

**FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
THE CHICAGO LIGHTHOUSE FOR PEOPLE  
WHO ARE BLIND OR VISUALLY IMPAIRED  
JUNE 30, 2009 AND 2008**

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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Board of Directors  
The Chicago Lighthouse for People Who  
Are Blind or Visually Impaired

We have audited the accompanying statement of financial position of The Chicago Lighthouse for People Who Are Blind or Visually Impaired (“The Lighthouse”) as of June 30, 2009, and the related statements of activities, cash flows and functional. expenses for the year then ended. These financial statements are the responsibility of The Lighthouse’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Chicago Lighthouse for People Who Are Blind or Visually Impaired as of and for the year ended June 30, 2008, were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated November 5, 2008.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the American Institute of Certified Public Accountants and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Lighthouse’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2009 financial statements referred to above present fairly, in all material respects, the financial position of The Chicago Lighthouse for People Who Are Blind or Visually Impaired as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the 2009 basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Grant Thornton LLP*

Chicago, Illinois  
December 14, 2009

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30,**

ASSETS	2009			2008		
	Operating Fund	Long-Term Investment Fund	Total	Operating Fund	Long-Term Investment Fund	Total
Cash and cash equivalents	\$ 111,260	\$ -	\$ 111,260	\$ 445,464	\$ -	\$ 445,464
Accounts receivable						
Lighthouse Industries	537,042	-	537,042	478,219	-	478,219
Bequests	-	522,442	522,442	-	743,486	743,486
Other, principally state agencies	1,984,949	-	1,984,949	1,005,328	-	1,005,328
Contributions	1,104,390	-	1,104,390	1,711,851	-	1,711,851
Allowance for uncollectible accounts	(50,000)	-	(50,000)	(40,000)	-	(40,000)
Accounts receivable, net	3,576,381	522,442	4,098,823	3,155,398	743,486	3,898,884
Accrued investment income	-	53,506	53,506	-	74,448	74,488
Inventories	881,519	-	881,519	939,471	-	939,471
Prepaid expenses	119,975	-	119,975	260,148	-	260,148
Investments	-	19,585,246	19,585,246	-	30,249,663	30,249,663
Land, buildings and equipment, net	6,882,769	-	6,882,769	6,534,945	-	6,534,945
<b>TOTAL ASSETS</b>	<b>\$ 11,571,904</b>	<b>\$ 20,161,194</b>	<b>\$ 31,733,098</b>	<b>\$ 11,335,426</b>	<b>\$ 31,067,597</b>	<b>\$ 42,403,023</b>
<b>LIABILITIES AND NET ASSETS</b>						
Liabilities						
Accounts payable	\$ 785,254	\$ -	\$ 785,254	\$ 663,959	\$ -	\$ 663,959
Accrued salaries and payroll taxes	500,646	-	500,646	481,304	-	481,304
Other accrued liabilities	189,060	49,455	238,515	196,990	56,328	253,318
Illinois Instructional Materials Center liability	-	-	-	149,653	-	149,653
Total liabilities	1,474,960	49,455	1,524,415	1,491,906	56,328	1,548,234
Net assets						
Unrestricted	7,524,292	17,871,553	25,395,845	7,875,564	28,170,650	36,046,214
Temporarily restricted	2,572,652	802,446	3,375,098	1,967,956	1,401,068	3,369,024
Permanently restricted	-	1,437,740	1,437,740	-	1,439,551	1,439,551
Total net assets	10,096,944	20,111,739	30,208,683	9,843,520	31,011,269	40,854,789
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,571,904</b>	<b>\$ 20,161,194</b>	<b>\$ 31,733,098</b>	<b>\$ 11,335,426</b>	<b>\$ 31,067,597</b>	<b>\$ 42,403,023</b>

The accompanying notes are an integral part of these statements.

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**STATEMENTS OF ACTIVITIES**  
**June 30,**

	2009				2008			
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Operating revenues								
Support and revenues								
Public support								
Contributions	\$ 1,147,754	\$ 402,173	\$ -	\$ 1,549,927	\$ 1,913,095	\$ 1,475,059	\$ -	\$ 3,388,154
United Way	15,463	-	-	15,463	21,686	-	-	21,686
Donated goods/services	86,165	-	-	86,165	104,956	-	-	104,956
Special events revenue	250,760	73,863	-	324,623	399,247	86,150	-	485,397
Less cost of direct benefits to donors	(79,683)	(11,653)	-	(91,336)	(108,185)	(17,348)	-	(125,533)
Net revenues from special events	171,077	62,210	-	233,287	291,062	68,802	-	359,864
Total public support	1,420,459	464,383	-	1,884,842	2,330,799	1,543,861	-	3,874,660
Program and other revenues								
Program revenues								
Lighthouse Industries sales	3,549,754	-	-	3,549,754	3,639,292	-	-	3,639,292
Rehabilitation training course fees and subsidies	6,743,013	171,447	-	6,914,460	6,651,048	-	-	6,651,048
Optical aid fees and sales	678,176	-	-	678,176	487,428	-	-	487,428
Government and other service contracts	973,790	-	-	973,790	589,682	-	-	589,682
Total program revenues	11,944,733	171,447	-	12,116,180	11,367,450	-	-	11,367,450
Other revenues								
Investment income, primarily interest	2,848	-	-	2,848	15,882	-	-	15,882
Miscellaneous	254,146	-	-	254,146	190,424	-	-	190,424
Total other revenues	256,994	-	-	256,994	206,306	-	-	206,306
Total program and other revenues	12,201,727	171,447	-	12,373,174	11,573,756	-	-	11,573,756
Total public support, program and other revenues	13,622,186	635,830	-	14,258,016	13,904,555	1,543,861	-	15,448,416
Net assets released from restrictions	1,232,669	(1,232,669)	-	-	608,225	(608,225)	-	-
Total operating revenues	14,854,855	(596,839)	-	14,258,016	14,512,780	935,636	-	15,448,416

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**STATEMENTS OF ACTIVITIES - CONTINUED**  
**June 30,**

