



Certified Public Accountants
and Financial Advisors

SANKARA EYE FOUNDATION, USA
Financial Statements
December 31, 2019 and 2018

INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report	1
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sankara Eye Foundation, USA

Report on the Financial Statements

We have audited the accompanying financial statements of Sankara Eye Foundation, USA (the "Foundation"), which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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 entity'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 entity'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 Sankara Eye Foundation, USA as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As discussed in Note 10, subsequent to December 31, 2019, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The ultimate impact and duration cannot be reasonably estimated as this time. Our opinion is not modified with respect to this matter.

SQUAR MILNER LLP

San Francisco, California
August 18, 2020

SANKARA EYE FOUNDATION, USA
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

ASSETS

	2019	2018
Current Assets		
Cash and cash equivalents	\$ 7,733,526	\$ 6,713,935
Receivables		
Events	312,889	311,008
Other	13,798	8,798
Investments	193,874	1,222,172
Prepaid expenses and other current assets	1,500	80,150
Total current assets	8,255,587	8,336,063
Property and Equipment - net	7,362	10,148
Deposits	3,240	3,240
Total assets	\$ 8,266,189	\$ 8,349,451

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payables		
Trade	\$ 12,455	\$ 44,984
Grants	-	49,725
Accrued liabilities	2,339	15,206
Total current liabilities	14,794	109,915
Commitments (Note 9)		
Net Assets		
Without donor restrictions	4,727,649	5,254,981
With donor restrictions	3,523,746	2,984,555
Total net assets	8,251,395	8,239,536
Total liabilities and net assets	\$ 8,266,189	\$ 8,349,451

SANKARA EYE FOUNDATION, USA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	December 31, 2019			December 31, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Support						
Grants and contributions	\$ 3,479,120	\$ 2,739,191	\$ 6,218,311	\$ 3,667,579	\$ 3,652,990	\$ 7,320,569
Revenues						
Interest and dividends	42,575	-	42,575	3,429	-	3,429
Unrealized and realized gain (loss) on investments	7,303	-	7,303	(2,705)	-	(2,705)
Total revenues	49,878	-	49,878	724	-	724
Net assets released from restrictions - Satisfaction of program restrictions	2,200,000	(2,200,000)	-	1,518,000	(1,518,000)	-
Total support and revenues	5,728,998	539,191	6,268,189	5,186,303	2,134,990	7,321,293
FUNDRAISING EVENTS						
Revenues from special events	1,294,698	-	1,294,698	1,414,200	-	1,414,200
Less - cost of direct benefits to attendees	(1,158,003)	-	(1,158,003)	(1,282,131)	-	(1,282,131)
Total fundraising events	136,695	-	136,695	132,069	-	132,069
Total support and revenues and fundraising events	5,865,693	539,191	6,404,884	5,318,372	2,134,990	7,453,362
EXPENSES						
Program services						
Cataract surgeries	3,106,057	-	3,106,057	2,551,246	-	2,551,246
Capital projects	2,239,573	-	2,239,573	1,664,854	-	1,664,854
Total program services	5,345,630	-	5,345,630	4,216,100	-	4,216,100
Supporting services						
Fundraising	674,048	-	674,048	597,778	-	597,778
Management and general	373,347	-	373,347	345,723	-	345,723
Total expenses	6,393,025	-	6,393,025	5,159,601	-	5,159,601
CHANGE IN NET ASSETS	(527,332)	539,191	11,859	158,771	2,134,990	2,293,761
NET ASSETS - beginning of year	5,254,981	2,984,555	8,239,536	5,096,210	849,565	5,945,775
NET ASSETS - end of year	\$ 4,727,649	\$ 3,523,746	\$ 8,251,395	\$ 5,254,981	\$ 2,984,555	\$ 8,239,536

