

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

For the Years Ended
June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Glaucoma Research Foundation
San Francisco, California

Opinion

We have audited the accompanying financial statements of the Glaucoma Research Foundation (GRF) (a California nonprofit public benefit corporation) which comprise the statements of financial position as of June 30, 2024 and 2023 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 financial statements referred to above present fairly, in all material respects, the financial position of the Glaucoma Research Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GRF 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 GRF'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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 GRF'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 GRF'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.

Bunker & Company LLP

September 25, 2024
Bunker & Company LLP
San Rafael, CA

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF FINANCIAL POSITION
June 30, 2024 and 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 3,643,453	\$ 2,205,229
Pledges receivable, current portion (Notes 2 and 3)	1,406,889	3,015,974
Prepaid expenses	167,026	226,200
Inventory (Note 4)	31,480	27,390
Right of use assets (Note 9)	164,786	381,165
Total current assets	5,413,634	5,855,958
Pledges receivable, net (Note 3)	2,233,976	531,979
Investments (Note 5)	3,343,804	4,468,105
Property, equipment, and leasehold improvements, net of accumulated depreciation of \$154,501 in 2024 and \$126,858 in 2023 (Notes 2 and 6)	243,825	163,718
Assets held in trust (Note 7)	60,838	63,794
Permanently restricted cash and investments (Note 5)	3,342,500	3,342,500
Total assets	\$ 14,638,577	\$ 14,426,054
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 139,417	\$ 198,558
Trust distributions payable, current portion (Note 8)	4,464	4,681
Grants payable (Note 10)	775,000	925,000
Lease liabilities (Note 9)	164,786	381,165
Total current liabilities	1,083,667	1,509,404
Long-term liabilities		
Trust distribution payable, long term (Note 8)	20,988	21,709
Total liabilities	1,104,655	1,531,113
Net assets		
Net assets without donor restrictions	5,993,401	5,836,941
Net assets with donor restrictions (Note 11)	7,540,521	7,058,000
Total net assets	13,533,922	12,894,941
Total liabilities and net assets	\$ 14,638,577	\$ 14,426,054

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

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended June 30, 2024

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations and bequests	\$ 3,511,594	\$ 2,961,420	6,473,014
Special events income	369,881	-	369,881
Investment income	67,059	511,622	578,681
Change in value in charitable trusts	-	(2,018)	(2,018)
Conference/Forum income	460,180	-	460,180
Other revenue	12,223	-	12,223
Total revenue	<u>4,420,937</u>	<u>3,471,024</u>	<u>7,891,961</u>
Net assets released from restrictions	<u>2,988,503</u>	<u>(2,988,503)</u>	<u>-</u>
Total support, revenue and transfers	<u>7,409,440</u>	<u>482,521</u>	<u>7,891,961</u>
EXPENSES			
Research	4,066,864	-	4,066,864
Education	1,883,527	-	1,883,527
Total program	<u>5,950,391</u>	<u>-</u>	<u>5,950,391</u>
Management and general	228,289	-	228,289
Fundraising	1,074,300	-	1,074,300
Total expenses	<u>7,252,980</u>	<u>-</u>	<u>7,252,980</u>
Change in net assets	156,460	482,521	638,981
Net assets, beginning of year	<u>5,836,941</u>	<u>7,058,000</u>	<u>12,894,941</u>
Net assets, end of year	<u>\$ 5,993,401</u>	<u>\$ 7,540,521</u>	<u>\$ 13,533,922</u>

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

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations and bequests	\$ 1,747,655	\$ 3,873,187	5,620,842
Special events income	523,635	-	523,635
Investment income	311,636	411,664	723,300
Change in value in charitable trusts	-	(1,190)	(1,190)
Conference/Forum income	391,050	-	391,050
Other revenue	14,036	-	14,036
Total revenue	<u>2,988,012</u>	<u>4,283,661</u>	<u>7,271,673</u>
Net assets released from restrictions	<u>4,154,647</u>	<u>(4,154,647)</u>	<u>-</u>
Total support, revenue and transfers	<u>7,142,659</u>	<u>129,014</u>	<u>7,271,673</u>
EXPENSES			
Research	3,732,341	-	3,732,341
Education	1,951,208	-	1,951,208
Total program	<u>5,683,549</u>	<u>-</u>	<u>5,683,549</u>
Management and general	199,723	-	199,723
Fundraising	614,495	-	614,495
Total expenses	<u>6,497,767</u>	<u>-</u>	<u>6,497,767</u>
Change in net assets	644,892	129,014	773,906
Net assets, beginning of year	<u>5,192,049</u>	<u>6,928,986</u>	<u>12,121,035</u>
Net assets, end of year	<u>\$ 5,836,941</u>	<u>\$ 7,058,000</u>	<u>\$ 12,894,941</u>

