

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

For the Years Ended
June 30, 2025 and 2024

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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, 2025 and 2024 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, 2025 and 2024, 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.



October 2, 2025
Bunker & Company LLP
San Rafael, CA

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

STATEMENTS OF FINANCIAL POSITION
June 30, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 3,497,922	\$ 3,643,453
Pledges receivable, current portion (Notes 2 and 3)	1,758,440	1,406,889
Prepaid expenses	162,566	167,026
Inventory (Note 4)	31,876	31,480
Right of use assets, current (Note 9)	77,861	164,786
Total current assets	5,528,665	5,413,634
Pledges receivable, net (Note 3)	4,452,488	2,233,976
Right of use assets, long term, net (Note 9)	306,915	-
Investments (Note 5)	2,635,867	3,343,804
Property, equipment, and leasehold improvements, net of accumulated depreciation of \$219,227 in 2025 and \$154,501 in 2024 (Notes 2 and 6)	216,720	243,825
Assets held in trust (Note 7)	62,594	60,838
Permanently restricted cash and investments (Note 5)	3,342,500	3,342,500
Total assets	\$ 16,545,749	\$ 14,638,577
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 279,019	\$ 139,417
Trust distributions payable, current portion (Note 8)	4,594	4,464
Grants payable (Note 10)	747,500	775,000
Lease liabilities, current (Note 9)	77,861	164,786
Total current liabilities	1,108,974	1,083,667
Long-term liabilities		
Lease liabilities, long term (Note 9)	306,915	-
Trust distribution payable, long term (Note 8)	43,565	20,988
Total liabilities	1,459,454	1,104,655
Net assets		
Net assets without donor restrictions	5,120,121	5,993,401
Net assets with donor restrictions (Note 11)	9,966,174	7,540,521
Total net assets	15,086,295	13,533,922
Total liabilities and net assets	\$ 16,545,749	\$ 14,638,577

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, 2025

	Net Assets Without Donor Restrictions	Net Assets with Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations and bequests	\$ 2,064,745	\$ 7,125,667	9,190,412
Special events income	381,021	-	381,021
Investment income	554,697	333,656	888,353
Change in value in charitable trusts	-	(20,951)	(20,951)
Conference/Forum income	391,458	-	391,458
Other revenue	87,997	-	87,997
Total revenue	3,479,918	7,438,372	10,918,290
Net assets released from restrictions	5,012,719	(5,012,719)	-
Total support, revenue and transfers	8,492,637	2,425,653	10,918,290
EXPENSES			
Research	5,554,455	-	5,554,455
Education	2,102,405	-	2,102,405
Total program	7,656,860	-	7,656,860
Management and general	523,096	-	523,096
Fundraising	1,185,961	-	1,185,961
Total expenses	9,365,917	-	9,365,917
Change in net assets	(873,280)	2,425,653	1,552,373
Net assets, beginning of year	5,993,401	7,540,521	13,533,922
Net assets, end of year	\$ 5,120,121	\$ 9,966,174	\$ 15,086,295

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	4,420,937	3,471,024	7,891,961
Net assets released from restrictions	2,988,503	(2,988,503)	-
Total support, revenue and transfers	7,409,440	482,521	7,891,961
EXPENSES			
Research	4,066,864	-	4,066,864
Education	1,883,527	-	1,883,527
Total program	5,950,391	-	5,950,391
Management and general	228,289	-	228,289
Fundraising	1,074,300	-	1,074,300
Total expenses	7,252,980	-	7,252,980
Change in net assets	156,460	482,521	638,981
Net assets, beginning of year	5,836,941	7,058,000	12,894,941
Net assets, end of year	\$ 5,993,401	\$ 7,540,521	\$ 13,533,922