	2009				2008			
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Expenses								
Program services	\$ 14,499,338	\$ -	\$ -	\$ 14,499,338	\$ 14,138,851	\$ -	\$ -	\$ 14,138,851
Supporting services	4,155,941	-	-	4,155,941	4,029,698	-	-	4,029,698
Total expenses	<u>18,655,279</u>	<u>-</u>	<u>-</u>	<u>18,655,279</u>	<u>18,168,549</u>	<u>-</u>	<u>-</u>	<u>18,168,549</u>
(Deficiency) excess of operating revenues over operating expenses	(3,800,424)	(596,839)	-	(4,397,263)	(3,655,769)	935,636	-	(2,720,133)
Non-operating support, revenues, gains and losses								
Legacies and bequests	1,256,321	-	-	1,256,321	1,658,108	113,835	-	1,771,943
Contributions	-	50,000	-	50,000	2,500	32,557	12,500	47,557
Investment income, dividends and interest	389,426	22,057	-	411,483	550,280	72,701	-	622,981
Net realized (losses) gains	(1,252,556)	(81,673)	(1,811)	(1,336,040)	1,749,783	12,215	1,456	1,763,454
Net change in unrealized (depreciation) appreciation of investments	<u>(6,216,719)</u>	<u>(413,888)</u>	<u>-</u>	<u>(6,630,607)</u>	<u>(2,346,437)</u>	<u>(16,997)</u>	<u>-</u>	<u>(2,363,434)</u>
Total non-operating support, revenues, gains and losses	<u>(5,823,528)</u>	<u>(423,504)</u>	<u>(1,811)</u>	<u>(6,248,843)</u>	<u>1,614,234</u>	<u>214,311</u>	<u>13,956</u>	<u>1,842,501</u>
Change in net assets before reclassification	(9,623,952)	(1,020,343)	(1,811)	(10,646,106)	(2,041,535)	1,149,947	13,956	(877,632)
Net asset reclassification based on change in law	<u>(1,026,417)</u>	<u>1,026,417</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	(10,650,369)	6,074	(1,811)	(10,646,106)	(2,041,535)	1,149,947	13,956	(877,632)
Net assets, at beginning of year	<u>36,046,214</u>	<u>3,369,024</u>	<u>1,439,551</u>	<u>40,854,789</u>	<u>38,087,749</u>	<u>2,219,077</u>	<u>1,425,595</u>	<u>41,732,421</u>
Net assets, at end of year	<u>\$ 25,395,845</u>	<u>\$ 3,375,098</u>	<u>\$ 1,437,740</u>	<u>\$ 30,208,683</u>	<u>\$ 36,046,214</u>	<u>\$ 3,369,024</u>	<u>\$ 1,439,551</u>	<u>\$ 40,854,789</u>

The accompanying notes are an integral part of these statements.

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**STATEMENTS OF CASH FLOWS**  
**Years ended June 30,**

	2009	2008
Cash flows from operating activities		
Change in net assets	<b>\$ (10,646,106)</b>	\$ (877,632)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Net change in unrealized depreciation (appreciation) of investments	<b>6,630,607</b>	2,363,434
Net realized losses (gains) on sales of investments	<b>1,336,040</b>	(1,763,454)
Contributions restricted for long-term investment	-	(47,557)
Depreciation	<b>763,026</b>	760,647
Provision for bad debts	<b>10,000</b>	16,000
Changes in operating assets and liabilities		
Accounts receivable	<b>(209,939)</b>	(737,123)
Accrued investment income	<b>20,942</b>	10,219
Inventories	<b>57,952</b>	126,096
Prepaid expenses	<b>140,173</b>	(106,326)
Operating investments		11,205
Accounts payable	<b>121,295</b>	(165,309)
Accrued salaries and payroll taxes	<b>19,342</b>	62,262
Other accrued liabilities	<b>(14,803)</b>	83,997
Illinois Instructional Materials Center liability	<b>(149,653)</b>	(31,914)
Net cash used in operating activities	<b>(1,921,124)</b>	(295,455)
Cash flows from investing activities		
Purchases of investments	<b>(625,241)</b>	(4,990,010)
Sale of investments	<b>3,323,011</b>	5,621,665
Additions to property and equipment	<b>(1,110,850)</b>	(799,796)
Net cash provided by (used in) investing activities	<b>1,586,920</b>	(168,141)
Cash flows from financing activities		
Proceeds from contributions restricted for long-term investment	-	47,557
Net cash provided by financing activities	-	47,557
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(334,204)</b>	(416,039)
Cash and cash equivalents, beginning of year	<b>445,464</b>	861,503
Cash and cash equivalents, end of year	<b>\$ 111,260</b>	\$ 445,464

The accompanying notes are an integral part of these statements.



The Chicago Lighthouse for People Who Are Blind or Visually Impaired  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2009

	Program services															
	Lighthouse Industries	Instructional Materials Center	Birth-to-Three/ Homebound	Child Development Center	Communications Center	Placement	Supported Employment	Seniors Computer	Elderly	Collections Training	Work Adjustment Training	Office Skills	Vocational Evaluation	Vending Program	Social Services	Mobility
Employee salaries	\$ 529,261	\$ 284,967	\$ 321,362	\$ 877,257	\$ 2,747	\$ 134,915	\$ 89,884	\$ 74,869	\$ 45,609	\$ 54,168	\$ 70,508	\$ 119,763	\$ 99,593	\$ 127,490	\$ 3,465	\$ 69,902
Employee benefits	146,450	75,263	87,571	237,754	736	37,163	24,243	21,904	9,608	14,843	19,305	32,874	27,643	35,016	952	17,780
Total employee salaries and benefits	675,711	360,230	408,933	1,115,011	3,483	172,078	114,127	96,773	55,217	69,011	89,813	152,637	127,236	162,506	4,417	87,682
Client payments	679,502	-	-	-	4,687	-	-	-	-	-	-	-	-	-	-	-
Client benefits	135,527	-	-	-	590	-	-	124	-	-	-	-	-	-	-	-
Total client payments and benefits	815,029	-	-	-	5,277	-	-	124	-	-	-	-	-	-	-	-
Total salaries and related benefits	1,490,740	360,230	408,933	1,115,011	8,760	172,078	114,127	96,897	55,217	69,011	89,813	152,637	127,236	162,506	4,417	87,682
Professional and contract services	60,715	722	17,035	290,790	-	455	-	983	-	-	-	-	-	260	-	-
Supplies	44,679	2,265,915	12,351	43,873	2,326	1,377	935	2,592	37,120	251	150	1,267	1,128	1,326	-	1,088
Advertising	208,957	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	2,742	-	1,544	759	-	561	1,766	-	-	19	-	41	39	541	-	608
Postage, freight and direct mail	147,191	14,533	21	58	-	115	-	-	-	-	-	238	-	46	-	-
Equipment rental and maintenance	19,598	27,397	-	1,173	-	-	-	-	-	-	-	-	155	-	-	-
Utilities	1,041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and liability insurance	173	2,838	1,122	6,427	-	102	-	-	-	133	-	2,959	163	-	-	136
Printing	2,972	-	101	229	-	-	-	-	-	-	-	-	-	205	-	-
Conference, meetings and major trips	19,073	2,615	17,105	3,570	75	1,713	5,741	405	3,084	747	17	1,322	589	4,494	2	3,551
Memberships	1,030	-	340	855	-	400	-	25	8	8	-	95	357	-	-	15
Client assistance	505	-	5,574	44,909	-	1,033	-	5,905	-	-	438	230	-	-	(570)	-
Cost of materials	1,953,755	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Warehouse rental	24,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	168,736	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	75,263	22,128	1,138	16,841	95	869	477	229	-	41	1,451	99	2,331	1,379	2	631
Distribution of building repairs and maintenance	250,683	70,246	6,474	80,163	413	5,509	689	6,680	2,066	3,030	5,854	12,534	9,642	2,135	-	138
Total expenses before depreciation	4,472,053	2,766,624	471,738	1,604,658	11,669	184,212	123,735	113,716	97,495	73,240	97,723	171,422	141,640	172,892	3,851	93,849
Depreciation	197,191	52,270	3,410	62,066	221	5,033	3,943	3,495	1,040	8,897	3,813	21,081	7,314	2,347	-	378
Total expenses	\$ 4,669,244	\$ 2,818,894	\$ 475,148	\$ 1,666,724	\$ 11,890	\$ 189,245	\$ 127,678	\$ 117,211	\$ 98,535	\$ 82,137	\$ 101,536	\$ 192,503	\$ 148,954	\$ 175,239	\$ 3,851	\$ 94,227

The accompanying notes are an integral part of this statement.

