Sankara Eye Foundation, USA

Financial Statements

December 31, 2021 and 2020

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Sankara Eye Foundation, USA

Opinion

We have audited the financial statements of Sankara Eye Foundation, USA (the Foundation), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2021 and 2020, 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 Foundation'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.

BAKER TILLY US, LLP

Baker Tilly US, LLP

San Francisco, California
September 6, 2022

SANKARA EYE FOUNDATION, USA
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

ASSETS

	2021	2020
Current Assets		
Cash and cash equivalents	$ 9,410,974	$ 7,894,571
Receivables - net	-	5,100
Investments	16,461	7,129
Prepaid expenses and other current assets	7,425	1,500
Total current assets	9,434,860	7,908,300
Property and Equipment - net	3,159	5,366
Deposits	3,240	3,240
Total assets	$ 9,441,259	$ 7,916,906

LIABILITIES AND NET ASSETS

	2021	2020
Current Liabilities		
Accounts payable	$ 6,404	$ 11,474
Paycheck Protection Program (PPP) loan	41,822	41,822
Total current liabilities	48,226	53,296
Commitments (Note 8)		
Net Assets		
Without donor restrictions	5,516,254	5,217,951
With donor restrictions	3,876,779	2,645,659
Total net assets	9,393,033	7,863,610
Total liabilities and net assets	$ 9,441,259	$ 7,916,906

The accompanying notes are an integral part of these financial statements.

SANKARA EYE FOUNDATION, USA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	December 31, 2021			December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Support						
Grants and contributions	$ 3,708,205	$ 3,419,220	$ 7,127,425	$ 2,969,220	$ 4,061,173	$ 7,030,393
Revenues						
PPP loan forgiveness	41,822	-	41,822	-	-	-
Interest and dividends	26,195	-	26,195	39,972	-	39,972
Unrealized and realized gain on investments	5,619	-	5,619	1,989	-	1,989
Total revenues	73,636	-	73,636	41,961	-	41,961
Net assets released from restrictions - Satisfaction of program restrictions	2,188,100	(2,188,100)	-	4,939,260	(4,939,260)	-
Total support and revenues	5,969,941	1,231,120	7,201,061	7,950,441	(878,087)	7,072,354
FUNDRAISING EVENTS						
Revenues from special events	81,178	-	81,178	2,366	-	2,366
Less - cost of direct benefits to attendees	(15,052)	-	(15,052)	(3,310)	-	(3,310)
Total fundraising events	66,126	-	66,126	(944)	-	(944)
Total support and revenues and fundraising events	6,036,067	1,231,120	7,267,187	7,949,497	(878,087)	7,071,410
EXPENSES						
Program services						
Cataract surgeries	2,804,928	-	2,804,928	1,786,719	-	1,786,719
Capital projects	1,942,346	-	1,942,346	4,687,291	-	4,687,291
COVID-19	288,100	-	288,100	291,688	-	291,688
Total program services	5,035,374	-	5,035,374	6,765,698	-	6,765,698
Supporting services						
Fundraising	318,457	-	318,457	285,486	-	285,486
Management and general	383,933	-	383,933	408,011	-	408,011
Total expenses	5,737,764	-	5,737,764	7,459,195	-	7,459,195
CHANGE IN NET ASSETS	298,303	1,231,120	1,529,423	490,302	(878,087)	(387,785)
NET ASSETS - beginning of year	5,217,951	2,645,659	7,863,610	4,727,649	3,523,746	8,251,395
NET ASSETS - end of year	$ 5,516,254	$ 3,876,779	$ 9,393,033	$ 5,217,951	$ 2,645,659	$ 7,863,610

The accompanying notes are an integral part of these financial statements.

