

Project Orbis International, Inc.

**Financial Statements
and Supplementary Information**
Year ended December 31, 2020

Project Orbis International, Inc.

Financial Statements and Supplementary Information
Year ended December 31, 2020

Project Orbis International, Inc.

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Independent Auditor's Report

The Board of Directors
Project Orbis International, Inc.
New York, New York

Opinion

We have audited the financial statements of Project Orbis International, Inc. (Orbis), 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Orbis as of December 31, 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Orbis 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 Orbis' ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 Orbis' 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 Orbis' 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.

Other Matter - Supplementary Information

Our audit of the financial statements was conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented on pages 24-25 of this report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements, and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and



to other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Project Orbis International, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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.

BDO USA, LLP

May 28, 2021

Project Orbis International, Inc.

Statement of Financial Position (with comparative totals for 2019)

<i>December 31,</i>	2020	2019
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 19,210,679	\$ 11,458,036
Contributions receivable, net, current portion (Notes 2 and 4)	3,861,618	6,576,694
Accounts receivable from affiliates (Notes 2 and 9)	2,394,836	1,877,145
Prepaid expenses and other assets	2,436,426	1,279,098
Total Current Assets	27,903,559	21,190,973
Contributions Receivable, Net, less current portion (Notes 2 and 4)	40,937	465,937
Inventory of Medical Supplies (Note 2)	1,974,458	1,772,967
Investments, at fair value (Notes 2 and 5)	8,114,938	7,450,192
Property and Equipment, Net (Notes 2 and 6)	28,697,277	31,050,331
Total Assets	\$ 66,731,169	\$ 61,930,400
Liabilities and Net Assets		
Current Liabilities		
Program advances	\$ 3,453,781	\$ -
Accounts payable and accrued expenses	2,022,777	3,311,337
Accrued compensation and related expenses	971,717	1,112,562
Total Current Liabilities	6,448,275	4,423,899
Deferred Rent (Note 11)	785,038	194,794
Total Liabilities	7,233,313	4,618,693
Commitments and Contingencies (Notes 2, 3, 10, 11, 12, 13 and 14)		
Net Assets (Notes 2 and 7)		
Without donor restrictions:		
General undesignated	17,465,339	14,499,123
Investment in property and equipment	28,697,277	31,050,331
Total Without Donor Restrictions	46,162,616	45,549,454
With donor restrictions:		
Donor Contributions	11,874,519	10,780,313
Gift-in-kind	1,460,721	981,940
Total With Donor Restrictions	13,335,240	11,762,253
Total Net Assets	59,497,856	57,311,707
Total Liabilities and Net Assets	\$ 66,731,169	\$ 61,930,400

See accompanying notes to financial statements.

Project Orbis International, Inc.

Statement of Activities (with comparative totals for 2019)

Year ended December 31,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Support and Revenue				
Special event revenue	\$ 1,981,709	\$ -	\$ 1,981,709	\$ 2,349,038
Less: direct costs to donors	651,942	-	651,942	603,699
Net Fundraising Events	1,329,767	-	1,329,767	1,745,339
Contributions	28,030,728	11,205,336	39,236,064	38,217,280
Revenue from affiliates (Notes 2 and 9)	4,607,406	513,859	5,121,265	9,449,797
Gifts-in-kind and contributed professional services (Notes 2 and 8)	185,735,938	531,302	186,267,240	328,218,158
Investment income, net (Note 5)	698,612	-	698,612	802,539
Miscellaneous income	283,558	-	283,558	69,177
Net assets released from restrictions for program restriction (Note 7)	10,677,510	(10,677,510)	-	-
Total Support and Revenue	231,363,519	1,572,987	232,936,506	378,502,290
Expenses				
Program services:				
Donated medicines, supplies and equipment	184,175,177	-	184,175,177	326,208,355
Other program expense	27,750,781	-	27,750,781	35,438,932
Total Program Services	211,925,958	-	211,925,958	361,647,287
Supporting services:				
Management and general	8,653,592	-	8,653,592	9,163,700
Fundraising	9,984,433	-	9,984,433	10,191,951
Total Supporting Services	18,638,025	-	18,638,025	19,355,651
Total Expenses	230,563,983	-	230,563,983	381,002,938
(Deficit) Excess of Support and Revenue Over Expenses, before other changes	799,536	1,572,987	2,372,523	(2,500,648)
Other Changes				
Foreign currency translation gain (loss) (Note 2)	(44,837)	-	(44,837)	130,921
Fixed-asset disposal loss	-	-	-	(1,729,012)
Reduction in value of inventory due to obsolescence	(141,537)	-	(141,537)	(261,617)
Change in Net Assets	613,162	1,572,987	2,186,149	(4,360,356)
Net Assets, beginning of year	45,549,454	11,762,253	57,311,707	61,672,063
Net Assets, end of year	\$ 46,162,616	\$ 13,335,240	\$ 59,497,856	\$ 57,311,707