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, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,552,373	\$ 638,981
Adjustments to reconcile change in net assets to net cash (provided) used by operating activities:		
Depreciation	64,725	27,144
Realized (gain) loss on investments	(23,769)	886
Unrealized (gain) loss on investments	(544,467)	(435,895)
Change in value of charitable trusts	(1,756)	2,956
Changes in assets and liabilities		
Pledges and bequests receivable	(2,570,063)	(92,912)
Prepaid expenses	4,459	59,174
Inventory	(396)	(4,090)
Accounts payable and accrued expenses	139,602	(59,141)
Grants payable	(27,500)	(150,000)
Total adjustments	(2,959,165)	(651,878)
Net cash (used) by operating activities	(1,406,792)	(12,897)
CASH FLOWS FROM INVESTING ACTIVITIES		
Trust distribution payable	22,707	(938)
Change in property, equipment and leasehold improvements	(37,619)	(107,251)
Change in investments	1,276,173	1,559,310
Net cash provided by investing activities	1,261,261	1,451,121
Net change in cash and cash equivalents	(145,531)	1,438,224
Cash and cash equivalents, beginning of year	3,643,453	2,205,229
Cash and cash equivalents, end of year	\$ 3,497,922	\$ 3,643,453
Supplemental non-cash disclosure		
Right of use assets	\$ 219,990	\$ 216,379
Lease liability recorded	\$ (219,990)	\$ (216,379)

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, 2025

	Programs			Management and General	Fundraising	Total
	Research	Education	Total			
Grant and contract expenses	\$ 3,167,340	\$ -	\$ 3,167,340	\$ -	\$ -	\$ 3,167,340
Staff and contractor expenses	902,966	900,118	1,803,084	165,484	294,131	2,262,699
Consulting expenses	106,120	211,589	317,709	126,361	405,321	849,391
Operating expenses	35,765	404,139	439,904	35,528	188,271	663,703
Occupancy expenses	63,887	61,358	125,245	11,974	21,087	158,306
Events and meeting expenses	1,278,377	478,603	1,756,980	183,749	277,151	2,217,880
Booklet publications costs	-	46,598	46,598	-	-	46,598
Total expenses	<u>\$ 5,554,455</u>	<u>\$ 2,102,405</u>	<u>\$ 7,656,860</u>	<u>\$ 523,096</u>	<u>\$ 1,185,961</u>	<u>\$ 9,365,917</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, 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)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2025 and 2024

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, 2025 and 2024

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, 2025 and 2024.

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
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2025 and 2024

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.

Promises to Give – Unconditional promises to give are recognized as revenues in the period such promises are made by the donor. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give which are scheduled to be received after one year are discounted at rates commensurate with the risks involved. Amortization of the discount is recorded as additional revenue in accordance with the donor-imposed restrictions, if any, on the contributions.

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.

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2025 and 2024

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 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.

GLAUCOMA RESEARCH FOUNDATION
(A California Nonprofit Public Benefit Corporation)

NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2025 and 2024

NOTE 3 PLEDGES RECEIVABLE

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

Pledges receivable consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Current portion	\$ 1,758,440	\$ 1,406,889
Long-term portion	4,855,700	2,532,455
Less: present value discount	(363,212)	(258,479)
Less: allowance for doubtful accounts	<u>(40,000)</u>	<u>(40,000)</u>
Total long term, net	4,452,488	2,233,976
Total pledges receivable, net	<u>\$ 6,210,928</u>	<u>\$ 3,640,865</u>

At June 30, 2025, pledges receivable are due as follows:

<u>June 30,</u>	
2026	\$ 1,758,440
2027	1,563,464
2028	1,503,335
2029	1,425,689
Allowance	<u>(40,000)</u>
Total pledges	<u>\$ 6,210,928</u>

The present value discount rate uses an interest rate based on U.S. Treasury Bills of 4% for the years ended June 30, 2025 and 2024.

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, 2025 and 2024 is as follows:

<u>2025</u>	<u>2024</u>
\$ 31,876	\$ 31,480

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2025 and 2024

NOTE 5 INVESTMENTS

Investments, shown at market value, as of June 30, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>
Exchange Traded Funds	\$ 5,978,367	\$ 6,686,304
Permanently restricted investments (Levels 1 and 2)	(3,342,500)	(3,342,500)
	<u>\$ 2,635,867</u>	<u>\$ 3,343,804</u>

Investment income for the years ended June 30, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 320,117	\$ 143,672
Realized gains (losses)	23,769	(886)
Unrealized gains (losses)	544,467	435,895
Total investment income	<u>\$ 888,353</u>	<u>\$ 578,681</u>