Program services - Continued													Supporting services						
Government Service Contracts	Midway	Scholarship Program	Low Vision Clinic	Kane Legal Clinic	CRIS Radio	Adult Living Skills	Work Activities Center	I.T.A.C.	Deaf-Blind	Youth Program	Adaptive Technology	Help Desk	Total	Building and maintenance	General administration	Public relations	Fund-raising	Total	2009 total
\$ -	\$ -	\$ -	\$ 506,726	\$ 64,088	\$ 178,924	\$ 270,772	\$ 90,218	\$26,392	\$ 76,668	\$33,387	\$ 142,017	\$64,434	\$ 4,359,386	\$ 233,351	\$ 1,355,938	\$ 127,344	\$ 457,201	\$ 2,173,834	\$ 6,533,220
-	-	-	113,900	6,310	45,923	74,164	22,884	7,114	20,943	8,561	38,610	17,522	1,145,036	64,294	364,853	35,038	125,401	589,586	1,734,622
-	-	-	620,626	70,398	224,847	344,936	113,102	33,506	97,611	41,948	180,627	81,956	5,504,422	297,645	1,720,791	162,382	582,602	2,763,420	8,267,842
300,845	76,694	-	13,169	-	-	10,072	54,573	-	-	10,143	-	-	1,149,685	35,391	-	-	-	35,391	1,185,076
25,660	11,859	-	2,279	-	-	653	8,127	-	-	1,170	-	-	185,989	5,292	-	-	-	5,292	191,281
326,505	88,553	-	15,448	-	-	10,725	62,700	-	-	11,313	-	-	1,335,674	40,683	-	-	-	40,683	1,376,357
326,505	88,553	-	636,074	70,398	224,847	355,661	175,802	33,506	97,611	53,261	180,627	81,956	6,840,096	338,328	1,720,791	162,382	582,602	2,804,103	9,644,199
70	-	-	211,804	637	3,900	365	150	-	1,827	838	-	-	590,551	375	635,589	2,830	41,593	680,387	1,270,938
2,088	32,918	284	269,815	202	9,337	8,191	1,153	93	3,068	297	707	3	2,744,534	57,512	90,211	3,974	12,492	164,189	2,908,723
-	-	-	-	-	-	-	-	-	250	-	-	-	209,207	-	4,173	2,260	3,100	9,533	218,740
-	-	1	589	-	17,719	-	-	510	1,061	21	52	22	28,595	-	58,805	900	786	60,491	89,086
9	4	-	12,692	-	697	6	-	-	396	-	168	-	176,174	-	11,834	111	47,703	59,648	235,822
-	1,292	-	2,770	-	7,443	302	-	-	-	-	-	-	60,130	17,195	18,774	446	-	36,415	96,545
-	-	-	-	-	-	-	-	-	-	-	-	-	1,041	133,485	-	-	-	133,485	134,526
-	-	-	-	-	-	-	-	-	-	-	-	-	-	79,588	-	-	-	79,588	79,588
3,061	1,020	-	7,399	5,565	-	-	-	163	-	-	541	-	31,802	42,850	47,343	-	409	90,602	122,404
-	-	-	8,140	-	563	435	-	-	72	-	38	-	12,755	-	6,698	13,579	81,866	102,143	114,898
33	-	1,115	7,982	1,289	311	633	98	6,099	10,208	63	1,797	615	94,346	4,806	65,093	2,538	12,337	84,774	179,120
-	-	-	200	-	120	65	-	8	20	-	-	-	3,546	-	9,186	259	619	10,064	13,610
-	-	76,602	-	-	-	40,452	39,846	-	354	20	-	-	215,298	-	405	-	-	405	215,703
-	-	-	-	-	-	-	-	-	-	-	-	-	1,953,755	-	-	-	-	-	1,953,755
-	-	-	-	-	-	-	-	-	-	-	-	-	24,200	-	-	-	-	-	24,200
15,916	5,377	-	-	-	-	-	-	-	-	-	-	-	190,029	-	-	-	-	-	190,029
227	393	2,712	36,841	2,529	1,266	3,251	774	2	6,070	2,068	145	41	179,293	14,549	167,522	10,094	28,909	221,074	400,367
-	-	-	38,222	1,171	12,396	33,333	8,677	964	3,306	-	12,810	826	567,961	(688,688)	109,501	3,857	7,369	(567,961)	-
347,909	129,557	80,714	1,232,528	81,791	278,599	442,694	226,500	41,345	124,243	56,568	196,885	83,463	13,923,313	-	2,945,925	203,230	819,785	3,968,940	17,892,253
370	-	-	59,864	1,051	32,058	19,049	4,405	567	4,892	753	71,479	9,038	576,025	-	174,535	4,623	7,843	187,001	763,026
\$ 348,279	\$ 129,557	\$ 80,714	\$ 1,292,392	\$ 82,842	\$ 310,657	\$ 461,743	\$ 230,905	\$41,912	\$ 129,135	\$57,321	\$ 268,364	\$92,501	\$ 14,499,338	\$ -	\$ 3,120,460	\$ 207,853	\$ 827,628	\$ 4,155,941	\$ 18,655,279

The Chicago Lighthouse for People Who Are Blind or Visually Impaired  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2008