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

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 638,981	\$ 773,906
Adjustments to reconcile change in net assets to net cash (provided) used by operating activities:		
Depreciation	27,144	32,170
Realized (gain) loss on investments	886	(314)
Unrealized (gain) loss on investments	(435,895)	(453,556)
Change in value of charitable trusts	2,956	2,615
Changes in assets and liabilities		
Pledges and bequests receivable	(92,912)	(680,407)
Prepaid expenses	59,174	(110,827)
Inventory	(4,090)	(14,102)
Accounts payable and accrued expenses	(59,141)	44,010
Grants payable	(150,000)	162,500
Total adjustments	(651,878)	(1,017,911)
Net cash (used) by operating activities	(12,897)	(244,005)
CASH FLOWS FROM INVESTING ACTIVITIES		
Trust distribution payable	(938)	(1,426)
Change in property, equipment and leasehold improvements	(107,251)	(67,792)
Change in investments	1,559,310	(340,956)
Net cash provided (used) by investing activities	1,451,121	(410,174)
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in restricted cash	-	548,779
Net cash provided by financing activities	-	548,779
Net change in cash and cash equivalents	1,438,224	(105,400)
Cash and cash equivalents, beginning of year	2,205,229	2,206,877
Cash and cash equivalents, end of year	\$ 3,643,453	\$ 2,101,477
Supplemental non-cash disclosure		
Right of use assets recorded upon adoption of Topic 842	\$ 216,379	\$ 381,165
Lease liability recorded upon adoption of Topic 842	\$ (216,379)	\$ (381,165)

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

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2024

	Programs				Management and General	Fundraising	Total
	Research	Education	Total				
Grant and contract expenses	\$ 2,551,000	\$ -	\$ 2,551,000	\$ -	\$ -	\$ 2,551,000	
Staff and contractor expenses	635,276	781,928	1,417,204	135,356	378,030	1,930,590	
Consulting expenses	58,769	138,091	196,860	33,771	131,326	361,957	
Operating expenses	45,421	428,000	473,421	23,133	244,980	741,534	
Occupancy expenses	71,213	84,846	156,059	14,257	40,142	210,458	
Events and meeting expenses	705,185	450,662	1,155,847	21,772	279,822	1,457,441	
Total expenses	<u>\$ 4,066,864</u>	<u>\$ 1,883,527</u>	<u>\$ 5,950,391</u>	<u>\$ 228,289</u>	<u>\$ 1,074,300</u>	<u>\$ 7,252,980</u>	

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

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2023

	Programs				Management and General	Fundraising	Total
	Research	Education	Total				
Grant and contract expenses	\$ 2,443,500	\$ -	\$ 2,443,500	\$ -	\$ -	\$ 2,443,500	
Staff and contractor expenses	719,732	785,089	1,504,820	108,161	250,838	1,863,819	
Consulting expenses	85,710	164,477	250,187	27,090	42,561	319,838	
Operating expenses	44,015	426,105	470,120	20,611	184,178	674,909	
Occupancy expenses	81,768	90,791	172,559	12,446	28,744	213,749	
Other expenses	357,616	484,747	842,363	31,415	108,174	981,952	
Total expenses	\$ 3,732,341	\$ 1,951,208	\$ 5,683,549	\$ 199,723	\$ 614,495	\$ 6,497,767	

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

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 1 DESCRIPTION OF ORGANIZATION

Organization - The Glaucoma Research Foundation (the Foundation), a California nonprofit public benefit corporation, was organized in March 1978. The mission of the Foundation is to fund innovative research to restore vision and cure glaucoma. The Foundation is also a leading resource for patients and families on understanding and living with glaucoma.

