
SOLAR COOKERS INTERNATIONAL



FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2024 and 2023

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SOLAR COOKERS INTERNATIONAL
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June 30, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Solar Cookers International
Sacramento, California

Opinion

We have audited the accompanying financial statements of Solar Cookers International (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Solar Cookers International as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 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'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'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'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.



Elk Grove, CA
October 10, 2024

SOLAR COOKERS INTERNATIONAL
STATEMENT OF FINANCIAL POSITION
as of JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Cash and cash equivalents (Note 3)	\$ 390,145	\$ 636,210
Investments (Note 4)	1,943,343	1,489,866
Contributions receivable	1,300	-
Inventory	945	1,528
Prepaid assets	28,570	28,489
Property and equipment, net (Note 5)	4,814	3,969
Beneficial interest in Community Foundation assets (Note 10)	47,535	45,047
Total Assets	\$ 2,416,652	\$ 2,205,109
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 5,075	\$ 10,660
Accrued expenses	48,004	63,873
Total Liabilities	53,079	74,533
NET ASSETS		
Without donor restrictions	2,230,446	2,031,153
With donor restrictions (Note 7)	133,127	99,423
Total Net Assets	2,363,573	2,130,576
Total Liabilities and Net Assets	\$ 2,416,652	\$ 2,205,109

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

SOLAR COOKERS INTERNATIONAL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 743,055	\$ 94,380	\$ 837,435
Grants and contracts	174,000	-	174,000
Sales of cookers & materials	1,288	-	1,288
In-kind contributions (Note 9)	4,942	-	4,942
Investment income (Note 4)	102,974	6,999	109,973
Other revenue	1,761	-	1,761
Total revenue, support, and gains	1,028,020	101,379	1,129,399
Net assets released from restriction (Note 8)	67,675	(67,675)	-
Total Revenue, Support, and Gains	1,095,695	33,704	1,129,399
EXPENSES			
Program services	719,102	-	719,102
Fund development	147,725	-	147,725
General and administrative	29,575	-	29,575
Total Expenses	896,402	-	896,402
Change in net assets	199,293	33,704	232,997
Net Assets - July 1, 2023	2,031,153	99,423	2,130,576
Net Assets - June 30, 2024	\$ 2,230,446	\$ 133,127	\$ 2,363,573

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

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
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 9)	7,622	-	7,622
Investment income (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 8)	35,273	(35,273)	-
Total Revenue, Support, and Gains	979,324	23,504	1,002,828
EXPENSES			
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	1,918,228	75,919	1,994,147
Net Assets - June 30, 2023	\$ 2,031,153	\$ 99,423	\$ 2,130,576

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

SOLAR COOKERS INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Program Services</u>	<u>Fund Development</u>	<u>General and Administrative</u>	<u>Total 2024</u>
Salaries and wages	\$ 437,162	\$ 76,685	\$ 15,492	\$ 529,339
Payroll taxes	29,600	6,234	659	36,493
Employee benefits	49,698	10,020	1,928	61,646
Accounting & audit fees	23,504	3,318	1,345	28,167
Bank & payroll charges	6,731	275	7,725	14,731
Depreciation	702	99	25	826
Dues & subscriptions	2,892	90	23	3,005
In-kind expense (Note 9)	4,010	566	366	4,942
Insurance	5,755	950	249	6,954
Lease expense	12,311	1,738	434	14,483
Miscellaneous	11	5	103	119
Office expenses	1,589	168	19	1,776
Postage & shipping	1,486	276	48	1,810
Professional fees	27,752	15,415	789	43,956
Program expenses	67,713	-	-	67,713
Publication costs	36,255	25,041	-	61,296
Supplies	7,548	6,146	268	13,962
Telephone, fax & email	4,318	689	100	5,107
Travel & meetings	65	10	2	77
	<u>\$ 719,102</u>	<u>\$ 147,725</u>	<u>\$ 29,575</u>	<u>\$ 896,402</u>

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

SOLAR COOKERS INTERNATIONAL
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 9)	6,280	895	447	7,622
Insurance	5,883	821	362	7,066
Lease expense	21,418	2,875	751	-
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
Supplies	9,882	9,275	270	19,427
Telephone, fax & email	2,541	524	45	3,110
Travel & meetings	243	35	9	287
	<u>\$ 711,189</u>	<u>\$ 129,852</u>	<u>\$ 25,358</u>	<u>\$ 841,355</u>

