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**SOLAR COOKERS INTERNATIONAL, INC.**



FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2021 and 2020

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Nelson & Associates, CPA's  
9245 Laguna Springs Drive, Suite 200  
Elk Grove, CA 95758

**SOLAR COOKERS INTERNATIONAL, INC.**  
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*Nelson & Associates*  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Solar Cookers International, Inc.  
Sacramento, California

We have audited the accompanying financial statements of Solar Cookers International, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solar Cookers International, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

The 2020 financial statements were audited by other auditors. The preceding auditors expressed an unmodified audit opinion on those audited financial statements in their report dated September 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sacramento, CA  
September 30, 2021

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2021**  
**WITH COMPARATIVE TOTALS AS OF JUNE 30, 2020**

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
<b><u>Current Assets</u></b>		
Cash and cash equivalents (Note 3)	\$ 929,387	\$ 521,492
Investments (Note 4)	667,991	612,811
Unconditional promises to give (Note 5)	-	23,121
Inventory	2,472	3,071
Prepaid assets	12,679	9,873
Total Current Assets	1,612,529	1,170,368
<b><u>Non-Current Assets</u></b>		
Property and equipment, net (Note 6)	6,708	9,050
Beneficial interest in Community Foundation assets (Note 11)	52,732	40,961
Total Non-Current Assets	59,440	50,011
Total Assets	\$ 1,671,969	\$ 1,220,379
<b>LIABILITIES AND NET ASSETS</b>		
<b><u>Current Liabilities</u></b>		
Accounts payable	\$ 8,515	\$ 8,531
Accrued expenses	38,579	39,778
Notes payable (Note 7)	85,075	35,343
Total Current Liabilities	132,169	83,652
Notes payable - less current portion (Note 7)	-	43,160
Total Liabilities	132,169	126,812
<b>NET ASSETS</b>		
With donor restrictions (Note 9)	59,410	56,740
Without donor restrictions	1,453,137	1,036,827
Total Net Assets	1,512,547	1,093,567
Total Liabilities and Net Assets	\$ 1,644,716	\$ 1,220,379

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Support and Revenues			
Contributions	\$ 688,664	\$ 33,000	\$ 721,664
Grants and contracts	150,431	-	150,431
Sales of cookers & materials	2,835	-	2,835
In-kind contributions (Note 10)	2,940	-	2,940
Investment income	65,745	-	65,745
Other revenue	<u>93,603</u>	<u>-</u>	<u>93,603</u>
Total Support and Revenues	<u>1,004,218</u>	<u>33,000</u>	<u>1,037,218</u>
Net assets released from restriction	<u>3,077</u>	<u>(30,330)</u>	<u>-</u>
Total Revenues	<u>1,007,295</u>	<u>2,670</u>	<u>1,037,218</u>
<b>EXPENSES</b>			
Program services	479,194	-	479,194
Fund development	85,537	-	85,537
General and administrative	<u>26,254</u>	<u>-</u>	<u>26,254</u>
Total Expenses	<u>590,985</u>	<u>-</u>	<u>590,985</u>
Change in net assets	416,310	2,670	446,233
Net Assets - July 1, 2020	<u>1,036,827</u>	<u>56,740</u>	<u>1,093,567</u>
Net Assets - June 30, 2021	<u>\$ 1,453,137</u>	<u>\$ 59,410</u>	<u>\$ 1,539,800</u>