See accompanying notes to financial statements.

Project Orbis International, Inc.

Statement of Functional Expenses (with comparative totals for 2019)

Year ended December 31,

	Supporting Services			Total	
	Program Services	Management and General	Fundraising	2020	2019
Salaries and Fringe Benefits					
Salaries	\$ 8,517,770	\$ 3,731,320	\$ 3,818,454	\$ 16,067,544	\$ 16,475,169
Employee benefits and payroll taxes	1,669,568	734,876	627,872	3,032,316	2,789,091
Total Salaries and Fringe Benefits	10,187,338	4,466,196	4,446,326	19,099,860	19,264,260
Other Expenses					
Professional fees and contract service payments	1,693,708	1,647,579	504,154	3,845,441	4,801,382
Travel, conferences and meetings	767,820	27,788	45,755	841,363	3,261,867
Faculty costs	43,913	4,776	796	49,485	525,766
Medical supplies (Note 8)	184,168,986	-	-	184,168,986	326,724,805
Supplies, registrations and other expense	91,069	450,198	78,774	620,041	828,863
Equipment rental and maintenance	679,668	605,247	37,404	1,322,319	1,367,044
Occupancy and related expenses	725,934	735,846	437,053	1,898,833	1,701,478
Printing, mailings and publications	83,679	30,203	952,559	1,066,441	969,307
Postage and communications	151,298	76,323	1,241,138	1,468,759	1,693,048
Insurance	524,962	113,230	62,498	700,690	558,743
Aircraft operations and fuel	571,734	-	-	571,734	1,766,484
Advertising and promotional expenses	706,144	381,207	1,866,801	2,954,152	2,651,258
Program expense and other	148,433	-	-	148,433	755,517
Program partner expenses	8,694,268	-	-	8,694,268	11,061,879
Fellowships	28,026	-	-	28,026	55,699
Miscellaneous	353,156	69,944	285,302	708,402	565,990
Total Expenses, before depreciation and amortization	209,620,136	8,608,537	9,958,560	228,187,233	378,553,390
Depreciation and Amortization	2,305,822	45,055	25,873	2,376,750	2,449,548
Total Expenses	\$ 211,925,958	\$ 8,653,592	\$ 9,984,433	\$ 230,563,983	\$ 381,002,938

See accompanying notes to financial statements.

Project Orbis International, Inc.

Statement of Cash Flows (with comparative totals for 2019)

<i>Year ended December 31,</i>	2020	2019
Cash Flows from Operating Activities		
Change in net assets	\$ 2,186,149	\$ (4,360,356)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	2,376,750	2,449,548
Net realized and unrealized gains on investments	(455,100)	(1,050,859)
Donated investments	(18,980)	(13,223)
Loss on disposal of property and equipment	-	1,729,012
Inventory obsolescence	141,537	261,617
Change in operating assets and liabilities:		
(Increase) decrease in assets:		
Contributions receivable	3,140,076	(2,591,650)
Accounts receivable from affiliates	(517,691)	380,374
Inventory of medical supplies	(343,028)	468,141
Prepaid expenses and other assets	(1,157,328)	157,832
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(1,288,560)	768,665
Program advances	3,453,781	-
Accrued compensation and related expenses	(140,845)	70,274
Deferred rent	590,244	(17,445)
Net Cash Provided by (Used in) Operating Activities	7,967,005	(1,748,070)
Cash Flows from Investing Activities		
Purchases of equipment	(23,696)	(95,234)
Purchases of investments	(1,873,595)	(8,078,892)
Proceeds from sales of investments	1,682,929	8,346,005
Net Cash Provided by (Used in) Investing Activities	(214,362)	171,879
Cash Flows from Financing Activities		
Proceeds from line of credit	3,000,000	-
Repayment of line of credit	(3,000,000)	-
Net Cash Provided by (Used In) Financing Activities	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	7,752,643	(1,576,191)
Cash and Cash Equivalents, beginning of year	11,458,036	13,034,227
Cash and Cash Equivalents, end of year	\$ 19,210,679	\$ 11,458,036

See accompanying notes to financial statements.

