

Financial Statements

International Eye Foundation, Inc.

**For the Year Ended June 30, 2025
With Summarized Financial
Information for 2024**

International Eye Foundation, Inc.

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For the Year Ended June 30, 2025
With Summarized Financial Information for 2024**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
International Eye Foundation, Inc.
Kensington, Maryland

Opinion

We have audited the financial statements of the International Eye Foundation, Inc. (the Foundation), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 June 30, 2025, and the results of its change in 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 (GAAS). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM

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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 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.

Report on Summarized Comparative Information

We have previously audited the International Eye Foundation, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on the Foundation's audited financial statements in our report dated December 5, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.



October 30, 2025

International Eye Foundation, Inc.

Statement of Financial Position
As of June 30, 2025
With Summarized Financial Information for 2024

ASSETS

| | 2025 | 2024 |
|---|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 101,451 | \$ 47,228 |
| Investments | 188,688 | 169,571 |
| Grants and contributions receivable | 17,020 | 90,703 |
| Prepaid expenses | 5,928 | 7,527 |
| Other assets | 39,300 | 39,300 |
| Total current assets | <u>352,387</u> | <u>354,329</u> |
| FIXED ASSETS | | |
| Land | 156,163 | 156,163 |
| Buildings | 713,596 | 713,596 |
| Furniture and equipment | 11,767 | 11,767 |
| Website | 3,054 | 3,054 |
| | <u>884,580</u> | <u>884,580</u> |
| Less: Accumulated depreciation and amortization | (427,233) | (403,723) |
| Net fixed assets | <u>457,347</u> | <u>480,857</u> |
| OTHER ASSETS | | |
| Investments, net | 912,009 | 1,102,752 |
| TOTAL ASSETS | <u>\$ 1,721,743</u> | <u>\$ 1,937,938</u> |

LIABILITIES AND NET ASSETS

| | | |
|--|---------------------|---------------------|
| CURRENT LIABILITIES | | |
| Accounts payable and accrued liabilities | \$ 29,251 | \$ 95,578 |
| Total liabilities | <u>29,251</u> | <u>95,578</u> |
| NET ASSETS | | |
| Without donor restrictions | 646,156 | 546,313 |
| With donor restrictions | 1,046,336 | 1,296,047 |
| Total net assets | <u>1,692,492</u> | <u>1,842,360</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 1,721,743</u> | <u>\$ 1,937,938</u> |

See accompanying notes to financial statements.

International Eye Foundation, Inc.

**Statement of Activities and Change in Net Assets
For the Year Ended June 30, 2025
With Summarized Financial Information for 2024**

| | 2025 | | 2024 | |
|--|-------------------------------|----------------------------|---------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Total |
| SUPPORT AND REVENUE | | | | |
| Contributions and grants | \$ 311,396 | \$ - | \$ 311,396 | \$ 427,630 |
| Net investment return | 19,121 | 109,257 | 128,378 | 114,821 |
| Contracts | 15,756 | - | 15,756 | 14,360 |
| Government grants | - | - | - | 63,419 |
| Contributed nonfinancial assets | - | - | - | 7,350 |
| Other revenue | - | - | - | 6,208 |
| Net assets released from donor restrictions | 358,968 | (358,968) | - | - |
| Total support and revenue | <u>705,241</u> | <u>(249,711)</u> | <u>455,530</u> | <u>633,788</u> |
| EXPENSES | | | | |
| Program Services: | | | | |
| Operational Programs | 74,811 | - | 74,811 | 361,489 |
| Supporting Services: | | | | |
| Management and General | 227,531 | - | 227,531 | 328,624 |
| Fundraising | 303,056 | - | 303,056 | 448,175 |
| Total supporting services | <u>530,587</u> | <u>-</u> | <u>530,587</u> | <u>776,799</u> |
| Total expenses | <u>605,398</u> | <u>-</u> | <u>605,398</u> | <u>1,138,288</u> |
| Change in net assets | 99,843 | (249,711) | (149,868) | (504,500) |
| Net assets at beginning of year | 546,313 | 1,296,047 | 1,842,360 | 2,346,860 |
| NET ASSETS AT END OF YEAR | <u>\$ 646,156</u> | <u>\$ 1,046,336</u> | <u>\$ 1,692,492</u> | <u>\$ 1,842,360</u> |

See accompanying notes to financial statements.