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES</b>			
Support and Revenues			
Contributions	\$ 458,019	\$ 34,019	\$ 492,038
Grants and contracts	167,365	-	167,365
Sales of cookers & materials	1,562	-	1,562
In-kind contributions (Note 10)	3,570	-	3,570
Investment income	24,602	-	24,602
Other revenue	<u>5,650</u>	<u>-</u>	<u>5,650</u>
Total Support and Revenues	<u>660,768</u>	<u>34,019</u>	<u>694,787</u>
Net assets released from restriction	<u>42,463</u>	<u>(42,463)</u>	<u>-</u>
Total Revenues	<u>703,231</u>	<u>(8,444)</u>	<u>694,787</u>
<b>EXPENSES</b>			
Program services	491,474	-	491,474
Fund development	88,960	-	88,960
General and administrative	<u>26,299</u>	<u>-</u>	<u>26,299</u>
Total Expenses	<u>606,733</u>	<u>-</u>	<u>606,733</u>
Change in net assets	96,498	(8,444)	88,054
Net Assets - July 1, 2020	<u>940,329</u>	<u>65,184</u>	<u>1,005,513</u>
Net Assets - June 30, 2021	<u>\$ 1,036,827</u>	<u>\$ 56,740</u>	<u>\$ 1,093,567</u>

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020**

	<u>Program Services</u>	<u>Fund Development</u>	<u>General and Administrative</u>	<u>Total 2021</u>	<u>Total 2020</u>
Salaries and wages	\$ 315,081	\$ 49,853	\$ 10,169	\$ 375,103	\$ 373,441
Payroll taxes	26,107	4,914	848	31,869	31,309
Employee benefits	25,935	3,253	1,097	30,285	27,214
Accounting & audit fees	23,130	2,978	1,168	27,276	29,129
Bank & payroll charges	4	-	5,004	5,008	5,053
Cookers & other materials	1,182	-	-	1,182	851
Depreciation	2,014	258	70	2,342	2,895
Dues & subscriptions	2,986	668	41	3,695	3,700
In-kind expense	1,883	241	816	2,940	3,570
Insurance	1,994	206	5,698	7,898	5,845
Interest	-	-	-	-	1,508
Miscellaneous	-	-	75	75	438
Office expenses	1,045	223	36	1,304	2,182
Postage & shipping	1,243	184	41	1,468	2,124
Professional fees	7,951	1,014	277	9,242	10,671
Program expenses	22,586	-	-	22,586	36,368
Publication costs	19,383	13,464	-	32,847	28,764
Rent	18,576	2,376	648	21,600	24,061
Supplies	4,432	5,495	151	10,078	13,075
Telephone, fax & email	3,561	397	111	4,069	3,656
Travel & meetings	101	13	4	118	879
	<u>\$ 479,194</u>	<u>\$ 85,537</u>	<u>\$ 26,254</u>	<u>\$ 590,985</u>	<u>\$ 606,733</u>

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021**  
**WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 446,233	\$ 88,054
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	2,342	2,895
Net unrealized gain on investments	(54,375)	(10,112)
Paycheck Protection Program Loan Forgiven	(78,503)	-
Accounts receivable	-	100
Grants receivable	-	50,000
Unconditional promises to give	23,121	(471)
Inventory	599	813
Prepaid expenses	(2,806)	(2,263)
Beneficial Interest in Community Foundation assets	(11,771)	-
Accounts payable	(16)	5,941
Accrued expenses	(1,199)	11,921
Net Cash Provided by Operating Activities	<u>323,625</u>	<u>146,878</u>
<b>Cash Flows from Investment Activities</b>		
Purchase of investments	(308,124)	(298,986)
Proceeds from sale of marketable securities	25,717	23,911
Proceeds from maturities of certificates of deposits	263,000	165,000
Interest received	11,370	-
Purchase of equipment	-	(4,049)
Net Cash Used in Operating Activities	<u>(8,037)</u>	<u>(114,124)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from grant	7,232	-
Proceeds from Paycheck Protection Program	85,075	78,503
Net Cash Provided by Financing Activities	<u>92,307</u>	<u>78,503</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>407,895</u>	<u>111,257</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>521,492</u>	<u>410,235</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 929,387</u>	<u>\$ 521,492</u>

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



**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization

Solar Cookers International, Inc. (SCI) is a nonprofit organization whose mission is to improve human and environmental health by supporting the expansion of effective carbon-free solar cooking in world regions of greatest need. SCI leads through advocacy, research, and strengthening the capacity of the global solar cooking movement.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of SCI and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, SCI considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have original maturities of three months or less.

