



## Audited Financial Statements

December 31, 2018

## **Independent Auditor's Report**

To the Board of Directors of  
Fight for Sight, Inc.

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of Fight for Sight, Inc. ("FFS"), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 organization'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 organization'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***

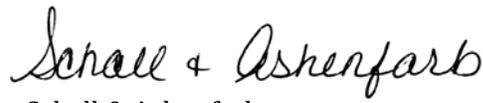
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fight for Sight, Inc. as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, FFS adopted Accounting Standards Update (“ASU”) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

***Report on Summarized Comparative Information***

We have previously audited FFS’s 2017 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Schall & Ashenfarb  
Certified Public Accountants, LLC

July 8, 2019

**FIGHT FOR SIGHT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT DECEMBER 31, 2018**  
(With comparative totals for December 31, 2017)

	<u>12/31/18</u>	<u>12/31/17</u>
<b>Assets</b>		
Cash and cash equivalents	\$49,843	\$28,947
Investments, at market (Note 3)	1,321,202	1,847,440
Pledges receivable, net	43,308	33,210
Prepaid expenses and other assets	19,638	15,956
Property and equipment, net (Note 4)	1,063	6,078
Beneficial interest in perpetual trust (Note 5)	<u>78,568</u>	<u>89,864</u>
 Total assets	 <u><u>\$1,513,622</u></u>	 <u><u>\$2,021,495</u></u>
 <b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$13,750	\$17,685
Research grants and fellowships payable (Note 5)	45,000	45,000
Deferred rent (Note 6)	<u>10,444</u>	<u>20,954</u>
Total liabilities	<u>69,194</u>	<u>83,639</u>
Net assets:		
Without donor restrictions	<u>1,353,360</u>	<u>1,813,129</u>
With donor restrictions (Note 5):		
Restricted for specific purpose	12,500	34,863
Donor restricted for perpetual trust	<u>78,568</u>	<u>89,864</u>
Total net assets with donor restrictions	<u>91,068</u>	<u>124,727</u>
 Total net assets	 <u>1,444,428</u>	 <u>1,937,856</u>
 Total liabilities and net assets	 <u><u>\$1,513,622</u></u>	 <u><u>\$2,021,495</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**FIGHT FOR SIGHT, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(With comparative totals for the year ended December 31, 2017)

	With Donor Restrictions			Total 12/31/18	Total 12/31/17
	Without Donor Restrictions	Specific Purpose Restricted	Donor Restricted Perpetual Trust		
Public support and revenue:					
Contributions and grants	\$37,002	\$55,000		\$92,002	\$88,498
Legacies and bequests	25,102	20,995		46,097	31,584
Interest and dividends	35,590			35,590	45,746
Rental income	4,200			4,200	12,611
Special events (net expenses with a direct benefit to donor) (Note 7)	100,063			100,063	81,569
Other revenue	7,703			7,703	571
In-kind services				0	0
Net assets released from restrictions (Note 5)	98,358	(98,358)		0	0
<b>Total public support and revenue</b>	<b>308,018</b>	<b>(22,363)</b>	<b>0</b>	<b>285,655</b>	<b>260,579</b>
Expenses:					
Program services	514,643			514,643	434,013
Supporting services:					
Administration	93,790			93,790	123,522
Fundraising	47,571			47,571	76,356
<b>Total supporting services</b>	<b>141,361</b>	<b>0</b>	<b>0</b>	<b>141,361</b>	<b>199,878</b>
<b>Total expenses</b>	<b>656,004</b>	<b>0</b>	<b>0</b>	<b>656,004</b>	<b>633,891</b>
Change in net assets from operations	(347,986)	(22,363)	0	(370,349)	(373,312)
Non-operating revenue:					
Change in value of beneficial interest in perpetual trust			(11,296)	(11,296)	9,930
Investment (loss)/gain	(111,783)			(111,783)	214,773
Change in net assets	(459,769)	(22,363)	(11,296)	(493,428)	(148,609)
Net assets - beginning of year	1,813,129	34,863	89,864	1,937,856	2,086,465
Net assets - end of year	\$1,353,360	\$12,500	\$78,568	\$1,444,428	\$1,937,856

*The attached notes and auditor's report are an integral part of these financial statements.*