Project Orbis International, Inc.

Notes to Financial Statements

1. Description of the Organization

Project Orbis International, Inc. (Orbis) is a not-for-profit, non-governmental organization focused on the prevention and treatment of avoidable blindness. Orbis transforms lives by delivering the skills, resources and knowledge needed to deliver accessible quality eye care. Working in collaboration with local partners, including hospitals, universities, government agencies and ministries of health. Orbis provides hands-on ophthalmology training, strengthens healthcare infrastructure and advocates for the prioritization of eye health on public health agendas. Orbis operates the world's only Flying Eye Hospital, a fully accredited ophthalmic teaching hospital on board an MD-10 aircraft, and an award-winning telemedicine platform, Cybersight.

Orbis has affiliated organizations in Canada, Ireland, Macau SAR, South Africa, Singapore and the United Kingdom, all of which are organized with a common mission to that of Orbis. These affiliated organizations operate under an agreement with Orbis, which provides for the use of the Orbis name, logo and trademark. Orbis does not have a majority voting interest in the board of these affiliated organizations. The accompanying financial statements do not include the financial position, changes in net assets and cash flows of these affiliated organizations, which is not required under generally accepted accounting principles.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of Orbis have been prepared on the accrual basis and conform to accounting principles generally accepted in the United States of America (U.S. GAAP). In the statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

With Donor Restrictions - This class consists of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Donor contributions are cash receipts from donors, while gifts-in-kind consists of medical supplies, equipment and other assets used for the different programs of Orbis. Orbis reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires—that is, when a stipulated time restriction ends, or purpose restriction is accomplished—the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Without Donor Restrictions - This class consists of the part of net assets that is not subject to donor-imposed stipulations and are, therefore, available for the general operations of Orbis. The net assets without donor restrictions are used to account for all resources over which the Board of

Project Orbis International, Inc.

Notes to Financial Statements

Directors has discretionary control. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by donors or by law. Expenses are reported as decreases in net assets without donor restrictions. Investment in property and equipment is available for activities in the normal course of business.

Cash and Cash Equivalents

Orbis considers all highly liquid instruments with original maturities of three months or less to be cash and cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair market value.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated or unobservable. U.S. GAAP established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and their placement within the fair value hierarchy. Orbis classifies fair value balances based on the fair value hierarchy defined by U.S. GAAP, as follows:

Level 1 - Valuation is based on quoted market prices in active markets for identical assets or liabilities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment. Examples include equity securities and publicly traded mutual funds that are actively traded on a major exchange or over-the-counter market.

Level 2 - Valuation is based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly, such as municipal bonds. The fair value of municipal bonds is estimated using recently executed transactions, bid/asked prices and pricing models that factor in, where applicable, interest rates, bond spreads and volatility.

Level 3 - Valuation is based on inputs that are unobservable and reflect management's best estimate of what market participants would use as fair value. Examples include limited partnerships and private equity investments.

Investment return is recognized in the statement of activities when earned and consists of interest, dividends and realized and unrealized gains and losses, net of investment expense. Dividends are recorded on the ex-dividend date. Purchases and sales are recorded on a trade-date basis.

Project Orbis International, Inc.

Notes to Financial Statements

Contributions Receivable and Accounts Receivable

Orbis reports unconditional promises to give as contributions when pledges are made. If contributions receivable are to be paid to Orbis over a period greater than one year, they are recorded at the present value of their estimated future cash flows using the effective discount rate.

Doubtful accounts are written off as they are deemed by management to be uncollectible. All contributions and accounts receivable, as stated in the financial statements, are deemed by Orbis' management to be fully collectible. At December 31, 2020 and 2019, there was no allowance for doubtful accounts recorded.

Contributions and Revenues

Contributions are recorded as revenue when cash or unconditional promise is received. Contributions are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor stipulations. Revenues from affiliates are recognized when earned.

Conditional promises to give are recognized when the conditions on which they depend upon are substantially met. Until that point, any amounts received are recorded as advances from funding sources.

