Seva Foundation

Financial Statements

June 30, 2023
(With Comparative Totals for 2022)

TABLE OF CONTENTS

	Page No.
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 20

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Seva Foundation
Berkeley, California

Opinion

We have audited the accompanying financial statements of Seva Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year 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 Seva Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Seva 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 these 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 Seva Foundation'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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 Seva 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 Seva 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.

Report on Summarized Comparative Information

We have previously audited Seva Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Armanino LLP

Armanino LLP
San Francisco, California

November 15, 2023

Seva Foundation
Statement of Financial Position
June 30, 2023
(With Comparative Totals for 2022)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,334,157	$ 3,406,161
Cash advances	28,543	115,724
Accounts receivable	16,891	18,426
Contributions receivable, current	2,271,002	696,807
Note receivable, current	5,313	5,054
Investments, current	28,717,444	29,455,462
Inventory	22,514	21,521
Prepaid and other current assets	131,028	305,992
Total current assets	32,526,892	34,025,147
Non-current assets		
Contributions receivable, net of current portion and discount	713,226	-
Note receivable, net of current portion	250,846	256,159
Investments held for endowment	1,390,443	1,233,762
Property and equipment, net	-	1,010
Total non-current assets	2,354,515	1,490,931
Total assets	$ 34,881,407	$ 35,516,078
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 504,745	$ 169,489
Accrued salaries and wages	352,675	371,756
Grants payable	342,490	191,020
Total current liabilities	1,199,910	732,265
Net assets		
Without donor restrictions		
Undesignated	296,513	2,177,530
Board-designated reserves	27,920,870	28,876,899
Total without donor restrictions	28,217,383	31,054,429
With donor restrictions	5,464,114	3,729,384
Total net assets	33,681,497	34,783,813
Total liabilities and net assets	$ 34,881,407	$ 35,516,078

Seva Foundation
Statement of Activities
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Revenues, gains (losses), and other support				
Contributions and grants	$ 3,691,415	$ 5,888,072	$ 9,579,487	$ 11,691,617
In-kind contributions	158,056	213,299	371,355	554,885
Special events, net of direct expenses of $90,886 and $67,009, respectively	(28,369)	-	(28,369)	(39,783)
Realized and unrealized gains (losses) on investments, net	964,177	128,429	1,092,606	(4,775,640)
Dividend and interest income	786,930	28,252	815,182	634,953
Other revenue (expense)	(3,231)	-	(3,231)	13,611
Net assets released from restriction	4,523,322	(4,523,322)	-	-
Total revenues, gains (losses), and other support	10,092,300	1,734,730	11,827,030	8,079,643
Functional expenses				
Program services	10,128,995	-	10,128,995	8,533,108
Management and general	1,397,786	-	1,397,786	1,625,914
Fundraising	1,402,565	-	1,402,565	1,200,959
Total functional expenses	12,929,346	-	12,929,346	11,359,981
Change in net assets	(2,837,046)	1,734,730	(1,102,316)	(3,280,338)
Net assets, beginning of year	31,054,429	3,729,384	34,783,813	38,064,151
Net assets, end of year	$ 28,217,383	$ 5,464,114	$ 33,681,497	$ 34,783,813

Seva Foundation
Statement of Functional Expenses
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	Program Services			Support Services			
	International Development Education	Global Sight Initiative	Total Program Services	Management and General	Fundraising	2023 Total	2022 Total
Salaries and wages	$ 78,044	$ 1,534,096	$ 1,612,140	$ 625,304	$ 526,520	$ 2,763,964	$ 2,780,789
Employee benefits	13,522	191,052	204,574	186,494	102,483	493,551	452,021
Grant payments	-	5,287,391	5,287,391	-	-	5,287,391	4,004,273
Community outreach / eye camps	-	438,943	438,943	-	-	438,943	437,021
Program training, monitoring and evaluation	-	231,566	231,566	-	-	231,566	145,354
Equipment	-	352,106	352,106	-	-	352,106	348,859
Program consultants	-	1,128,188	1,128,188	-	-	1,128,188	1,037,428
Travel	-	91,931	91,931	16,289	10	108,230	53,355
Dues, subscriptions, conferences and fees	-	344,294	344,294	30,007	23,786	398,087	296,655
Professional services	-	265,488	265,488	330,256	191,688	787,432	645,102
Office expenses	-	17,481	17,481	25,499	28,504	71,484	101,200
Office rent and utilities	-	43,664	43,664	34,807	32,748	111,219	139,362
Insurance	-	14,644	14,644	8,557	6,258	29,459	33,770
Repairs and maintenance	-	-	-	616	73,814	74,430	74,742
Advertising	94,915	602	95,517	61,738	376,875	534,130	658,748
Other expenses	-	1,068	1,068	77,209	39,879	118,156	144,670
Depreciation	-	-	-	1,010	-	1,010	6,632
	$ 186,481	$ 9,942,514	$ 10,128,995	$ 1,397,786	$ 1,402,565	$ 12,929,346	$ 11,359,981