Investments

Investments are classified into the following categories:

- Available-for-sale securities, reported at fair value, with unrealized gains and losses excluded from earnings and reported, net of taxes, as accumulated other comprehensive income (loss) within net assets.
- Held-to-maturity securities, which management has the positive intent and ability to hold to maturity, reported at amortized cost, adjusted for the accretion of discounts and amortization of premiums.

Management determines the appropriate classification of its investments at the time of purchase and may only change the classification in certain limited circumstances. All transfers between categories are accounted for at fair value in the period which the transfer occurs.

Gains or losses on the sale of investment securities are computed on the specific identification method.

An investment security is impaired when its carrying value is greater than its fair value. Investment securities that are impaired are evaluated on at least a quarterly basis and more frequently when economic or market conditions warrant such an evaluation to determine whether such a decline in their fair value is other than temporary. Management utilizes criteria such as the magnitude and duration of the decline and the intent and ability of SCI to retain its investment in the securities for a period of time sufficient to allow for an anticipated recovery in fair value, in addition to the reasons underlying the decline, to determine whether the loss in value is other than temporary. The term "other than temporary" is not intended to indicate that the decline is permanent, but indicates that the prospect for a near-term recovery of value is not necessarily favorable, or that there is a lack of evidence to support a realizable value equal to or greater than the carrying value of the investment. Once a decline in value is determined to be other than temporary, and management does not intend to sell the security or it is more likely than not that SCI

**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

will not be required to sell the security before recovery, for debt securities, only the portion of the impairment loss representing credit exposure is recognized as a charge to earnings, with the balance recognized as a charge to other comprehensive income. If management intends to sell the security or it is more likely than not that SCI will be required to sell the security before recovering its forecasted cost, the entire impairment loss is recognized as a charge to earnings.

Inventory

Inventories consist of solar cookers and educational materials which are sold to the public and are stated at the lower of cost or market, with cost determined by the first-in first-out method.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment is recorded at acquisition cost, or at estimated fair market value as of the date of donation. Depreciation expense is provided on a straight-line basis over the estimated useful life of the respective asset, ranging from 5 to 15 years.

Revenue Recognition

All contributions are considered available for SCI's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as revenue with donor restrictions and increase the respective class of net assets. Contributions received with donor restrictions that are met in the same reporting period are reported as increases in net assets without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

In-Kind Contributions and Contributed Services

In accordance with ASC 958-605-50-1, SCI recognizes contributed services as contribution revenue and as assets or expenses if the services create or enhance a non-financial asset (for example, property and equipment) or

- would need to be purchased by SCI if they had not been provided by contribution.
- require specialized skills and are provided by individuals with those skills.

Functional Expense Allocation

The costs of providing the program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services based on estimates of employees' time and on the usage of resources.

Salary and personnel expenses are allocated according to the approximate percentage of time each employee spends on a function. Publication costs are allocated between fundraising and program according to the character of the publication. Other expenses are primarily allocated using the same percentage as budgeted salaries.

**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2021

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Income Taxes

Pursuant to a determination letter from the Internal Revenue Service, SCI is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue code and Section 23701(d) of the California Revenue and Taxation Code.

Subsequent Events

Subsequent events have been evaluated through September 30, 2021, which is the date the financial statements were available to be issued.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates, and those results could be material.

Recently Adopted Accounting Pronouncements

*ASU 2018-13 - Fair Value Measurement (Topic 820)*

Under the new guidance, disclosure requirements of fair value measurements in Topic 820, Fair Value Measurement, will be modified to improve effectiveness of disclosures in the notes to the financial statements. Modifications will effect both recurring and nonrecurring fair value measurements and remove, modify, and add certain disclosures. The new requirements are effective for SCI's June 30, 2021 year end. Adopting this standard as of June 30, 2021 had no effect on SCI's financial statements.