Gifts-In-Kind and Contributed Professional Services

The accompanying statement of activities reflects the estimated fair market value of the contributed professional services that require specialized skills provided by individuals possessing those skills and which would typically be purchased if not provided.

Gifts-in-kind for medical supplies and other goods are recorded at their fair value at the date of receipt. The amounts reflected in the accompanying financial statements as gifts-in-kind are offset by like amounts in expenses, inventory or fixed assets. Orbis determines the fair value of gift-in-kind pharmaceuticals based upon pricing source inputs.

Gifts-in-kind expense for certain medical supplies is recorded when the medical supplies are distributed for program use.

Property and Equipment

Property and equipment are recorded based on historical cost. Property and equipment are capitalized at cost (or fair value, if donated). Such assets are depreciated over their estimated useful lives, which range from three to 20 years, using the straight-line method. Leasehold improvements are amortized over the lesser of their useful lives or the term of the applicable lease. Applicable software development costs are mainly capitalized in the development stage and amortized on a straight-line basis over its useful life when the software is ready for its intended use.

Impairment of Fixed Assets

Orbis follows the provisions of Accounting Standards Codification (ASC) 360-10, *Accounting for the Impairment or Disposal of Long-Lived Assets*, which requires Orbis to review long-lived assets, including property and equipment and intangible assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable.

Project Orbis International, Inc.

Notes to Financial Statements

An impairment loss would be recognized when the future cash flows from the use of the asset are less than the carrying amount of the asset. As of December 31, 2020 and 2019, there have been no such losses.

Inventory of Medical Supplies

Inventory is stated at cost or, in the case of certain gifts-in-kind, at the fair market value at the date of the gift. Inventory determined not to be useable by Orbis is written off when so identified as obsolete.

Risks and Uncertainties - Investments

Orbis' investments consist of a variety of investment securities and investment funds. Investments in general are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the value of Orbis' investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Income Taxes

Orbis was incorporated in the state of New York and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code). The Internal Revenue Service (IRS) has ruled that, pursuant to Section 501(c)(3) of the Code, Orbis is exempt from federal income taxes and is a publicly supported organization, as defined in Section 509(a)(1) of the Code. As a not-for-profit organization, Orbis is also exempt from state and local income taxes. Accordingly, Orbis is not subject to income taxes except to the extent it has taxable income from activities that are not related to its exempt purposes. Orbis utilizes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. No provision for income taxes was required for fiscal year 2020 or 2019.

Orbis has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, Orbis has filed IRS Form 990 information returns, as required, and all other applicable returns in jurisdictions where required to do so. Orbis is subject to a routine audit by a taxing authority. For the years ended December 31, 2020 and 2019, Orbis was not subject to any further examination by a taxing authority.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject Orbis to a concentration of credit risk are cash accounts with major financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

Project Orbis International, Inc.

Notes to Financial Statements

Foreign Currency Translation

Orbis has offices in a number of countries. Assets and liabilities for these foreign branch offices are translated at the rates of exchange at the balance sheet date, while income statement accounts are translated at the average exchange rates in effect during the period. Orbis manages the currency risk by maintaining the significant portion of its assets and liabilities in U.S. dollars. The effect of such translation adjustments for the years ended December 31, 2020 and 2019 was a change in net assets of \$(44,837) and \$130,921, respectively.

Functional Allocation of Expenses

Costs related to the various Orbis programs and supporting activities have been summarized on a functional basis in the accompanying statement of activities and the schedule of functional expenses. Costs that can generally be directly identified with the program, fundraising or supporting services to which they relate are charged accordingly. Common costs have been allocated amongst program, fundraising and supporting services as determined by management. Common costs include office rent, insurance, telephone, maintenance, equipment rental and utilities and mainly relate to the New York office. These costs are allocated amongst each function on the basis of the number of employees in that function based in the New York office.

Operations

Orbis excludes from operating activities reduction in inventory due to obsolescence, foreign currency translation adjustments and fixed-asset disposal losses. All other revenue and all expenses are included in operating activities.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information. With respect to the statement of activities, the prior-year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with Orbis' financial statements for the year ended December 31, 2019 from which the summarized information was derived.

Reclassifications

Certain prior-year amounts were reclassified to conform to current-year presentation.