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

Seva Foundation
Statement of Cash Flows
For the Year Ended June 30, 2023
(With Comparative Totals for 2022)

	2023	2022
Cash flows from operating activities		
Change in net assets	$ (1,102,316)	$ (3,280,338)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	1,010	6,632
Realized and unrealized (gains) losses on investments, net	(1,092,606)	4,775,640
Changes in operating assets and liabilities		
Cash advances	87,181	(86,893)
Accounts receivable	1,535	20,481
Contributions receivable, net	(2,287,421)	(602,619)
Inventory	(993)	(12,289)
Prepaid and other current assets	174,964	(76,866)
Accounts payable	335,256	120,185
Accrued salaries and wages	(19,081)	9,746
Grants payable	151,470	(103,184)
Net cash provided by (used in) operating activities	(3,751,001)	770,495
Cash flows from investing activities		
Payment on note receivable	5,054	4,808
Purchases of investments	(801,057)	(621,554)
Proceeds from the sale of investments	2,475,000	2,250,000
Net cash provided by investing activities	1,678,997	1,633,254
Net increase (decrease) in cash and cash equivalents	(2,072,004)	2,403,749
Cash and cash equivalents, beginning of year	3,406,161	1,002,412
Cash and cash equivalents, end of year	$ 1,334,157	$ 3,406,161

1. NATURE OF OPERATIONS

Seva Foundation ("Seva" or the "Foundation"), a California nonprofit corporation, is a global eye care organization that transforms lives by restoring sight and preventing blindness. Since 1978, Seva has provided sight-saving surgeries, eyeglasses, medicine, and other eye care services to more than 50 million people in underserved communities around the world.

Globally, at least 2.2 billion people have a vision impairment, and of these, at least 1 billion people have a vision impairment that could have been prevented or has yet to be addressed. Seva's programs have been instrumental in making eye care available to those who can't afford it. The programs are driven by 4 pillars - establishing self sustaining vision centers, eye care for kids, bringing the best in technology, and training and job creation.

Seva believes that restoring sight is one of the most cost effective ways to relieve suffering and reduce poverty. When a blind person gets their sight back, they can go back to work and earn and support their family. In more than 20 countries, Seva has helped nearly 5 million people who were blind to regain their sight. Seva also develops and disseminates educational/informational materials as part of its mission to educate the public about the worldwide need for sight restoration and blindness prevention programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP").

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

- *Net assets without donor restrictions* - net assets not subject to donor-imposed stipulations. Net assets without donor restrictions includes a board-designated reserve (see Note 8).
- *Net assets with donor restrictions* - net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time, as well as net assets subject to donor-imposed stipulations that require they be maintained in perpetuity. Net assets with donor restrictions also include the portion of donor-restricted endowment funds that have not yet been appropriated for expenditure by the Foundation.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions and grants are received from individuals, foundations, corporations and governmental agencies. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until the conditions have been substantially met and they become unconditional; that is when the related barrier has been overcome and/or right of release/right of return no longer exists. Contributions that are promised in one year but are not expected to be collected until after the end of that year are considered contributions receivable and are recorded at fair value by discounting at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. A discount on long-term contributions receivable of $23,436 was recorded as of June 30, 2023. An allowance for doubtful contributions receivable is recorded based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of the promise to give. There was no allowance for uncollectible contributions at June 30, 2023 as all balances were considered collectible.

A portion of the Foundation's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Foundation has incurred expenditures in compliance with specific contract or grant provisions.

In-kind contributions

Donations of materials are recorded as support at their estimated fair value on the date of the donation. Donated services are recognized as contribution revenue at the fair value of those services, if the services (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended June 30, 2023, the Foundation received $371,355 of in-kind contributions (see Note 11).

Cash and cash equivalents

The Foundation considers all highly liquid investments, with a maturity of three months or less at the time of purchase, to be cash equivalents. The Foundation holds its available cash in an interest bearing money market fund with a major United States bank and with brokerage houses.