The Foundation's programs include:

- Catalyst for a Cure: A unique research collaboration involving scientists at four different institutions discovering ways to restore vision and cure glaucoma.
- Glaucoma 360: A three-day series of meetings and events to stimulate interest and speed the translation of new drugs and devices into clinical use to help glaucoma patients preserve and restore vision.
- Shaffer Grants: Provides one-year seed money for innovative research to better understand and treat glaucoma.
- Educational Materials: Publishing brochures, newsletters, booklets, and a website to increase awareness and knowledge of glaucoma and glaucoma research among patients, families and the general public.
- Glaucoma Patient Summit: A two-day event of presentations and seminars that highlight advances in treatment options and provide practical information to help patients understand and live with glaucoma.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting – The financial statements of the Foundation are prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles, which reflects revenue when earned and expenses as incurred.

Basis of Presentation – The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - Net assets that are not subject to any donor-imposed restrictions. This class also includes restricted gifts whose donor-imposed restrictions were met during the fiscal year.

Net assets with donor restrictions – Net assets that are restricted by a donor for use for a particular purpose or in a particular period. Some donor imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents - Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to changes in interest rates is negligible. These are generally investments with maturity dates within three months of the acquisition date.

Property, Equipment, and Leasehold Improvements - The Foundation records property, equipment, and leasehold improvements at cost of acquisition, or, if donated, the fair market value at the date of donation. Depreciation is recognized using the straight-line method over the useful lives of the assets, which range from three to five years. The Foundation capitalizes all property, equipment, and improvements with a cost in excess of \$5,000.

Fair Value Measurements – The Foundation carries certain assets and liabilities at fair value. Fair value is defined as the price that would be received if selling an asset or paid if transferring a liability in an orderly transaction between market participants at the measurement date. Fair value measurement standards also require the Foundation to classify these financial instruments into a three-level hierarchy. The Foundation classifies its financial assets and liabilities according to the below three levels, and maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value.

- Level 1 – Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities, without adjustment.
- Level 2 – Quoted prices in markets that are not considered to be active for identical or similar assets or liabilities, quoted prices in active markets of similar assets or liabilities, and inputs other than quoted prices that are observable or can be corroborated by observable market data.
- Level 3 – Inputs that are both significant to the fair value measurement and unobservable, including inputs that are not derived from market data or cannot be corroborated by market data.

The Foundation's carrying amounts of its assets and liabilities, including its investments presented in Note 5 approximate fair value under Level 1 and Level 2 for the years ended June 30, 2024 and 2023.

Investments – To the extent available, the Foundation's investments are recorded at fair value based on quoted prices in active markets. The Foundation's investments that are listed on any U.S. or non-U.S. recognized exchanges are valued based on readily available market quotations. When such inputs do not exist, fair value measurements are based on the best available information and usually require a degree of judgment.

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment transactions are recorded on the purchase or redemption date. Realized gains and losses on sales of investments are determined on the specific identification basis. Dividend and interest income is recorded on an accrual basis. Unrealized gains and losses on investments resulting from market fluctuations are recorded in the statement of activities in the period that such fluctuations occur.

In addition, the Foundation reports certain investments using the Net Asset Value (NAV) per share as determined by the investment funds in which the Foundation is invested under the so-called “practical expedient.” The practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

Contributions – Contributions consist of cash contributions as well as in-kind goods and services provided to the Foundation. Contributed services are recognized at their fair value if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donated securities are recorded at their fair value at the date of donation.

Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue Recognition – Revenue is recognized as earned as services and products are provided to the constituencies being served. All revenue received in advance of it being earned is deferred.

Accounts Receivable - Multi-year pledges are recorded at present value. Contributions receivable are reviewed for collectability, and reserves for uncollectible amounts are established as needed. It is the practice of the Foundation to expense uncollectibles only after exhausting all efforts to collect the amounts due. An allowance for doubtful accounts was established using an estimate based on prior year bad debt expense.