	Program services													
	Lighthouse Industries	Instructional Materials Center	Birth-to-Three/ Homebound	Child Development Center	Placement	Supported Employment	Seniors Computer	Elderly	Collections Training	Work Adjustment Training	Office Skills	Vocational Evaluation	Social Services	Mobility
Employee salaries	\$ 518,749	\$ 268,753	\$ 325,709	\$ 975,502	\$ 134,344	\$ 86,507	\$ 92,038	\$ 40,967	\$ 55,137	\$ 71,276	\$ 117,323	\$ 106,572	\$ 3,724	\$ 67,394
Employee benefits	122,999	66,484	83,396	243,567	33,950	21,453	23,279	8,545	13,725	18,244	29,747	27,188	1,031	16,077
Total employee salaries and benefits	641,748	335,237	409,105	1,219,069	168,294	107,960	115,317	49,512	68,862	89,520	147,070	133,760	4,755	83,471
Client payments	596,160	-	-	199	-	-	-	-	-	-	-	-	-	-
Client benefits	133,142	-	-	(2)	-	-	-	-	-	-	2	-	-	-
Total client payments and benefits	729,302	-	-	197	-	-	-	-	-	-	2	-	-	-
Total salaries and related benefits	1,371,050	335,237	409,105	1,219,266	168,294	107,960	115,317	49,512	68,862	89,520	147,072	133,760	4,755	83,471
Professional and contract services	68,112	4,910	17,255	308,510	130	130	1,310	-	155	265	165	64	160	160
Supplies	56,391	2,064,438	4,348	53,716	1,924	464	1,038	41,502	875	48	3,737	2,263	299	1,291
Advertising	212,161	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	3,203	-	1,072	665	592	818	-	-	13	-	27	71	-	526
Postage, freight and direct mail	135,922	11,732	79	66	465	11	-	-	-	-	-	49	-	-
Equipment rental and maintenance	25,710	48,800	-	895	-	-	-	-	-	-	-	-	-	-
Utilities	502	-	-	-	-	-	-	-	-	-	-	-	-	-
Building repairs and maintenance	741	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and liability insurance	200	3,217	1,244	7,125	113	-	-	-	147	-	3,279	181	-	113
Printing	6,174	-	67	203	45	9	82	-	6	-	12	11	-	-
Conference, meetings and major trips	25,576	3,432	18,601	6,012	5,749	5,199	883	2,964	2,294	218	1,730	250	40	2,853
Memberships	128	-	1,057	1,874	434	27	28	4	38	-	314	390	4	193
Client assistance	490	-	9,441	49,473	(1,762)	-	5,611	-	77	1,691	2,874	205	2,199	-
Cost of materials	2,084,497	-	-	-	-	-	-	-	-	-	-	-	-	-
Warehouse rental	25,237	-	-	-	-	-	-	-	-	-	-	-	-	-
Commissions	179,450	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	99,154	40,566	3,732	12,725	1,888	331	527	-	250	209	683	1,129	-	756
Distribution of building repairs and maintenance	275,181	80,865	7,025	94,840	5,829	1,868	7,025	1,719	3,662	7,548	13,826	10,762	-	897
Total expenses before depreciation	4,569,879	2,593,197	473,026	1,755,370	183,701	116,817	131,821	95,701	76,379	99,499	173,719	149,135	7,457	90,260
Depreciation	188,053	63,320	3,487	62,062	6,887	1,024	5,202	800	12,032	4,308	21,116	7,617	-	730
Total expenses:	<u>\$ 4,757,932</u>	<u>\$ 2,656,517</u>	<u>\$ 476,513</u>	<u>\$ 1,817,432</u>	<u>\$ 190,588</u>	<u>\$ 117,841</u>	<u>\$ 137,023</u>	<u>\$ 96,501</u>	<u>\$ 88,411</u>	<u>\$ 103,807</u>	<u>\$ 194,835</u>	<u>\$ 156,752</u>	<u>\$ 7,457</u>	<u>\$ 90,990</u>

The accompanying notes are an integral part of this statement.

Program services - Continued														Supporting services					
Government Service Contracts	Midway	Scholarship Program	Low Vision Clinic	Kane Legal Clinic	CRIS Radio	Adult Living Skills	Work Activities Center	I.T.A.C.	Deaf-Blind	Youth Program	Adaptive Technology	Help Desk	Total	Building and maintenance	General administration	Public relations	Fund-raising	Total	2008 total
\$ -	\$ -	\$ -	\$ 507,414	\$ 61,936	\$ 169,903	\$ 251,237	\$ 87,825	\$26,029	\$ 72,912	\$23,540	\$ 143,636	\$63,550	\$ 4,271,977	\$ 277,731	\$ 1,148,175	\$ 128,280	\$ 470,758	\$ 2,024,944	\$ 6,296,921
-	-	-	93,176	6,836	39,987	63,489	20,421	6,438	18,870	5,885	36,311	16,034	1,017,132	81,892	398,117	31,016	116,478	627,503	1,644,635
-	-	-	600,590	68,772	209,890	314,726	108,246	32,467	91,782	29,425	179,947	79,584	5,289,109	359,623	1,546,292	159,296	587,236	2,652,447	7,941,556
282,699	73,147	-	11,426	-	-	9,266	49,733	-	-	2,973	-	-	1,025,603	11,503	679	-	-	12,182	1,037,785
28,110	10,954	-	1,882	-	-	619	6,808	-	-	275	-	-	181,790	1,639	46	-	-	1,685	183,475
310,809	84,101	-	13,308	-	-	9,885	56,541	-	-	3,248	-	-	1,207,393	13,142	725	-	-	13,867	1,221,260
310,809	84,101	-	613,898	68,772	209,890	324,611	164,787	32,467	91,782	32,673	179,947	79,584	6,496,502	372,765	1,547,017	159,296	587,236	2,666,314	9,162,816
200	-	-	21,819	-	4,167	672	200	-	1,472	-	75	-	429,931	820	662,335	2,373	40,505	706,033	1,135,964
2,421	17,775	526	301,153	328	17,658	5,451	3,049	95	2,142	861	7,261	46	2,591,100	69,294	76,743	6,065	15,136	167,238	2,758,338
-	-	-	-	-	-	-	-	-	-	-	-	-	212,161	-	4,246	455	30,092	34,793	246,954
247	-	3	-	-	17,470	-	-	470	1,048	11	34	14	26,284	-	50,823	424	401	51,648	77,932
66	-	-	11,689	16	430	5	-	-	233	-	351	-	161,114	-	11,414	2,010	83,252	96,676	257,790
541	405	-	5,124	-	7,362	171	-	-	-	-	-	-	89,008	9,355	13,160	-	283	22,798	111,806
-	-	-	-	-	-	-	-	-	-	-	-	-	502	124,659	-	-	-	124,659	125,161
-	-	-	-	-	-	-	-	-	-	-	-	-	741	104,487	-	-	-	104,487	105,228
3,393	1,131	-	7,885	6,260	-	-	-	181	-	-	599	-	35,068	47,496	57,720	-	453	105,669	140,737
-	-	250	1,957	-	278	-	-	-	82	5	15	6	9,202	-	1,669	12,319	91,052	105,040	114,242
-	115	1,214	8,584	1,308	2,261	1,742	134	5,017	9,062	(1)	3,659	644	109,540	6,762	59,324	2,992	14,230	83,308	192,848
-	-	-	6,161	-	330	242	-	8	48	8	108	26	11,422	-	9,392	810	2,048	12,250	23,672
-	-	96,021	-	-	-	38,078	40,113	-	258	46	77	-	244,892	80	125	-	-	205	245,097
-	-	-	-	-	-	-	-	-	-	-	-	-	2,084,497	-	-	-	-	-	2,084,497
-	-	-	-	-	-	-	-	-	-	-	-	-	25,237	-	-	-	-	-	25,237
14,659	4,641	-	-	-	-	-	-	-	-	-	-	-	198,750	-	-	-	-	-	198,750
5,694	143	4,185	34,519	1,901	1,000	2,250	164	-	7,145	2,308	1,879	171	223,309	11,645	137,018	2,246	26,615	177,524	400,833
-	-	-	24,588	1,271	14,648	34,603	12,630	1,495	5,381	747	14,275	897	621,582	(747,363)	108,667	4,484	12,630	(621,582)	-
338,030	108,311	102,199	1,037,377	79,856	275,494	407,825	221,077	39,733	118,653	36,658	208,280	81,388	13,570,842	-	2,739,653	193,474	903,933	3,837,060	17,407,902
370	2,152	-	63,280	764	26,987	18,037	5,838	770	4,911	1,386	57,841	9,035	568,009	-	177,735	4,549	10,354	192,638	760,647
\$ 338,400	\$ 110,463	\$ 102,199	\$ 1,100,657	\$ 80,620	\$ 302,481	\$ 425,862	\$ 226,915	\$40,503	\$ 123,564	\$38,044	\$ 266,121	\$90,423	\$ 14,138,851	\$ -	\$ 2,917,388	\$ 198,023	\$ 914,287	\$ 4,029,698	\$ 18,168,549

