Financial Statements

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

Statements of Financial Position

March 31,		**2018**		2017
Assets				
Current Assets				
Cash	**$**	**155,174**	$	111,873
Investments		**969,957**		1,368,800
Contributions and grants receivable		**21,048**		43,380
Interest receivable		**2,867**		3,670
Other assets		**42,965**		38,782
Total Current Assets		**1,192,011**		1,566,505
Property and Equipment, net carrying amount		**601,727**		625,299
Total Assets	**$**	**1,793,738**	$	2,191,804
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	**$**	**17,688**	$	15,218
Accrued vacation		**32,127**		29,500
Due to National office		**33,340**		18,397
Due to Houston Eye Association Foundation		**-**		46,103
Total Liabilities		**83,155**		109,218
Net Assets				
Unrestricted		**1,405,581**		1,762,292
Temporarily restricted		**305,002**		320,294
Total Net Assets		**1,710,583**		2,082,586
Total Liabilities and Net Assets	**$**	**1,793,738**	$	2,191,804

See accompanying notes to financial statements.

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

Statements of Activities and Changes in Net Assets

	2018			2017		
Year ended March 31,	**Unrestricted**	**Temporarily Restricted**	**Total**	Unrestricted	Temporarily Restricted	Total
Public Support and Operating Revenue						
Contributions	**$ 32,880**	**$ -**	**$ 32,880**	$ 18,566	$ 11,650	$ 30,216
Foundation grants	**-**	**281,750**	**281,750**	23,767	484,698	508,465
Government grants	**192,420**	**2,088**	**194,508**	-	16,632	16,632
Received indirectly - combined service campaigns	**1,720**	**-**	**1,720**	4,375	-	4,375
Special events - net of direct costs of $44,090 in 2018 and $183,722 in 2017	**34,233**	**-**	**34,233**	104,787	-	104,787
Interest and dividend income	**27,485**	**-**	**27,485**	30,678	-	30,678
Miscellaneous	**3,898**	**-**	**3,898**	250	-	250
Net assets released from restrictions	**299,130**	**(299,130)**	**-**	555,200	(555,200)	-
Total Public Support and Operating Revenue	**591,766**	**(15,292)**	**576,474**	737,623	(42,220)	695,403
Expenses						
Program services	**774,509**	**-**	**774,509**	817,618	-	817,618
General and administrative	**45,559**	**-**	**45,559**	48,095	-	48,095
Fundraising	**91,119**	**-**	**91,119**	96,191	-	96,191
Total Program and Support Services	**911,187**	**-**	**911,187**	961,904	-	961,904
Unallocated affiliate support of national programs	**60,168**	**-**	**60,168**	75,268	-	75,268
Total Expenses	**971,355**	**-**	**971,355**	1,037,172	-	1,037,172
Decrease in net assets - before non-operating revenue, gains, and losses	**(379,589)**	**(15,292)**	**(394,881)**	(299,549)	(42,220)	(341,769)
Non-operating revenue, gains, and losses - realized and unrealized gains on investments	**22,878**	**-**	**22,878**	21,648	-	21,648
Decrease in Net Assets	**(356,711)**	**(15,292)**	**(372,003)**	(277,901)	(42,220)	(320,121)
Net Assets - beginning of year	**1,762,292**	**320,294**	**2,082,586**	2,040,193	362,514	2,402,707
Net Assets - end of year	**$ 1,405,581**	**$ 305,002**	**$ 1,710,583**	$ 1,762,292	$ 320,294	$ 2,082,586

See accompanying notes to financial statements.