SANKARA EYE FOUNDATION, USA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program Services			Supporting Services		2019
	Cataract Surgeries	Capital Projects	Total	Fundraising	Management and General	
Grants	\$ 3,014,845	\$ 2,200,000	\$ 5,214,845	\$ -	\$ -	\$ 5,214,845
Cost of special events						
Venue and equipment rental	-	-	-	545,577	-	545,577
Artist	-	-	-	524,808	-	524,808
Production cost	-	-	-	63,350	-	63,350
Other	-	-	-	24,268	-	24,268
Advertising and promotions	49,535	-	49,535	496,886	-	546,421
Salaries and benefits	31,669	31,985	63,654	65,106	162,054	290,814
Bank fees	-	-	-	-	72,685	72,685
Printing and publications	1,153	2,306	3,459	68,560	-	72,019
Building occupancy	6,370	3,187	9,557	-	54,180	63,737
Professional fees	-	-	-	-	48,986	48,986
Supplies	-	-	-	24,220	18,060	42,280
Postage and shipping	1,917	959	2,876	17,001	-	19,877
Production and design	568	1,136	1,704	-	9,653	11,357
Telecommunications	-	-	-	2,275	2,275	4,550
Depreciation	-	-	-	-	2,786	2,786
Insurance	-	-	-	-	2,668	2,668
Total expenses by function	3,106,057	2,239,573	5,345,630	1,832,051	373,347	7,551,028
Less - expenses with revenues on the statement of activities						
Special events - cost of direct benefits to attendees	-	-	-	(1,158,003)	-	(1,158,003)
	\$ 3,106,057	\$ 2,239,573	\$ 5,345,630	\$ 674,048	\$ 373,347	\$ 6,393,025

SANKARA EYE FOUNDATION, USA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program Services			Supporting Services		2018
	Cataract Surgeries	Capital Projects	Total	Fundraising	Management and General	
Grants	\$ 2,470,576	\$ 1,621,534	\$ 4,092,110	\$ -	\$ -	\$ 4,092,110
Cost of special events						
Artist	-	-	-	635,459	-	635,459
Venue and equipment rental	-	-	-	482,763	-	482,763
Production cost	-	-	-	141,756	-	141,756
Other	-	-	-	22,153	-	22,153
Advertising and promotions	44,778	-	44,778	426,014	-	470,792
Salaries and benefits	29,270	30,077	59,347	57,759	160,061	277,167
Bank fees	-	-	-	-	69,349	69,349
Printing and publications	1,887	3,774	5,661	54,762	-	60,423
Building occupancy	2,433	4,865	7,298	-	41,356	48,654
Professional fees	-	-	-	-	43,921	43,921
Supplies	-	-	-	37,646	2,341	39,987
Production and design	1,234	2,468	3,702	-	20,981	24,683
Postage and shipping	1,068	2,136	3,204	19,112	-	22,316
Telecommunications	-	-	-	2,485	2,485	4,970
Insurance	-	-	-	-	2,788	2,788
Depreciation	-	-	-	-	2,441	2,441
Total expenses by function	2,551,246	1,664,854	4,216,100	1,879,909	345,723	6,441,732
Less - expenses with revenues on the statement of activities						
Special events - cost of direct benefits to attendees	-	-	-	(1,282,131)	-	(1,282,131)
	<u>\$ 2,551,246</u>	<u>\$ 1,664,854</u>	<u>\$ 4,216,100</u>	<u>\$ 597,778</u>	<u>\$ 345,723</u>	<u>\$ 5,159,601</u>

SANKARA EYE FOUNDATION, USA
STATEMENTS OF CASH FLOW
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,859	\$ 2,293,761
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donated investments held at year end	(50,772)	(1,212,951)
Unrealized and realized (gain) loss on investments	(7,303)	2,705
Depreciation	2,786	2,441
Changes in operating assets and liabilities		
Receivables	(6,881)	1,323,947
Prepaid expenses and other current assets	78,650	(80,150)
Accounts payable	(82,254)	33,573
Accrued liabilities	(12,867)	-
Net cash (used in) provided by operating activities	<u>(66,782)</u>	<u>2,363,326</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,089,115	-
Purchases of investments	(2,742)	
Purchase of property and equipment	-	(8,243)
Net cash used in investing activities	<u>1,086,373</u>	<u>(8,243)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,019,591	2,355,083
CASH AND CASH EQUIVALENTS - beginning of year	<u>6,713,935</u>	<u>4,358,852</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 7,733,526</u>	<u>\$ 6,713,935</u>