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2009 and 2008**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Organization*

The Chicago Lighthouse for People Who Are Blind or Visually Impaired (“The Lighthouse”), an Illinois not-for-profit corporation, offers programs and services throughout the Chicago metropolitan area, the State of Illinois and the United States, assisting people who are blind, visually impaired and multi-disabled as a social service and rehabilitation agency, through both community-oriented and nationwide activities.

*Use of Estimates*

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

*Cash and Cash Equivalents*

For purposes of the statements of cash flows, The Lighthouse considers all highly liquid money market funds with a maturity of three months or less when purchased to be cash equivalents.

*Accounts Receivable*

The Lighthouse evaluates the collectibility of its accounts receivable based on the length of time a receivable is outstanding, type of receivable and the anticipated future uncollectible amounts based on historical experience. Accounts receivable are charged to the allowance for doubtful accounts when they are deemed uncollectible. The Lighthouse does not require collateral.

*Inventories*

Inventories are carried at the lower of cost (first-in, first-out basis) or market.

*Investments*

Investments in equity securities with readily determinable fair values and all investments in debt securities are carried at fair value. Investments of all funds are pooled, and gains and losses are allocated to the respective funds based upon their relative interests in the investment pool.

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

***Land, Building and Equipment***

Land, building and equipment are carried at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method and is allocated to each program or function based upon utilization. Useful lives for buildings and equipment range from three to 40 years.

***Public Support, Revenues and Expenses***

Lighthouse Industries sales are recognized on the basis of completed production for assembly contracts and upon shipment of merchandise for product sales.

Contributions are recorded at their fair market value and are considered to be available for the general programs at The Lighthouse unless specifically restricted by the donor.

***Shipping and Handling Costs***

The Lighthouse records shipping and handling costs related to Lighthouse Industries sales within program services expenses. Shipping and handling costs were \$140,423 and \$126,814 for the years ended June 30, 2009 and 2008, respectively.

***Temporarily and Permanently Restricted Net Assets***

Temporarily restricted net assets are assets the use of which has been limited by donors to a specific time period or purpose. Assets released from restrictions that are used for the purchase of fixed assets or capital purposes are reported in the accompanying statements of activities as additions to unrestricted net assets. Assets released from restrictions that are used for operating purposes are reported in the accompanying statements of activities as unrestricted revenues, gains and other support. Restricted earnings are recorded as temporarily restricted net assets until amounts are expended in accordance with donors' specifications.

Permanently restricted net assets consist of amounts held in perpetuity. Earnings on the investments of the endowment funds are included in temporarily restricted revenue and support.

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

***Donor-Restricted Gifts***

Unconditional promises to give cash and other assets are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor-restricted gifts, with restrictions that expire during the fiscal year in which the gift is received, are reported as unrestricted net assets. In the absence of donor-imposed restrictions on the use of the assets, gifts of long-lived assets are reported as unrestricted support. It is The Lighthouse's policy not to apply time restrictions expiring over the useful life of long-lived assets.

***Investment Spending Rate Policy on Unrestricted and Temporarily Restricted Investments***

The Lighthouse's Board of Directors has authorized a policy permitting the use of investment funds at a rate ("spending rate") of up to 6.0% of the average market value of the unrestricted investment portfolio on the last day of the three preceding fiscal years for budgeting of current operations. In addition, the Board of Directors has also approved the use of earnings on invested temporarily restricted net assets. In 2009, the actual spending rate was 10.0%, and in 2008 it was 5.0%.

***Endowment Spending Rate Policy***

The Lighthouse's endowment fund investments are managed to achieve the maximum long-term total return. The Lighthouse's Board of Directors has authorized a policy permitting the use of total returns at a rate ("spending rate") of up to 6.0% of the average market value of the endowment portfolio on the last day of the three preceding fiscal years for current operations. The remainder is retained to support operations in future years. This policy is designed to preserve the value of the portfolio in real terms (after inflation) and provide a predictable flow of funds to support operations currently and into the future. In 2009, the actual spending rate was 6.0%, and in 2008 it was 5.0%.

***Fair Value Measurements***

Effective July 1, 2008, The Lighthouse adopted Statement of Financial Accounting Standards ("SFAS") No. 157, "*Fair Value Measurements*," which defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. SFAS No. 157 maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*Fair Value Measurements - Continued*

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market. These include active listed equities, certain U.S. Government and sovereign obligations, and certain money market securities.

Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities includes investments for which quoted prices are available but which are traded less frequently and investments that are fairly valued using other securities, the parameters of which can be directly observed. These include certain U.S. Government and sovereign obligations, most government agency securities, investment-grade corporate bonds, certain mortgage products, certain bank loans and bridge loans, less liquid listed equities, state, municipal and provincial obligations, most physical commodities and certain loan commitments and interest rate swap agreements.

Level 3 - Securities and trusts that have little to no observable pricing as of the report date. These instruments are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation. These instruments primarily consist of trust receivable accounts. The inputs used by The Lighthouse in estimating the value of Level 3 instruments is the fair value of the assets held by the trusts, less any projected obligations to the donor beneficiary.

***FASB Staff Position FIN 48-3***

In December 2008, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position (FSP) FIN 48-3, "*Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises.*" FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation No. 48 ("Interpretation 48"), "*Accounting for Uncertainty in Income Taxes,*" to its annual financial statements for fiscal years beginning after December 15, 2008. The Lighthouse has elected to defer the application of Interpretation 48 for the year ending June 30, 2009. The Lighthouse evaluates its uncertain tax positions using the provisions of SFAS



**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

*FASB Staff Position FIN 48-3 - Continued*

No. 5, “*Accounting for Contingencies.*” Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized.

*SFAS No. 165, “Subsequent Events”*

In May 2009, the FASB issued SFAS No. 165, “*Subsequent Events,*” to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. SFAS No. 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the balance-sheet date. The Lighthouse adopted SFAS No. 165 as of June 30, 2009, which was the required effective date.