Recently Adopted Accounting Pronouncements

ASU 2018-13, Fair Value Measurement: Disclosure Framework - Changes to Disclosure Requirements for Fair Value Measurement

This Accounting Standards Update (ASU) was issued as part of the Financial Accounting Standards Board (FASB) disclosure framework project to improve the effectiveness of disclosures about fair value measurements required under ASC 820. The ASU amends the disclosure requirements for recurring and nonrecurring fair value measurements by removing, modifying and adding certain

Project Orbis International, Inc.

Notes to Financial Statements

disclosures. This ASU is effective for fiscal years beginning after December 15, 2019. Orbis adopted this ASU in 2020 and there was no significant impact on the financial statements.

Accounting Pronouncements Issued but Not Yet Adopted

ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

This ASU was issued to increase transparency on how contributed nonfinancial assets (also referred to as gifts-in-kind) received by nonprofits are to be used and how they are valued. The ASU states that contributed nonfinancial assets be presented on a separate item in the statement of activities apart from contributions of cash and other financial assets. The ASU also outlines specific disclosures that must be made regarding the contributed nonfinancial assets. The effective date is for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of the pending adoption of ASU 2020-07.

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, *Accounting for Leases*, which applies a right-of-use (ROU) model that requires a lessee to record, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset and a liability to make lease payments. For leases with a term of 12 months or less, a practical expedient is available whereby a lessee may elect, by class of underlying asset, not to recognize an ROU asset or lease liability. At inception, lessees must classify all leases as either finance or operating based on five criteria. Balance sheet recognition of finance and operating leases is similar, but the pattern of expense recognition in the income statement, as well as the effect on the statement of cash flows, differs depending on the lease classification. In addition, lessees and lessors are required to provide certain qualitative and quantitative disclosures to enable Orbis' of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The amendments are effective for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of the pending adoption of ASU 2016-02.

3. Liquidity and Availability of Resources

The following table reflects Orbis' financial assets, reduced by amounts not available for general operating expenses within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year or assets held for a specific purpose.

<i>December 31,</i>	2020	2019
Total Current Assets	\$ 27,903,559	\$ 19,765,973
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Purpose restriction:		
Prepaid expenses and other assets	(2,436,426)	(1,279,098)
Restricted by donor with time or purpose restrictions	(11,874,519)	(8,889,376)
Total Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 13,592,614	\$ 9,597,499

Project Orbis International, Inc.

Notes to Financial Statements

Liquidity Management

As part of Orbis' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, Orbis has a committed line of credit in the amount of \$3,000,000, which it could draw upon with approval from the Board of Directors.

4. Contributions and Accounts Receivable

Orbis' contributions and accounts receivable are expected to be realized in the following periods:

<i>December 31,</i>	2020		2019	
In less than one year	\$	6,256,454	\$	8,453,839
Between one and five years		40,937		465,937
Total	\$	6,297,391	\$	8,919,776

5. Fair Value Measurements

The summary of inputs used to value Orbis' investments that are carried at fair value is as follows:

December 31, 2020

	Fair Value Measurements (Level 1)	Fair Value Measurements (Level 2)	Total
Equities	\$ 2,544,220	\$ -	\$ 2,544,220
Fixed income	-	3,385,215	3,385,215
Exchange-traded products	1,852,254		1,852,254
Investments, in the fair value hierarchy	\$ 4,396,474	\$ 3,385,215	7,781,689
Money market funds*			333,249
Total Investments, at fair value			\$ 8,114,938

December 31, 2019

	Fair Value Measurements (Level 1)	Fair Value Measurements (Level 2)	Total
Equities	\$ 2,344,013	\$ -	\$ 2,344,013
Fixed income	-	3,127,134	3,127,134
Exchange-traded products	1,712,607	-	1,712,607
Investments, in the fair value hierarchy	\$ 4,056,620	\$ 3,127,134	7,183,754
Money market funds*			266,438
Total Investments, at fair value			\$ 7,450,192

* Certain investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy table. The fair value amounts presented in the preceding tables are intended to permit reconciliation of the fair value hierarchy to the accompanying consolidated statements of financial position.

Project Orbis International, Inc.

Notes to Financial Statements

There were no transfers between levels during the years ended December 31, 2020 and 2019.

The following is a description of the valuation methodologies and inputs used for investments. There have been no changes in methodologies for the year ended December 31, 2020.

