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**SOLAR COOKERS INTERNATIONAL, INC.**



FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2023 and 2022

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Nelson & Associates, CPA's  
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**SOLAR COOKERS INTERNATIONAL, INC.**  
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## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the accompanying financial statements of Solar Cookers International, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 Solar Cookers International, Inc. as of June 30, 2023 and 2022, 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 audits 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 Solar Cookers International, Inc. 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 Solar Cookers International, Inc.'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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Solar Cookers International, Inc.'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 Solar Cookers International, Inc.'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.

A handwritten signature in blue ink that reads "Nelson & Associates CPAs". The signature is written in a cursive, flowing style.

Elk Grove, CA  
September 19, 2023

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
AS OF June 30, 2023 and 2022

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 636,210	\$ 697,962
Investments (Note 4)	1,489,866	1,278,121
Promises to give	-	1,450
Inventory	1,528	1,882
Prepaid assets	28,489	15,531
Property and equipment, net (Note 6)	3,969	4,110
Beneficial interest in Community Foundation assets (Note 11)	<u>45,047</u>	<u>43,553</u>
Total Assets	<u>\$ 2,205,109</u>	<u>\$ 2,042,609</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 10,660	\$ 3,099
Accrued expenses	<u>63,873</u>	<u>45,363</u>
Total Liabilities	<u>74,533</u>	<u>48,462</u>
<b>NET ASSETS</b>		
With donor restrictions (Note 8)	79,376	55,872
Without donor restrictions	<u>2,051,200</u>	<u>1,938,275</u>
Total Net Assets	<u>2,130,576</u>	<u>1,994,147</u>
Total Liabilities and Net Assets	<u>\$ 2,205,109</u>	<u>\$ 2,042,609</u>

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 718,580	\$ 56,500	\$ 775,080
Grants and contracts	137,719	-	137,719
Sales of cookers & materials	1,541	-	1,541
In-kind contributions (Note 10)	7,622	-	7,622
Investment income (loss) (Note 4)	62,029	2,277	64,306
Other revenue	16,560	-	16,560
Total revenue, support, and gains	944,051	58,777	1,002,828
Net assets released from restriction (Note 9)	35,273	(35,273)	-
Total Revenue, Support, and Gains	979,324	23,504	1,002,828
<b>EXPENSES</b>			
Program services	711,189	-	711,189
Fund development	129,852	-	129,852
General and administrative	25,358	-	25,358
Total Expenses	866,399	-	866,399
Change in net assets	112,925	23,504	136,429
Net Assets - July 1, 2022	1,938,275	55,872	1,994,147
Net Assets - June 30, 2023	\$ 2,051,200	\$ 79,376	\$ 2,130,576

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE, SUPPORT, AND GAINS</b>			
Contributions	\$ 859,132	\$ 40,601	\$ 899,733
Grants and contracts	135,421	-	135,421
Sales of cookers & materials	3,750	-	3,750
In-kind contributions (Note 10)	13,903	-	13,903
Investment income (loss) (Note 4)	(48,055)	-	(48,055)
Other revenue	<u>100,192</u>	<u>-</u>	<u>100,192</u>
Total revenue, support, and gains	<u>1,064,343</u>	<u>40,601</u>	<u>1,104,944</u>
Net assets released from restriction (Note 9)	<u>44,139</u>	<u>(44,139)</u>	<u>-</u>
Total Revenue, Support, and Gains	<u>1,108,482</u>	<u>(3,538)</u>	<u>1,104,944</u>
<b>EXPENSES</b>			
Program services	541,582	-	541,582
Fund development	88,858	-	88,858
General and administrative	<u>20,157</u>	<u>-</u>	<u>20,157</u>
Total Expenses	<u>650,597</u>	<u>-</u>	<u>650,597</u>
Change in net assets	457,885	(3,538)	454,347
Net Assets - July 1, 2021	<u>1,480,390</u>	<u>59,410</u>	<u>1,539,800</u>
Net Assets - June 30, 2022	<u>\$ 1,938,275</u>	<u>\$ 55,872</u>	<u>\$ 1,994,147</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, 2023**

