

FIGHTING CHANCE, INC.

Financial Statements

for the years ended
December 31, 2022 and 2021

FIGHTING CHANCE, INC.

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INDEPENDENT AUDIT REPORT

To the Board of Directors
Fighting Chance, Inc.
Sag Harbor, New York

We have audited the accompanying financial statements of Fighting Chance, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fighting Chance, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fighting Chance, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Fighting Chance, Inc.'s financial statements for the year ended December 31, 2021, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 4, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sabel and Oplinger

Sabel & Oplinger, CPA, PC
Southampton, New York

September 13, 2023

FIGHTING CHANCE, INC.

Statements of Financial Position

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 121,019	\$ 151,214
Accrued interest receivable	1,372	1,450
Prepaid insurance	<u>4,827</u>	<u>4,133</u>
Total Current Assets	<u>127,218</u>	<u>156,797</u>
Board Designated Endowment Funds		
Cash and cash equivalents	44,175	24,308
Investments	<u>167,455</u>	<u>470,433</u>
Total Board Designated Endowment	<u>211,630</u>	<u>494,741</u>
Property and Equipment, net	<u>231,383</u>	<u>239,848</u>
Other Assets		
Security deposit	3,000	3,000
Investment in affiliates	<u>-</u>	<u>6,832</u>
Total Other Assets	<u>3,000</u>	<u>9,832</u>
Total Assets	<u>\$ 573,231</u>	<u>\$ 901,218</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 24,621	\$ 19,107
Deferred revenue	<u>1,700</u>	<u>6,000</u>
Total Current Liabilities	<u>26,321</u>	<u>25,107</u>
Net Assets		
Without donor restrictions		
Undesignated	335,280	381,370
Board designated	<u>211,630</u>	<u>494,741</u>
Total Net Assets	<u>546,910</u>	<u>876,111</u>
Total Liabilities and Net Assets	<u>\$ 573,231</u>	<u>\$ 901,218</u>

See Independent Auditors' Report
and Notes to Financial Statements

FIGHTING CHANCE, INC.

Statement of Activities

for the years ended

	Without Donor Restrictions		December 31	
	Undesignated	Designated	2022	2021
Revenues				
Contributions	\$ 324,861	\$ -	\$ 324,861	\$ 320,005
Special events	142,018	-	142,018	61,642
Other income – SBA PPP	-	-	-	19,725
Change in unrealized (losses) gains on investments	-	(48,901)	(48,901)	5,566
Investment income	-	7,081	7,081	11,559
Realized (loss) gain	-	(3,240)	(3,240)	10,132
In-kind donation - rent	6,600	-	6,600	6,600
Transfers from endowment fund	238,051	(238,051)	-	-
Total Revenues	711,530	(283,111)	428,419	435,229
Expenses				
Program services	540,993	-	540,993	470,563
Supporting Services:				
Administrative and general	68,206	-	68,206	41,894
Fundraising	34,455	-	34,455	38,656
Special events expense	113,966	-	113,966	5,455
Total Expenses	757,620	-	757,620	556,568
Change in Net Assets	(46,090)	(283,111)	(329,201)	(121,339)
Net assets, beginning of year	381,370	494,741	876,111	997,450
Net assets, end of year	\$ 335,280	\$ 211,630	\$ 546,910	\$ 876,111

See Independent Auditors' Report
and Notes to Financial Statements

FIGHTING CHANCE, INC.