**NOTE B - INVESTMENTS**

The following summary shows the cost and fair value of assets held in the investment pool at June 30:

	2009		2008	
	Cost	Fair value (carrying value)	Cost	Fair value (carrying value)
Private investment funds	\$ 2,416,432	\$ 2,434,233	\$ 2,416,431	\$ 2,789,999
Common stocks and equity funds	11,642,294	10,973,252	16,233,116	21,741,826
Bonds and other debt Instruments	<u>6,087,337</u>	<u>6,177,761</u>	<u>5,530,326</u>	<u>5,717,838</u>
	<u>\$20,146,063</u>	<u>\$19,585,246</u>	<u>\$24,179,873</u>	<u>\$30,249,663</u>

The investments include private investment funds valued at \$2,434,233 (8.0% of net assets).

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

**NOTE B - INVESTMENTS - Continued**

Investment return consists of the following for the years ended June 30:

	2009			Total
	Unrestricted	Temporarily restricted	Permanently restricted	
Investment income, dividends and interest	\$ 392,274	\$ 22,057	\$ -	\$ 414,331
Net realized losses	(1,252,556)	(81,673)	(1,811)	(1,336,040)
Net change in unrealized (depreciation) appreciation of long-term investments	<u>(6,216,719)</u>	<u>(413,888)</u>	<u>-</u>	<u>(6,630,607)</u>
	<u><u>\$(7,077,001)</u></u>	<u><u>\$(473,504)</u></u>	<u><u>\$(1,811)</u></u>	<u><u>\$(7,552,316)</u></u>
	2008			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Investment income, dividends and interest	\$ 566,162	\$ 72,701	\$ -	\$ 638,863
Net realized gains	1,749,783	12,215	1,456	1,763,454
Net change in unrealized (depreciation) appreciation of long-term investments	<u>(2,346,437)</u>	<u>(16,997)</u>	<u>-</u>	<u>(2,363,434)</u>
	<u><u>\$(30,492)</u></u>	<u><u>\$67,919</u></u>	<u><u>\$1,456</u></u>	<u><u>\$38,883</u></u>

**NOTE C - LAND, BUILDING AND EQUIPMENT**

Land, building and equipment consist of the following at June 30:

	2009	2008
Land	\$ 131,872	\$ 131,872
Building	10,563,180	10,548,608
Equipment	5,796,576	5,553,041
Construction-in-progress	<u>1,239,183</u>	<u>386,441</u>
	17,730,811	16,619,962
Less accumulated depreciation	<u>(10,848,042)</u>	<u>(10,085,017)</u>
Net land, building and equipment	<u><u>\$ 6,882,769</u></u>	<u><u>\$ 6,534,945</u></u>

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

**NOTE D - TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets include gifts of cash, grants and other assets for which donor-imposed restrictions have not been met and for which the ultimate purpose of the proceeds is not permanently restricted. Temporarily restricted net assets as of June 30 are available for the following purposes:

	<u>2009</u>	<u>2008</u>
Building expansion	\$ 833,392	\$1,433,468
Associate Board designation for future years	65,216	74,006
Birth to Three	268,526	423,021
Client emergency assistance	6,180	2,817
Program expansion and operations	1,551,840	569,011
Scholarship fund	109,647	72,388
Centennial Campaign	269,618	626,474
Purchase of fixed assets	35,960	43,700
Scholarship endowment	69,371	25,000
Instructional Materials Center	119,447	-
Charitable gift annuities	<u>45,901</u>	<u>99,139</u>
	<u>\$3,375,098</u>	<u>\$3,369,024</u>

Net assets were released from donor restrictions during the years ended June 30, 2009 and 2008, by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by donors for program restrictions accomplished totaling \$1,232,669 and \$608,225, respectively.

Permanently restricted net assets include principal gifts of cash, which are required by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations or operating purposes in accordance with donor restrictions. Permanently restricted net assets at June 30 are restricted for support of the following:

	<u>2009</u>	<u>2008</u>
Ongoing agency operations	\$ 706,722	\$ 706,722
Education of a person who is blind	200,000	200,000
Senior low vision care	500,000	500,000
Deaf-Blind Program	<u>31,018</u>	<u>32,829</u>
	<u>\$1,437,740</u>	<u>\$1,439,551</u>

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE E - ENDOWMENT NET ASSETS**

In August 2008, the FASB issued FASB Staff Position (“FSP”) 117-1, *Endowments of Not-For-Profit Organizations: Net Asset Classifications of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds.* FSP 117-1 is effective for fiscal years ending after December 15, 2008. FSP 117-1 addresses the net asset classification of donor-restricted endowment funds for organizations subject to an enacted version of the 2006 Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). Effective June 30, 2009, Illinois enacted a version of UPMIFA. A key component of FSP 117-1 is a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure.

Permanently restricted net assets are restricted as investments in perpetuity. The Lighthouse’s endowment consists of various individual funds established for different purposes that all support the mission of The Lighthouse. The Lighthouse’s endowment consists of \$2,464,157 in donor-restricted endowment funds and \$35,163 of Board-designated endowment funds. Net assets associated with The Lighthouse’s endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Lighthouse accounts for endowment net assets by preserving the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, The Lighthouse classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets, according to donor stipulations, until those amounts are appropriated for expenditure by The Lighthouse for the donor-stipulated purpose. The Lighthouse considers the following factors in making a determination either to appropriate or to accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of The Lighthouse’s Board-designated and donor-restricted endowment funds.
3. General economic conditions.
4. The possible effects of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of The Lighthouse.
7. The investment policies of The Lighthouse.

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE E - ENDOWMENT NET ASSETS - Continued**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires The Lighthouse to retain as a fund of perpetual duration. Deficiencies of this nature are reported in unrestricted net assets. The Lighthouse did not have any of these deficiencies as of June 30, 2009 and 2008.

The Lighthouse has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. As of June 30, 2009 and 2008, endowment assets include those assets of donor-restricted funds that The Lighthouse must hold in perpetuity or for donor-specified periods and Board-designated (quasi) endowment funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to provide adequate liquidity, maximizing returns on all funds invested and achieving full employment of all available funds as earning assets. The Lighthouse has an active Investment Committee that meets regularly to ensure that the objectives of the investment policy are being met and that the strategies used to meet the objectives are in accordance with The Lighthouse's investment policy.