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

Statements of Functional Expenses

	Program Services					Support Services				
Year ended March 31, 2018	Research	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Unallocated Affiliate Support of National Programs	Total	Total
Salaries	$ 5,275	$ 253,199	$ 79,125	$ 110,774	$ 448,373	$ 26,375	$ 52,750	$ -	$ 79,125	$ 527,498
Employee benefits	1,071	51,415	16,067	22,494	91,047	5,356	10,712	-	16,068	107,115
Payroll taxes	443	21,251	6,641	9,297	37,632	2,214	4,427	-	6,641	44,273
Total salaries and related expenses	6,789	325,865	101,833	142,565	577,052	33,945	67,889	-	101,834	678,886
Building occupancy	312	14,969	4,678	6,549	26,508	1,559	3,118	-	4,677	31,185
Depreciation of building and equipment	294	14,092	4,404	6,165	24,955	1,468	2,936	-	4,404	29,359
Dues and subscriptions	25	1,202	376	526	2,129	125	250	-	375	2,504
Insurance	229	10,996	3,436	4,811	19,472	1,145	2,291	-	3,436	22,908
Office equipment maintenance	146	7,002	2,188	3,063	12,399	729	1,459	-	2,188	14,587
Office supplies	155	7,445	2,327	3,257	13,184	776	1,551	-	2,327	15,511
Other	92	4,404	1,376	1,927	7,799	459	918	-	1,377	9,176
Postage and shipping	114	5,478	1,712	2,396	9,700	571	1,141	-	1,712	11,412
Printing and publications	38	1,846	577	808	3,269	192	385	-	577	3,846
Professional fees and outside services	592	28,395	8,873	12,423	50,283	2,958	5,916	-	8,874	59,157
Telephone	86	4,140	1,294	1,811	7,331	431	862	-	1,293	8,624
Travel and meetings	208	9,985	3,120	4,369	17,682	1,040	2,080	-	3,120	20,802
Visual aids and eye clinic	16	787	246	344	1,393	82	164	-	246	1,639
Volunteer expenses	16	764	239	334	1,353	79	159	-	238	1,591
Unallocated affiliate support of national programs	-	-	-	-	-	-	-	60,168	60,168	60,168
Total Functional Expenses	$ 9,112	$ 437,370	$ 136,679	$ 191,348	$ 774,509	$ 45,559	$ 91,119	$ 60,168	$ 196,846	$ 971,355

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

Statements of Functional Expenses

	Program Services					Support Services				
Year ended March 31, 2017	Research	Public Health Education	Professional Education and Training	Community Services	Total	General and Administrative	Fundraising	Unallocated Affiliate Support of National Programs	Total	Total
Salaries	$ 5,760	$ 276,483	$ 86,401	$ 120,961	$ 489,605	$ 28,800	$ 57,601	$ -	$ 86,401	$ 576,006
Employee benefits	1,222	58,652	18,329	25,660	103,863	6,110	12,219	-	18,329	122,192
Payroll taxes	433	20,784	6,495	9,093	36,805	2,165	4,330	-	6,495	43,300
Total salaries and related expenses	7,415	355,919	111,225	155,714	630,273	37,075	74,150	-	111,225	741,498
Building occupancy	360	17,302	5,407	7,570	30,639	1,802	3,605	-	5,407	36,046
Depreciation of building and equipment	302	14,504	4,533	6,346	25,685	1,511	3,022	-	4,533	30,218
Dues and subscriptions	6	317	99	139	561	33	66	-	99	660
Insurance	217	10,407	3,252	4,553	18,429	1,084	2,168	-	3,252	21,681
Office equipment maintenance	147	7,032	2,198	3,077	12,454	733	1,465	-	2,198	14,652
Office supplies	96	4,594	1,436	2,010	8,136	479	957	-	1,436	9,572
Other	141	6,786	2,121	2,969	12,017	706	1,414	-	2,120	14,137
Postage and shipping	87	4,165	1,302	1,822	7,376	434	868	-	1,302	8,678
Printing and publications	44	2,092	654	915	3,705	218	436	-	654	4,359
Professional fees and outside services	416	19,954	6,236	8,730	35,336	2,079	4,157	-	6,236	41,572
Telephone	142	6,837	2,136	2,991	12,106	712	1,424	-	2,136	14,242
Travel and meetings	223	10,695	3,342	4,679	18,939	1,114	2,228	-	3,342	22,281
Visual aids and eye clinic	10	462	144	202	818	48	96	-	144	962
Volunteer expenses	13	646	202	283	1,144	67	135	-	202	1,346
Unallocated affiliate support of national programs	-	-	-	-	-	-	-	75,268	75,268	75,268
Total Functional Expenses	$ 9,619	$ 461,712	$ 144,287	$ 202,000	$ 817,618	$ 48,095	$ 96,191	$ 75,268	$ 219,554	$ 1,037,172