**FIGHT FOR SIGHT, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

(With comparative totals for the year ended December 31, 2017)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/18	Total Expenses 12/31/17*
	Program Services	Admin	Fundraising			
Research grants and fellowships (Notes 1 and 5)	\$181,750				\$181,750	\$145,000
Salaries	139,628	\$26,180	\$8,726	\$34,906	174,534	174,430
Payroll taxes and employee benefits	59,687	11,191	3,730	14,921	74,608	50,568
Rent (Note 6)	68,584	12,859	4,286	17,145	85,729	80,126
Professional fees	22,860	29,129	918	30,047	52,907	78,877
Meetings, conferences and volunteers	24,267	4,550	1,517	6,067	30,334	35,342
Printing and publications	4,346			0	4,346	4,305
Special event expenses			53,653	53,653	53,653	51,117
Postage and shipping		257		257	257	523
Office	8,351	1,566	522	2,088	10,439	20,720
Insurance		2,074		2,074	2,074	2,586
Telecommunications	5,170	969	323	1,292	6,462	6,067
Miscellaneous			3,515	3,515	3,515	20,731
Depreciation		5,015		5,015	5,015	5,531
<b>Total program and supporting services expenses</b>	<b>514,643</b>	<b>93,790</b>	<b>77,190</b>	<b>170,980</b>	<b>685,623</b>	<b>675,923</b>
Less: cost of direct benefits to donors			(29,619)	(29,619)	(29,619)	(42,032)
<b>Total Expenses</b>	<b>\$514,643</b>	<b>\$93,790</b>	<b>\$47,571</b>	<b>\$141,361</b>	<b>\$656,004</b>	<b>\$633,891</b>

\*Reclassified for comparative purposes

*The attached notes and auditor's report are an integral part of these financial statements.*

**FIGHT FOR SIGHT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

(With comparative totals for the year ended December 31, 2017)

	<u>12/31/18</u>	<u>12/31/17</u>
Cash flows from operating activities:		
Change in net assets	(\$493,428)	(\$148,609)
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	5,015	5,531
Net realized and unrealized loss/(gain) on investments	111,783	(214,773)
Change in value of beneficial interest in perpetual trust	11,296	(9,930)
Changes in assets and liabilities:		
Pledges receivable	(10,098)	8,475
Prepaid expenses and other assets	(3,682)	589
Accounts payable and accrued expenses	(3,935)	(1,597)
Research grants and fellowships payable	0	(24,000)
Deferred income	0	(7,600)
Deferred rent	(10,510)	(8,603)
Total adjustments	<u>99,869</u>	<u>(251,908)</u>
Net cash used for operating activities	<u>(393,559)</u>	<u>(400,517)</u>
Cash flows from investing activities:		
Proceeds from investment sales	1,917,165	812,717
Purchases of investments	<u>(1,502,710)</u>	<u>(496,515)</u>
Net cash provided by investing activities	<u>414,455</u>	<u>316,202</u>
Net increase/(decrease) in cash and cash equivalents	20,896	(84,315)
Cash and cash equivalents - beginning of year	<u>28,947</u>	<u>113,262</u>
Cash and cash equivalents - end of year	<u><u>\$49,843</u></u>	<u><u>\$28,947</u></u>
Supplemental disclosure of cash flow information:		
Total interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**FIGHT FOR SIGHT, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

**Note 1 - Organization and Nature of Activities**

Fight for Sight, Inc. ("FFS") was founded as the National Council to Combat Blindness, Inc. ("NCCB") in New York in 1946. The name, ***Fight for Sight***, was adopted in 1959 to reinforce the idea of a battle against eye disease.

Experts acknowledge that blindness and/or visual disability can lead to reduced quality of life and loss of independence. With an increasingly generally healthy and aging population, preserving eyesight has become a major societal concern. Finding new ways to prevent, delay, treat, and cure eye diseases is therefore essential. FFS furthers its mission of fighting eye disease by identifying promising scientists early in their careers and providing initial research support. FFS believes obtaining such funding is critical to their future success as vision scientists. More than 3,000 grants have been awarded since 1947 and many grant recipients have become leaders in the fields of ophthalmology and vision science.

