



The Eye-Bank for Sight Restoration, Inc. Financial Report 2006



Marilyn L. Castaldi
President

PRESIDENT'S REPORT

The 2006 year was an exciting one for The Eye-Bank for Sight Restoration, marked by a successful spring benefit, a developing new trend in transplantation, the creation of a Legacy Society and the launch of a major public awareness campaign.

Once again, The Eye-Bank was able to supply corneal tissue for more than a thousand sight-restoring transplant procedures. The number of eye donations in 2006 was 1,034 figuring slightly lower than the 1,054 eye donations received in 2005.

On the other hand, The Eye-Bank's ongoing Ocular Tissue Research Program showed significant gains in 2006. A total of 228 donor eyes were provided to scientists for research, nearly a hundred more than in the previous year. The Eye-Bank began its Ocular Tissue Research Program in 2003 to help researchers seeking cures and treatments of such blinding eye diseases as glaucoma and diseases of the retina.

A new measurement being recorded at The Eye-Bank is the growing number of corneas being used for endothelial keratoplasty (EK) procedures. This surgical technique varies from a traditional cornea transplant or penetrating keratoplasty (PK) in that only the patient's diseased endothelium (a layer of corneal tissue) is removed and replaced with a healthy layer of endothelial tissue provided by a donor cornea. The procedure does not require a full thickness graft or sutures. In 2006, The Eye-Bank provided tissue for 106 EK procedures, compared to just nine requests in 2005.

The projected increase in demand for corneal tissue to be used in EK procedures, combined with the need to sustain eye donations, compelled The Eye-Bank to embark on an awareness campaign about the critical need for increased eye donations.

In the last quarter of 2006, The Eye-Bank reached out to donor families and transplant recipients willing to share their personal stories. Many families responded, including Elaine Orbach, wife of actor Jerry Orbach who died in 2004 and was an eye donor leaving the gift of sight to two New Yorkers. With Mrs. Orbach's permission, The Eye-Bank was able to create a very compelling ad campaign featuring the actor famous for many roles on stage and screen, including a long-running role as New York City police detective Lenny Brisco on the NBC television drama, "Law & Order."

Working with outside consultants Power Media, Inc. for marketing and media buying and Goodnight

Advertising on creative, The Eye-Bank launched its first multi-media campaign featuring eye donor Jerry Orbach on radio, television and in newspapers during the last week of December 2006. Since capturing much of New York City's attention would not be complete without utilizing the city's transit system, subway ads were launched in early 2007.

Early results – calls to The Eye-Bank and hits on The Eye-Bank's website – indicate that the campaign was hugely successful in generating many more eye donations in our service area.

Another first for The Eye-Bank was the creation of the *Paton Legacy Society*. This program pays tribute to The Eye-Bank's founder Dr. R. Townley Paton by acknowledging The Eye-Bank's financial contributors who make bequests in their wills. These bequests and trusts will help to ensure The Eye-Bank's ability to carry on Dr. Paton's vision for sight restoration well into the future.

In terms of other fundraising, The Eye-Bank hosted its fourth annual Wine Tasting and Auction on April 4, 2006 at The Colony Club in New York City. The successful Spring Benefit was co-chaired by Eye-Bank Board Director Rachel Heisler and Medical Advisory Board Secretary Dr. David Ritterband and raised more than \$62,000 for programs conducted by The Eye-Bank's public and professional education department. I would like to extend a warm thank you to all the supporters who attended this special event, as well as to the wine distributors and folks who donated fine wine and luxury items for auction.

Lastly, and on a more somber note, I close this report with special words of tribute to two of our long-time champions and highly-revered Board members who passed away in 2006 – Mrs. Wendy Russell and Mr. O. Milton Gossett. Their guidance and generosity in promoting the mission of The Eye-Bank were most appreciatively received and made them models to which we might all aspire.

As always, on behalf of The Eye-Bank and all of our cornea transplant recipients who have benefited so much from those who left the gift of sight, I bid a sincere thank you to our many kind and generous donor families. The gift of sight is a priceless legacy.

Marilyn L. Castaldi
President

Major Donors *Italics denote EBSR Board Member or Medical Advisory Board Member*

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Mr. Herbert J. Ashe
The E. Nelson Asiel Fund
Association for Macular Diseases, Inc.
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Ms. Samantha E. Brown
Mr. Julian Burroughs
Mrs. Charlotte K. Carleton
Ms. Marilyn L. Castaldi
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Dr. and Mrs. Roger W. Steinhart
Mr. and Mrs. David Sullivan
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Mr. Jose A. Viñas Toledo
Mr. and Mrs. Paul Weinstein
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Sally Berger Foundation
The John N. Blackman Sr.
Foundation
Edith C. Blum Foundation, Inc.
The Bodman Foundation
The Edward T. Cone Foundation
Deeds Foundation
Feldman Family Foundation
The Gettinger Foundation
The Glickenhau Foundation
The Gordon and Llura Gund
Foundation
The Hyde and Watson Foundation

