

DISCOVERY EYE FOUNDATION
FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
Discovery Eye Foundation
Los Angeles, California

We have reviewed the accompanying financial statements of Discovery Eye Foundation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Discovery Eye Foundation and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

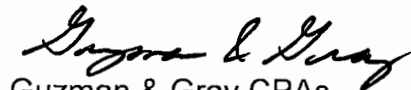
INDEPENDENT ACCOUNTANTS' REVIEW REPORT (Continued)

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Report on 2019 Financial Statements

The 2019 financial statements were audited by us and we expressed an unmodified opinion on them in our report dated May 27, 2020. We have not performed auditing procedures since that date.



Guzman & Gray CPAs

Long Beach, CA

May 13, 2021

DISCOVERY EYE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	December 31,	
	2020	2019
Cash and Cash Equivalents	\$ 334,266	\$ 527,164
Investments	1,785,736	1,490,066
Property and Equipment	18,355	19,795
 TOTAL ASSETS	 <u>\$ 2,138,357</u>	 <u>\$ 2,037,025</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable	\$ -	\$ 7,554
Accrued Liabilities	5,175	1,000
TOTAL LIABILITIES	<u>5,175</u>	<u>8,554</u>
NET ASSETS		
Without Donor Restrictions	1,761,223	1,414,313
With Donor Restrictions	371,959	614,158
TOTAL NET ASSETS	<u>2,133,182</u>	<u>2,028,471</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,138,357</u>	 <u>\$ 2,037,025</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

DISCOVERY EYE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 284,465	\$ 284,548	\$ 569,013
Donated Securities	65,569	-	65,569
Investment Return, net	127,534	-	127,534
	<u>477,568</u>	<u>284,548</u>	<u>762,116</u>
Net Assets Released from Restrictions	<u>526,747</u>	<u>(526,747)</u>	<u>-</u>
TOTAL REVENUE, SUPPORT, AND GAINS	<u>1,004,315</u>	<u>(242,199)</u>	<u>762,116</u>
EXPENSES			
Program Services	527,072	-	527,072
Management and General	113,628	-	113,628
Fundraising	16,705	-	16,705
	<u>657,405</u>	<u>-</u>	<u>657,405</u>
TOTAL EXPENSES	<u>657,405</u>	<u>-</u>	<u>657,405</u>
CHANGE IN NET ASSETS	346,910	(242,199)	104,711
NET ASSETS, BEGINNING OF YEAR	<u>1,414,313</u>	<u>614,158</u>	<u>2,028,471</u>
NET ASSETS, END OF YEAR	<u>\$ 1,761,223</u>	<u>\$ 371,959</u>	<u>\$ 2,133,182</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

DISCOVERY EYE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 544,031	\$ 493,469	\$ 1,037,500
Investment Return, net	291,044	-	291,044
	<u>835,075</u>	<u>493,469</u>	<u>1,328,544</u>
Net Assets Released from Restrictions	412,441	(412,441)	-
	<u>1,247,516</u>	<u>81,028</u>	<u>1,328,544</u>
TOTAL REVENUE, SUPPORT, AND GAINS			
EXPENSES			
Program Services	454,912	-	454,912
Management and General	86,199	-	86,199
Fundraising	18,315	-	18,315
	<u>559,426</u>	<u>-</u>	<u>559,426</u>
TOTAL EXPENSES			
CHANGE IN NET ASSETS	688,090	81,028	769,118
NET ASSETS, BEGINNING OF YEAR	<u>726,223</u>	<u>533,130</u>	<u>1,259,353</u>
NET ASSETS, END OF YEAR	<u>\$ 1,414,313</u>	<u>\$ 614,158</u>	<u>\$ 2,028,471</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