See accompanying notes to financial statements.

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

Statements of Cash Flows

Year ended March 31,		**2018**		2017
Cash Flows From Operating Activities				
Decrease in net assets	**$**	**(372,003)**	$	(320,121)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:				
Depreciation		**29,359**		30,218
Realized and unrealized gain on investments		**(22,878)**		(21,648)
Change in operating assets and liabilities:				
Contributions and grants receivable		**22,332**		29,120
Interest receivable		**803**		1,947
Other assets		**(4,183)**		17,161
Accounts payable and accrued expenses		**2,470**		10,080
Accrued vacation		**2,627**		(14,005)
Deferred revenue		**-**		(300)
Due to National office		**14,943**		(84,405)
Due to Houston Eye Association Foundation		**(46,103)**		(19,038)
Net cash used in operating activities		**(372,633)**		(370,992)
Cash Flows From Investing Activities				
Capital expenditures		**(5,787)**		(20,851)
Purchases of investment securities		**(357,059)**		(784,350)
Proceeds from sales of investment securities		**778,780**		1,151,738
Net cash provided by investing activities		**415,934**		346,538
Net Increase (Decrease) in Cash		**43,301**		(24,454)
Cash, beginning of the year		**111,873**		136,327
Cash, end of the year	**$**	**155,174**	$	111,873

See accompanying notes to financial statements.

1. Summary of Accounting Policies

Nature of Organization

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

Basis of Presentation

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

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

Contributions and Grants Receivable

The Society's contributions and other receivables are comprised primarily of grants and allocations committed from various funding agencies, corporations, and individuals for use in the Society's activities. Contributions receivable at March 31, 2018 are expected to be collected within one year. The Society has not recorded a provision for doubtful accounts since it is the opinion of management that those receivables are collectible in full.

Investment Valuation

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

Mutual Funds - Mutual funds’ fair values are determined by reference to the fund’s underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds that trade on national securities exchanges are valued at their trading price and are classified within Level 1 of the valuation hierarchy as described in Note 2.

Equities - Equity funds consist of shares held at publicly traded companies. Shares held in equity funds that trade on national securities exchanges are valued at their trading prices and are classified within Level 1 of the valuation hierarchy as described in Note 2.

Municipal Bonds - Municipal bonds consist of government and agency securities traded in markets that are not considered active and are valued based on quoted market prices or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using management's best estimates. These investments are classified within Level 2 of the valuation hierarchy as described in Note 2.

Corporate Bonds - Corporate bonds consist of securities traded in markets that are not considered active and are valued based on quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using management's best estimates. These investments are classified within Level 2 of the valuation hierarchy as described in Note 2.

Property and Equipment

Property and equipment are recorded at cost or, in the case of gifts, fair value as of the date of the donation and depreciated over estimated useful lives using straight-line, accelerated, and declining-balance methods. Useful lives range from ten to 40 years for buildings and improvements and three to ten years for equipment. It is the policy of the Society to capitalize property and equipment if the cost or value of the item is in excess of $1,500 and the useful economic life is greater than one year. Costs of repairs and maintenance are charged to expense as incurred.

Classification of Net Assets

The separate classes of net assets are defined as follows:

- Unrestricted – Amounts that are currently available for use in the Society's operations.