Statements of Functional Expenses

for the years ended December 31,

Expense Name	Program Services	Management and General Services	Fundraising and Public Awareness	2022	2021
Accounting fees	\$ -	\$ 13,300	\$ -	\$ 13,300	\$ 11,300
Advertising	30,238	3,780	3,780	37,798	45,916
Bank service fee	269	2,297	135	2,701	3,502
Bookkeeping	-	18,000	-	18,000	18,000
Depreciation	5,081	847	2,540	8,468	8,779
Insurance, business	8,721	1,454	4,360	14,535	14,611
Legal fee	-	16,159	-	16,159	2,537
Meals and entertainment	1,744	218	218	2,180	1,644
Office expense	33,814	5,636	16,907	56,357	35,672
Payroll taxes	12,219	-	-	12,219	6,716
Program expenses	9,124	-	-	9,124	13,486
Rent	41,653	5,207	5,206	52,066	51,784
In-kind rent	6,600	-	-	6,600	6,600
Travel	985	123	123	1,231	-
Utilities	9,482	1,185	1,186	11,853	11,013
Fundraising	-	-	-	-	8,700
Salaries	381,063	-	-	381,063	310,853
Total Expenses before Special Events	540,993	68,206	34,455	643,654	551,113
Special Events	-	-	113,966	113,966	5,455
Total Expenses	\$ 540,993	\$ 68,206	\$ 148,421	\$ 757,620	\$ 556,568

See Independent Auditors' Report
and Notes to Financial Statements

FIGHTING CHANCE, INC.

Statements of Cash Flows

for the years ended

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
<u>Cash Flows from Operating Activities:</u>		
Change in net assets	\$ (329,201)	\$ (121,339)
Adjustments to reconcile the change in net assets to net cash (used) by operating activities:		
Depreciation	8,468	8,782
Realized loss (gain) on investments	3,240	(10,132)
Change in unrealized loss (gain) on investments	48,901	(5,566)
(Increase) Decrease in:		
Prepaid expense	78	1,640
Accrued interest receivable	(694)	(462)
Investment in affiliates	6,832	-
Increase (Decrease) in:		
Accounts payable and accrued expenses	5,514	(3,289)
Deferred revenue	<u>(4,300)</u>	<u>6,000</u>
Net Cash (Used) by Operating Activities	<u>(261,162)</u>	<u>(124,366)</u>
<u>Cash Flows from Investing Activities:</u>		
Investment purchases	(76,811)	(336,828)
Investment proceeds	<u>327,645</u>	<u>373,908</u>
Net Cash Provided by Investing Activities	<u>250,834</u>	<u>37,080</u>
Net (Decrease) in Cash	(10,328)	(87,286)
Cash and cash equivalents, beginning of year	<u>175,522</u>	<u>262,808</u>
Cash and cash equivalents, end of year	<u>\$ 165,194</u>	<u>\$ 175,522</u>
<u>Supplemental Information:</u>		
In-kind donations:		
Rent	\$ 6,600	\$ 6,600

See Independent Auditors' Report
and Notes to Financial Statements

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 1 - Nature of Organization

Fighting Chance, Inc. (the Organization) was incorporated on November 20, 2001 as a not-for-profit corporation pursuant to General Corporation law of the State of New York. Fighting Chance, Inc. is a hotline counseling center for the non-medical lifestyle issues associated with cancer, as well as an informational clearinghouse and resource center. The Center is located in Sag Harbor, New York, and provides services to cancer patients and those that care for them.

Note 2 - Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 13, 2023, the date that the financial statements were available to be issued.

Note 3 - Summary of Significant Accounting Policies

The summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are the representations of the Organization's management who are responsible for their integrity and objectivity.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 3 - Continued

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires managements to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with original maturity of three months or less to be cash equivalents. Cash consists of the following:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 121,019	\$ 151,214
Board designated cash	<u>44,175</u>	<u>24,308</u>
Total Cash and Cash Equivalents	<u>165,194</u>	<u>175,522</u>

Concentration of Credit Risk

The Organization's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization deposits its cash and cash equivalents with that it believes to be quality financial institutions. The Organization believes no significant concentration of credit risk exists with respect to its cash and cash equivalents. The balances have exceeded the federally insured limit at times during the year.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

See Independent Auditors' Report

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 3 - Continued

Property, Equipment and Depreciation

The expenditures for property and equipment are capitalized at cost. Donated assets are capitalized at their fair market value on the date of the gift. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