DISCOVERY EYE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 45,299	\$ 18,212	\$ 8,262	\$ 71,773
Employee Benefits	5,681	2,255	1,082	9,018
Payroll Taxes	3,849	1,528	733	6,110
Total Salaries and Related Expenses	54,829	21,995	10,077	86,901
Gifts Contributed	270,000	-	-	270,000
Outside Services	143,330	20,854	1,039	165,223
Supplies	47,968	2,486	-	50,454
Professional fees	-	22,598	-	22,598
Office Expense	300	10,070	-	10,370
Printing and Publications	9,198	546	5,363	15,107
Insurance	-	4,997	-	4,997
Postage and Delivery	788	6,657	226	7,671
Advertising and Promotion	351	1,165	-	1,516
Bank Charges and Credit Card Fees	53	1,421	-	1,474
Meals	-	6,823	-	6,823
Permits, Licenses, and Other Taxes	-	4,673	-	4,673
Dues and Subscriptions	255	1,211	-	1,466
Telephone	-	3,084	-	3,084
Miscellaneous	-	36	-	36
Expenses Before Depreciation	527,072	108,616	16,705	652,393
Depreciation	-	5,012	-	5,012
Total Expenses	\$ 527,072	\$ 113,628	\$ 16,705	\$ 657,405

See Independent Accountants' Review Report and Notes to Financial Statements.

DISCOVERY EYE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

		Supporting Services		
	Program Services	Management and General	Fundraising	Total Expenses
Salaries	\$ 39,860	\$ 15,680	\$ 10,061	\$ 65,601
Employee Benefits	8,668	3,334	1,334	13,336
Payroll Taxes	3,804	1,463	585	5,852
Total Salaries and Related Expenses	52,332	20,477	11,980	84,789
Gifts Contributed	125,355	-	-	125,355
Outside Services	129,932	19,011	1,539	150,482
Supplies	140,129	-	-	140,129
Professional fees	225	11,534	-	11,759
Office Expense	209	7,242	-	7,451
Printing and Publications	3,265	6,331	1,536	11,132
Insurance	-	4,932	-	4,932
Postage and Delivery	-	819	-	819
Advertising and Promotion	3,400	372	-	3,772
Bank Charges and Credit Card Fees	65	2,161	-	2,226
Meals	-	6,856	-	6,856
Permits, Licenses, and Other Taxes	-	963	-	963
Dues and Subscriptions	-	497	3,260	3,757
Telephone	-	2,786	-	2,786
Travel	-	77	-	77
Expenses Before Depreciation	454,912	84,058	18,315	557,285
Depreciation	-	2,141	-	2,141
Total Expenses	\$ 454,912	\$ 86,199	\$ 18,315	\$ 559,426

See Independent Accountants' Review Report and Notes to Financial Statements.

DISCOVERY EYE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 104,711	\$ 769,118
Adjustments to Reconcile Change in Net Assets to Net Cash (Used for)		
Provided by Operating Activities:		
Depreciation	5,012	2,141
Unrealized/Realized Gain on Investments	(84,083)	(259,258)
Donated Securities	(65,569)	-
Increase (Decrease) in Liabilities:		
Accounts Payable	(7,554)	3,512
Accrued Liabilities	4,175	(12,767)
NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	<u>(43,308)</u>	<u>502,746</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(3,572)	(13,421)
Purchases of Investments	(155,857)	(328,302)
Proceeds from Sale of Investments	9,841	95,343
Interest Reinvestments	<u>(2)</u>	<u>(37,732)</u>
NET CASH USED FOR INVESTING ACTIVITIES	<u>(149,590)</u>	<u>(284,112)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(192,898)	218,634
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>527,164</u>	<u>308,530</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 334,266</u>	<u>\$ 527,164</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Interest Paid	<u>None</u>	<u>None</u>
Income Taxes Paid	<u>None</u>	<u>None</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 – ORGANIZATION

Discovery Eye Foundation (Discovery), formerly known as The Discovery Fund for Eye Research, Inc., is a California nonprofit public benefit corporation organized for the purpose of promoting medical research and education in the field of eye diseases. Discovery was incorporated on August 31, 1988 as a tax-exempt organization under section 501(c)(3) and has been determined not to be a private foundation under sections 509(a)(1) and 170(b)((1)(A)(vi) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The accompanying financial statements of Discovery are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets, revenue, gains, and losses are classified based on donor-imposed restrictions. Accordingly, net assets 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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Discovery reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Discovery considers cash and cash equivalents as cash in banks and certificates of deposit with an original maturity of three months or less.