International Eye Foundation, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2025
With Summarized Financial Information for 2024

| | 2025 | | | | 2024 | |
|--------------------------------------|----------------------|------------------------|-------------------|---------------------------|-------------------|---------------------|
| Program Services | Supporting Services | | | Total Supporting Services | Total Expenses | Total Expenses |
| | Operational Programs | Management and General | Fundraising | | | |
| Salaries | \$ 21,586 | \$ 107,280 | \$ 122,276 | \$ 229,556 | \$ 251,142 | \$ 287,929 |
| Professional fees | 10,779 | 56,535 | 114,972 | 171,507 | 182,286 | 327,247 |
| Insurance benefits and payroll taxes | 2,299 | 21,083 | 13,022 | 34,105 | 36,404 | 57,865 |
| Travel and per diem | 23,275 | 5,778 | 672 | 6,450 | 29,725 | 32,672 |
| Depreciation and amortization | 2,021 | 10,042 | 11,447 | 21,489 | 23,510 | 25,504 |
| Other insurance | 1,099 | 5,465 | 6,228 | 11,693 | 12,792 | 11,857 |
| Occupancy costs | 943 | 5,287 | 5,337 | 10,624 | 11,567 | 14,675 |
| Subgrants | 10,000 | - | - | - | 10,000 | 135,545 |
| Registration, dues and fees | 1,039 | 3,264 | 5,482 | 8,746 | 9,785 | 15,209 |
| Software | 483 | 2,398 | 5,422 | 7,820 | 8,303 | 7,908 |
| Telephone | 557 | 2,768 | 3,154 | 5,922 | 6,479 | 6,700 |
| Printing | 279 | 3,269 | 4,308 | 7,577 | 7,856 | 16,213 |
| Postage | 154 | 1,963 | 3,543 | 5,506 | 5,660 | 34,825 |
| Bank fees | 244 | 1,683 | 3,393 | 5,076 | 5,320 | 6,622 |
| List rental | - | - | 1,877 | 1,877 | 1,877 | 22,707 |
| Mailshop fees | - | - | 1,500 | 1,500 | 1,500 | 125,680 |
| Office supplies and expense | 53 | 716 | 423 | 1,139 | 1,192 | 8,470 |
| Interest expense | - | - | - | - | - | 660 |
| TOTAL | \$ 74,811 | \$ 227,531 | \$ 303,056 | \$ 530,587 | \$ 605,398 | \$ 1,138,288 |

See accompanying notes to financial statements.

International Eye Foundation, Inc.

Statement of Cash Flows
For the Year Ended June 30, 2025
With Summarized Financial Information for 2024

| | <u>2025</u> | <u>2024</u> |
|---|-------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ (149,868) | \$ (504,500) |
| Adjustments to reconcile change in net assets to net cash used by operating activities: | | |
| Depreciation and amortization | 23,510 | 25,504 |
| Unrealized gain | (18,168) | (53,991) |
| Realized gain | (77,988) | (25,518) |
| Gain on disposal on fixed assets | - | (44) |
| Decrease (increase) in: | | |
| Grants and contributions receivable | 73,683 | 302,228 |
| Prepaid expenses | 1,599 | (539) |
| Decrease in: | | |
| Accounts payable and accrued liabilities | (66,327) | (57,293) |
| Net cash used by operating activities | <u>(213,559)</u> | <u>(314,153)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of fixed assets | - | 10,082 |
| Purchases of investments | (471,836) | (513,270) |
| Proceeds from sale of investments | 739,618 | 782,965 |
| Net cash provided by investing activities | <u>267,782</u> | <u>279,777</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of mortgage payable | - | (31,491) |
| Net cash used by financing activities | <u>-</u> | <u>(31,491)</u> |
| Net increase (decrease) in cash and cash equivalents | 54,223 | (65,867) |
| Cash and cash equivalents at beginning of year | 47,228 | 113,095 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | <u>\$ 101,451</u> | <u>\$ 47,228</u> |
| SUPPLEMENTAL INFORMATION: | | |
| Interest Paid | <u>\$ -</u> | <u>\$ 660</u> |

See accompanying notes to financial statements.

International Eye Foundation, Inc.

**Notes to Financial Statements
June 30, 2025**

1. Summary of Significant Accounting Policies

Organization

The International Eye Foundation, Inc. (the Foundation) is a non-profit organization whose purpose is to support and assist with the prevention and treatment of avoidable blindness throughout the world, and to promote peace and goodwill through its efforts. Revenue is generated primarily through contributions, private and governmental grants.