Cash advances

Cash advances represent cash transferred to the Foundation's foreign offices for program services which have not been expended as of June 30, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash advances (continued)

The foreign offices and their respective cash advance balances at June 30, 2023 consist of the following:

Nepal	$	15,473
Cambodia		13,070
	$	28,543

Accounts receivable

Accounts receivable consist of trade receivables, amounts due from government agencies under cost-reimbursable agreements, and other miscellaneous amounts owed to the Foundation.

The Foundation uses the allowance method to account for uncollectible receivables. The allowance for doubtful accounts reflects management's best estimate of the amounts that will not be collected based on historical experience and an evaluation of the outstanding receivables at year end. At June 30, 2023, all receivables are considered fully collectible; therefore, there is no allowance for doubtful accounts.

Grant advances and grants payable

Unconditional grants are recognized as grant expense and a liability when the Foundation approves the grants. Unconditional grants that are expected to be paid in more than one year are measured at net realizable value, which is calculated using the present value of the estimated future cash flows. Grant refunds are recorded as receivables and as a reduction of grant expense at the time the Foundation becomes aware the grant will be refunded. Unconditional grants approved during the year and payable to recipients as of June 30, 2023 amounted to $342,490.

Grants provided on a conditional basis are recognized as grant expense when services are performed and when the barrier has been overcome by the grantees and the right of release/right of return no longer exists (condition is fulfilled). The Foundation occasionally advances funds to grantees that have not yet performed the services necessary to recognize the revenue; such funds are refundable to the Foundation and are recorded as grant advances until services are performed. At June 30, 2023, there were no grant advances.

Inventory

Inventory consists of an assortment of merchandise such as t-shirts, decal stickers, and CDs sold by the Foundation on its website and is relieved on an average cost basis. Proceeds from inventory sales are used to further the Foundation's mission.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments consist of money market funds, equity securities primarily comprised of common stock, and mutual funds and are recorded at fair value as determined by quoted market prices in active markets. Unrealized and realized gains and losses are reflected as increases or decreases in net assets without donor restrictions, unless their use is restricted by the donor.

Investments received by donation are recorded at fair value at the date of donation and are sold as soon as practical after receipt, and are classified base on the donor's intention.

Fair value measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Foundation determines the fair values of its assets and liabilities based on a fair value hierarchy that includes three levels of inputs that may be used to measure fair value.

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.

An asset's or liability's categorization within the hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

The following methods and assumptions were used to estimate the fair value of financial instruments recorded on a recurring basis:

- *Level 1* - Securities traded on security exchanges are valued at closing market prices on the date closest to June 30.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are stated at cost less accumulated depreciation, or, if donated, at the fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets which range from 3 to 5 years. The Foundation capitalizes assets with a cost or donated value of $5,000 or more and an estimated life greater than one year.

Advertising costs

Advertising costs are charged to expenses as incurred by the Foundation.

Functional expenses

The Foundation's costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Direct costs associated with specific programs are recorded as program expenses. Program expenses include allocable management and general expenses. Payroll costs are allocated based on a percentage of time, all other expenses are allocated pro rata based on number of employees. Management and general expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Foundation, are shown separately.

Measure of operations

The Foundation's measure of operations is its changes in net assets from operating activities, which includes operating revenues without donor restrictions, operating revenues with donor-stipulated time or purpose restrictions, and expenses that are an integral part of its programs and supporting activities. Contributions without donor restrictions and net assets released from donor restrictions to support its operating activities are also included.

Income tax status

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and by California Revenue and Taxation Code Section 23701d. Accordingly, no provision for federal or state income taxes has been recorded.

The Foundation recognizes the effect of income tax positions only if those positions are more likely than not of being sustained, and changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Foundation has evaluated its current tax positions and has concluded that as of June 30, 2023, it does not have any significant uncertain tax positions for which a reserve would be necessary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Concentrations of credit risk

The Foundation maintains its cash balances at various financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. Money market funds are protected under the Securities Investor Protection Corporation ("SIPC") up to $500,000, with an additional private insurance purchased by the financial institution up to $1,900,000. At various times throughout the year, the balances in these accounts may be in excess of insured amounts. The Foundation has not experienced any losses in such accounts and management believes that it is not exposed to any significant risk on these excess deposits.

For the year ended June 30, 2023, three donors accounted for approximately 38% of contribution and grant revenues. Three donors comprised approximately 89% of the contributions receivable balance as of June 30, 2023.

Summarized financial information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements, as of, and for the year ended June 30, 2022, from which the summarized information was derived.