Tax Status – The Foundation is a nonprofit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Service Code (the “Code”) and Section 23701(d) of the Revenue and Taxation Code of the State of California. The Foundation is considered by the IRS to be an organization other than a private foundation. In the opinion of management there is no unrelated business income. Management evaluated the Foundation’s tax positions and concluded that the Foundation had maintained its tax exempt status and had taken no uncertain tax positions that require adjustments to the financial statements.

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

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been detailed in the statement of functional expenses and summarized in the statement of activities. Certain costs have been allocated among the programs and supporting services by the management of the Foundation which are allocated on the basis of estimates of time and effort.

Advertising Costs – It is the policy of the Foundation to expense advertising costs as incurred.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, Leases (Topic 842). The new standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statement of financial position for all leases with a term longer than 12 months. Leases are classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of activities and changes in net assets. As of June 30, 2023, the Foundation was in compliance with this ASU and has elected to apply the practical expedient of not adjusting prior periods to be in conformity with the new standard.

In September 2020, the FASB issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. Under this ASU, a not-for-profit entity is required to present contributed nonfinancial assets as a separate line-item in the statement of activities, apart from contributions of cash and other financial assets as well as include enhanced disclosures surrounding the nature and valuation techniques of the contributed nonfinancial assets. This ASU is effective for fiscal years beginning after June 15, 2021 and the Foundation has implemented this ASU.

In June 2016, the FASB issued ASU No. 2016-13, "Current Expected Credit Losses (Topic 326)" ("ASU 2016-13"). The credit loss model is intended to simplify standards and provide for more timely recognition of credit losses. The amended guidance requires financial assets that are measured at amortized cost be presented at the net amount expected to be collected. ASU 2016-13 is effective for the Foundation as of January 1, 2023 and the Foundation has implemented it.

NOTE 3 PLEDGES RECEIVABLE

Current unconditional pledges receivable are expected to be received within one year of year end. Current and long-term pledges receivable are reduced by an allowance for doubtful accounts.

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 3 PLEDGES RECEIVABLE (continued)

Pledges receivable consist of the following at June 30, 2024 and 2023:

	2024	2023
Current portion	\$ 1,406,889	\$ 3,015,974
Long-term portion	2,532,455	604,000
Less: present value discount	(258,479)	(32,021)
Less: allowance for doubtful accounts	(40,000)	(40,000)
Total long term, net	2,233,976	531,979
Total pledges receivable, net	\$ 3,640,865	\$ 3,547,953

At June 30, 2024, pledges receivable are due as follows:

June 30,	
2025	\$ 1,406,889
2026	646,766
2027	573,028
2028	548,247
2029	505,935
Allowance	(40,000)
Total pledges	\$ 3,640,865

The present value discount rate uses an interest rate based on U.S. Treasury Bills of 4.52% for the years ended June 30, 2024 and 2023.

NOTE 4 INVENTORY

Inventory consists of educational brochures which are distributed to doctors and the public free of charge. The cost of inventory as determined on a first in, first out basis at June 30, 2024 and 2023 is as follows:

2024	2023
\$ 31,480	\$ 27,390

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 5 INVESTMENTS

Investments, shown at market value, as of June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Exchange Traded Funds	\$ 6,686,304	\$ 7,810,605
Permanently restricted investments (Levels 1 and 2)	(3,342,500)	(3,342,500)
	\$ 3,343,804	\$ 4,468,105

Investment income for the years ended June 30, 2024 and 2023 consists of the following:

	2024	2023
Interest and dividends	\$ 143,672	\$ 269,432
Realized gains (losses)	(886)	314
Unrealized gains (losses)	435,895	453,554
Total investment income	\$ 578,681	\$ 723,300

NOTE 6 PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements, at cost, consist of the following at June 30, 2024 and 2023:

	2024	2023
Equipment and furniture	\$ 109,888	\$ 109,888
Work in process	285,075	177,325
Leasehold improvements	3,363	3,363
	398,326	290,576
Accumulated depreciation	(154,501)	(126,858)
Property and equipment, net	\$ 243,825	\$ 163,718

Depreciation expense for the years ended June 30, 2024 and 2023 was \$ 27,144 and \$32,170, respectively.