Research proposals are solicited on an annual basis and reviewed and ranked by panels of scientific and medical experts who comprise FFS's "Scientific Review Committee" (SRC). All grants are selected on a competitive basis and awarded to the institution where the research is conducted. On occasion, recommendations for special awards may be made by the Scientific Director in consultation with and after approval by the Executive Director and the Board. During the year ended December 31, 2018, grants and awards totaling \$181,750 were made:

- **Grants-in-Aid: (\$67,500)** grants were made to researchers within three years of their first faculty appointment who have no support other than departmental funds. The recipients are expected to use these grants to generate preliminary results in order to obtain significant subsequent funding from other sources.
- **Post-doctoral Awards: (\$81,750)** grants, including a special NANOS award of \$3,000 were awarded to PhDs, MDs or ODs, who intend to pursue academic careers in ophthalmology or vision sciences. The awardees are expected to utilize their funding for their post-doctoral research projects as part of their training as independent scientists.
- **Summer Student Fellowships: (\$32,500)** grants were made to undergraduates, graduates and/or medical students contemplating careers in eye research. The students were given the opportunity to work under the direction of established scientists on projects related to eye disease or vision disorders.

The principal sources of support for FFS are contributions from individuals, alumni, foundations, bequests and investment income.

## Note 2 - Summary of Significant Accounting Policies

### a. Basis of Accounting

FFS's financial statements have been prepared on the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than when received or paid.

Effective January 1, 2018, FFS adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 - Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 9).

Implementation of ASU 2016-14 did not require any reclassification or restatement of opening balances on the Statement of Financial Position.

### b. Basis of Presentation

As a not-for-profit organization, net assets are maintained under the following two classes:

- *Net Assets Without Donor restrictions* - represent those resources for which there are no restrictions by donors as to their use.
- *Net Assets With Donor Restrictions* - represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

### c. Contributions

Contributions received without donor-imposed restrictions or whose restrictions are met in the period received are recorded as an increase in net assets without donor restrictions. All other donor-restricted support is reported as an increase in net assets with donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

### d. Cash and Cash Equivalents

FFS considers highly liquid investments with an initial maturity date of three months or less, to be cash and cash equivalents excluding investments held for long term purposes and managed by FFS' investment managers.

e. Investments and Investment Income

Investments in marketable securities are reported at fair values, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Net realized and unrealized gains and losses are included on the statement of activities.

Donated securities are recorded at their fair value on the date of the gift.

f. Concentration of Credit Risk

Financial instruments which potentially subject FFS to concentration of credit risk consist of cash, money market accounts and investment securities which are placed with high-quality financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. FFS has not experienced any losses due to failure of any financial institutions.

FFS has significant investments in stocks, bonds, mutual funds and other specific, structured investments and, therefore, is subject to concentrations of credit risk. Investments are made by investment managers engaged by FFS. Although the fair value of investments is subject to fluctuations on a year-to-year basis, management believes the investment policy is prudent for the long-term welfare of FFS.

g. Pledges Receivable

Pledges are recognized as revenue in the period a promise is considered unconditional in nature. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value using risk-adjusted present value techniques. Based on knowledge of specific donors and a review of historical experience, management deems these receivables fully collectible and has not established any reserves.

h. Property and Equipment

Property and equipment is stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Property and equipment is depreciated on a straight-line basis over the assets estimated useful life. Leasehold improvements are amortized over the life of the lease. FFS capitalizes all property and equipment in excess of predetermined levels and a useful life of greater than one year.

i. Legacies and Bequests

FFS recognizes bequests when they become known and when the will, or the individual, is declared valid by the probate court.

j. Donated Services

Donated services that create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind, are recognized at fair value. No in-kind services were received in 2018 and 2017.

Although FFS receives services from board members and other volunteers, these services do not meet the criteria for recognition as outlined above and have not been recorded.

k. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with FFS's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

l. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of FFS.

The following costs are allocated using time and effort as the basis:

- Salaries
- Payroll taxes and employees benefits
- Office expenses
- Telecommunications
- Occupancy

All other expenses have been charged directly to the applicable program or supporting services.

m. Management 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 disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

n. Tax Status and Accounting for Uncertainty of Income Taxes

Fight for Sight has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined under Section 509(a)(1) of the Internal Revenue Code.

FFS does not believe its financial statements include any uncertain tax positions. Tax filings for periods ending December 31, 2015 and later are subject to examination by applicable taxing authorities.

o. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through July 8, 2019, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements.

p. New Accounting Pronouncement

On June 21, 2018, FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU which becomes effective for the December 31, 2019 year, with early implementation permitted, provides guidance on whether a receipt from a third party resource provider should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU, which becomes effective for the December 31, 2020 year, requires all leases to be reflected as assets and liabilities on the statement of financial position.

FFS is in the process of evaluating the impact these standards will have on future financial statements.