- Temporarily restricted – Amounts that are restricted by actions of the donor and/or the passage of time.

- Permanently restricted – Amounts that are subject to donor-imposed restrictions to be maintained permanently by the Society. Generally, the donors of these permit the Society to use all or part of the income earned on related investments for general or specific purposes.

The Society currently has no permanently restricted net assets.

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 and foundation grants of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Contributions and foundation grants with donor-imposed time or purpose restrictions are reported as restricted support. All other contributions are reported as unrestricted support. Other restricted gifts are reported as restricted support.

Revenue from government grants 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.

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

Special event revenue is recognized in the period that the event occurs. Deferred revenue primarily consists of ticket sales for events occurring in the next fiscal year.

Donated Services and Assets

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

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

Functional Allocation of Expenses

The costs of providing various programs and support services are presented on a functional basis in the Statements of Activities and Changes in Net Assets. Indirect costs have been allocated between the various programs and support services based on estimates, as determined by management. Such estimates include the amount and efforts of personnel and square footage of space utilized.

Tax Status

The Society is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). The Society is also subject to tax on any unrelated business income, which was de minimis for the years ended March 31, 2018 and 2017. U.S. GAAP requires management to evaluate tax positions taken by the Society and recognize a tax liability if the Society has taken an uncertain position that more-likely-than-not would not be sustained upon examination by the Internal Revenue Service or other applicable taxing authorities. Management has analyzed the tax positions taken by the Society and has concluded that as of March 31, 2018 and 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Society is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Subsequent Events

The Society has evaluated subsequent events through August 31, 2018, the date the financial statements were available to be issued. No events have occurred subsequent to March 31, 2018 that required recognition or disclosure in the financial statements.

Reclassifications

Certain reclassifications have been made to the fiscal 2017 amounts to conform to the fiscal 2018 classifications.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *"Leases (Topic 842),"* to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use ("ROU") model that requires, for all leases with a lease term of more than 12 months, an asset representing its ROU of the underlying asset for the lease term and a liability to make lease payments to be recorded. ASU 2016-02 is effective for the Society's 2020 fiscal year with early adoption permitted. Management is currently evaluating the impact of ASU 2016-02 on its financial statements.

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

In May 2014, FASB issued ASU 2014-09, *"Revenue from Contracts with Customers,"* which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than required under existing U.S. GAAP. In August 2015, the FASB issued ASU 2015-14, *"Revenue from Contracts with Customers,"* which defers the effective date of the new revenue recognition standard by one year. ASU 2015-14 is effective for annual reporting periods beginning after December 15, 2018 and is to be applied using one of two retrospective application methods, with early application permitted after December 15, 2016. The Society has not yet determined the method by which ASU 2014-09 will be adopted in fiscal year 2020 and is currently evaluating the impact of the adoption of ASU 2014-09 on its financial statements and disclosures.

2. Investments

Fair Value Measurements

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

Fair value is defined in the ASC as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the most advantageous market for the asset or liability in an orderly transaction. Fair value measurement is based on a hierarchy of observable or unobservable inputs. The standard describes three levels of inputs that may be used to measure fair value.

Level 1 - *Quoted Prices in Active Markets for Identical Assets* - Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

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

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

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Society's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

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

At March 31, 2018 and 2017, the Society had no investments that were required to be classified as Level 3.

		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Balance at March 31, 2018
Investments:								
Municipal bonds	$	-	$	327,720	$	-	$	327,720
Corporate bonds		-		198,252		-		198,252
Equities		337,813		-		-		337,813
Mutual funds		38,880		-		-		38,880
Total Assets	$	376,693	$	525,972	$	-	$	902,665

		Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)		Balance at March 31, 2017
Investments:								
Municipal bonds	$	-	$	347,932	$	-	$	347,932
Corporate bonds		-		312,890		-		312,890
Equities		423,250		-		-		423,250
Mutual funds		46,247		-		-		46,247
Total Assets	$	469,497	$	660,822	$	-	$	1,130,319

Not included in the above tables are $67,292 and $238,481 in cash and cash equivalents held in brokerage accounts as of March 31, 2018 and 2017, respectively.