NOTE 7 ASSETS HELD IN TRUST

Charitable remainder trusts and pooled income funds are amounts held in trust by the Foundation on which the donor or designated beneficiaries receive payments as specified in the trust agreement. The trusts specify the length of time the payments are to continue, after which time the principal of the trust is distributed to the Foundation for use as designated by the donor. Trust assets are recorded at fair market value at the date of receipt and are adjusted annually to reflect market values.

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 7 ASSETS HELD IN TRUST (continued)

Assets held in trust as of June 30, 2024 and 2023 are summarized as follows:

	2024	2023
Bond and equity mutual funds	\$ 60,838	\$ 63,794

NOTE 8 CHARITABLE TRUST DISTRIBUTIONS PAYABLE

These amounts are payable to the beneficiaries of charitable remainder trusts and pooled income funds. The amount of liability has been discounted for the present value of future payments to the beneficiaries based on either life expectancy or remaining fixed term, and the balance is recorded as income. A discount rate approximating the 30 year Treasury bond rate, at the time the instrument is originated, is used for present value purposes.

The estimated liability is as follows as of June 30, 2024 and 2023:

	2024	2023
Total trust distributions payable	\$ 25,452	\$ 26,390
Less: current portion	(4,464)	(4,681)
Long-term portion, at present value	\$ 20,988	\$ 21,709

NOTE 9 RIGHT OF USE ASSETS AND LEASE LIABILITIES

As stated in Note 2, the Foundation has adopted ASU 842 and as such, is capitalizing future operating lease payments as Right of use assets and corresponding Lease liabilities. In accordance with the ASU, a present value discount was considered but was determined to be insignificant.

The Foundation entered into an office lease effective July 1, 2005. During the year ended June 30, 2020, the lease was extended to February 28, 2025 at \$14,776 per month with annual adjustments. The total rent expense plus rental associated fees for the years ended June 30, 2024 and 2023 was \$209,018 and \$212,162, respectively.

In addition, the Foundation leases office equipment with the agreement running to October, 2028.

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 9 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

The estimated future minimum payments for all operating leases for the current and succeeding years are as follows:

<u>June 30,</u>	
2025	\$ 155,114
2026	2,976
2027	2,976
2028	2,976
2029	744
	<u>\$ 164,786</u>

NOTE 10 GRANTS PAYABLE

Grants payable consist of payments to be made subsequent to June 30, 2024 and 2023, per grant agreements as follows:

	<u>2024</u>	<u>2023</u>
Glaucoma Research Education Group	\$ -	\$ 200,000
Shaffer Grants	275,000	225,000
Catalyst for a Cure	500,000	500,000
	<u>\$ 775,000</u>	<u>\$ 925,000</u>

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or time periods or in perpetuity at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
<u>Time restricted:</u>		
Pledges receivable	\$ 3,640,865	\$ 3,280,086
Charitable trusts	61,775	63,794
<u>Purpose restricted:</u>		
Shaffer project	-	103,753
New Horizons Conference	194,842	-
Catalyst for Cure	-	239,158
GREG	102,630	-
Other research	197,909	28,709
	<u>4,198,021</u>	<u>3,715,500</u>
Permanently restricted	3,342,500	3,342,500
Total donor restricted net assets	<u>\$ 7,540,521</u>	<u>\$ 7,058,000</u>

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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2024 and 2023

NOTE 11 NET ASSETS WITH DONOR RESTRICTIONS (continued)

Permanently restricted net assets consist of the following:

- “The Dr. Henry A. Sutro Family Grant for Research” in the amount of \$800,000. The annual income from this endowment fund shall be used for special investigators and/or projects selected by the Foundation.
- An endowment fund in the amount of \$2,542,500. The annual income shall be used to fund the “Drs. Henry and Frederick Sutro Memorial Lecture,” and other organization objectives.

NOTE 12 ENDOWMENT

The Foundation’s endowment consists of donor-restricted funds which are classified as net assets with permanent donor restriction as stated in Notes 5 and 11. The balance was \$3,342,500 for each year as of June 30, 2024 and 2023.