Change in accounting principle

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Codification ("ASC") 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

The Foundation adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022, with certain practical expedients available. The Foundation currently maintains one office lease agreement with monthly payments of $8,450 through October 2023. The total future commitments on this lease as of June 30, 2023 approximates $33,800. The Foundation has not recognized a ROU asset or lease liability for this lease as the impact is nominal.

Subsequent events

The Foundation has evaluated subsequent events through November 15, 2023, the date the financial statements were available to be issued. No subsequent events have occurred, other than as described in Note 12, that would have a material impact on the presentation of the Foundation's financial statements.

3. CONTRIBUTIONS RECEIVABLE

Unconditional promises to give, which are not expected to be collected until after the year promised, are reflected in the accompanying financial statements as contributions receivable and revenue in the appropriate net asset category. Unconditional promises to give expected to be collected after one year are recorded using risk adjusted market rates in the year of contribution, ranging from 1% to 3.9%.

Contributions receivable consisted of the following:

Receivable in less than one year	$ 2,271,002
Receivable in one to five years	736,662
Less: discount on long-term receivables	(23,436)
	$ 2,984,228

4. NOTE RECEIVABLE

On April 12, 2018, the Foundation sold certain real property in Sonoma, California. The buyer financed part of the sale with a $279,422 note receivable due to the Foundation. The 30-year note includes combined monthly principal and interest payments of $1,500, bears interest of 5% per year, and is secured by a deed of trust. The outstanding note receivable balance as of June 30, 2023 amounted to $256,159.

4. NOTE RECEIVABLE (continued)

Future minimum principal receipts are as follows:

Year ending June 30,	
2024	$ 5,313
2025	5,585
2026	5,870
2027	6,171
2028	6,486
Thereafter	226,734
	256,159
Current portion	(5,313)
	$ 250,846

5. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

Leasehold improvements	$ 47,104
Furniture and fixtures	116,575
	163,679
Accumulated depreciation and amortization	(163,679)
	$ -

Depreciation expense amounted to $1,010 for the year ended June 30, 2023.

6. INVESTMENTS

Investments consisted of the following:

Money market funds and cash	$ 71,126
Equity securities	11,990,214
Mutual funds and exchange traded funds	18,046,547
	$ 30,107,887

7. FAIR VALUE MEASUREMENTS

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Fair Value
Money market fund and cash	$ 71,126	$ -	$ -	$ 71,126
Equity securities	11,990,214	-	-	11,990,214
Mutual funds and exchange traded funds	18,046,547	-	-	18,046,547
	$ 30,107,887	$ -	$ -	$ 30,107,887

8. BOARD DESIGNATED NET ASSETS

Board designated net assets consisted of the following:

Guatemala	$ 10,000,000
Native Nations	2,000,000
Vision Centers	4,000,000
Technology	2,000,000
Operating Reserve	9,920,780
	$ 27,920,780

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Restricted for a specified purpose or passage of time	
GSI/Sight programs	$ 4,073,671
Endowment earnings	367,338
	4,441,009
To be held in perpetuity	
Endowment	1,023,105
	1,023,105
	$ 5,464,114

9. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions released from restriction during the year were as follows:

GSI/Sight programs	$ 4,489,275
Collection of contributions receivable without donor restrictions	34,047
	$ 4,523,322

10. ENDOWMENT

The Foundation's endowment includes donor-restricted funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Foundation's Board of Directors has interpreted the California enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as perpetual in nature restricted net assets (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) additions to the endowment in accordance with donor directions. The remaining portion of the donor-restricted endowment fund that is not classified in perpetual in nature is classified as purpose restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Foundation and the donor-restricted endowment fund

(3) General economic conditions

(4) The possible effect of inflation and deflation

(5) The expected total return from income and the appreciation of investments

(6) Other resources of the Foundation

(7) The investment policies of the Foundation

10. ENDOWMENT (continued)

Spending policy

If the donor does not restrict the allowed use of the income, the Foundation may determine the income's availability to the Foundation's operations. The Foundation does not currently have a spending policy as it has elected to not spend from the donor-restricted perpetual endowment fund until the principal amount exceeds $3,000,000.

Investment policy

The Foundation has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Under this policy, as approved by the Board, the endowment assets are invested in readily marketable debt and equity securities. To satisfy its long-term objectives, the Foundation relies on a strategy in which investment returns are achieved through current yield (interest and dividends) and unrealized and realized gains from changes in market value.

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Such deficiencies may result from unfavorable market fluctuations that occurred after the investment of new donor-restricted endowment contributions and continued appropriation for certain programs that was deemed prudent by the Board. Management has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required by law. There were no such deficiencies at June 30, 2023.

