

MY BLIND SPOT, INC.
FINANCIAL STATEMENTS
December 31, 2017

STEVEN A. SCALA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANT

MY BLIND SPOT, INC.

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DECEMBER 31, 2017

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Independent Accountant's Review Report

To the Board of Directors
My Blind Spot, Inc.
New York, NY 10004

I have reviewed the accompanying statement of financial position of My Blind Spot, Inc. (a nonprofit organization) 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modification that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my report.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


STEVEN A. SCALA, CPA, P.C.

Goshen, NY
October 26, 2018

MY BLIND SPOT, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 52,656
Accounts receivable - net	25,650
Prepaid expenses and other current assets	1,208
Total Current Assets	<u>79,514</u>

Property and equipment - net	14,505
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TOTAL ASSETS	<u><u>\$ 94,019</u></u>
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$ 6,330
Payroll taxes payable	1,398
Accrued Expenses and other current liabilities	5,100
Total Current Liabilities	<u>12,828</u>

TOTAL LIABILITIES	<u>12,828</u>
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NET ASSETS

Unrestricted	33,304
Temporarily restricted	47,887

TOTAL NET ASSETS	<u>81,191</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 94,019</u></u>
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MY BLIND SPOT, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES			
Contributions and grants	\$ 29,508	\$ 18,000	\$ 47,508
Program revenue	304,375		304,375
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Total Revenues	333,883	18,000	351,883
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EXPENSES			
Program services	218,572		218,572
Fundraising	44,205		44,205
Administrative	83,637		83,637
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Total Expenses	346,414		346,414
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CHANGE IN NET ASSETS	(12,531)	18,000	5,469
NET ASSETS - BEGINNING OF YEAR	45,835	29,887	75,722
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NET ASSETS - END OF YEAR	\$ 33,304	\$ 47,887	\$ 81,191
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MY BLIND SPOT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2017

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management & Administrative</u>	<u>Total</u>
Accessibility testing	\$ 6,250	\$ -	\$ -	\$ 6,250
Advertising	-	-	2,368	2,368
Administrative expense	-	-	2,583	2,583
Bad debts	1,100	-	-	1,100
Bank charges and fees	-	-	1,213	1,213
Bookkeeping	-	-	12,000	12,000
Conferences, conventions, meetings	7,801	1,463	-	9,264
Computer	-	-	2,649	2,649
Curriculum development	14,500	-	-	14,500
Donations	-	-	695	695
Depreciation	-	-	5,693	5,693
Dues	-	-	900	900
Fees	-	-	2,342	2,342
Gifts	-	-	583	583
Grant Writing	-	23,500	-	23,500
Insurance	-	-	2,516	2,516
Marketing	3,096	9,288	-	12,384
Meals & entertainment	2,574	7,775	-	10,349
Office	-	-	4,531	4,531
Outreach program	13,800	-	-	13,800
Payroll Taxes	179	179	606	964
Postage	376	-	125	501
Printing	3,175	-	1,058	4,233
Product distribution costs	2,579	-	-	2,579
Professional fees	-	-	31,475	31,475
Salaries	2,000	2,000	6,774	10,774
Subscriptions	-	-	1,015	1,015
Technical support	103,584	-	-	103,584
Telephone	-	-	3,104	3,104
Travel	37,841	-	-	37,841
Website accessibility testing	15,500	-	-	15,500
Website	4,217	-	1,407	5,624
Total	<u>\$ 218,572</u>	<u>\$ 44,205</u>	<u>\$ 83,637</u>	<u>\$ 346,414</u>

MY BLIND SPOT, INC.
STATEMENT OF CASH FLOWS
December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (Decrease) in net assets	\$ 5,469
Adjustments to reconcile increase in net assets to net cash used by operating activities:	
Depreciation	5,693
(Increase) Decrease in accounts receivable	8,370
(Increase) Decrease in prepaid expenses and other current assets	(94)
Increase (Decrease) in accounts payable	(3,051)
Increase (Decrease) in payroll taxes payable	1,398
Increase (Decrease) in accrued expenses and other current liabilities	<u>5,100</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	22,885
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	<u>(3,814)</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	(3,814)
NET INCREASE (DECREASE) IN CASH	19,071
CASH - BEGINNING OF YEAR	<u>33,585</u>
CASH - END OF YEAR	<u><u>\$ 52,656</u></u>

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note -1 Summary of Significant Accounting Policies

Organization and Nature of Activities

My Blind Spot, Inc., (the Organization), was incorporated in the State of New York on February 17, 2009. The purpose of the Organization is to advance equal access and promote understanding, respect and opportunity for the blind, the visually impaired and the print disable.