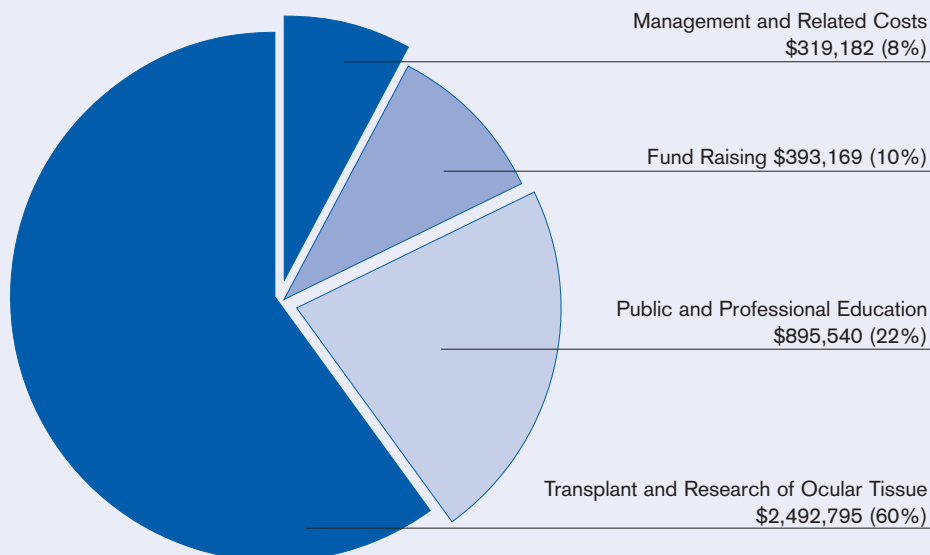
The Kandell Fund
F. M. Kirby Foundation, Inc.
Lavelle Fund for the Blind, Inc.
Charles Henry Leach, II Foundation
James A. MacDonald Foundation
The Macula Foundation, Inc.
Szerna & Albert Reitman
Foundation, Inc.
Allene Reuss Memorial Trust
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Foundation
The David & Sylvia Teitelbaum
Fund, Inc.
Legacies and Trusts
Estate of Rita Brous
Estate of Charles F. & Mildred Hayes
Estate of Mabel Hylton
McCurdy Trust
E. Milnor Peck Trust
Estate of Mary Mirenburg Vallon



BALANCE SHEET

	DECEMBER 31	
	2006	2005
Cash	197,195	208,304
Accounts Receivable and Other Current Assets	838,601	1,017,772
Property and Equipment, net	230,935	257,739
Investments - at fair value	12,621,463	11,636,149
Beneficial Interests in Charitable Trusts	4,328,512	39,258
TOTAL ASSETS	\$18,216,706	\$13,159,222
Liabilities - accounts payable and other current liabilities	\$488,157	\$365,063
NET ASSETS		
Unrestricted - undesignated	697,244	500,000
Unrestricted - designated for long-term investment	12,517,363	12,070,801
Temporarily restricted	734,925	119,258
Permanently restricted	3,779,017	104,100
TOTAL NET ASSETS	\$17,728,549	\$12,794,159
TOTAL LIABILITIES AND NET ASSETS	\$18,216,706	\$13,159,222