Revenue and Revenue Recognition

The organization recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Organization has the following exchange transaction revenue included in its Statement of Activities for the year ending December 31, 2022:

Special Event and Fundraising— The Organization conducts special and fundraising events in which a portion of the proceeds paid by the participant represent payment for the direct cost benefits received by the participant at the event – the exchange component, and a portion represents a contribution to the Organization. The fair value of meals and entertainment provided at these events are measured at actual cost to the Organization and is recognized when the event takes place. The contribution portion is the excess of the gross revenue over the fair value of the direct donor benefit and is recognized immediately, unless there is a right of return if the event does not take place.

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 3 - Continued

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

In-kind Donations and Services

In-kind donations are recorded at their estimated fair value determined on the date of contribution and are reported as contributions in-kind and supporting services on the accompanying statements of activities and statements of functional expenses. In-kind donations are located as follows:

	<u>2022</u>	<u>2021</u>
In-kind rent	\$ 6,600	\$ 6,600

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. None of the in-kind donations received were restricted and all were utilized in its normal course of business.

A substantial number of volunteers have made significant contributions of their time in furtherance of the organization's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

See Independent Auditors' Report

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 3 - Continued

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries, taxes and benefits	Percentage of time spent
Insurance	Percentage of time spent
Office and related	Percentage of time spent
Repairs and maintenance	Percentage of time spent
Telephone	Percentage of time spent
Utilities	Percentage of time spent

New Accounting Pronouncements

The Organization adopted FASB ASU 2016-02, Leases, (Topic 842) for the year ended December 31, 2022. The ASU requires organizations that lease assets to recognize the present value of the assets and liabilities for the rights and obligations created by those leases. The adoption of Topic 842 for the year ended December 31, 2022 was immaterial and did not require the recognition of any lease assets and liabilities as of that date. The adoption of Topic 842 had no effect on the change in net assets as previously reported.

Note 4 - Availability and Liquidity

The following represents the organization's financial assets as of:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 121,019	\$ 151,214
Accrued interest	1,372	1,450
Total Financial Assets	<u>\$ 122,391</u>	<u>\$ 152,664</u>
Less financial assets not available to be used within one year:	-	-
Financial assets available to meet the cash needs for general expenditures within one year	<u>\$ 122,391</u>	<u>\$ 152,664</u>

The organization maintains financial assets to meet operating expenses. As part of its liquidity plan, excess cash, if any, is invested in short-term investments, including money market accounts and publicly traded securities.

See Independent Auditors' Report

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 5 - Investments - Fair Value

The Organization invests in corporate and government debt securities as well as municipal bonds. Fair values for investments are determined by reference to quoted market prices for similar investments, yield curves, and other relevant information. There were no changes in valuation techniques in the year ended December 31, 2022. The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between the levels in the year ended December 31, 2022.

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments consist of the following at December 31, 2022:

	<u>Fair Market Value</u>			<u>Cost Basis</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	
Corporate Bonds	\$ 38,354	\$ -	\$ 38,354	\$ 41,679
Government Securities	56,849	-	56,849	61,618
Municipal Bonds	<u>72,252</u>	<u>-</u>	<u>72,252</u>	<u>82,082</u>
Total	<u>\$ 167,455</u>	<u>\$ -</u>	<u>\$ 167,455</u>	<u>\$ 185,379</u>

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 5 - Continued

The relationship between carrying values and fair values of investments as of December 31, 2022, is as follows:

	Carrying Value	Fair Value	Unrealized Gain (Loss)
Balance, beginning of year	\$ 436,187	\$ 470,433	\$ 34,246
Balance, end of year	185,379	167,456	<u>(17,923)</u>
Change in unrealized gains/(losses)			<u>\$ (52,169)</u>

