



Audited Financial Statements

December 31, 2017

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, 2017, 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.

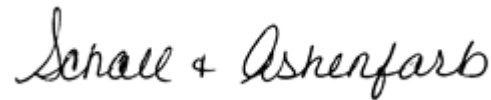
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2017, 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 FFS's 2016 financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 14, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

July 30, 2018

FIGHT FOR SIGHT, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2017
(With comparative totals for December 31, 2016)

	<u>12/31/17</u>	<u>12/31/16</u>
Assets		
Cash and cash equivalents	\$28,947	\$113,262
Investments, at market (Note 3)	1,847,440	1,948,869
Pledges receivable, net	33,210	41,685
Prepaid expenses and other assets	15,956	16,545
Property and equipment, net (Note 4)	6,078	11,609
Beneficial interest in perpetual trust (Note 5)	<u>89,864</u>	<u>79,934</u>
Total assets	<u><u>\$2,021,495</u></u>	<u><u>\$2,211,904</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$17,685	\$19,282
Research grants and fellowships payable (Note 5)	45,000	69,000
Deferred income	0	7,600
Deferred rent (Note 6)	<u>20,954</u>	<u>29,557</u>
Total liabilities	<u><u>83,639</u></u>	<u><u>125,439</u></u>
Net assets:		
Unrestricted	1,813,129	1,922,618
Temporarily restricted (Note 5)	34,863	83,913
Permanently restricted (Note 5)	<u>89,864</u>	<u>79,934</u>
Total net assets	<u><u>1,937,856</u></u>	<u><u>2,086,465</u></u>
Total liabilities and net assets	<u><u>\$2,021,495</u></u>	<u><u>\$2,211,904</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, 2017

(With comparative totals for the year ended December 31, 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 12/31/17	Total 12/31/16
Public support and revenue:					
Contributions and grants	\$37,248	\$51,250		\$88,498	\$108,784
Legacies and bequests	31,584			31,584	579,999
Interest and dividends	45,746			45,746	45,367
Rental income	12,611			12,611	9,450
Special events (net expenses with a direct benefit to donor) (Note 7)	81,569			81,569	83,628
Other revenue	571			571	8,160
In-kind services				0	5,000
Net assets released from restrictions (Note 5)	100,300	(100,300)		0	0
Total public support and revenue	309,629	(49,050)	0	260,579	840,388
Expenses:					
Program services	434,013			434,013	398,159
Supporting services:					
Administration	123,522			123,522	137,586
Fundraising	76,356			76,356	68,023
Total supporting services	199,878	0	0	199,878	205,609
Total expenses	633,891	0	0	633,891	603,768
Change in net assets from operations	(324,262)	(49,050)	0	(373,312)	236,620
Non-operating revenue:					
Change in value of beneficial interest in perpetual trust			9,930	9,930	279
Net realized and unrealized gain/(loss) on investments	214,773			214,773	33,489
Change in net assets	(109,489)	(49,050)	9,930	(148,609)	270,388
Net assets - beginning of year	1,922,618	83,913	79,934	2,086,465	1,816,077
Net assets - end of year	<u>\$1,813,129</u>	<u>\$34,863</u>	<u>\$89,864</u>	<u>\$1,937,856</u>	<u>\$2,086,465</u>

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, 2017
(With comparative totals for the year ended December 31, 2016)

	Supporting Services					
	Program Services	Administration	Fundraising	Total Supporting Services	Total Expenses 12/31/17	Total Expenses 12/31/16
Research grants and fellowships (Notes 1 and 5)	\$145,000				\$145,000	\$173,000
Salaries	139,545	\$26,164	\$8,721	\$34,885	174,430	167,068
Payroll taxes and employee benefits	32,869	6,574	11,125	17,699	50,568	48,515
Rent (Note 6)	52,082	10,416	17,628	28,044	80,126	87,937
Professional fees	28,722	46,805	3,350	50,155	78,877	57,812
Meetings, conferences and volunteers	22,973	4,594	7,775	12,369	35,342	23,948
Printing and publications	4,305			0	4,305	2,325
Special event expenses	745		8,340	8,340	9,085	2,324
Postage and shipping		523		523	523	1,114
Office	3,828	1,040	15,852	16,892	20,720	12,042
Insurance		2,586		2,586	2,586	1,678
Telecommunications	3,944	789	1,334	2,123	6,067	4,458
Miscellaneous		18,500	2,231	20,731	20,731	16,947
Depreciation		5,531		5,531	5,531	4,600
Total expenses	<u>\$434,013</u>	<u>\$123,522</u>	<u>\$76,356</u>	<u>\$199,878</u>	<u>\$633,891</u>	<u>\$603,768</u>