Money Market Funds

The money market fund is valued based on the NAV, as a practical expedient, of the shares held by Orbis. NAV is based upon the fair value of the money market fund's underlying investments less liabilities. Orbis' investments in the money market fund can be redeemed immediately at the current NAV per share. There were no unfunded commitments as of December 31, 2020 and 2019.

Equity Securities

Investments in securities traded on a National Securities Exchange or listed on NASDAQ are valued at the last reported sales price on the last business day of the year. The valuation of these investments is based on Level 1 inputs within the hierarchy used in measuring fair value.

Fixed Income

Orbis has investments in fixed-income securities, which consist of corporate and municipal bonds. These investments are priced using nationally recognized pricing services. Fixed-income securities other than U.S. Treasury securities generally do not trade on a daily basis. The pricing services prepare estimates of fair value measurements for these securities using the proprietary pricing applications, which include available relevant market information, benchmark curves, benchmarking of similar securities, sector groupings and matrix pricing. These investments are classified as Level 2 within the hierarchy used in measuring fair value.

Exchange-Traded Products

The exchange-traded funds and products are valued on a daily basis at the close of the business day. Each exchange-traded fund and product's NAV is the value of a single share that is actively traded on national securities exchanges. These investments are classified as Level 1.

6. Property and Equipment, Net

Property and equipment consists of the following:

December 31, 2020

	Cost	Accumulated Depreciation and Amortization	Net Book Value
Aircraft equipment and hospital	\$ 37,720,633	\$ (9,267,177)	\$ 28,453,456
Office/field equipment and software	2,421,366	(2,238,895)	182,471
Leasehold improvements	515,490	(454,140)	61,350
	\$ 40,657,489	\$ (11,960,212)	\$ 28,697,277

Project Orbis International, Inc.

Notes to Financial Statements

December 31, 2019

	Cost	Accumulated Depreciation and Amortization	Net Book Value
Aircraft equipment and hospital	\$ 37,720,637	\$ (7,164,441)	\$ 30,556,196
Office/field equipment and software	2,689,889	(2,276,567)	413,322
Leasehold improvements	531,748	(450,935)	80,813
	\$ 40,942,274	\$ (9,891,943)	\$ 31,050,331

Depreciation and amortization expense amounted to \$2,376,750 and \$2,449,548 for the years ended December 31, 2020 and 2019, respectively.

7. Net Assets with Donor Restrictions

Net assets with donor restrictions are available subject to purpose and time restrictions, as follows:

<i>December 31,</i>	2020	2019
Childhood Blindness Initiative	\$ 3,935,160	\$ 1,511,718
Diabetic Retinopathy	-	102,939
Pediatric Eye Care	614,830	1,064,170
Eye Care Capacity Building	3,573,020	4,992,976
Trachoma	238,061	307,218
MD-10 Program	19,000	(40,519)
Eye Care Program in China	3,410,435	2,841,811
Medical supplies for programs	1,460,721	981,940
Other	84,013	-
Total Net Assets with Donor Restrictions	\$ 13,335,240	\$ 11,762,253

Net assets released from restrictions for program restrictions are as follows:

<i>December 31,</i>	2020	2019
Childhood Blindness Initiative	\$ 3,446,494	\$ 5,617,436
Diabetic Retinopathy	71,839	320,520
Pediatric Eye Care	838,702	2,639,538
Eye Care Capacity Building	5,076,368	3,894,815
Retinopathy of Prematurity	-	10,000
Trachoma	318,227	1,584,218
Medical supplies for programs	52,520	-
MD-10 Program	368,168	540,519
Eye Care Program in China	119,204	1,035,349
Other	385,988	1,608
Total Net Assets Released from Restrictions	\$ 10,677,510	\$ 15,644,003

Project Orbis International, Inc.

Notes to Financial Statements

8. Gifts-In-Kind and Contributed Professional Services

Contributed professional services are recognized as contributions in-kind if the services create or enhance non-financial assets or require specialized skills, are performed by individuals with those skills and would otherwise be purchased by Orbis. Orbis recognized contributed professional services at an estimated fair value. Gifts-in-kind of medical supplies are recorded at a fair value based upon the pricing source inputs, which approximate wholesale prices in the United States. The estimated fair value of the contributed professional services and gifts-in-kind was \$186,267,240 and \$328,218,158 for the years ended December 31, 2020 and 2019, respectively.