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

1. NATURE OF ORGANIZATION AND PROGRAMS

Sankara Eye Foundation, USA (the “Foundation”) is a California not-for-profit organization, formed to eradicate curable blindness in India, by raising funds for surgeries and to build specialty eye-care hospitals across India.

The Foundation raises funds through online, mail and phone donations and organized events. Those funds are transmitted to Sri Kanchi Kamakoti Medical Trust for cataract surgeries and capital projects, consisting primarily of the construction of eye care facilities in India. In 2017, the Foundation started to transmit funds to various third party providers of cataract surgeries in India.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Foundation prepares its financial statements in accordance with accounting principles generally accepted in the United States of America for Not-for-Profit Organizations (“U.S. GAAP”).

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net assets with donor restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash greater than FDIC insurance of \$250,000 with each financial institution, cash equivalents and investments. Risk associated with cash and cash equivalents are mitigated by banking with creditworthy institutions. Investments are protected under the Securities Investor Protection Corporation (“SIPC”) up to \$500,000. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Cash and Cash Equivalents

Cash and cash equivalents consist of funds in bank accounts and highly liquid investments with original maturities of three months or less from date of acquisition, unless the investments are held for meeting restrictions of a capital or endowment nature.

Investments

Investments consist of common stocks and mutual funds, which are stated at fair values, determined based on quoted market prices. Investments with maturities of less than one year as of the statement of financial position are classified as short-term. Investments with maturities of more than one year as of the date of the statement of financial position are classified as long-term. Unrealized gains and losses resulting from market fluctuations are recognized in the period such fluctuations occur. For purposes of determining realized gains or losses, the cost of securities sold was computed based on the weighted average method. Interest and dividends are recognized when earned.

Fair Value Measurements

The Foundation considers the use of market-based information over entity-specific information in valuing its investments, using a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1 inputs to the valuation methodology – quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology - quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the investment.
- Level 3 inputs to the valuation methodology - unobservable and significant to the fair value measurement. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the exit price) in an orderly transaction between market participants at the measurement date.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair Value Measurements (continued)

An asset or liability's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other practices, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Property and Equipment

Property and equipment in excess of \$1,000 are stated at cost less accumulated depreciation. Repairs and maintenance are expensed as incurred and significant renewals and betterments are capitalized. Depreciation is computed using a straight-line method over the following estimated useful lives:

<u>Type of Property</u>	<u>Estimated Useful Life (In Years)</u>
Office equipment	3 to 10

Revenue Recognition

Contributions

Contributions, including unconditional promises to give, are recognized when received 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. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributions (continued)

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. Contributions receivable that are expected to be collected in less than one year are reported at net realizable value. Contributions receivable that are expected to be collected in more than one year are recorded at fair value at the date of promise. The fair value is computed using a present value technique applied to anticipated cash flows. Amortization of the resulting discount is recognized as additional contribution revenue.

The Foundation provides an allowance for doubtful accounts based upon management's evaluation of the collectability of individual promises. Contributions receivable are written off against the allowance when it is probable that the receivable will not be collected. There is no allowance for doubtful accounts as of December 31, 2019 and 2018.

Contributed securities are recorded at fair value on the date of receipt.

Event Revenue

Revenue recognition for event revenue is accounted for under Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers (Topic 606)*, through the following five steps: (i) identification of the contract with a customer; (ii) identification of the performance obligation in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price in the contract; and (v) recognition of revenue when or as a performance obligations is satisfied.