Note 6 - Property and Equipment

Property and equipment are summarized as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Website and domain at cost	\$ 56,951	\$ 56,951
Trademark at cost	4,372	4,372
Furniture and fixtures	9,277	9,277
Office equipment	21,138	21,138
Leasehold improvements	126,264	126,264
Satellite office	191,491	191,491
Less Accumulated depreciation	<u>(178,110)</u>	<u>(169,642)</u>
Net Property and Equipment	<u>\$ 231,383</u>	<u>\$ 239,851</u>

Note 7 - Investments in Affiliates

Investments in affiliates are considered level three investments (inputs to the valuation methodology that are unobservable and significant to the fair value measurement) and consist of the following:

Trademark fees for Cancer Simplified	\$ 5,131
Organizational costs for The Cancer Trust	<u>1,701</u>
Total	<u>\$ 6,832</u>

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 8 - Commitments

The Organization entered into a lease agreement with the Southampton Hospital Phillips Family Center. The agreement is effective for a period of five years which expires December 31, 2024. The office space will be provided to Fighting Chance in exchange for psychosocial counseling, outreach, and patient navigation services.

The rent for the office space is estimated to be \$6,600 respectively in 2022 and 2021.

The Organization entered into a lease for office space with a six-year term beginning March 1, 2019 through February 28, 2025.

The future minimum rental obligations are as follows:

<u>Year</u>	<u>Amount</u>
2023	48,600
2024	<u>42,000</u>
	<u>\$ 90,600</u>

Note 9 - SBA Grants

The Organization received a \$19,725 refundable PPP grant under the Cares Act during the year ended December 31, 2021. As a result, the Organization recorded the amount received as a refundable advance in accordance with FASB ASC 958-605. The entire amount was used during 2021 and is included in *Other income – SBA PPP* on the Statement of Activities.

Note 10 - Net Assets

The Board established a general endowment fund for support of the mission of the Organization through the designation of unrestricted net assets. The fund consists of an internal designation and is not donor-restricted. As the funds are unavailable for operational use, it is not included as cash and cash equivalents.

Net assets without donor restrictions are as follows:

	<u>December 31</u>	
	<u>2022</u>	<u>2021</u>
Undesignated	\$ 342,112	\$ 381,370
Board designated	211,630	494,741
Total Net Assets	<u>\$ 553,742</u>	<u>\$ 876,111</u>

See Independent Auditors' Report

FIGHTING CHANCE, INC.

Notes to Financial Statements

December 31, 2022

Note 11 - Advertising

The Organization uses advertising to promote its programs and fundraising events. These costs are expensed as incurred and totaled \$37,798 in 2022 and \$45,916 in 2021.

Note 12 - Tax Exempt Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2) .

There was no unrelated business income for the year ended December 31, 2022 and 2021. Accordingly, no provision for Federal or State income taxes is required. As of December 31, 2022, no amounts have been recognized for uncertain income tax positions. The Organization's tax returns for the year 2019 and forward are subject to the usual review by the appropriate taxing authorities.

Note 13 - Principal Sources of Support

Members of the Board of Directors provide financial support to the Organization. The Organization received \$35,750 and \$18,350 respectively in donations from Board members for the years ended December 31, 2022 and 2021.

Note 14 - Subsequent Events

As a result of the current COVID-19 pandemic, economic uncertainties have arisen which are likely to negatively impact fundraising and donations, special events and investment income. Other financial impacts could occur though such potential impacts are unknown at this time. These potential losses have not been recognized and are not required to be recognized in these financial statements. The organization has obtained government stimulus funds (see Note 9 for recognition details) and believes it has adequate funds to cover any potential losses due to the pandemic.

See Independent Auditors' Report

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To the Board of Directors
Fighting Chance, Inc.
Sag Harbor, New York

In planning and performing our audit of the financial statements of Fighting Chance, Inc. as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in the internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use by management of the Fighting Chance, Inc. and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Sabel and Oplinger

Sabel & Oplinger, CPA, PC
Southampton, New York

September 13, 2023