Endowment composition

Endowment net asset composition by type of fund as of June 30, 2023 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,390,443	$ 1,390,443
	$ -	$ 1,390,443	$ 1,390,443

10. ENDOWMENT (continued)

Endowment composition (continued)

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

		With Donor Restrictions		
	Without Donor Restrictions	Accumulated Unspent Investment Earnings	Perpetual in Nature	Total
Balance, beginning of year	$ -	$ 210,657	$ 1,023,105	$ 1,233,762
Realized and unrealized loss on investments	-	128,429	-	128,429
Dividend income reinvested	-	28,252	-	28,252
Balance, end of year	$ -	$ 367,338	$ 1,023,105	$ 1,390,443

11. IN-KIND CONTRIBUTIONS

In-kind contributions were comprised of the following:

Advertising	$ 157,366
Eye glasses and frames	15,900
Ophthalmology professional services	127,548
Program salaries for foreign offices	70,541
	$ 371,355

In-kind contributions valuation techniques

Contributed services for advertising, ophthalmology professional services, and program salaries for foreign offices are valued at the estimated fair value based on current rates for similar or identical services. In valuing eye glasses, the Foundation estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

11. IN-KIND CONTRIBUTIONS (continued)

Donor restrictions and in-kind contribution use

The in-kind contributions received during the year ended June 30, 2023 for ophthalmology professional services and eye glasses and frames were donor restricted for programs. Of the total donated program salaries for foreign offices, $70,541 included donor restrictions. All other in-kind contributions included no donor restrictions. The in-kind contributions were fully utilized during the year for the the Global Sight Initiative Program, the International Development Education program, fundraising activities, and clerical support.

12. LEASE OBLIGATIONS

The Foundation currently maintains one office lease agreement with remaining monthly payments of $8,450 through October 2023, totaling approximately $33,800. In August 2023, the Foundation entered into an agreement to renew its office lease agreement effective November 1, 2023, extending the lease term through October 2026. Lease payments will remain consistent with the previous lease terms at $8,450 per month. The Foundation also has a copier lease, with payments of approximately $4,800 per year through March 2027.

Total rent expense amounted to $101,400 for the year ended June 30, 2023 and is included as a component of office rent and utilities on the statement of functional expenses.

13. RETIREMENT PLAN

The Foundation has established a defined contributions plan (the "Plan") operating under Section 401(k) of the Internal Revenue Code. Employees are eligible to participate in the Plan after 12 months of service. The Plan provides for contributions to be made by eligible employees and also provides for discretionary contributions to be made by the Foundation on behalf of plan participants. For the year ended June 30, 2023, the Foundation elected to make a discretionary contribution of $103,058 to the Plan.

14. RELATED PARTY TRANSACTIONS

A summary of the related party transactions as of and for the year ended June 30, 2023 are as follows:

- Two Seva board members are directors and/or owners of two separate partner hospitals to the Foundation. The Foundation provided grant funding to the partner hospitals in the amount of $1,980,553 during the year ended June 30, 2023.
- Contributions received from members of the Foundation's board of directors totaled $72,198 during the year ended June 30, 2023.

15. LIQUIDITY AND FUNDS AVAILABLE

The Foundation regularly monitors liquidity required to meet its operating needs and other commitments, while prudently investing its available funds to ensure the preservation of the funds for future use. The Foundation has various sources of liquidity during the year primarily including cash and cash equivalents and equity securities.

The Foundation considers net assets without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include programmatic expenses, administrative and general expenses, and fundraising expenses that are expected to be paid in the subsequent year.

The table below represents financial assets available to fund general operating expenditures within one year at June 30, 2023:

Financial assets	
Cash and cash equivalents and cash advances	$ 1,362,700
Accounts receivable	16,891
Contributions receivable	2,271,002
Note receivable	256,159
Investments	30,107,887
	34,014,639
Less: amounts unavailable for general expenditure within one year:	
Long-term portion of note receivable	(250,846)
Donor-imposed restrictions for a specified purpose or passage of time	(4,441,009)
Donor-imposed restrictions to be held in perpetuity	(1,023,105)
	(5,714,960)
	$ 28,299,679

Investment assets include the Foundation's board-designated reserves. Although the Foundation does not intend to spend from the board-designated reserve (other than amounts appropriated as part of the Board's annual budget approval and infrastructure appropriations), these amounts could be made available if necessary and are, thus, not excluded from the calculation of financial assets available for general expenditure. The appropriation of board-designated reserves approved for spending for the year ending June 30, 2024 totals $4,131,016 and is included in investments as of June 30, 2023.