9. Affiliated Organizations

Orbis has affiliation agreements with organizations that share a common aim to prevent and cure blindness and sight deficiencies, especially by furthering the education and training of ophthalmologists in all parts of the world. These affiliates have separate governing boards and are located in the United Kingdom, Ireland, Canada, Singapore, South Africa and Macau SAR. Consolidation of these affiliates is not required and Orbis has elected not to consolidate.

Orbis received contributions from these affiliates, as follows:

<i>Year ended December 31,</i>	2020		2019	
United Kingdom	\$	3,006,620	\$	6,296,164
Ireland		444,739		486,893
Canada		134,937		586,831
Macau SAR		1,347,592		2,075,000
Singapore		187,377		4,909
Total	\$	5,121,265	\$	9,449,797

At December 31, 2020 and 2019, accounts receivable from these affiliates were \$2,394,836 and \$1,877,145, respectively.

10. Line of Credit

Orbis has a revolving unsecured line of credit for \$3,000,000, which expires on October 31, 2021, renewable each year. Borrowings for the line of credit are due in full on the expiration date. The interest rate is a rate per year elected by Orbis at the time of each drawdown, which is either the Prime Rate or LIBOR Rate plus a margin of 225 basis points for interest periods of one, two or three months. As of December 31, 2020 and 2019, there were no payables on the line of credit.

Project Orbis International, Inc.

Notes to Financial Statements

11. Commitments and Contingencies

Lease Agreements

Orbis leases several office facilities under operating leases expiring at various dates through 2030. Future commitments subsequent to December 31, 2020 relating to these operating leases are as follows:

December 31,

2021	\$	1,145,546
2022		823,420
2023		749,026
2024		690,762
2025		704,577
Thereafter		3,215,830
Total	\$	7,329,161

At December 31, 2020 and 2019, rent expense for all noncancelable operating leases amounted to \$1,708,451 and \$1,453,415, respectively.

Third-Party Vendor Ransomware Attack

On July 16, 2020, Orbis was notified by its third-party vendor that a ransomware attack occurred in May 2020. The third-party vendor manages public searches that Orbis use to research donors. Orbis has notified its donors of this incident. This incident has had no impact on Orbis operations or the data on Orbis system. As of the date of this report, Orbis anticipates it will not have a material impact on its financial position, if any, and as a result, Orbis has not accrued any liability.

12. Retirement Plan

Orbis sponsors a 403(b) defined contribution plan covering all U.S.-based and expatriate U.S. citizens subject to plan eligibility requirements. Basic employee contributions up to 6% of compensation are eligible for a discretionary matching contribution by Orbis after one year of employment.

Orbis' international retirement plan began in 2018 and covers non-U.S. citizen expatriate staff, subject to plan eligibility requirements. Basic employee contributions up to 6% of compensation are eligible for a matching contribution by Orbis after one year of employment.

Total retirement contributions relating to both plans amounted to \$371,518 and \$344,347 for the years ended December 31, 2020 and 2019, respectively.

13. Conditional Grants

Orbis has grant agreements with several donors that consist of providing conditional funding in future years, amounting to approximately \$10.6 million at December 31, 2020. A corresponding grant receivable has not been recorded on the statement of financial position, as the conditional grants are contingent upon incurring qualifying expenditures and fulfilling milestones.

Project Orbis International, Inc.

Notes to Financial Statements

14. Risks and Uncertainties - COVID-19 and CARES Act

COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

Orbis' operations are heavily dependent on private and public donations and grants from individuals, foundations and corporations. There was a reduction in some of Orbis' program activity as a result of the COVID-19 outbreak. Orbis has incurred, and it is expected to incur for the foreseeable future, incremental and other COVID-19 pandemic-related expenses.

From a fundraising perspective, Orbis' donations kept pace with Orbis' 2020 plans. Orbis' cash and short-term investment position is sufficient to meet Orbis' current and medium-term obligations. From an international perspective, the COVID-19 pandemic is limiting Orbis' ability to travel and certain international programs resulting in reduced activity. The COVID-19 outbreak has also had a negative impact on the worldwide economy, and as such, may impact future funding. This situation may depress donations from individuals, foundations, and corporations and reduce investment returns during fiscal year 2021.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full impact that the pandemic will have on Orbis' financial condition, liquidity and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the COVID-19 outbreak. Nevertheless, the COVID-19 outbreak presents material uncertainty and risk with respect to Orbis, its performance and its financial results.