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

SOLAR COOKERS INTERNATIONAL
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 232,997	\$ 136,429
Adjustments to reconcile increase in net assets to net cash used by operating activities:		
Depreciation	826	1,069
Net unrealized loss (gain) on investments	(39,448)	(25,141)
Decrease (Increase) in:		
Contributions receivable	(1,300)	1,450
Inventory	583	354
Prepaid expenses	(82)	(12,957)
Beneficial Interest in Community Foundation assets	(2,488)	(1,494)
Increase (Decrease) in:		
Accounts payable	(5,826)	4,000
Accrued expenses	(15,625)	22,068
Net Cash Provided by Operating Activities	169,637	125,778
Cash Flows from Investment Activities		
Purchase of investments	(414,031)	(450,000)
Proceeds from maturities of certificates of deposits	-	263,398
Purchase of equipment	(1,671)	(928)
Net Cash Used in Operating Activities	(415,702)	(187,530)
Net Increase (Decrease) in Cash and Cash Equivalents	(246,065)	(61,752)
Cash and Cash Equivalents, Beginning of Year	636,210	697,962
Cash and Cash Equivalents, End of Year	\$ 390,145	\$ 636,210

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

SOLAR COOKERS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Solar Cookers International (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 fund, short term reserves, and long-term reserves.

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, 2024 and 2023.

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. SCI held \$133,127 and \$99,423 in restricted funds within investment accounts and Sacramento Regional Community Foundation (Note 10) as of June 30, 2024 and 2023, respectively.

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024 and 2023.

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 with 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-kind contributions are reflected as contributions at their estimated fair value at the date of donation and are reported as support without donor restrictions unless donor stipulations specify how donated assets must be used. The Organization recognizes the fair value of contributed services if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Contributions of tangible assets are recorded at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. (Note 9)

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 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 years ended June 30, 2024 and 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis. The Organization does not have any leases requiring right-of-use asset and lease liability disclosure.

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.

Subsequent Events

Subsequent events have been evaluated through October 10, 2024, 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 2: LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects SCI's financial assets as of June 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position.

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	\$ 390,145	\$ 636,210
Investments	1,943,343	1,489,866
Contributions receivable	1,300	-
Total financial assets	2,334,788	2,126,076
Less amounts not available to be used within one year:		
Investments with liquidity horizons greater than one year	(295,903)	(227,000)
Donor-imposed restrictions:		
Restricted funds	(60,594)	(29,377)
Endowments	(72,533)	(70,046)
Financial assets with donor-imposed restrictions	(133,127)	(99,423)
Total financial assets not available to be used within one year	(429,030)	(326,423)
Financial assets available to meet general expenditures within one year	\$ 1,905,758	\$ 1,799,653

NOTE 3: CASH AND CASH EQUIVALENTS

At June 30, 2024, cash and cash equivalents included \$213,408 held in commercial banks of which \$212,196 was insured by the Federal Deposit Insurance Corporation. At June 30, 2024, cash and cash equivalents held in brokerage accounts amounted to \$164,292 all of which was insured by the Federal Deposit Insurance Corporation. 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 \$383,280 of which \$250,000 was insured by the Federal Deposit Insurance Corporation.

SOLAR COOKERS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

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, 2024:

	<u>Fair Value</u>	<u>Cost</u>
Mutual Funds	\$ 86,517	\$ 77,959
Exchange-Traded Funds	136,615	94,121
Bonds	241,588	241,928
Certificates of Deposit	<u>1,478,623</u>	<u>1,480,000</u>
Total Investments	<u>\$ 1,943,343</u>	<u>\$ 1,894,008</u>

Investments consisted of the following at June 30, 2023:

	<u>Fair Value</u>	<u>Cost</u>
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>

Investment return is summarized as follows:

	<u>2024</u>	<u>2023</u>
Interest income	\$ 72,806	\$ 38,966
Net realized and unrealized gains	<u>37,167</u>	<u>25,340</u>
Total Investment income	<u>\$ 109,973</u>	<u>\$ 64,306</u>

NOTE 5: PROPERTY AND EQUIPMENT

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

	<u>2024</u>	<u>2023</u>
Furniture and equipment	\$ 33,566	\$ 31,896
Less: accumulated depreciation	<u>(28,752)</u>	<u>(27,927)</u>
Total property and equipment	<u>\$ 4,814</u>	<u>\$ 3,969</u>

Depreciation expense was \$826 and \$1,069 for the years ended June 30, 2024 and 2023, respectively.