Program Services

The Foundation's SightReach® Management program combines advanced clinical eye care with leadership and management practices to develop a social-entrepreneurial model for sustainable service delivery. Working with hospitals across private, social, and public sectors in developing countries, the program improves strategies that increase availability, access, efficiency, quality of care, and financial performance, helping institutions boost revenue and achieve long-term sustainability. The Foundation also provides expertise and training to hospital partners to expand pediatric and adult services, focusing on major causes of preventable blindness, such as refractive error, strabismus, injury, cataract, diabetic retinopathy, and glaucoma, to reach vulnerable children, families, and communities most at risk. These programs encourage global knowledge sharing, promote innovation, support evidence-based practices, and facilitate the adoption of new technologies to ensure long-term growth and sustainability.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follow:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

International Eye Foundation, Inc.

**Notes to Financial Statements
June 30, 2025**

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Foundation considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents and excludes \$20,412 of money market funds held by investment managers as of June 30, 2025. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Foundation maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Foundation's policy is to liquidate all gifts of investments as soon as possible after the gift.

Grants and Contributions Receivable

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. All grants receivable are considered by management to be fully collectible in the coming year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed Assets

Fixed assets in excess of \$1,000 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally 5 to 39 years. Website development costs are amortized over 5 years once placed in service. Costs incurred for the ongoing maintenance of the existing website are expensed as incurred. The capitalization and ongoing assessment of recoverability of website development costs incurred require reasonable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility and estimated economic life. The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense totaled \$23,510 for the year ended June 30, 2025.

Impairment of Long-Lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced to its current value, and a loss is reported in accompanying Statement of Financial Position, to its current fair value.

International Eye Foundation, Inc.

**Notes to Financial Statements
June 30, 2025**

1. Summary of Significant Accounting Policies (Continued)

Income Taxes

The Foundation is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Foundation is not a private foundation.

Support from Grants and Contributions

Contributions are recognized in the appropriate category of net assets in the period received. The Foundation performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements. Contributions that are both received and released from restrictions in the same year are classified as without donor restrictions.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Foundation had no refundable advances as of June 30, 2025.

In addition, the Foundation has obtained funding source agreements related to conditional contributions, which will be received in future years. However, the Foundation had no conditional contributions to be received in future years as of June 30, 2025.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Foundation's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Foundation are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

International Eye Foundation, Inc.

Notes to Financial Statements
June 30, 2025

1. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The Foundation invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, the Foundation has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the accompanying Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Foundation has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended June 30, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equities* - Valued at the closing price reported in the active market in which the individual securities are traded.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Foundation are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Foundation are deemed to be actively traded.

International Eye Foundation, Inc.

**Notes to Financial Statements
June 30, 2025**

2. Investments and Fair Value Measurements (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of June 30, 2025:

| | Level 1 | Level 2 | Level 3 | Total June 30, 2025 |
|---------------------|--------------|---------|---------|------------------------|
| Investments: | | | | |
| Money market funds | \$ 20,412 | \$ - | \$ - | \$ 20,412 |
| Equities | 497,239 | - | - | 497,239 |
| Mutual funds | 583,046 | - | - | 583,046 |
| TOTAL | \$ 1,100,697 | \$ - | \$ - | \$ 1,100,697 |

Net investment return consisted of the following for the year ended June 30, 2025:

| | |
|------------------------------|-------------------|
| Interest and dividends | \$ 45,738 |
| Unrealized gain | 18,168 |
| Realized gain | 77,988 |
| Management fees | (13,516) |
| NET INVESTMENT RETURN | \$ 128,378 |

3. Board Designated Net Assets

The John Harry King Endowment Fund consists of Board designated investments totaling \$159,132 as of June 30, 2025, that may be utilized for Board approved expenditures including operating expenses. Board designated endowment net assets are included in net assets without donor restrictions.

4. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2025:

Subject to expenditure for specified purpose:

| | |
|--|---------------------|
| Accumulated earnings from endowments not yet authorized for spending | \$ 480,374 |
| Surgical services | 134,327 |
| Endowment to be invested in perpetuity | 431,635 |
| NET ASSETS WITH DONOR RESTRICTIONS | \$ 1,046,336 |

The following net assets with donor restrictions were released for donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended June 30, 2025:

Purpose restrictions accomplished:

| | |
|--|-------------------|
| Accumulated earnings from endowments authorized for spending | \$ 300,000 |
| Surgical services | 58,968 |
| NET ASSETS RELEASED FROM RESTRICTION | \$ 358,968 |

International Eye Foundation, Inc.

Notes to Financial Statements
June 30, 2025

5. Liquidity and Availability

The Foundation has a policy to structure its financial assets to be available and liquid as its obligations become due. Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of June 30, 2025:

| | |
|---|-------------------------|
| Cash and cash equivalents | \$ 101,451 |
| Investments | 188,688 |
| Grants and contributions receivable | 17,020 |
| Subtotal financial assets available within one year | <u>307,159</u> |
| Less: Donor-restricted funds | (134,327) |
| Less: Board designated funds | <u>(159,132)</u> |
| FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR | <u><u>\$ 13,700</u></u> |

The Foundation is substantially supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one-year.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Occasionally, the Board designates a portion of any operating surplus to its Board designated fund, which was \$159,132 as of June 30, 2025. This fund established by the governing Board may be drawn upon in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities.

6. Retirement Plan

The Foundation provides retirement benefits to its employees through a defined contribution plan covering participating employees. The Foundation provides a match of each eligible employee's contribution based on a percentage determined each year by the Foundation.

For the year ended June 30, 2025, the Foundation contributed a match equal to 3%. Additional profit sharing contributions can be made to the Plan at the Foundation's discretion. Employer contributions to the Plan during the year ended June 30, 2025 totaled \$7,651.

7. Endowment Funds

The Foundation's endowment funds consist of both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

International Eye Foundation, Inc.

**Notes to Financial Statements
June 30, 2025**

7. Endowment Funds (Continued)

Interpretation of Relevant Law -

The governing Board has interpreted Uniform Prudent Management of Institutional Funds Act (UPMIFA) as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law.

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

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Return Objectives and Risk Parameters -

The Foundation has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds, while also maintaining the purchasing power of these endowment assets over the long-term.

Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities that are intended to result in a consistent inflation protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the fund if possible. Accordingly, the Foundation expects its endowment assets, over time, to achieve a total annual return of 3% to 5%, net of fees and expenses, with minimal downside risk over the long-term. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Strategies Employed for Achieving Objectives -

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Foundation has established a spending policy that considers the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, two of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

International Eye Foundation, Inc.

**Notes to Financial Statements
June 30, 2025**

7. Endowment Funds (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy (continued) -

The policy allows for distribution of 4% of the moving average market value of the endowment funds as of June 30th for the current and prior two fiscal years. In establishing this policy, the Foundation considered the long-term expected investment return on its endowment. Thus, over the long-term, the Foundation expects the current spending policy to allow its endowment fund to grow modestly while generating a predictable stream of spendable income.

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 maintain as a fund of perpetual duration. However, there were no funds with deficiencies as of June 30, 2025.

Endowment funds consisted of the following as of June 30, 2025:

| | Without Donor Restrictions | With Donor Restrictions: Available for Appropriation | With Donor Restrictions: Held in Perpetuity | Total |
|------------------------|---------------------------------------|---|--|---------------------|
| Board designated funds | \$ 159,132 | \$ - | \$ - | \$ 159,132 |
| Donor-restricted funds | - | 480,374 | 431,635 | 912,009 |
| ENDOWMENT FUND | \$ 159,132 | \$ 480,374 | \$ 431,635 | \$ 1,071,141 |

Changes in endowment funds consisted of the following as of and for the year ended June 30, 2025:

| | Without Donor Restrictions | With Donor Restrictions: Available for Appropriation | With Donor Restrictions: Held in Perpetuity | Total |
|---|---------------------------------------|---|--|---------------------|
| Endowment funds, beginning of year | \$ 142,857 | \$ 671,117 | \$ 431,635 | \$ 1,245,609 |
| Net investment return | 16,275 | 109,257 | - | 125,532 |
| Appropriations | - | (300,000) | - | (300,000) |
| ENDOWMENT FUNDS, END OF YEAR | \$ 159,132 | \$ 480,374 | \$ 431,635 | \$ 1,071,141 |

8. Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through October 30, 2025, the date the financial statements were issued.