	<u>Program Services</u>	<u>Fund Development</u>	<u>General and Administrative</u>	<u>Total 2023</u>
Salaries and wages	\$ 447,779	\$ 66,835	\$ 11,536	\$ 526,150
Payroll taxes	34,169	6,084	798	41,051
Employee benefits	44,389	7,017	1,244	52,650
Accounting & audit fees	25,217	3,640	1,241	30,098
Bank & payroll charges	1,687	98	7,389	9,174
Depreciation	909	128	32	1,069
Dues & subscriptions	3,174	52	39	3,265
In-kind expense (Note 11)	6,280	895	447	7,622
Insurance	5,883	821	362	7,066
Miscellaneous	4	295	139	438
Office expenses	1,667	97	107	1,871
Postage & shipping	1,528	229	112	1,869
Professional fees	26,326	14,527	837	41,690
Program expenses	48,876	-	-	48,876
Publication costs	29,217	16,425	-	45,642
Rent	21,418	2,875	751	25,044
Supplies	9,882	9,275	270	19,427
Telephone, fax & email	2,541	524	45	3,110
Travel & meetings	<u>243</u>	<u>35</u>	<u>9</u>	<u>287</u>
	<u>\$ 711,189</u>	<u>\$ 129,852</u>	<u>\$ 25,358</u>	<u>\$ 866,399</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, 2022**

	<u>Program Services</u>	<u>Fund Development</u>	<u>General and Administrative</u>	<u>Total 2022</u>
Salaries and wages	\$ 336,800	\$ 52,774	\$ 9,593	\$ 399,167
Payroll taxes	27,126	5,320	835	33,281
Employee benefits	21,187	3,694	475	25,356
Accounting & audit fees	26,605	3,461	1,135	31,201
Bank & payroll charges	-	-	5,487	5,487
Depreciation	1,195	153	41	1,389
Dues & subscriptions	3,587	286	65	3,938
In-kind expense (Note 11)	12,303	965	635	13,903
Insurance	6,744	638	345	7,727
Miscellaneous	243	-	95	338
Office expenses	1,566	896	38	2,500
Postage & shipping	952	171	31	1,154
Professional fees	5,530	1,886	181	7,597
Program expenses	46,748	-	-	46,748
Publication costs	17,299	8,614	-	25,913
Rent	21,994	2,813	767	25,574
Supplies	7,997	6,692	302	14,991
Telephone, fax & email	3,596	490	108	4,194
Travel & meetings	<u>110</u>	<u>5</u>	<u>23</u>	<u>138</u>
	<u>\$ 541,582</u>	<u>\$ 88,858</u>	<u>\$ 20,156</u>	<u>\$ 650,596</u>

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 136,429	\$ 454,347
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	1,070	1,389
Loss on disposal of asset	-	1,782
Net unrealized loss (gain) on investments	(25,141)	62,019
Paycheck Protection Program Loan Forgiven	-	(85,113)
Decrease (Increase) in:		
Promises to give	1,450	(1,450)
Inventory	354	590
Prepaid expenses	<u>(12,958)</u>	<u>(2,851)</u>
Increase (Decrease) in:		
Accounts payable	4,000	(75)
Accrued expenses	<u>22,072</u>	<u>1,443</u>
Net Cash Provided by Operating Activities	<u>127,276</u>	<u>432,081</u>
<b>Cash Flows from Investment Activities</b>		
Purchase of investments	(450,000)	(1,200,434)
Proceeds from sale of marketable securities	-	389,500
Proceeds from maturities of certificates of deposits	261,900	148,000
Purchase of equipment	<u>(928)</u>	<u>(572)</u>
Net Cash Used in Operating Activities	<u>(189,028)</u>	<u>(663,506)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(61,752)</u>	<u>(231,425)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>697,962</u>	<u>929,387</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 636,210</u>	<u>\$ 697,962</u>

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

**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 available for use in general operations and not subject to donor imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions - Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, 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 all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects or other long-term purposes are excluded from this definition. SCI held no restricted cash as of June 30, 2023 and 2022.

Investments

SCI records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

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

SCI records property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**SOLAR COOKERS INTERNATIONAL, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023

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

SCI reviews carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2023 and 2022.

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 fund development and program according to the character of the publication. Other expenses are primarily allocated using the same percentage as budgeted salaries.

Income Taxes

SCI is exempt from income and franchise taxes under Section 501(c)(3) of the Internal Revenue Code. It is not obligated to pay federal or state corporate income taxes unless its unrelated business income, as defined by the Internal Revenue Service Code, exceeds \$1,000. SCI did not generate unrelated business income and is, therefore, not subject to federal or state corporate income taxes for the year ended June 30, 2023. In addition, SCI qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified by the Internal Revenue Service as other than a private foundation under Section 509(a)(2).