Contracts generally consist of tickets for various events that the Foundation hosts over the duration of the year. The Foundation's performance obligation is to conduct the event for which tickets are sold. The transaction price is determined when the participant purchases an event ticket. In certain instances, the Foundation will offer discounts on tickets, and in cases where an event is cancelled or delayed, a full refund will be offered to the participant. Revenue is recognized when the event occurs.

Gifts-in-Kind

Gifts-in-kind are recorded as support and expenses in the accompanying financial statements at their estimated fair market values on the date of the donation.

The Foundation benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services to the Foundation's program operations and fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in the financial statements. U.S. GAAP allows recognition of contributed services only if (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Contributions (continued)

In addition, the volunteer service hours provided during the years ended December 31, 2019 and 2018, totaled approximately 2,000 hours valued at approximately \$24,000 and \$22,000, respectively, using the California minimum wage rate. These volunteer service hours did not require specialized skills and did not meet the recognition criteria set forth under U.S. GAAP. Consequently, these were not recorded as support and expenses.

Tax Status

The Foundation has been granted tax-exempt status by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code ("IRC") and by the California Franchise Tax Board under Section 23701(d) of the California Revenue and Taxation Code. Contributions to the Foundation are tax deductible to donors under Section 170 of the IRC. Accordingly, no provision for income tax has been made in the accompanying financial statements. The Foundation is not classified as a private foundation.

U.S. GAAP provides disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. Management has considered its tax positions and does not believe that the Foundation has any uncertain tax positions that require disclosure or adjustment to the financial statements. The Foundation's returns are subject to examination by federal and state taxing authorities, generally for three to four years, respectively, after they are filed.

Advertising and Promotion

Advertising and promotion expenses are expensed as incurred.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited on the basis of staff time utilized and the ultimate purpose of the expenditure.

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Foundation.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Foundation generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the donor acknowledgments contain requests for contributions, joint costs have been allocated between fundraising and management and general expenses in accordance with standards for accounting for costs of activities that include fundraising.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses (continued)

Certain costs of special fund-raising events, such as costs of direct benefits to attendees that are provided in exchange transactions, are deducted from special event revenues.

Recent Accounting Standards

In February 2016, the FASB issued ASU 2016-02, *Leases*. This standard modifies the principles that lessees and lessors apply to report information in their financial statements about the amount, timing, and uncertainty of cash flows arising from leases. The standard requires lessees to recognize most leases on their statement of financial position. The new guidance is effective for nonpublic entities for fiscal years beginning after December 15, 2022. The Foundation is currently evaluating the impact of adopting the new lease standard on its financial statements.

3. NEW ACCOUNTING PRONOUNCEMENTS

On August 18, 2016, FASB issued ASU 2014-09, *Revenue from Contracts with Customer* ("ASU 2014-09"), which replaces most existing revenue recognition guidance in U.S. GAAP and is intended to improve and converge with international standards the financial reporting requirements for revenue contracts with customers. ASU 2014-09 and its amendments were included primarily in Accounting Standards Codification 606 ("ASC 606").

The core principle of ASC 606 is that an entity should recognize revenue for the transfer of goods or services equal to the amount that it expects to be entitled to receive for those goods or services. Revenue is recognized when control of the promised goods or services is transferred to customers. ASC 606 also requires additional disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from customer contracts, including significant judgements used. The Foundation adopted ASC 606 effective January 1, 2019, using the modified retrospective method. The adoption of ASC 606 did not have a material effect on the Foundation's financial position or results of operations and there was no cumulative effect adjustment to the opening balance of net assets as of January 1, 2019 as a result of ASC 606 implementation.