### **Note 3 - Investments**

A fair value hierarchy is followed for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the securities based on market data obtained from sources independent of FFS. Unobservable inputs reflect FFS's assumptions about the inputs that market participants would use in pricing the security based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that FFS has the ability to access.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

At December 31, 2018 and 2017 all investments were considered to be Level 1 investments and consisted of the following:

	<u>12/31/18</u>	<u>12/31/17</u>
Money markets	\$15,988	\$37,785
Equities		
U.S. Large Cap	495,847	592,563
EAFE	210,937	400,495
Japanese Large Cap	39,832	19,607
Global	11,650	90,977
Mutual funds		
U.S. fixed income	444,898	483,180
Non-U.S. fixed income	<u>102,050</u>	<u>222,833</u>
Total	<u>\$1,321,202</u>	<u>\$1,847,440</u>

Level 1 securities are valued at the closing price reported on the active market that they are traded on.

**Note 4 - Property and Equipment**

Property and equipment consists of the following:

	<u>12/31/18</u>	<u>12/31/17</u>	<u>Estimated Useful Life</u>
Computers	\$24,155	\$24,155	<i>5 years</i>
Website	6,850	6,850	<i>3 years</i>
Furniture and equipment	27,110	27,110	<i>10 years</i>
Leasehold improvements	<u>2,010</u>	<u>2,010</u>	<i>124 months</i>
	60,125	60,125	
Less: accumulated depreciation	<u>(59,062)</u>	<u>(54,047)</u>	
Net book value	<u>\$1,063</u>	<u>\$6,078</u>	

**Note 5 - Net Assets**

Net assets with specific purpose restrictions of \$12,500 and \$34,863 as of December 31, 2018 and 2017, respectively, were available for research grants and fellowships.

Net assets of \$98,358 and \$100,300 were released from restrictions during the years ended December 31, 2018 and 2017, respectively, by incurring expenses, for the research grants and fellowships.

Donor restricted net assets of \$78,568 and \$89,864 at December 31, 2018 and 2017, respectively, consist of a beneficial interest in a perpetual trust, in which FFS, has a one third interest. FFS receives annual income from the investment assets which are held in perpetuity by a third-party trustee. The assets of the trust consist primarily of common stocks and fixed income securities. Consistent with the treatment of other assets, FFS carries this asset at fair value, which has been valued using level 1 and 2 inputs of the fair value hierarchy.

**Note 6 - Commitments**

FFS has a lease for office space that includes escalations for real estate taxes and other common charges. This non-cancelable lease expires in November 2019. Rent expense is recognized on the straight-line method, whereby rent expense is recorded evenly throughout the lease, even though actual payments increase on an annual basis. The amount paid in earlier years that is less than the amount required to be recognized as expense under the straight-line method is recorded as deferred rent. As future payments exceed the amount recognized as rent expense, the deferred rent liability will be reduced.

Future minimum rental requirements are as follows:

Year ending:            December 31, 2019            \$77,939

Rent expense (including utilities and real estate tax escalation charges) amounted to \$85,729 and \$80,126, for the years ended December 31, 2018 and 2017, respectively.

Research grants and fellowships payable are all due within 12 months.

**Note 7 - Special Events**

The events proceeds are summarized as follows:

	<u>12/31/18</u>	<u>12/31/17</u>
Gross revenue	\$129,682	\$123,601
Less: expenses with a direct benefit to donor	<u>(29,619)</u>	<u>(42,032)</u>
	100,063	81,569
Less: other event expenses	<u>(24,034)</u>	<u>(9,085)</u>
Net revenue from event	<u>\$76,029</u>	<u>\$72,484</u>

**Note 8 - Retirement Plan**

FFS sponsors a 401(k) profit sharing plan. Employees are eligible to participate after they complete four months of service. The employer matches up to 5% of the employee's voluntary contribution. The total amount contributed was \$3,000 in each of the years ended December 31, 2018 and 2017.

**Note 9 - Availability and Liquidity**

Financial assets at year-end:		
Cash and cash equivalents	\$49,843	
Investments	1,321,202	
Pledges receivable	43,308	
Beneficial interest in perpetual trust	<u>78,568</u>	
Total financial assets		1,492,921
Less amounts not available for general expenditures:		
Donor restricted for specific purpose	(12,500)	
Donor restricted for perpetual trust	<u>(78,568)</u>	
Total amounts not available for general expenditures		<u>(91,068)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,401,853</u>

FFS's investment funds are held for long term purposes to sustain FFS' operations.