



Audited Financial Statements

December 31, 2016

Independent Auditors' 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, 2016, 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.

Auditors' 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 auditors' 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.

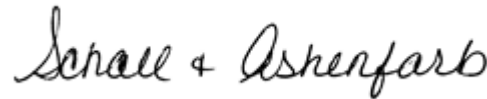
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016, 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.

Report on Summarized Comparative Information

We have previously audited Fight for Sight, Inc.'s 2015 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 24, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

June 14, 2017

FIGHT FOR SIGHT, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2016
(With comparative totals for December 31, 2015)

	12/31/16	12/31/15
Assets		
Cash and cash equivalents	\$113,262	\$60,547
Investments, at market (Note 3)	1,948,869	1,734,418
Pledges receivable, net	41,685	44,577
Prepaid expenses and other assets	16,545	17,182
Property and equipment, net (Note 4)	11,609	12,509
Beneficial interest in perpetual trust (Note 5)	79,934	79,655
	\$2,211,904	\$1,948,888
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$19,282	\$28,693
Research grants and fellowships payable (Note 6)	69,000	69,000
Deferred income	7,600	0
Deferred rent (Note 6)	29,557	35,118
Total liabilities	125,439	132,811
Net assets:		
Unrestricted	1,922,618	1,631,737
Temporarily restricted (Note 5)	83,913	104,685
Permanently restricted (Note 5)	79,934	79,655
Total net assets	2,086,465	1,816,077
Total liabilities and net assets	\$2,211,904	\$1,948,888

The attached notes and auditors' report are an integral part of these financial statements.

FIGHT FOR SIGHT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

(With comparative totals for the year ended December 31, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 12/31/16	Total 12/31/15
Public support and revenue:					
Contributions and grants	\$28,921	\$79,863		\$108,784	\$48,140
Legacies and bequests	579,999			579,999	65,157
Interest and dividends	45,367			45,367	45,752
Rental income	9,450			9,450	10,500
Special events (net expenses with a direct benefit to donor) (Note 7)	83,628			83,628	93,924
Other revenue	8,160			8,160	15,274
In-kind services	5,000			5,000	5,000
Net assets released from restrictions (Note 5)	100,635	(100,635)		0	0
Total public support and revenue	861,160	(20,772)	0	840,388	283,747
Expenses:					
Program services	398,159			398,159	380,825
Supporting services:					
Administration	137,586			137,586	135,377
Fundraising	68,023			68,023	107,628
Total supporting services	205,609	0	0	205,609	243,005
Total expenses	603,768	0	0	603,768	623,830
Change in net assets from operations	257,392	(20,772)	0	236,620	(340,083)
Non-operating revenue:					
Change in value of beneficial interest in perpetual trust			279	279	(6,151)
Net realized and unrealized gain/(loss) on investments	33,489			33,489	(43,717)
Change in net assets	290,881	(20,772)	279	270,388	(389,951)
Net assets - beginning of year	1,631,737	104,685	79,655	1,816,077	2,206,028
Net assets - end of year	<u>\$1,922,618</u>	<u>\$83,913</u>	<u>\$79,934</u>	<u>\$2,086,465</u>	<u>\$1,816,077</u>

The attached notes and auditors' report are an integral part of these financial statements.

FIGHT FOR SIGHT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/16	Total Expenses 12/31/15
	Program Services	Administration	Fundraising			
Research grants and fellowships (Notes 1 and 6)	\$173,000				\$173,000	\$168,000
Salaries	120,495	\$26,662	\$19,911	\$46,573	167,068	161,396
Payroll taxes and employee benefits	27,168	11,644	9,703	21,347	48,515	47,618
Rent (Note 6)	49,245	21,105	17,587	38,692	87,937	82,602
Professional fees	4,052	45,348	8,412	53,760	57,812	69,330
Meetings, conferences and volunteers	13,411	5,747	4,790	10,537	23,948	41,721
Printing and publications	2,325			0	2,325	10,292
Special event expenses			2,324	2,324	2,324	13,837
Postage and shipping	23	345	746	1,091	1,114	7,025
Office	5,944	2,548	3,550	6,098	12,042	11,017
Insurance		1,678		1,678	1,678	2,914
Telecommunications	2,496	1,070	892	1,962	4,458	2,225
Miscellaneous		16,839	108	16,947	16,947	2,843
Depreciation		4,600		4,600	4,600	3,010
Total expenses	\$398,159	\$137,586	\$68,023	\$205,609	\$603,768	\$623,830

The attached notes and auditors' report are an integral part of these financial statements.