In addition, in June 2018, the Financial Accounting Standards Board ("FASB") issued ASU 2018-08, *clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. These amendments clarify and improve the scope and accounting guidance around contributions of cash and other assets received and made by all entities, including business entities. The amendments should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions), or as exchange (reciprocal) transactions and (2) determining whether a contribution is conditional or unconditional. The adoption of ASU 2018-08 under the modified prospective method effective January 1, 2019 did not have a material effect on the Foundation's financial position or results of operation.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation's Board approves the overall budget and grants made to other charitable organizations.

The Foundation's financial assets available for general expenditure, within one year from December 31, 2019 and 2018, are as follows:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 7,733,526	\$ 6,713,935
Receivables	326,687	319,806
Investments	<u>193,874</u>	<u>1,222,172</u>
Total financial assets	8,254,087	8,255,913
Less - amounts not available to be used within one year:		
Net assets with purpose restrictions	<u>(3,523,746)</u>	<u>(2,894,555)</u>
Financial assets available for general expenditures	<u>\$ 4,730,341</u>	<u>\$ 5,361,358</u>

5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

At December 31, 2019 and 2018, investments which are measured at fair value on a recurring basis are as follows:

	<u>2019</u>	<u>2018</u>
US Common Stocks		
Healthcare	\$ -	\$ 978,438
Consumer Cycle	-	60,079
Technology	33,634	26,070
Energy	-	109
Mutual funds	<u>160,240</u>	<u>157,476</u>
	<u>\$ 193,874</u>	<u>\$ 1,222,172</u>

All investments are classified as Level 1.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2019 and 2018 as follows:

	<u>2019</u>	<u>2018</u>
Office Equipment	\$ 24,833	\$ 24,833
Less - accumulated depreciation	<u>(17,471)</u>	<u>(14,685)</u>
	<u>\$ 7,362</u>	<u>\$ 10,148</u>

Depreciation expense was \$2,786 and \$2,441 for the years ended December 31, 2019 and 2018.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

7. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2019 and 2018, net assets with donor restrictions for capital projects were \$3,523,746 and \$2,984,555, respectively.

8. RETIREMENT PLAN

The Foundation has a 403(b) retirement plan (the “Plan”) covering substantially all eligible employees. The Foundation may make discretionary contributions to the Plan. All employees who have completed 12 months of continuous employment and were employed for 500 hours in a Plan year are eligible to participate in the Plan. Eligible employees become fully vested after one year of service. The Foundation contributed zero and \$18,905 to the Plan for the years ended December 31, 2019 and 2018, respectively.

9. COMMITMENTS

The Foundation leases an office space in Milpitas, California under an operating lease agreement effective January 1, 2019 and will expire on December 31, 2023. The total rent expense was \$63,737 and \$48,654 for the years ended December 31, 2019 and 2018, respectively.

Future minimum lease commitments under non-cancelable operating leases are as follows:

<u>Years Ending December 31</u>	
2020	\$ 63,948
2021	65,868
2022	67,848
2023	<u>69,888</u>
	<u>\$ 267,552</u>

10. SUBSEQUENT EVENTS

Subsequent to December 31, 2019, the World Health Organization declared the COVID-19 outbreak as a pandemic. In addition, as of March 2020, the California State Governor ordered the closure of the physical location of every business, except those identified in the “critical infrastructure sectors,” for a limited period of time. The outbreak has led to severe disruptions and uncertainty to economic conditions and credit and capital markets and funding sources. The Foundation has responded to the outbreak and has developed contingency plans for operations depending on future developments. The duration and economic impact of the outbreak is uncertain but it is possible operations may be negatively impacted. The Foundation will continue to monitor the situation closely, but given the uncertainty about the situation, management cannot estimate the impact to the financial statements.

The Foundation applied for and received a loan in the amount of \$41,823, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act Paycheck Protection Program. This loan may be forgiven partially or in total based on meeting eligibility requirements.

SANKARA EYE FOUNDATION, USA
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

10. SUBSEQUENT EVENTS (continued)

The Foundation has evaluated subsequent events through August 18, 2020 the date the financial statements were available to be issued.