Future Accounting Pronouncements

*ASU 2016-02 - Leases (Topic 842)*

Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with a term of more than 12 months. Unlike current GAAP, which requires only capital leases to be recognized on the balance sheet, ASU No. 2016-02 will require both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases, including qualitative and quantitative requirements. The new requirements are effective for SCI's June 30, 2022 year-end. Management has not yet determined the impact of this accounting standard on SCI's operations or cash flows.

*ASU 2020-07 - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*

Under the new guidance, not-for-profit entities that receive contributed nonfinancial assets will be required to provide enhanced presentation and disclosures regarding the type and valuation of the receipts of nonfinancial assets. The requirements in the ASU require presentation of the receipt of nonfinancial assets as a separate line item in the statement of activities. The ASU also requires additional disclosures regarding qualitative information about the monetization or utilization of the nonfinancial assets, any donor-imposed restrictions to the use of the nonfinancial assets, and a description of the valuation techniques and inputs used to determine the fair value on the date the nonfinancial assets were received. The amendments in this ASU should be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021. Early adoption is permitted. Management has not yet determined the impact of this accounting standard on the Organization's operations or cash flows.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2: LIQUIDITY AND AVAILABILITY**

SCI strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit, money market funds and other short-term investments. SCI receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs.

The following table reflects SCI's financial assets as of June 30, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position.

	<b>2021</b>	<b>2020</b>
Financial assets at year-end:		
Cash and cash equivalents	\$ 929,387	\$ 521,492
Investments	667,991	612,811
Pledges and grants receivable	-	23,121
Total financial assets	1,597,378	1,157,424
Less amounts not available to be used within on year:		
Investments with liquidity horizons greater than one year	-	(110,422)
Donor-imposed restrictions:		
Restricted funds	(1,537)	(4,614)
Endowments	(57,873)	(52,126)
Financial assets with donor-imposed restrictions	(59,410)	(56,740)
Total financial assets not available to be used within on year	(59,410)	(167,162)
Financial assets available to meet general expenditures within one year	\$ 1,537,968	\$ 990,262

**NOTE 3: CASH AND CASH EQUIVALENTS**

At June 30, 2021, cash and cash equivalents included \$562,222 held in commercial banks of which \$338,191 was insured by the Federal Deposit Insurance Corporation and \$342,834 held in brokerage accounts, which all was insured by the Securities Investor Protection Corporation. At June 30, 2020, cash and cash equivalents included \$336,901 held in commercial banks of which \$250,000 was insured by the Federal Deposit Insurance Corporation and \$178,160 held with Charles Schwab, all of which was insured by the Securities Investor Protection Corporation. No cash and cash equivalents held in credit unions at June 30, 2020.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 4: INVESTMENTS**

SCI's investments consist of mutual funds, exchange-traded funds and certificates of deposit, all classified as available-for-sale.

Investments consisted of the following at June 30, 2021:

	<b>Fair Value</b>	<b>Cost</b>
Money Market Mutual Funds	\$ 414,963	\$ 397,833
Exchange-Traded Funds	104,174	65,343
Certificates of Deposit	148,854	148,000
Total Investments	\$ 667,991	\$ 611,176

Investments consisted of the following at June 20, 2020:

	<b>Fair Value</b>	<b>Cost</b>
Money Market Mutual Funds	\$ 48,228	\$ 44,859
Exchange-Traded Funds	68,493	59,966
Certificates of Deposit	496,090	491,000
Total Investments	\$ 612,811	\$ 595,825

Investment return is summarized as follows:

	<b>2021</b>	<b>2020</b>
Interest income	\$ 10,930	\$ 14,490
Net realized and unrealized gains (losses)	54,375	10,112
Total Investment income	\$ 65,305	\$ 24,602

**NOTE 5: UNCONDITIONAL PROMISE TO GIVE**

Unconditional promises to give, all of which management considered collectible within one year, consist of various pledges from donors which totaled \$ - and \$23,121 at June 30, 2021 and June 30, 2020, respectively.