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, 2017
(With comparative totals for the year ended December 31, 2016)

	<u>12/31/17</u>	<u>12/31/16</u>
Cash flows from operating activities:		
Change in net assets	(\$148,609)	\$270,388
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	5,531	4,600
Net realized and unrealized gain on investments	(214,773)	(33,489)
Change in value of beneficial interest in perpetual trust	(9,930)	(279)
Changes in assets and liabilities:		
Pledges receivable	8,475	2,892
Prepaid expenses and other assets	589	637
Accounts payable and accrued expenses	(1,597)	(9,411)
Research grants and fellowships payable	(24,000)	0
Deferred income	(7,600)	7,600
Deferred rent	(8,603)	(5,561)
Total adjustments	<u>(251,908)</u>	<u>(33,011)</u>
Net cash (used for)/provided by operating activities	<u>(400,517)</u>	<u>237,377</u>
Cash flows from investing activities:		
Proceeds from investment sales	812,717	1,172,433
Purchases of investments	(496,515)	(1,353,395)
Purchases of fixed assets	0	(3,700)
Net cash provided by/(used for) investing activities	<u>316,202</u>	<u>(184,662)</u>
Net (decrease)/increase in cash and cash equivalents	(84,315)	52,715
Cash and cash equivalents - beginning of year	<u>113,262</u>	<u>60,547</u>
Cash and cash equivalents - end of year	<u><u>\$28,947</u></u>	<u><u>\$113,262</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, 2017

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, 2017, grants and awards totaling \$145,000 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: (\$45,000)*** 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: (\$33,874)*** 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* – net 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 year ended December 31, 2016. No in-kind services were received in 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, 2016, 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 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, 2014 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 30, 2018, 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.

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 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, 2017 and 2016 all investments were considered to be Level 1 investments and consisted of the following:

	<u>12/31/17</u>	<u>12/31/16</u>
Money markets	\$37,785	\$139,987
Equities		
U.S. Large Cap	592,563	532,888
U.S. Mid Cap	0	93,365
EAFE	400,495	291,603
European Large Cap	0	0
Japanese Large Cap	19,607	32,687
Global	90,977	92,767
Mutual funds		
U.S. fixed income	483,180	691,991
Non-U.S. fixed income	222,833	38,246
Global fixed income	<u>0</u>	<u>35,335</u>
Total	<u>\$1,847,440</u>	<u>\$1,948,869</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>12/31/17</u>	<u>12/31/16</u>	<u>Estimated Useful Life</u>
Computers	\$24,155	\$24,155	5 years
Website	6,850	6,850	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	60,125	
Less: accumulated depreciation	<u>(54,047)</u>	<u>(48,516)</u>	
Net book value	<u>\$6,078</u>	<u>\$11,609</u>	

Note 5 - Net Assets

Temporarily restricted net assets of \$34,863 and \$83,913 as of December 31, 2017 and 2016, respectively, were available for research grants and fellowships.

Net assets of \$100,300 and \$100,635 were released from restrictions during the years ended December 31, 2017 and 2016, respectively, by incurring expenses, for the research grants and fellowships.

Permanently restricted net assets of \$89,864 and \$79,934 at December 31, 2017 and 2016, 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, 2018	\$83,295
	December 31, 2019	<u>77,939</u>
Total		<u>\$161,234</u>

Rent expense (including utilities and real estate tax escalation charges) amounted to \$80,126 and \$87,937, for the years ended December 31, 2017 and 2016 respectively.

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

Note 7 - Special Events

The events proceeds are summarized as follows:

	<u>12/31/17</u>	<u>12/31/16</u>
Gross revenue	\$123,601	\$113,440
Less: expenses with a direct benefit to donor	<u>(42,032)</u>	<u>(29,812)</u>
	81,569	83,628
Less: other event expenses	<u>(9,085)</u>	<u>(2,324)</u>
Net revenue from event	<u>\$72,484</u>	<u>\$81,304</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, 2017 and 2016.