The Organization works with corporations, schools, government agencies, and community based organizations to promote, evaluate and improve accessibility for software programs, work environments, and websites. The Organization also offers educational programs and services to teach users how to harness the power of accessible technologies, with an emphasis on skills that support financial management, employment and entrepreneurship.

(a) Basis of Presentation

The financial statements of My Blind Spot, Inc. are prepared using U.S. generally accepted accounting principles (U.S. GAAP). My Blind Spot, Inc recognizes contributions, including unconditional promises to give, as revenue in the period received. Revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of My Blind Spot, Inc. and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by actions of the board of Directors, or may otherwise be limited by contractual agreements with outside parties.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of My Blind Spot, Inc. and/or by the passage of time. As restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statement of activities as net assets released from restrictions. Contributions restricted for investment in long-term assets are recorded as temporarily restricted net assets and reclassified to unrestricted net assets when such assets are placed in service. My Blind Spot Inc. had \$47,887. of temporarily restricted net assets at December 31, 2017.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that resources be maintained in perpetuity by My Blind Spot, Inc. My Blind Spot, Inc. had no permanently restricted net assets at December 31, 2017.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses and the disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note -1 Summary of Significant Accounting Policies (cont'd).

(c) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less.

(d) Accounts and Grants Receivable

Accounts receivable is comprised primarily of amounts owed to the Organization for contracted services. Grants receivable is comprised of amounts awarded to the Organization but not yet received.

(e) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities under the accrual method, income is recognized when earned and expenses are recorded when incurred.

(f) Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and is generally not subject to federal or state income taxes. However, My Blind Spot, Inc. is subject to federal income taxes on any net income that is derived from My Blind Spot, Inc.'s conduct of a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole. My Blind Spot, Inc. evaluates uncertain tax positions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Subtopic 740-10, *Income Taxes – Overall*, whereby the effect of the uncertainty would be recorded if the outcome is considered probable and reasonably estimable. As of December 31, 2017, My Blind Spot, Inc. had no uncertain tax positions requiring accrual. The Organization is no longer subject to examination by U.S. and New York tax authorities for years before 2014.

(g) Revenue Recognition

Contributions and Grants - Contributions and grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note -1 Summary of Significant Accounting Policies (cont'd).

(g) Revenue Recognition (cont'd).

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 statements of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are satisfied within the same reporting period are reported as unrestricted support in that period. Contributions, certain grants, and unconditional promises of contributions are recognized as support in the period received.

Program service revenue – Program service revenue is recognized in the period in which the revenues are earned and the related work is performed in accordance with the terms of the contract.

Donated goods and services- For recognition of donated goods and services in the Organization's financial statements, such goods or services must (i) create or enhance non-financial assets and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must (i) require a specialized skill, and (ii) be provided by individuals possessing these skills. Donated goods and services are recorded at their estimated fair values at the dates of donation and are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Donated goods and services are reported as both contributions and offsetting expenses in the accompanying consolidated statements of activities, when applicable.

(h) Credit Risk

Financial instruments that potentially subject My Blind Spot, Inc. to concentrations of credit risk consist principally of cash and cash equivalents. My Blind Spot, Inc. maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. My Blind Spot, Inc.'s cash and cash equivalent accounts have been placed with high credit quality financial institutions.

The Organization extends credit to customers which may include various government agencies, certain institutions and privately owned entities. This results in accounts receivables arising from its normal activities. The Organization does not require collateral from its customers but assesses the financial strength of its customers. Based on such assessment, the Organization has provided an allowance for doubtful accounts in the amount of \$1,100. The Organization believes that its' credit risk exposure based upon the financial strength of its customers, other than disclosed above, is limited. Such estimates may change in the near future.

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note -1 Summary of Significant Accounting Policies (cont'd).

(h) Credit Risk (cont'd).

Concentration of credit risk- During the year ended December 31, 2017, My Blind Spot, Inc. received 13% of its revenue and support from grants and contributions, and 87% from program service revenue.

(i) Functional Allocation of Expenses

Expenses that can be identified with a specific program or supporting service are charged directly to the related program or supporting service. Expenses that are associated with more than one program or supporting service are allocated based on methods determined by management to be reasonable. These costs are included in the accompanying statements of functional expenses.

(j) Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, which are generally three to seven years. Additions, major renewals, and improvements are capitalized, while any maintenance and repairs are expensed. Upon disposition, the net book value of assets is relieved and resulting gains or losses are reflected in current operations. My Blind Spot, Inc. evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If such asset is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset. During 2017, there were no events or changes in circumstances indicating that the carrying amount of the fixed assets may not be recoverable.