FIGHT FOR SIGHT, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
Cash flows from operating activities:		
Change in net assets	\$270,388	(\$389,951)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	4,600	3,010
Net realized and unrealized gain on investments	(33,489)	43,717
Change in value of beneficial interest in perpetual trust	(279)	6,151
Changes in assets and liabilities:		
Pledges receivable	2,892	(35,360)
Prepaid expenses and other assets	637	968
Accounts payable and accrued expenses	(9,411)	5,887
Research grants and fellowships payable	0	(51,000)
Deferred income	7,600	
Deferred rent	(5,561)	(4,157)
Total adjustments	<u>(33,011)</u>	<u>(30,784)</u>
Net cash provided by/(used for) operating activities	<u>237,377</u>	<u>(420,735)</u>
Cash flows from investing activities:		
Proceeds from investment sales	1,172,433	724,377
Purchases of investments	(1,353,395)	(324,984)
Purchases of fixed assets	(3,700)	(7,692)
Net cash (used for)/provided by investing activities	<u>(184,662)</u>	<u>391,701</u>
Net increase/(decrease) in cash and cash equivalents	52,715	(29,034)
Cash and cash equivalents - beginning of year	<u>60,547</u>	<u>89,581</u>
Cash and cash equivalents - end of year	<u><u>\$113,262</u></u>	<u><u>\$60,547</u></u>
Supplemental disclosure of cash flow information:		
Total interest and taxes paid - \$0		

The attached notes and auditors' report are an integral part of these financial statements.

FIGHT FOR SIGHT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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, 2016, grants and awards totaling \$173,000 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: (\$70,500)** 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: (\$35,000)** 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.

b. Basis of Presentation

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

- *Unrestricted* – net assets that do not contain donor-imposed restrictions.
- *Temporarily restricted* – net assets resulting from contributions whose use by FFS is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of FFS pursuant to those stipulations.
- *Permanently restricted* – represents assets that must remain intact in perpetuity.

c. Contributions

Contributions received without donor-imposed restrictions or whose restrictions are met in the period received are recorded as an increase in unrestricted net assets. All other donor-restricted support is reported as an increase in permanently or temporarily restricted net assets depending on the nature of the restriction. When a 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 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 their 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 has established a reserve for uncollectible pledges.

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. FFS received in-kind postage and shipping and printing valued at \$5,000 for the years ended December 31, 2016 and 2015.

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, 2015, from which the summarized information was derived.

l. Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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 granted exemption from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

FFS does not believe its financial statements include any uncertain tax positions. Tax filings for periods ending December 31, 2013 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 June 14, 2017, 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 August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the December 31, 2018 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

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.

Fight for Sight has not yet evaluated 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, 2016 and 2015 all investments were considered to be Level 1 investments and consisted of the following:

	<u>12/31/16</u>	<u>12/31/15</u>
Money markets	\$139,987	\$96,854
Equities		
U.S. Large Cap	532,888	517,219
U.S. Mid Cap	93,365	115,348
EAFE	291,603	284,425
European Large Cap	0	16,810
Japanese Large Cap	32,687	31,569
Global	92,767	86,324
Mutual funds		
U.S. fixed income	691,991	585,869
Non-U.S. fixed income	38,246	0
Global fixed income	<u>35,335</u>	<u>0</u>
Total	<u>\$1,948,869</u>	<u>\$1,734,418</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>12/31/16</u>	<u>12/31/15</u>	<u>Estimated Useful Life</u>
Computers	\$24,155	\$24,155	5 years
Website	6,850	3,150	3 years
Furniture and equipment	27,110	27,110	10 years
Leasehold improvements	<u>2,010</u>	<u>2,010</u>	124 months
	60,125	56,425	
Less: accumulated depreciation	<u>(48,516)</u>	<u>(43,916)</u>	
Net book value	<u>\$11,609</u>	<u>\$12,509</u>	

Note 5 - Net Assets

Temporarily restricted net assets of \$83,913 and \$104,685 as of December 31, 2016 and 2015, respectively, were available for research grants and fellowships.

Net assets of \$100,635 and \$52,500 were released from restrictions during the year ended December 31, 2016 and 2015, respectively, by incurring expenses, for the research grants and fellowships.

Permanently restricted net assets consist of \$79,934 and \$79,655 at December 31, 2016 and 2015, 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, 2017	\$81,263
	December 31, 2018	83,295
	December 31, 2019	<u>77,939</u>
Total		<u>\$242,497</u>

Rent expense (including utilities and real estate tax escalation charges) amounted to \$87,937 and \$82,602, for the years ended December 31, 2016 and 2015 respectively.

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

Note 7 - Special Events

The events proceeds are summarized as follows:

	<u>12/31/16</u>	<u>12/31/15</u>
Gross revenue	\$113,440	\$125,405
Less: expenses with a direct benefit to donor	<u>(29,812)</u>	<u>(31,481)</u>
	83,628	93,924
Less: other event expenses	<u>(2,324)</u>	<u>(13,837)</u>
Net revenue from event	<u>\$81,304</u>	<u>\$80,087</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 the years ended December 31, 2016 and 2015.

Note 9- Significant Concentrations

FFS received funding from one donor that amounted to 58% of total revenue for the year ended December 31, 2016.