**NOTE 6: PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	<b>2021</b>	<b>2020</b>
Furniture and equipment	\$ 33,958	\$ 33,958
Less: accumulated depreciation	(27,250)	(24,908)
Total property and equipment	\$ 6,708	\$ 9,050

Depreciation expense was \$2,342 and \$2,895 for the years ended June 30, 2021 and June 30, 2020, respectively.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 7: NOTES PAYABLE**

In February 2021, SCI applied for and was approved a \$85,075 loan under the Paycheck Protection Program (PPP) created as a part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. Total future payments are due within 12 months and are classified as a current liability as of June 30, 2021. The first PPP loan in the amount of \$78,503 was forgiven in fiscal year 2021.

**NOTE 8: LEASE COMMITMENTS**

SCI leases its office space in Sacramento under a non-cancelable operating lease which expired on December 31, 2020 with an option to continue on a month to month basis. Rent expense totaled \$19,800 and \$21,012 for the years ended June 30, 2021 and June 30, 2020, respectively.

**NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS**

	<u>2021</u>	<u>2020</u>
Purpose restrictions:		
Bergstrom/Kenya	\$ 1,037	\$ 1,114
Mary Frank/Media Fund	-	3,000
Puerto Rico Fund	500	500
Latin America Endowment	25,000	25,000
Latin America Endowment - unspent earnings	7,873	2,126
Sacramento Regional Community Foundation	<u>25,000</u>	<u>25,000</u>
Net Assets with Donor Restrictions	<u>\$ 59,410</u>	<u>\$ 56,740</u>

**NOTE 10: IN-KIND CONTRIBUTIONS**

SCI received donated goods related to its program purposes, and donated services from a variety of unpaid volunteers assisting in leadership, committees, fund-raising activities and program services. For the year ended June 30, 2021, SCI recorded in-kind revenue of \$2,940 which included \$1,950 for computer equipment and \$990 for donated services. For the year end June 30, 2020, SCI recorded in-kind revenue of \$3,570 in donated grant research, graphic design and global advisory services, and \$2,480 in donated program expenses.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 11: BENEFICIAL INTEREST IN ASSETS OF COMMUNITY FOUNDATION**

SCI has transferred assets to the Sacramento Regional Community Foundation (Foundation) to establish an endowment fund. The agreement states that the transfer is irrevocable and that the assets will not be returned to SCI. However, the Foundation will make distributions of income earned on the endowment fund to SCI, subject to the Foundation's spending policy. SCI has granted the Foundation variance power which allows the Foundation, at its sole discretion and subject to certain conditions, to modify any condition or restriction on the distribution of funds. No distributions were received for the years ended June 30, 2021 and 2020. SCI has recorded a beneficial interest in assets held by the Foundation totaling \$52,732 and \$40,961 at June 30, 2021 and June 30, 2020, respectively.

**NOTE 12: ENDOWMENT**

SCI's endowment includes both net assets with donor restrictions and net assets without donor restrictions designated by the Board of Directors to function as general endowments. The Board has complied with the requirements of the *Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, which provides statutory guidance for management, investment, and expenditures of endowment funds. UPMIFA does not distinguish between original corpus, income, and capital appreciation and permits all endowed funds to make a payout as deemed prudent by the Board and within UPMIFA.

SCI classifies as net assets with donor restrictions (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

To satisfy its long-term objectives, SCI 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). SCI targets a conservative mix on investments that places an emphasis on capital preservation.