Total investment income reported as operating revenue consists of interest and dividend income of $28,300 and $31,122 and total investment expenses of $815 and $444 for the years ended March 31, 2018 and 2017, respectively.

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3. Property and Equipment

The cost of property and equipment is summarized as follows:

		2018		2017	Depreciable Life - Years
Land	$	**189,897**	$	189,897	-
Buildings and improvements		**688,939**		688,939	10-40
Equipment		**533,810**		528,023	3-10
Total cost		**1,412,646**		1,406,859	
Less accumulated depreciation		**(810,919)**		(781,560)	
Net Carrying Amount	**$**	**601,727**	$	625,299	

4. Due to Houston Eye Association Foundation

The Society and Houston Eye Association Foundation ("HEAF") conduct an annual joint fundraising event in which the organizations each receive 50% of the net proceeds. The Society controls the revenues and expenses. As of March 31, 2017, the Society was obligated to pay HEAF $46,103 related to the joint fundraising event.

5. Due to National Office

The Society is an independent affiliate of the National Society to Prevent Blindness ("National"). National provides and is reimbursed for personnel and related fringe benefits to administer the operations of the Society.

In accordance with the terms of the affiliation agreement, the Society remits 10% of all discretionary income, calculated based on prior year income, to National. Discretionary income includes all income received except interest on investments, reimbursements, fees for services, and/or sale of materials or contributions that are designated or expressly restricted by the donor. A total of 25% of the receipts not expressly restricted from legacies, inter-vivos trusts, or property from testamentary trusts from decedents dying on or after January 1, 1978 and whose wills are dated before December 31, 1995 are remitted to National. A total of 33% of the receipts not expressly restricted from legacies, inter-vivos trusts, or property from testamentary trusts from decedents whose wills are dated on or after January 1, 1996 are remitted to National. In addition, 3% of the receipts received after January 1, 1996 not expressly restricted from legacies, inter-vivos trusts, or property from testamentary trusts are remitted to National for bequest development.

As of March 31, 2018 and 2017, the Society was obligated to pay National $33,340 and $18,397, respectively, related to personnel and related fringe benefit expenses.

6. Employee Benefit Plans

The Society sponsors a 403(b) retirement plan covering substantially all employees who meet certain eligibility requirements. The amount contributed by the Society to the plan is dependent on the contribution of each employee. Total contributions to the plan were $18,028 and $30,416 in 2018 and 2017, respectively.

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

7. Operating Leases

The Society leases operating equipment (postage machine) at its Houston office with month-to-month lease terms. The Society is also obligated under an operating lease for its office space for the San Antonio office.

The future minimum lease payments are as follows:

Year ending March 31,		Amount
2019	$	13,060
2020		2,177
Total	**$**	**15,237**

Total rent expense under all operating leases was approximately $12,000 for the years ended March 31, 2018 and 2017.

8. Temporarily Restricted Net Assets

Temporarily restricted net assets as of March 31, 2018 and 2017 are available for the following purpose:

		2018		2017
Restricted for use within 100 miles of Crosbyton, Texas	**$**	**269,914**	$	274,914
Restricted by time		**35,088**		45,380
Total Temporarily Restricted Net Assets	**$**	**305,002**	$	320,294

9. Communities Foundation of Texas, Inc.

Communities Foundation of Texas, Inc. ("CFT") holds and controls assets for the benefit of the Dallas branch of the Society. Investments are restricted for building renovations at the Dallas branch and are released to the Society upon approval by CFT. The Society is not recording the value of the assets in the financial statements, as the Society currently does not have the unconditional right to receive the benefits. The investment balances were $304,437 and $290,074 as of March 31, 2018 and 2017, respectively.