During 2009, The Lighthouse had the following endowment-related activities:

**Endowment Net Asset Composition by Type of Fund**  
**As of June 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor endowment funds	\$ -	\$1,026,417	\$1,437,740	\$2,464,157
Board-designated funds	<u>35,163</u>	<u>-</u>	<u>-</u>	<u>35,163</u>
Total funds	<u>\$35,163</u>	<u>\$1,026,417</u>	<u>\$1,437,740</u>	<u>\$2,499,320</u>

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

**NOTE E - ENDOWMENT NET ASSETS - Continued**

**Changes in Endowment Net Assets**  
**For the Fiscal Year Ended June 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Net assets, beginning of year	\$35,163	\$ 1,354,238	\$1,439,551	\$ 2,828,952
Investment return				
Investment income	651	27,795	-	28,446
Net depreciation (realized and unrealized)	<u>-</u>	<u>(327,821)</u>	<u>(1,811)</u>	<u>(329,632)</u>
Total investment return	651	(300,026)	(1,811)	(301,186)
Appropriation of endowment assets for expenditure	<u>(651)</u>	<u>(27,795)</u>	<u>-</u>	<u>(28,446)</u>
Net change	<u>-</u>	<u>(327,821)</u>	<u>(1,811)</u>	<u>(329,632)</u>
Net assets, end of year	<u>\$35,163</u>	<u>\$ 1,026,417</u>	<u>\$1,437,740</u>	<u>\$ 2,499,320</u>

**Endowment Net Asset Composition by Type of Fund**  
**As of June 30, 2008**

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor endowment funds	\$ -	\$1,354,238	\$1,439,551	\$2,793,789
Board-designated funds	<u>35,163</u>	<u>-</u>	<u>-</u>	<u>35,163</u>
Total funds	<u>\$35,163</u>	<u>\$1,354,238</u>	<u>\$1,439,551</u>	<u>\$2,828,952</u>

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

**NOTE E - ENDOWMENT NET ASSETS - Continued**

**Changes in Endowment Net Assets**  
**For the Fiscal Year Ended June 30, 2008**

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Net assets, beginning of year	\$35,163	\$1,618,771	\$1,425,595	\$3,079,529
Investment returns				
Investment income	950	38,498	-	39,448
Net depreciation (realized and unrealized)	-	(264,533)	1,456	(263,077)
Total investment return	950	(226,035)	1,456	(223,629)
New gifts	-	-	12,500	12,500
Appropriation of endowment assets for expenditure	(950)	(38,498)	-	(39,448)
Net change	-	(264,533)	13,956	(250,577)
Net assets, end of year	<u>\$35,163</u>	<u>\$1,354,238</u>	<u>\$1,439,551</u>	<u>\$2,828,952</u>

**NOTE F - CONTRIBUTIONS RECEIVABLE**

Contributions receivable at June 30 include the following:

	2009	2008
Unconditional promises to give due in		
Less than one year	\$ 877,524	\$1,030,179
One to five years	<u>281,755</u>	<u>795,573</u>
	1,159,279	1,825,752
Less allowance for uncollectible accounts and unamortized discount	<u>(54,889)</u>	<u>(113,901)</u>
Contributions receivable, net	<u>\$1,104,390</u>	<u>\$1,711,851</u>

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE G - MAJOR CUSTOMER**

Approximately 69% and 74% of The Lighthouse Industries sales during fiscal 2009 and 2008, respectively, were made to various federal government agencies.

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**NOTE H - EMPLOYEE BENEFIT PLAN**

All employees and employed production workers who have completed one year of service and are 21 years of age are eligible to participate in The Chicago Lighthouse Modified Defined Contribution Plan. The Lighthouse's contribution to this plan each year is equal to 5% of the total compensation of eligible employees who complete at least 500 hours and eligible employed production workers who complete at least one hour of service (as defined) during the plan year. Total plan expense in 2009 and 2008 was \$306,568 and \$288,266, respectively.

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**NOTE I - UNITED WAY OF METROPOLITAN CHICAGO PUBLIC SUPPORT**

United Way provided support of \$15,463 and \$21,686 in fiscal 2009 and 2008, respectively, in matching support of the otherwise federally funded Title XX program of the Department of Health and Human Services administered by the State of Illinois Departments of Rehabilitation Services and Public Aid. The Lighthouse obtained \$500,592 in fiscal 2009 and 2008 under Title XX for support of its sheltered workshop and certain other programs, which is reported with program revenues, rehabilitation training course fees, and subsidies.

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**NOTE J - INCOME TAXES**

The Lighthouse is a tax-exempt organization, as defined by Section 501(c)(3) of the Internal Revenue Code. Accordingly, The Lighthouse has no provision for income taxes.



**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE K - FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following table summarizes investments by SFAS No. 157 levels as of December 31, 2008:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Private investment funds	\$ -	\$2,434,233	\$ -	\$2,434,233
Common stocks and equity fund	10,973,252	-	-	10,973,252
Bonds and other debt instruments	<u>6,177,761</u>	<u>-</u>	<u>-</u>	<u>6,177,761</u>
	<u>\$17,151,013</u>	<u>\$2,434,233</u>	<u>\$ -</u>	<u>\$19,585,246</u>

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**NOTE L - ALLOWANCE FOR DOUBTFUL ACCOUNTS**

Changes in The Lighthouse's allowance for doubtful accounts for the years ended June 30 are as follows:

	<u>2009</u>	<u>2008</u>
Accounts receivable allowance for doubtful accounts		
Beginning balance	\$ 40,000	\$ 24,000
Bad debt expense	58,966	69,640
Accounts written off	<u>(48,966)</u>	<u>(53,640)</u>
Ending balance	<u>\$ 50,000</u>	<u>\$ 40,000</u>

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**NOTE M - NET ASSETS RELEASED FROM RESTRICTIONS**

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by the passage of time as follows for the years ended June 30:

	<u>2009</u>	<u>2008</u>
Building expansion	\$ 348,160	\$ 13,284
Birth to Three	252,300	220,853
Client emergency assistance	-	2,191
Program expansion and operations	178,403	120,535
Scholarship program	72,564	102,198
Centennial Campaign	362,683	129,615
Purchase of fixed assets	<u>18,559</u>	<u>19,549</u>
	<u>\$1,232,669</u>	<u>\$608,225</u>

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
**June 30, 2009 and 2008**

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**NOTE N - SUBSEQUENT EVENTS**

The Lighthouse evaluated its June 30, 2009 financial statements for subsequent events through December 14, 2009, the date the financials were available to be issued. The Lighthouse is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

**The Chicago Lighthouse for People Who Are Blind or Visually Impaired**  
**DIRECTLY RELATED INCOME - SALES, FEES, SUBSIDIES AND CONTRIBUTIONS BY PROGRAM,**  
**NET OF EXPENSES AND ADJUSTMENT FOR RESTRICTED NET ASSETS**  
**Year Ended June 30, 2009**