Revenue and Revenue Recognition

Revenue is recognized when earned. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value, which is measured using the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Investments

Discovery 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 statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$500 and the useful life is greater than one year.

Functional Allocation of Expenses

Costs of providing Discovery's programs and other activities have been presented in the statements of functional expenses. Such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Discovery uses percentage of use estimates to allocate indirect costs.

Income Taxes

Discovery is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code; therefore, no provision has been made for income taxes.

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (continued)

Discovery evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the tax positions will more likely than not be sustained upon examination. Management does not believe Discovery has any uncertain tax positions requiring accrual or disclosure. Discovery is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and California state purposes is generally three and four years, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could differ from those estimates.

New Accounting Pronouncements Implemented

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, *Revenues from Contracts with Customers (Topic 606)*. The core principle of the guidance in Topic 606 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services using a five-step approach. Discovery's adoption of this new guidance does not have a material impact on Discovery's financial statements.

In February 2020, the AICPA Accounting and Review Services Committee (ARSC) issued Statement on Standards for Accounting and Review Services (SSARS) No. 25, *Materiality in a Review of Financial Statements and Adverse Conclusions*. SSARS No. 25 amends AR-C sections 60 - *General Principles for Engagements Performed in Accordance With Statements on Standards for Accounting and Review Services*, 70 - *Preparation of Financial Statements*, 80 - *Compilation Engagements*, and 90 - *Review of Financial Statements*. SSARS 25 further converges AR-C section 90 with International Standard on Review Engagements (ISRE) 2400 (Revised), *Engagements to Review Historical Financial Statements* and minimizes differences with the auditing standards regarding concepts that are consistent regardless of the level of service performed on the financial statements. SSARS No. 25 is effective for engagements performed in accordance with SSARSs for periods ending on or after December 15, 2021. Early implementation is permitted. Discovery's adoption of this new standard does not have a material impact on Discovery's financial statements.

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* (ASU 2016-02). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2021, including interim periods within fiscal years beginning after December 15, 2022. Discovery is currently evaluating the impact of the adoption of the new standard on the financial statements.

In September 2020, the FASB issued ASU 2020-07 (the "Update"), Not-for-Profit Entities (Topic 958), *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU aims to increase transparency of contributed nonfinancial assets, commonly known as gifts-in-kind, through enhancement to presentation and disclosures. Not-for-Profit entities are required to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets and to disclose the disaggregation of the amount contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. Each category is subject to certain additional disclosures. The Update should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. Discovery is currently evaluating the impact of the adoption of the Update on the financial statements.

NOTE 3 – FAIR VALUE MEASUREMENTS

Accounting principles generally accepted in the United States of America establish a framework for measuring fair value. The 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 the fair value hierarchy are described below:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that Discovery can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 3 – FAIR VALUE MEASUREMENTS (continued)

Level 3 – Unobservable inputs for the asset or liability. In these situations, Discovery develops inputs using the best information available in the circumstances.

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, taking into account 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 Discovery's assessment of the quality, risk, or liquidity profile of the asset or liability.

Following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes in the methodologies used at December 31, 2020 and 2019:

Cash and money market: Measured at their net asset value and are classified within Level 1.

Equities, fixed income, and mutual funds: Valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis for transactions at that date and are classified within Level 1.

The following table sets forth by level, within the fair value hierarchy, Discovery's investments at fair value at December 31, 2020:

	Total	Level 1	Level 2	Level 3
Cash and Money Market	\$ 252	\$ 252	\$ -	\$ -
Equities	1,737,321	1,737,321	-	-
Fixed Income	48,163	48,163	-	-
Total	<u>\$ 1,785,736</u>	<u>\$ 1,785,736</u>	<u>\$ -</u>	<u>\$ -</u>

The following table sets forth by level, within the fair value hierarchy, Discovery's investments at fair value at December 31, 2019:

	Total	Level 1	Level 2	Level 3
Cash and Money Market	\$ 11,352	\$ 11,352	\$ -	\$ -
Equities	1,428,564	1,428,564	-	-
Mutual Funds	50,150	50,150	-	-
Total	<u>\$ 1,490,066</u>	<u>\$ 1,490,066</u>	<u>\$ -</u>	<u>\$ -</u>