Interpretation of relevant law – The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift of the donor-restricted endowment funds. The Foundation classifies as permanently restricted net assets the original value of all gifts donated to the permanent endowment. These donor-restricted funds are to be held in perpetuity. When earnings and appreciation in the fund exceed the original gift amount, those earnings will be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence described by UPMIFA.

Spending policy – In order to accomplish the purpose of the endowment, the Foundation’s spending policy for the first five years will be to annually disburse a maximum of 5% of the fair value of the original gift. Subsequently, a maximum of 5% of a rolling average of the prior five years’ fund value will be disbursed annually. Income in excess of the disbursements will be retained in the endowment fund to allow it to grow over time to offset inflation and permit the continued support of the purpose of the fund.

Endowment investment policies – The Foundation has adopted investment policies for endowment assets which allow for more aggressive investments than working capital in order to preserve the principal and to increase the value over time.

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NOTE 12 ENDOWMENT (continued)

Endowment net asset composition:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Dr. H.A. Sutro			
Family Grant for Research	\$ 207,865	\$ 800,000	\$ 1,080,380
Clinical research and Drs. H. and F. Sutro			
Memorial Lecture	<u>641,781</u>	<u>2,542,500</u>	<u>3,086,766</u>
Total funds	<u>\$ 824,646</u>	<u>\$ 3,342,500</u>	<u>\$ 4,167,146</u>
 <u>Changes in Endowment net assets</u>			
Net assets, June 30, 2023	\$ 621,125	\$ 3,342,500	\$ 3,963,625
Investment return:			
Interest and dividends	105,951	-	105,951
Unrealized gain	<u>272,570</u>	<u>-</u>	<u>272,570</u>
Total investment return	<u>378,521</u>	<u>-</u>	<u>378,521</u>
Appropriation of endowment			
earnings for expenditure	<u>(175,000)</u>	<u>-</u>	<u>(175,000)</u>
Net assets, June 30, 2024	<u>\$ 824,646</u>	<u>\$ 3,342,500</u>	<u>\$ 4,167,146</u>

NOTE 13 SPECIAL EVENTS

The Foundation holds an annual fundraising event in January. The results of this and other events held in 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Income	\$ 369,881	\$ 523,635
Direct expenses	<u>(269,937)</u>	<u>(338,840)</u>
	<u>\$ 99,944</u>	<u>\$ 184,795</u>

NOTE 14 401(k) RETIREMENT PLAN

The Foundation participates in a 401(k) plan for its employees. Under Federal guidelines, the Glaucoma Research Foundation will match up to 5% of employee contributions and employees are fully vested upon enrollment. The Foundation's expense for the plan was \$72,102 and \$68,984 for the years ended June 30, 2024 and 2023, respectively.

NOTE 15 ADVERTISING COSTS

It is the policy of the Foundation to expense advertising costs as incurred. Advertising expenses for the years ended June 30, 2024 and June 30, 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Advertising costs	<u>\$ 210,498</u>	<u>\$ 117,572</u>

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NOTE 16 LIQUIDITY MANAGEMENT

As part of Glaucoma Research Foundation’s liquidity management strategy, GRF structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. GRF’s working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions and grants. The Foundation has sufficient cash and cash equivalents to meet its current needs and investments which can be converted to cash for periods when cash is not available.

Current liquidity at June 30, 2024 and 2023 can be quantified as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	3,643,453	2,205,229
Accounts and grants receivable	1,406,889	3,015,974
Less current temporarily restricted net assets	<u>(4,198,021)</u>	<u>(3,715,500)</u>
Assets available for current needs	<u>\$ 852,321</u>	<u>\$ 1,505,703</u>

NOTE 17 CONCENTRATION OF CREDIT RISK

As of June 30, 2024, the Corporation’s financial instruments consisted primarily of cash and cash equivalents. Cash balances may at times exceed the Federal Deposit Insurance Corporation (FDIC) limits on insurable amounts. The Corporation attempts to mitigate this risk by investing excess cash with major institutions.

NOTE 18 RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. These changes in classification do not affect previously reported cash flows from operating activities in the Statement of Cash Flows.

NOTE 19 SUBSEQUENT EVENTS

Management has evaluated all material subsequent events through the Auditor’s Report date, the date the financial statements were available to be issued, and is asserting there are none.