SANKARA EYE FOUNDATION, USA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services				Supporting Services		
	Cataract Surgeries	Capital Projects	COVID-19	Total	Fundraising	Management and General	Total
Grants	$ 2,740,795	$ 1,900,000	$ 288,100	$ 4,928,895	$ -	$ -	$ 4,928,895
Cost of special events							
Venue and equipment rental	-	-	-	-	4,904	-	4,904
Production cost	-	-	-	-	4,500	-	4,500
Other	-	-	-	-	5,648	501	6,149
Advertising and promotions	33,515	-	-	33,515	192,715	-	226,230
Salaries and benefits	21,808	36,206	-	58,014	91,826	48,562	198,402
Professional fees	-	-	-	-	-	159,718	159,718
Bank fees	-	-	-	-	-	79,861	79,861
Building occupancy	7,113	3,557	-	10,670	-	60,464	71,134
Production and design	1,061	2,121	-	3,182	-	18,030	21,212
Supplies	263	132	-	395	14,575	2,236	17,206
Printing and publications	95	191	-	286	12,697	1,621	14,604
Bad debts expense	-	-	-	-	-	5,843	5,843
Postage and shipping	278	139	-	417	4,422	-	4,839
Telecommunications	-	-	-	-	2,222	2,222	4,444
Insurance	-	-	-	-	-	2,668	2,668
Depreciation	-	-	-	-	-	2,207	2,207
Total expenses by function	2,804,928	1,942,346	288,100	5,035,374	333,509	383,933	5,752,816
Less - expenses with revenues on the statement of activities Special events - cost of direct benefits to attendees	-	-	-	-	(15,052)	-	(15,052)
	$ 2,804,928	$ 1,942,346	$ 288,100	$ 5,035,374	$ 318,457	$ 383,933	$ 5,737,764

The accompanying notes are an integral part of these financial statements.

SANKARA EYE FOUNDATION, USA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services				Supporting Services		
	Cataract Surgeries	Capital Projects	COVID-19	Total	Fundraising	Management and General	Total
Grants	$ 1,724,320	$ 4,652,260	$ 287,000	$ 6,663,580	$ -	$ -	$ 6,663,580
Cost of special events							
Venue and equipment rental	-	-	-	-	3,310	-	3,310
Advertising and promotions	35,162	-	4,688	39,850	200,383	-	240,233
Salaries and benefits	17,852	30,248	-	48,100	64,218	76,622	188,940
Professional fees	-	-	-	-	-	148,807	148,807
Bank fees	-	-	-	-	-	76,543	76,543
Building occupancy	6,806	3,403	-	10,209	-	57,847	68,056
Bad debts expense	-	-	-	-	-	22,054	22,054
Production and design	2,205	1,102	-	3,307	-	18,742	22,049
Supplies	117	59	-	176	9,378	995	10,549
Printing and publications	60	120	-	180	7,461	-	7,641
Telecommunications	-	-	-	-	2,371	2,370	4,741
Insurance	-	-	-	-	-	2,035	2,035
Depreciation	-	-	-	-	-	1,996	1,996
Postage and shipping	197	99	-	296	1,675	-	1,971
Total expenses by function	1,786,719	4,687,291	291,688	6,765,698	288,796	408,011	7,462,505
Less - expenses with revenues on the statement of activities							
Special events - cost of direct benefits to attendees	-	-	-	-	(3,310)	-	(3,310)
	$ 1,786,719	$ 4,687,291	$ 291,688	$ 6,765,698	$ 285,486	$ 408,011	$ 7,459,195

The accompanying notes are an integral part of these financial statements.

SANKARA EYE FOUNDATION, USA
STATEMENTS OF CASH FLOW
Years Ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,529,423	$ (387,785)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Bad debts expense	5,843	22,054
Donated investments	(64,932)	(121,181)
Unrealized and realized gain on investments	(5,619)	(1,989)
Depreciation	2,207	1,996
Loan forgiveness - PPP	(41,822)	
Changes in operating assets and liabilities		
Receivables	(743)	299,533
Prepaid expenses and other current assets	(5,925)	-
Accounts payable	(5,070)	(981)
Accrued liabilities	-	(2,339)
Net cash provided by (used in) operating activities	1,413,362	(190,692)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	61,219	309,915
Net cash provided by investing activities	61,219	309,915
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	41,822	41,822
Net cash provided by financing activities	41,822	41,822
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,516,403	161,045
CASH AND CASH EQUIVALENTS - beginning of year	7,894,571	7,733,526
CASH AND CASH EQUIVALENTS - end of year	$ 9,410,974	$ 7,894,571

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 and various third-party providers for cataract surgeries and capital projects, consisting primarily of the construction of eye care facilities in India.

During 2021 and 2020, the Foundation raised and granted funds to charitable organizations in response to the COVID-19 pandemic.

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.

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 Federal Deposit Insurance Corporation (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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 more than $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:

Type of Property	Estimated Useful Life (In Years)
Office equipment	3 to 10

Depreciation expense was $2,207 and $1,996 for the years ended December 31, 2021 and 2020, respectively.

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.

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. The allowance for doubtful accounts is zero and $22,054 as of December 31, 2021 and 2020, respectively.