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 4 – INVESTMENTS

Investments consist of the following at December 31, 2020 and 2019:

	2020	2019
Cash and money market	\$ 252	\$ 11,352
Equities	1,737,321	1,428,564
Fixed Income	48,163	-
Mutual Funds	-	50,150
Total	<u>\$ 1,785,736</u>	<u>\$ 1,490,066</u>

Net investment return consists of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Dividends and Interest	\$ 46,267	\$ 38,234
Unrealized/Realized Gain	84,083	259,258
Investment Fees	(2,816)	(6,448)
Total	<u>\$ 127,534</u>	<u>\$ 291,044</u>

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020 and 2019:

	2020	2019
Equipment	\$ 227,532	\$ 223,960
Less: Accumulated Depreciation	(209,177)	(204,165)
Total	<u>\$ 18,355</u>	<u>\$ 19,795</u>

Depreciation expense for the years ended December 31, 2020 and 2019, totaled \$5,012 and \$2,141, respectively.

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31, 2020 and 2019:

	2020	2019
Macular Degeneration	\$ 99,020	\$ 193,929
Mitochondria Research	67,914	166,889
Keratoconus Research	72,276	84,423
Glaucoma	30,050	30,000
Hampar/Allegro Research	15,059	90,665
Research Education/Gavin	1,000	35,000
Director's Fund	17,459	-
Retinal Vitreous Project	-	363
Diabetic Retinopathy Research	1,102	4,487
Kimberly/Kenney	16,332	8,402
TAP	595	-
COVID19	51,152	-
Total	<u>\$ 371,959</u>	<u>\$ 614,158</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the years ended December 31, 2020 and 2019:

	2020	2019
Macular Degeneration	\$ 135,428	\$ 36,149
Mitochondria Research	70,000	200,111
Keratoconus Research	49	25,447
Hampar/Allegro Research	80,442	12,090
Research Education/Gavin	124,000	124,000
Retinal Vitreous Project	1,157	12
Diabetic Retinopathy Research	2,384	4,607
Kimberly/Kenney	6,684	2,577
Director's Fund	22,541	7,448
DEF - Pt Ed	68,289	-
COVID19	15,773	-
	<u>\$ 526,747</u>	<u>\$ 412,441</u>

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 7 – EMPLOYEE BENEFIT PLAN

Discovery has a Simple IRA available to all eligible employees. Employees may contribute any whole percentage of annual compensation provided that it does not exceed maximum amounts as permitted by law. Employer contributions under this Plan during the years ended December 31, 2020 and 2019 totaled \$900 and \$1,200, respectively, and are included in employee benefits in the accompanying statements of functional expenses.

NOTE 8 – CONCENTRATION OF CREDIT RISK AND UNCERTAINTIES

Concentration of Credit Risk

Discovery manages deposit concentration risk by placing cash and money market accounts with financial institutions believed by Discovery to be creditworthy. At times, amounts on deposit may exceed insured limits. Investments are made by diversified investment managers whose performance is monitored by Discovery. Although the fair values of investments are subject to fluctuation on a year-to-year basis, Discovery believes that the investment policies and guidelines are prudent for its long-term welfare.

Uncertainties

Toward the end of December 2019, an outbreak of a novel strain of coronavirus ("COVID19") emerged globally. As a result, there have been mandates from federal, state and local authorities resulting in an overall decline in economic activity. The extent to which COVID19 may impact Discovery's results will depend on future developments, which are highly uncertain and cannot be predicted at this time.

NOTE 9 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Total financial assets:	
Cash and cash equivalents	\$ 334,266
Investments	<u>1,785,736</u>
Financial assets, at year end	2,120,002
Less:	
Donor-imposed restrictions	<u>(371,959)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,748,043</u>

DISCOVERY EYE FOUNDATION
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 9 – LIQUIDITY AND AVAILABILITY (continued)

Discovery maintains a policy of structuring its financial assets to be available as general expenditures, liabilities, and other obligations come due.

In addition to financial assets available to meet general expenditures over the next 12 months, Discovery operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-imposed restrictions.

NOTE 10 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 13, 2021, the date the financial statements were available to be issued.