NOTE 6 PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Property, equipment and leasehold improvements, at cost, consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Equipment and furniture	\$ 109,888	\$ 109,888
Website	299,170	-
Work in process	23,526	285,075
Leasehold improvements	<u>3,363</u>	<u>3,363</u>
	435,947	398,326
Accumulated depreciation	(219,227)	(154,501)
Property and equipment, net	<u>\$ 216,720</u>	<u>\$ 243,825</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$64,725 and \$27,144, 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, 2025 and 2024

NOTE 7 ASSETS HELD IN TRUST (continued)

Assets held in trust as of June 30, 2025 and 2024 are summarized as follows:

	<u>2025</u>	<u>2024</u>
Bond and equity mutual funds	\$ <u>62,594</u>	\$ <u>60,838</u>

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Total trust distributions payable	\$ 48,159	\$ 25,452
Less: current portion	<u>(4,594)</u>	<u>(4,464)</u>
Long-term portion, at present value	\$ <u>43,565</u>	\$ <u>20,988</u>

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.

During the year ended June 30, 2025, the Foundation entered into a five year office lease agreement with \$5,437 per month with annual adjustments. The total rent expense plus rental associated fees for the years ended June 30, 2025 and 2024 was \$157,201 and \$209,018, respectively.

In addition, the Foundation leases office equipment with the agreements running to February, 2028 and October, 2028.

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

GLAUCOMA RESEARCH FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
For the years ended June 30, 2025 and 2024

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

<u>June 30,</u>	
2026	\$ 77,861
2027	79,818
2028	78,622
2029	72,290
2030	73,437
Thereafter	<u>153,551</u>
	535,579
Present value discount at 4%	<u>(150,803)</u>
	<u>\$ 384,776</u>

NOTE 10 GRANTS PAYABLE

Grants payable consist of payments to be made subsequent to June 30, 2025 and 2024, per grant agreements as follows:

	<u>2025</u>	<u>2024</u>
Shaffer Grants	247,500	275,000
Catalyst for a Cure	<u>500,000</u>	<u>500,000</u>
	<u>\$ 747,500</u>	<u>\$ 775,000</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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
<u>Time restricted:</u>		
Pledges receivable	\$ 6,210,928	\$ 3,640,865
Charitable trusts	62,594	60,838
<u>Purpose restricted:</u>		
Accelerator	12,020	-
New Horizons Conference	285,893	194,842
GREG	-	102,630
Other research	<u>52,239</u>	<u>198,846</u>
	<u>6,623,674</u>	<u>4,198,021</u>
Permanently restricted	<u>3,342,500</u>	<u>3,342,500</u>
Total donor restricted net assets	<u>\$ 9,966,174</u>	<u>\$ 7,540,521</u>

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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, 2025 and 2024.

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	\$ 275,718	\$ 800,000	\$ 1,075,718
Clinical research and Drs. H. and F. Sutro			
Memorial Lecture	893,504	2,542,500	3,436,004
Total funds	<u>\$ 1,169,222</u>	<u>\$ 3,342,500</u>	<u>\$ 4,511,722</u>

Changes in Endowment net assets

Net assets, June 30, 2024	\$ 849,648	\$ 3,342,500	\$ 4,192,148
Investment return:			
Interest and dividends	128,341	-	128,341
Unrealized gain	366,233	-	366,233
Total investment return	494,574	-	494,574
Appropriation of endowment			
earnings for expenditure	(175,000)	-	(175,000)
Net assets, June 30, 2025	<u>\$ 1,169,222</u>	<u>\$ 3,342,500</u>	<u>\$ 4,511,722</u>

NOTE 13 SPECIAL EVENTS

The Foundation holds an annual fundraising event in January. The results of this and other events held in 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Income	\$ 381,021	\$ 369,881
Direct expenses	(267,348)	(269,937)
	<u>\$ 113,673</u>	<u>\$ 99,944</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 \$77,292 and \$72,102 for the years ended June 30, 2025 and 2024, 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, 2025 and June 30, 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Advertising costs	\$ 114,430	\$ 210,498

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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, 2025 and 2024 can be quantified as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	3,497,922	3,643,453
Accounts and grants receivable	1,758,440	1,406,889
Less current temporarily restricted net assets	<u>(2,171,186)</u>	<u>(1,964,045)</u>
Assets available for current needs	<u>\$ 3,085,176</u>	<u>\$ 3,086,297</u>

NOTE 17 CONCENTRATION OF CREDIT RISK

As of June 30, 2025, 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 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.