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 obligation 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition (continued)

Gifts-in-Kind (continued)

In addition, the volunteer service hours provided during the years ended December 31, 2021 and 2020, totaled approximately 1,571 hours and 1,740 hours, respectively, valued at approximately $220,423 and $24,000 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.

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

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases*, which will supersede the current lease requirements in ASC 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statements of activities. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statements of financial position. The reporting of lease-related expenses in the statements of activities and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization's year ending December 31, 2022 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The Foundation is still evaluating which method it will apply, as well as the impact that this ASU will have on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU provides for additional disclosures to support clearer financial information about important noncash contributions charities and other not-for-profit organizations receive, known as gifts-in-kind. Contributed nonfinancial assets will be reported by category within the financial statements, and there will be additional disclosures included for each category, including whether the nonfinancial assets were monetized or used during the reporting period, the policy for monetizing nonfinancial contributions, and description of the fair value techniques used to arrive at a fair value measurement. The new guidance will be effective for the Foundation’s year ending December 31, 2022 and will be applied using the retrospective method. The Foundation is evaluating the impact that this ASU will have on the financial statements.

Subsequent Events

The Foundation has evaluated subsequent events through September 6, 2022 the date the financial statements were available to be issued.

3. 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, 2021 and 2020, are as follows:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	$ 9,410,974	$ 7,894,571
Receivables	-	5,100
Investments	16,461	7,129
Total financial assets	9,427,435	7,906,800
Less - amounts not available to be used within one year:		
Net assets with purpose restrictions	(3,876,779)	(2,645,659)
Financial assets available for general expenditures	$ 5,550,656	$ 5,261,141

4. INVESTMENTS AND FAIR VALUE MEASUREMENTS

At December 31, 2021 and 2020, investments which are measured at fair value on a recurring basis are as follows:

	2021	2020
Equities	$ 16,310	$ -
Mutual funds	151	7,129
	$ 16,461	$ 7,129

All investments are classified as Level 1.

5. PAYCHECK PROTECTION PROGRAM LOAN

On May 4, 2020, the Foundation received loan proceeds in the amount of $41,822 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). On January 26, 2021, the Foundation also received loan proceeds in the amount of $41,822 as a second PPP Loan ("PPP2"). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or 24-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over two years at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, 10 months after the end of the covered period. PPP loan terms provide for customary events of default, including payment defaults, breaches of representations and warranties, and insolvency events and may be accelerated upon the occurrence of one or more of these events of default. Additionally, PPP loan terms do not include prepayment penalties. Among other factors, loan eligibility is contingent upon economic uncertainty and necessity. The determination of necessity includes access to liquidity available to support the ongoing operations of the Foundation.

The Foundation met the PPP's loan forgiveness requirements, and therefore, applied for forgiveness during January of 2022 for PPP2 loan and March of 2021 for the first PPP loan. In June 2021, the Organization received legal release from the SBA for the first PPP loan, and therefore, recorded the amount forgiven, $41,822, as forgiveness income in its 2021 statement of activities. In January 2022, the Organization received legal release from the SBA, and therefore, will record the amount forgiven, $41,822, as forgiveness income in its 2022 statement of activities.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan was forgiven or repaid in full and to provide that documentation to the SBA upon request.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020 as follows:

	2021	2020
Capital Projects	$ 3,868,423	$ 2,580,505
COVID-19	8,356	65,154
	$ 3,876,779	$ 2,645,659

7. 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 did not contribute to the Plan for the years ended December 31, 2021 and 2020, respectively.

8. 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 $71,134 and $68,056 for the years ended December 31, 2021 and 2020, respectively.

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

Years Ending December 31		
2022	$	67,848
2023		69,888
	$	137,736

9. UNCERTAINTIES

With respect to the ongoing and evolving coronavirus (COVID-19) outbreak, which was designated as a pandemic by the World Health Organization on March 11, 2020, the outbreak has caused a substantial disruption in international and U.S. economies and market. To minimize the negative impact of COVID-19 on its operations, the Foundation cancelled its events and applied for the PPP loan (refer to Note 5). The Foundation's results of operations could be adversely affected to the extent that coronavirus or any other epidemic harms the global economy. The ultimate impact on the Foundation cannot be determined as of the date of this report and, as such, no adjustments related to this matter were made to the financial statements. Management will continue to monitor the development and the effect of COVID-19 on the Foundation's results of operations and financial condition and adjust plans as necessary.