SCI has accounted for uncertainty in income taxes as required by the Accounting for Uncertainty in Income Taxes topic of the FASB Accounting Standards Codification. SCI uses comprehensive model for recognizing, and measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
JUNE 30, 2023

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

Leases

SCI determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. SCI does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

Financial Instruments and Credit Risk

SCI manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, SCI has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and contributions receivable is considered to be limited due to high historical collection rates. Investments are made according to SCI's Investment Policies and Guidelines and performance is monitored by SCI and the investment committee of the Board of Directors.

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 Pronouncement

*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 requires both operating and finance leases to be recognized on the balance sheet. Additionally, the ASU requires 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 were effective for SCI's June 30, 2023 year-end. Management has determined that there is no material impact of this accounting standard on SCI's operations or cash flows for the year ended June 30, 2023.

Subsequent Events

Subsequent events have been evaluated through September 19, 2023, which is the date the financial statements were available to be issued.

**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.

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2: LIQUIDITY AND AVAILABILITY (CONTINUED)**

The following table reflects SCI's financial assets as of June 30, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position.

	<b>2023</b>	<b>2022</b>
Financial assets at year-end:		
Cash and cash equivalents	\$ 636,210	\$ 697,962
Investments	1,489,866	1,278,121
Contributions receivable	-	1,450
Total financial assets	<u>2,126,076</u>	<u>1,977,533</u>
Less amounts not available to be used within on year:		
Investments with liquidity horizons greater than one year	(227,000)	(182,000)
Donor-imposed restrictions:		
Restricted funds	(21,727)	(500)
Endowments	(57,648)	(55,372)
Financial assets with donor-imposed restrictions	(79,375)	(55,872)
Total financial assets not available to be used within on year	<u>(306,375)</u>	<u>(237,872)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 1,819,701</u>	<u>\$ 1,739,661</u>

**NOTE 3: CASH AND CASH EQUIVALENTS**

At June 30, 2023, cash and cash equivalents included \$210,828 held in commercial banks of which \$208,036 was insured by the Federal Deposit Insurance Corporation. At June 30, 2023, cash and cash equivalents held in brokerage accounts amounted to \$661,280 of which \$528,000 was insured by the Federal Deposit Insurance Corporation. At June 30, 2022, cash and cash equivalents included \$608,485 held in commercial banks of which \$501,131 was insured by the Federal Deposit Insurance Corporation. A June 30, 2022 cash and cash equivalents held in brokerage accounts amounted to \$305,421 of which \$305,421 was insured by the Federal Deposit Insurance Corporation. No cash and cash equivalents held in credit unions at June 30, 2022.

**NOTE 4: INVESTMENTS**

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

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4: INVESTMENTS (CONTINUED)**

Investments consisted of the following at June 30, 2023:

	<b>Fair Value</b>	<b>Cost</b>
Money Market Mutual Funds	\$ 304,547	\$ 307,855
Exchange-Traded Funds	114,254	80,348
Certificates of Deposit	<u>1,071,065</u>	<u>1,075,000</u>
Total Investments	<u>\$ 1,489,866</u>	<u>\$ 1,463,203</u>

Investments consisted of the following at June 30, 2022:

	<b>Fair Value</b>	<b>Cost</b>
Money Market Mutual Funds	\$ 286,841	\$ 297,182
Exchange-Traded Funds	90,057	68,795
Certificates of Deposit	<u>901,223</u>	<u>905,000</u>
Total Investments	<u>\$ 1,278,121</u>	<u>\$ 1,270,977</u>

Investment return is summarized as follows:

	<b>2023</b>	<b>2022</b>
Interest income	\$ 38,966	\$ 13,927
Net realized and unrealized gains (losses)	<u>25,340</u>	<u>(61,982)</u>
Total Investment income	<u>\$ 64,306</u>	<u>\$ (48,055)</u>

**NOTE 5: UNCONDITIONAL PROMISES TO GIVE**

SCI had no promises to give at June 30, 2023 and \$1,450 and June 30 2022.

**NOTE 6: PROPERTY AND EQUIPMENT**

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

	<b>2023</b>	<b>2022</b>
Furniture and equipment	\$ 31,895	\$ 30,968
Less: accumulated depreciation	<u>(27,926)</u>	<u>(26,858)</u>
Total property and equipment	<u>\$ 3,969</u>	<u>\$ 4,110</u>

**SOLAR COOKERS INTERNATIONAL, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6: PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense was \$1,069 and \$1,389 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 7: LEASE COMMITMENTS**

SCI leases its office space in Sacramento under a non-cancelable operating lease which expired on September 30, 2023 with an option to continue on a three month basis. Rent expense totaled \$23,160 and \$24,000 for the years ended June 30, 2023 and 2022, respectively.

**NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS**

	<u>2023</u>	<u>2022</u>
Purpose restrictions:		
Kenya	\$ 21,228	\$ -
Puerto Rico Fund	500	500
Latin America Endowment	25,000	25,000
Latin America Endowment - unspent earnings	7,648	5,372
Sacramento Regional Community Foundation	<u>25,000</u>	<u>25,000</u>
Net Assets with Donor Restrictions	<u>\$ 79,376</u>	<u>\$ 55,872</u>

**NOTE 9: NET ASSETS RELEASED FROM RESTRICTIONS**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors during the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Purpose restrictions accomplished		
Kenya	\$ 35,273	\$ 31,604
Mary Frank/Media Fund	-	5,640
Latin America Endowment	-	6,145
Fundraising	<u>-</u>	<u>750</u>
Net Assets Released from Restrictions	<u>\$ 35,273</u>	<u>\$ 44,139</u>



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**NOTE 10: IN-KIND CONTRIBUTIONS**

For the years ended June 30, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included the following:

	<b>2023</b>	<b>2022</b>
Donated professional services	\$ 6,012	\$ 6,445
Dues and subscriptions	1,160	1,458
Lodging	450	-
Medical insurance premiums	-	6,000
Total In-kind Contributions	\$ 7,622	\$ 13,903

**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. Distributions in the amount of \$1,494 and \$1,640 were received for the years ended June 30, 2023 and 2022, respectively. SCI has recorded a beneficial interest in assets held by the Foundation totaling \$45,047 and \$43,553 at June 30, 2023 and 2022, 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.

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**NOTE 12: ENDOWMENT (CONTINUED)**

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, 2023, were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, July 1, 2022	\$ 18,553	\$ 55,372	\$ 73,925
Contributions	-	-	-
Investment Income	2,276	3,686	5,962
Grants/Scholarships	(1,760)	-	(1,760)
Administrative Costs	<u>(433)</u>	<u>-</u>	<u>(433)</u>
Endowment assets, June 30, 2023	<u>\$ 18,636</u>	<u>\$ 59,058</u>	<u>\$ 77,694</u>

Changes in endowment net assets for the year ended June 30, 2022, were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment assets, July 1, 2021	\$ 27,732	\$ 57,873	\$ 85,605
Investment Income (loss)	(7,034)	(2,501)	(9,535)
Grants/Scholarships	(1,640)	-	(1,640)
Administrative Costs	<u>(505)</u>	<u>-</u>	<u>(505)</u>
Endowment assets, June 30, 2022	<u>\$ 18,553</u>	<u>\$ 55,372</u>	<u>\$ 73,925</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      Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the assets or liability;
  - Inputs that are derived principally from or corroborated by observable market data correlation or other means.
- 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.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

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, 2023. SCI 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 SCI are deemed to be actively traded, resulting in a Level 1 valuation.

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, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Funds	\$ 304,547	\$ -	\$ -	\$ 304,547
Exchange-Traded Funds	114,254	-	-	114,254
Certificate of Deposit	-	1,071,065	-	1,071,065
Beneficial Interest in Assets of Community Foundation	<u>-</u>	<u>-</u>	<u>45,047</u>	<u>45,047</u>
Total assets at fair value	<u>\$ 418,801</u>	<u>\$ 1,071,065</u>	<u>\$ 45,047</u>	<u>\$ 1,534,913</u>

The following tables set forth by level, within the fair value hierarchy, SCI's assets at fair value as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Mutual Funds	\$ 286,841	\$ -	\$ -	\$ 286,841
Exchange-Traded Funds	90,057	-	-	90,057
Certificate of Deposit	-	901,223	-	901,223
Beneficial Interest in Assets of Community Foundation	<u>-</u>	<u>-</u>	<u>43,553</u>	<u>43,553</u>
Total assets at fair value	<u>\$ 376,898</u>	<u>\$ 901,223</u>	<u>\$ 43,553</u>	<u>\$ 1,321,674</u>

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

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 beneficial interest in assets measured using significant unobservable measurements (Level 3) for the years ended:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Beneficial interest in assets, beginning of year	\$ 43,553	\$ 52,732
Investment Income (loss)	3,686	(7,034)
Administrative fees	(432)	(2,145)
Grants/Scholarships	<u>(1,760)</u>	<u>-</u>
Beneficial interest in assets, end of year	<u>\$ 45,047</u>	<u>\$ 43,553</u>