SOLAR COOKERS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 6: LEASE COMMITMENTS

SCI leases its office space in Sacramento on a month to month basis. The Organization reduced its office space in October 2023. Rent expense totaled \$12,180 and \$23,160 for the years ended June 30, 2024 and 2023, respectively.

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

	2024	2023
Subject to expenditure for specified purpose:		
Kenya	\$ 47,932	\$ 21,228
Puerto Rico Fund	500	500
Total subject to expenditure for specified purpose	48,432	21,728
Endowments:		
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Latin America Endowment	25,000	25,000
Latin America Endowment - unspent earnings	12,160	7,648
Sacramento Regional Community Foundation Endowment	47,535	45,047
Total Endowments	84,695	77,695
Net Assets with Donor Restrictions	\$ 133,127	\$ 99,423

NOTE 8: 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, 2024 and 2023:

	2024	2023
Purpose restrictions accomplished		
Kenya	\$ 56,675	\$ 35,273
Research	11,000	-
Net Assets Released from Restrictions	\$ 67,675	\$ 35,273

SOLAR COOKERS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 9: IN-KIND CONTRIBUTIONS

For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statements of activities included the following:

	2024	2023
Donated professional services	\$ 4,942	\$ 6,012
Dues and subscriptions	-	1,160
Lodging	-	450
Total In-kind Contributions	\$ 4,942	\$ 7,622

Contributed legal services are provided by attorneys who advise the Organization on various administrative legal matters. Contributed legal services are used for management and general activities and are recorded at fair value based on current rates for similar legal services.

Contributed lodging, dues and subscriptions are recorded at fair value and are based on similar current rates.

NOTE 10: 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 \$2,108 and \$1,494 were received for the years ended June 30, 2024 and 2023, respectively. SCI has recorded a beneficial interest in assets held by the Foundation totaling \$47,535 and \$45,047 at June 30, 2024 and 2023, respectively.

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

	June 30, 2024	June 30, 2023
Beneficial interest in assets, beginning of year	\$ 45,047	\$ 43,553
Investment Income (loss)	4,819	3,686
Administrative fees	(471)	(432)
Grants/Scholarships	(1,860)	(1,760)
Beneficial interest in assets, end of year	\$ 47,535	\$ 45,047

SOLAR COOKERS INTERNATIONAL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 11: 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.

As of June 30, 2024, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 72,535	\$ 72,535
Accumulated investment earnings	-	12,160	12,160
Endowment assets, June 30, 2024	\$ -	\$ 84,695	\$ 84,695

As of June 30, 2023, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 70,046	\$ 70,046
Accumulated investment earnings	-	7,648	7,648
Endowment assets, June 30, 2023	\$ -	\$ 77,694	\$ 77,694

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NOTE 11: ENDOWMENT (CONTINUED)

Changes in endowment net assets for the year ended June 30, 2024, were as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 77,694	\$ 77,694
Investment income (loss)	-	9,332	9,332
Grants/Scholarships	-	(1,860)	(1,860)
Administrative costs	-	(471)	(471)
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 84,695</u>	<u>\$ 84,695</u>

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 net assets, beginning of year	\$ -	\$ 73,925	\$ 73,925
Investment income (loss)	-	5,962	5,962
Grants/Scholarships	-	(1,760)	(1,760)
Administrative costs	-	(433)	(433)
Endowment assets, end of year	<u>\$ -</u>	<u>\$ 77,694</u>	<u>\$ 77,694</u>

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NOTE 12: 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 Organization has the ability to access.
Level 2	<p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">◦ 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. <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.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, considering factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

A portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The Organization invests in CDs traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The fair values of beneficial interests in charitable and perpetual trusts are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. The fair value of beneficial interest in assets held by the community foundation is based on the fair value of fund investments as reported by the community foundation. These are considered Level 3 measurements.

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NOTE 12: FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, SCI's assets at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds	\$ 86,517	\$ -	\$ -	\$ 86,517
Exchange-Traded Funds	136,616	-	-	136,616
Certificate of Deposit	-	1,478,623	-	1,478,623
Bond Funds	-	241,587	-	241,587
Beneficial Interest in Assets of Community Foundation	<u>-</u>	<u>-</u>	<u>47,535</u>	<u>47,535</u>
Total assets at fair value	<u>\$ 223,133</u>	<u>\$ 1,720,210</u>	<u>\$ 47,535</u>	<u>\$ 1,990,878</u>

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>
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>