Amounts to be appropriated for expenditure, if any, are determined annually by the Board of Directors. Changes in endowment net assets for the year ended June 30, 2021, were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, July 1, 2020	\$ 15,961	\$ 52,126	\$ 68,087
Contributions	13,829	5,747	19,576
Administrative Costs	<u>(2,058)</u>	<u>-</u>	<u>(2,058)</u>
Endowment assets, June 30, 2021	<u>\$ 27,732</u>	<u>\$ 57,873</u>	<u>\$ 85,605</u>

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**NOTE 12: ENDOWMENT (CONTINUED)**

Changes in endowment net assets for the year ended June 30, 2020, were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, July 1, 2019	\$ 17,560	\$ 52,224	\$ 69,784
Investment Income	315	2,743	3,058
Realized and unrealized gains	<u>(1,914)</u>	<u>(2,841)</u>	<u>(4,755)</u>
Endowment assets, June 30, 2020	<u>\$ 15,961</u>	<u>\$ 52,126</u>	<u>\$ 68,087</u>

**NOTE 13: FAIR VALUE MEASUREMENTS**

*FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy are described below:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
Level 2	<p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none"> <li>◦ Quoted prices for similar assets or liabilities in active markets;</li> <li>◦ Quoted prices for identical or similar assets or liabilities in inactive markets;</li> <li>◦ Inputs other than quoted prices that are observable for the assets or liability;</li> <li>◦ Inputs that are derived principally from or corroborated by observable market data correlation or other means.</li> </ul> <p>If the assets or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p>
Level 3	Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2021. The Organization had no assets or liabilities measured at fair value on a nonrecurring basis.

**Mutual Funds and Exchange -Traded Funds:** Valued at the daily closing prices as reported by the fund. Mutual funds and exchange-traded funds held by the Plan are open-end funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds and exchange-traded funds held by the Organization are deemed to be actively traded, resulting in a Level 1 valuation.



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**NOTE 13: FAIR VALUE MEASUREMENTS (CONTINUED)**

Certificates of Deposit: Valued at amortized cost, which approximates fair value. These are included as Level 2 valuation.

Beneficial Interest in Assets of Community Foundation: Valued using unobservable (Level 3) inputs, as the value of the beneficial interest is not published on an active market and the value is determined by the Community Foundation and the mix of investments held by the Community Foundation at a given point in time.

The following tables set forth by level, within the fair value hierarchy, SCI's assets at fair value as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Funds	\$ 414,963	\$ -	\$ -	\$ 414,963
Exchange-Traded Funds	104,174	-	-	104,174
Certificate of Deposit	-	148,854	-	148,854
Beneficial Interest in Assets of Community Foundation	<u>-</u>	<u>-</u>	<u>52,732</u>	<u>52,732</u>
Total assets at fair value	<u>\$ 519,137</u>	<u>\$ 148,854</u>	<u>\$ 52,732</u>	<u>\$ 720,723</u>

The following tables set forth by level, within the fair value hierarchy, SCI's assets at fair value as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Funds	\$ 48,228	\$ -	\$ -	\$ 48,228
Exchange-Traded Funds	68,493	-	-	68,493
Certificate of Deposit	-	496,090	-	496,090
Beneficial Interest in Assets of Community Foundation	<u>-</u>	<u>-</u>	<u>40,961</u>	<u>40,961</u>
Total assets at fair value	<u>\$ 116,721</u>	<u>\$ 496,090</u>	<u>\$ 40,961</u>	<u>\$ 653,772</u>

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, SCI believes the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a reconciliation of SCI's investments measured using significant unobservable measurements (Level 3) for the years ended:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Balance, beginning of year	\$ 40,961	\$ 42,562
Investment Income	12,230	314
Administrative fees	<u>(459)</u>	<u>(1,915)</u>
Balance, end of year	<u>\$ 52,732</u>	<u>\$ 40,961</u>

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**NOTE 14: COMMITMENTS AND CONTINGENCIES**

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, pledges receivable, and notes payable to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2021 and 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of SCI.