The Organization capitalizes all fixed assets with a cost of \$500 or more. Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

(k) Advertising Expenses

The Organization recorded advertising expense of \$2,368 for the year ended December 31, 2017 and have been included in the accompanying statements of functional expenses.

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note -1 Summary of Significant Accounting Policies (cont'd).

(l) Donated Services

The Organization receives donated services from a variety of unpaid volunteers assisting the Organization. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under GAAP have not been satisfied.

(m) Temporarily restricted net assets

Grants were given to My Blind Spot, Inc. during the year for the purpose of training the blind in the use of My Blind Spot's accessible version of QuickBooks accounting software. Some of funds of the grant that were not used during the current year are available for future costs incurred in this training program.

(n) Recent Accounting Pronouncements

In February 2016, FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This pronouncement changes the requirements of recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous U.S. GAAP. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and early adoption is permitted. My Blind Spot, Inc. is in the process of assessing the implementation date of the provisions of ASU No. 2016-02 and the impact of the pronouncement on its results of operations, financial positions, cash flows, and notes to the financial statements.

In August 2016, FASB issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958)* (ASU 2016-14). This pronouncement changes the presentation of financial statements for Not-for-Profit entities. ASU No. 2016-14 requires the presentation of two net asset classes (without donor restrictions and with donor restrictions). The pronouncement requires all Not-for-Profit entities to present together in one place the amounts of expense by both their natural and functional classifications. Additionally, ASU No. 2016-14 provides enhanced disclosures about amount and purposes of board designations, appropriations and self-imposed limits on resources without donor imposed restrictions as well as new liquidity disclosures. Finally, ASU No. 2016-14 requires entities to provide quantitative and qualitative information about management of liquid resources and availability of financial assets to meet cash needs within one year of the balance sheet date. The amendments in this update are effective for fiscal years beginning after December 15, 2017, and early adoption is permitted. My Blind Spot, Inc. is in the process of assessing the implementation date of the provisions of ASU No. 2016-14 and the impact of the pronouncement on its results of operations, financial positions, cash flows, and notes to the financial statements.

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note -1 Summary of Significant Accounting Policies (cont'd).

(n) Recent Accounting Pronouncements (cont'd).

During May, 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU was the result of a joint project of the FASB and the International Accounting Standards Board ("IASB") to clarify the principles for recognizing revenue and to develop a common revenue standard for U.S. GAAP and IFRS.

The guidance in this ASU affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of non-financial assets unless those contracts are within the scope of other standards.

The ASU provides that an entity should recognize revenue to reflect the transfer of promised goods or services to customers in an amount that equals the consideration the entity expects to be entitled to in exchange for those goods or services. An entity should apply the following five-step process to recognize revenue:

- Step 1: Identify the contract with the customer.
- Step 2: Identify the performance obligations under the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations under the contract.
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation.

The amendments of ASU No. 2014-09 are effective for non-public companies for annual reporting periods beginning after December 15, 2018, and interim periods beginning one year later, December 15, 2019 and early adoption is permitted. My Blind Spot, Inc. is in the process of assessing the implementation date of the provisions of ASU No. 2014-09 and the impact of the pronouncement on its results of operations, financial positions, cash flows, and notes to the financial statements.

MY BLIND SPOT, INC.
NOTES TO FINANCIAL STATEMENTS
(SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT)
DECEMBER 31, 2017

Note-2 Accounts Receivable

Accounts receivables are summarized as follows:

BILLED:	
Accounts receivable	\$ 26,750
Grants receivable	<u>-0-</u>
	26,750
Less: allowance for doubtful accounts	<u>1,100</u>
Total	<u>\$ 25,650</u>

Note -3 Property and Equipment

Property and equipment is summarized as follows:

Office and computer equipment	\$ 7,208
Machinery and equipment	2,054
Website	<u>17,200</u>
	26,462
Less: Accumulated depreciation	<u>11,957</u>
	<u>\$ 4,505</u>

Depreciation expense related to property and equipment amounted to \$5,693 for the year ended December 31, 2017, and is included in general and administrative expenses.

Note -4 Subsequent Events

The Organization defines subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or available to be issued. Subsequent events are recognized in two categories: (1) recognized subsequent events, which provide additional evidence about conditions that existed at the statement of financial position date and (2) non-recognized subsequent events, which provide evidence about conditions that did not exist as of the statement of financial position date but arose after that date. Recognized subsequent events are required to be disclosed. My Blind Spot, Inc. has evaluated subsequent events through October 26, 2018, which is the date the accompanying financial statements were available to be issued, and no events have occurred from the statement of financial position date that would affect the accompanying financial statements.