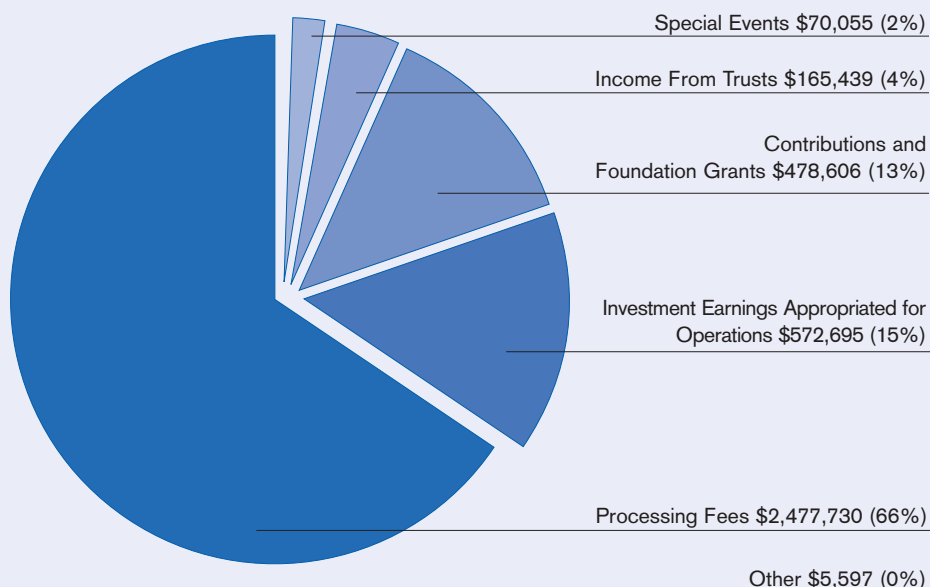
2006 TOTAL EXPENSES \$4,100,686



REVENUE, EXPENSES AND CHANGES IN NET ASSETS

	DECEMBER 31	
	2006	2005
OPERATING SUPPORT AND REVENUE:		
Contributions and Foundation Grants	478,606	488,256
Income from Trusts	165,439	192,983
Special Events	70,055	112,815
Processing fees	2,477,730	2,330,445
Investment earnings appropriated for operations	572,695	383,275
Other	5,597	10,166
TOTAL OPERATING SUPPORT AND REVENUE	\$3,770,122	\$3,517,940
EXPENSES:		
Transplant and Research of Ocular Tissue	2,492,795	2,118,866
Public & Professional Education	895,540	777,632
Fund Raising	393,169	357,194
Management and Related Costs	\$319,182	\$318,804
TOTAL OPERATING EXPENSES	\$4,100,686	\$3,572,496
(DEFICIENCY) EXCESS OF OPERATING REVENUE OVER EXPENSES	\$(330,564)	\$(54,556)
NON-OPERATING REVENUE:		
Contributions from legacies and bequests	513,068	461,660
Change in value of split-interest agreements	196,958	N/A*
Investment earnings designated for long-term investment	\$455,157	\$(187,178)
CHANGE IN NET ASSETS	\$834,619	\$219,926

2006 TOTAL OPERATING SUPPORT AND REVENUE \$3,770,122



* NOT INCLUDED IN PREVIOUS REPORTS

This data has been extracted from our financial statements which were audited by Goldstein Golub Kessler, LLP, 1185 Avenue of the Americas, Suite 500, New York, N.Y. 10036-2602.

CAPITAL TRANSACTIONS

The Eye-Bank, in association with outside, independent counsel, has its investment portfolio under continuous review. The review's purpose is to improve dividend and interest income with securities, which in the carefully considered opinions of all concerned, are of sound value. With these objectives in mind, changes in holdings are made from time to time.

A copy of the Annual Report BSW-497 can be obtained on request from the Attorney General's Office, Charities Bureau, 120 Broadway, New York, NY 10271 or from The Eye-Bank.

The first eye bank in the world, The Eye-Bank for Sight Restoration was established in 1944 and incorporated under the laws of the State of New York. It is a voluntary, charitable organization devoted to the collection, processing and distribution of donor eye tissue for transplantation, research and medical education.

The Eye-Bank office and laboratory are located at 120 Wall Street, New York, NY 10005. Telephone (24 Hours): (212) 742-9000, Fax: (212) 269-3139. E-mail: info@ebsr.org, Internet address: www.eyedonation.org.

These statements of conditions and results for the years ending December 31, 2005 and December 31, 2006 have been prepared by Goldstein, Golub, and Kessler LLP and presented in condensed form by management to provide a capsule view of our finances. Since January 1, 1978, in order to meet day-to-day expenses, The Eye-Bank for Sight Restoration, Inc., like other eye banks throughout the country, has assessed a fee for the processing of corneas.

The Eye-Bank has been able to build up a financial reserve thanks to the receipts from legacies. However, legacy income is largely unpredictable. We hope that our benefactors and good friends, a major source of support, will continue to aid us and, through this means, greatly help The Eye-Bank meet its daily operating needs. To include The Eye-Bank in your will, just add the following language: "I give and bequeath to The Eye-Bank for Sight Restoration, Inc., the sum of \$ _____ to be applied to the uses and purposes of the corporation."

Officers and Board Members as of December 31: Mel M. Immergut, Honorary Director; David Paton, M.D., Honorary Director; George B. Snell, Honorary Director; Marilyn L. Castaldi, President; Carla H. Skodinski, Vice-President; James Fabian, Secretary; Joseph J. D'Ambrosio, CFA, Treasurer; Donna G. Banks; Giovanni F. DiCenso; Margaret P. Farley; William H. Forsyth, Jr.; Jason B. Harper; Rachel A. Heisler; Richard A. Mittenenthal; Michael Mullins; Andrea Nordquist; Herbert Robinson; Barbara A. Sloan; Anne Alexis Coté Taylor

Medical Advisory Board: Michael B. Starr, M.D., Chair; David C. Ritterband, M.D., Secretary; Charles S. Hirsch, M.D., Honorary Member; Sandra C. Belmont, M.D.; Richard E. Braunstein, M.D.; Douglas F. Buxton, M.D.; Robert C. Cykiert, M.D.; Michael P. Ehrenhaus, M.D.; A. John Kanellopoulos, M.D.; Harry R. Koster, M.D.; Mark A. Lebowitz, M.D.; John W. Lombardo, M.D.; Sidney Mandelbaum, M.D.; Steven A. McCormick, M.D.; Norman B. Medow, M.S.; Richard D. Najac, M.D.; Richard J. Nattis, M.D.; Michael J. Newton, M.D.; Beth G. Raucher, M.D.; Michelle K. Rhee, M.D.; Donna E. Siracuse-Lee, M.D.; Barrie D. Soloway, M.D.; Richard F. Spaide, M.D.; Laurence T.D. Sperber, M.D.; Gerald W. Zaidman, M.D.

Patricia Dahl, Executive Director/CEO; Wing Chu, M.D., Medical Director