	TOTAL	INSTRUCTIONAL				CHILD DEV CTR	COMMUNICA- TIONS CTR	JOB PLACEMENT	SUPPORTED EMPLOYMENT	SENIORS COMPUTER	ELDERLY	WORK		OFFICE SKILLS	VOCATIONAL EVALUATION	VENDING PROGRAM
		LIGHTHOUSE INDUSTRIES	MATERIALS CENTER	HOMEBOUNDED	ADJUSTMENT TRAINING							TRAINING				
CONTRIBUTIONS	\$ 841,359	\$ 46,972	\$ 48,652	\$ 208,455	\$ 3,099	\$ 15,000	\$ 76,321	\$ 18,750	\$ 2,070	\$ -	\$ -	\$ 17,252	\$ 25,000	\$ -	\$ -	
UNITED WAY	15,462	3,767	-	-	-	-	1,242	-	-	-	-	1,762	-	-	-	
PROGRAM REVENUE																
WORKSHOP SALES	3,549,754	3,549,754	-	-	-	-	-	-	-	-	-	-	-	-	-	
REHAB TRAINING COURSE FEES & SUBSIDIES																
DEPT. OF HUMAN SERVICES	1,295,862	-	-	124,408	-	-	127,000	95,791	80,000	85,812	76,313	-	136,500	59,850	-	
TITLE XX	500,592	121,944	-	-	-	-	40,217	-	-	-	-	57,043	-	-	-	
CHICAGO BOARD OF EDUCATION	1,476,274	-	-	-	1,476,274	-	-	-	-	-	-	-	-	-	-	
SUBURBAN SCHOOL DISTRICTS	336,942	-	-	-	336,942	-	-	-	-	-	-	-	-	-	-	
AMERICAN PRINTING HOUSE	778,650	-	744,168	7,374	17,461	-	212	-	-	-	-	-	684	-	-	
IL. STATE BOARD OF EDUCATION	2,240,131	-	2,240,131	-	-	-	-	-	-	-	-	-	-	-	-	
CITY OF CHICAGO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
OTHER	263,680	-	-	-	77,933	-	2,500	-	-	-	-	4,640	-	1,050	-	
TOTAL REHAB FEES & SUBSIDIES	6,892,131	121,944	2,984,299	131,782	1,908,610	-	169,929	95,791	80,000	85,812	76,313	61,683	137,184	60,900	-	
OPTICAL AID FEES & SALES	678,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
RESEARCH GRANTS	72,747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
SERVICE CONTRACT REVENUE	973,790	283,864	-	-	-	-	-	-	-	-	-	-	-	-	276,500	
OTHER INCOME	141,340	-	149	-	-	-	-	-	-	-	-	-	-	-	-	
INVESTMENT INCOME	41,481	22,742	-	-	-	-	-	-	-	-	-	-	3,704	-	-	
TOTAL REVENUES	13,206,240	4,029,043	3,033,100	340,237	1,911,709	15,000	247,492	114,541	82,070	85,812	76,313	80,697	165,888	60,900	276,500	
PROGRAM EXPENSES	14,499,338	4,669,244	2,818,894	475,148	1,666,724	11,890	189,245	127,678	117,211	98,535	82,137	101,536	192,503	148,954	175,239	
PROGRAM REVENUE IN EXCESS OF (LESS THAN) PROGRAM EXPENSES	(1,293,098)	(640,201)	214,206	(134,911)	244,985	3,110	58,247	(13,137)	(35,141)	(12,723)	(5,824)	(20,839)	(26,615)	(88,054)	101,261	
ALLOCATED MANAGEMENT & GENERAL EXPENSES	3,120,460	711,153	170,065	176,306	494,593	4,057	74,579	48,991	42,126	25,276	30,269	39,630	68,026	56,168	69,898	
PROGRAM REVENUE IN EXCESS OF (LESS THAN) PROG. EXPENSES & ALLOC. MGMT & GEN EXP.	(4,413,558)	(1,351,354)	44,141	(311,217)	(249,608)	(947)	(16,332)	(62,128)	(77,267)	(37,999)	(36,093)	(60,469)	(94,641)	(144,222)	31,363	
NET ASSETS RELEASED FROM RESTRICTION	503,265	19,907	-	252,300	1,403	-	-	-	-	-	-	-	-	-	-	
CONTRIBUTIONS RESTRICTED TO FUTURE YEARS	(438,932)	(10,000)	(119,447)	(36,805)	-	(15,000)	(18,750)	(18,750)	(1,930)	-	-	-	-	-	-	
NET ACTIVITY	\$(4,349,225)	\$(1,341,447)	\$(75,306)	\$(95,722)	\$(248,205)	\$(15,947)	\$(35,082)	\$(80,878)	\$(79,197)	\$(37,999)	\$(36,093)	\$(60,469)	\$(94,641)	\$(144,222)	\$ 31,363	

SOCIAL SERVICES	MOBILITY	GOVT SERVICE CONTRACTS	PANITCH SCHOLARSHIP PROGAM	MIDWAY	LOW VISION	KANE LEGAL CLINIC	CRIS RADIO	ADULT LIVING SKILLS	WORK ACTIVITIES CENTER	I.T.A.C.	DEAF - BLIND	YOUTH PROGRAM	ADAPTIVE TECHNOLOGY	HELP DESK
\$ 2,794	\$ -	\$ -	\$ 99,823	\$ -	\$ 81,428	\$ 2,379	\$ 52,274	\$ -	\$ 37,915	\$ -	\$ 29,810	\$ 14,116	\$ 40,499	\$ 18,750
-	-	-	-	-	-	-	-	-	3,872	-	2,602	-	2,217	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	46,036	-	-	-	-	-	-	396,607	-	-	-	-	67,545	-
-	-	-	-	-	-	-	-	-	125,360	-	84,259	-	71,769	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	31	-	3,634	-	-	3,625	-	-	1,461	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	7,380	-	-	-	52,000	-	68,599	-	-	49,578	-	-	-	-
-	53,416	-	31	-	55,634	-	68,599	400,232	125,360	49,578	85,720	-	139,314	-
-	-	-	-	-	678,176	-	-	-	-	-	-	-	-	-
-	-	-	-	-	72,747	-	-	-	-	-	-	-	-	-
-	-	413,426	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	124,814	-	2,860	1,640	3,291	-	-	3,440	-	5,146	-
-	-	-	(423)	-	16,646	-	33	-	-	-	(1,221)	-	-	-
2,794	53,416	413,426	99,431	124,814	904,631	5,239	122,546	403,523	167,147	49,578	120,351	14,116	187,176	18,750
3,851	94,227	348,279	80,714	129,557	1,292,392	82,842	310,657	461,743	230,905	41,912	129,135	57,321	268,364	92,501
(1,057)	(40,811)	65,147	18,717	(4,743)	(387,761)	(77,603)	(188,111)	(58,220)	(63,758)	7,666	(8,784)	(43,205)	(81,188)	(73,751)
1,872	38,070	163,824	-	41,814	291,139	35,261	100,167	160,080	80,820	14,666	42,438	23,715	80,196	35,261
(2,929)	(78,881)	(98,677)	18,717	(46,557)	(678,900)	(112,864)	(288,278)	(218,300)	(144,578)	(7,000)	(51,222)	(66,920)	(161,384)	(109,012)
(570)	-	-	72,564	-	18,400	2,513	50,627	-	-	-	4,000	82,121	-	-
(2,794)	-	-	(99,823)	-	(52,000)	(379)	(10,059)	-	-	-	(1,579)	(14,116)	(18,750)	(18,750)
\$ (6,293)	\$ (78,881)	\$ (98,677)	\$ (8,542)	\$ (46,557)	\$ (712,500)	\$ (110,730)	\$ (247,710)	\$ (218,300)	\$ (144,578)	\$ (7,000)	\$ (48,801)	\$ 1,085	\$ (180,134)	\$ (127,762)