Although Orbis cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, it may have an adverse effect on Orbis' results of future operations, financial position and liquidity in year 2021.

CARES Act

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security Act (the CARES Act) was enacted. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, increased limitations on qualified charitable contributions and technical corrections to tax depreciation methods for qualified improvement property.

The CARES Act also appropriated funds for the Small Business Administration (SBA) Paycheck Protection Program (PPP) loans that are forgivable in certain situations to promote continued employment, as well as Economic Injury Disaster Loans to provide liquidity to small businesses harmed by COVID-19.

Project Orbis International, Inc.

Notes to Financial Statements

On April 21, 2020, Orbis received funds under the PPP loan program in the amount of \$1,392,100. The application for these funds requires Orbis to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of Orbis. This certification further requires Orbis to take into account the current business activity and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. The receipt of these funds, and the forgiveness of the loan funds, is dependent on Orbis having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria.

The PPP loan may be partially or fully forgiven if the business keeps its employee counts and employee wages stable. Orbis received approval from the SBA that the PPP loan was fully forgiven, and as such, had recorded the PPP loan following the guidance of ASC 958-605, *Accounting for Contributions*. Orbis expended all of the PPP loan during fiscal year 2020 and recorded it all as contributions at December 31, 2020.

The SBA has stated that all PPP loans in excess of \$2 million, and other PPP loans as appropriate, will be subject to review by the SBA for compliance with program requirements. If the SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request or the subsequent use of loan proceeds, the SBA will seek repayment of the PPP loan, including interest and potential penalties. While Orbis believes the loan was properly obtained and forgiven, there can be no assurance regarding the outcome of an SBA review. Orbis has not accrued any liability associated with the risk of an adverse SBA review.

Orbis did not defer or delay any timely payment of payroll taxes during the quarter September 1, 2020 through December 31, 2020.

On December 27, 2020, the former President signed the Consolidated Appropriations Act, 2021 (the Act), which includes \$900 billion in stimulus relief as a result of the COVID-19 pandemic. Orbis has not applied for and does not expect to apply for any of the Act funding or benefits.

15. Subsequent Events

On March 10, 2021, the President signed the \$1.9 trillion American Rescue Plan Act into law. Orbis has not applied for and does not expect to apply for any of the American Rescue Plan Act funding or benefits.

Orbis evaluated events subsequent to December 31, 2020 through May 28, 2021, the date on which the financial statements were available to be issued. Other than the matters noted in Note 14 and above, there were no further subsequent events requiring adjustment to the financial statements or disclosures stated herein.

Supplementary Information

Project Orbis International, Inc.
Schedule of Functional Expenses by Location
(with comparative totals for 2019)

Year ended December 31,

	Program Services	Management and General	Fundraising	Total	
				2020	2019
Orbis Offices					
Bangladesh	\$ 1,429,073	\$ -	\$ -	\$ 1,429,073	\$ 1,848,120
China PRC	2,030,438	-	-	2,030,438	2,533,771
Ethiopia	191,181,447	-	-	191,181,447	333,273,779
India	1,273,418	-	-	1,273,418	2,099,131
Indonesia	31,706	-	-	31,706	195,593
Latin America, Caribbean (LAC)	575,171	-	-	575,171	422,735
Vietnam	730,823	-	-	730,823	1,425,361
East Africa	-	-	-	-	80,076
South Africa	112,327	-	-	112,327	761,846
Mongolia	232,184	-	-	232,184	-
Ghana	191,721	-	-	191,721	-
Zambia	936,382	-	-	936,382	1,294,786
Program support	2,907,449	-	-	2,907,449	3,095,959
Worldwide Programs					
MD-10 flying eye hospital	6,433,443	-	-	6,433,443	11,199,066
CyberSight and faculty relation	2,399,130	-	-	2,399,130	1,924,947
Program support - global	1,461,246	-	-	1,461,246	1,492,117
Fundraising					
United States	-	-	5,498,190	5,498,190	5,347,763
Hong Kong SAR	-	-	3,905,462	3,905,462	4,119,936
Other	-	-	580,781	580,781	724,252
Corporate					
Management and general	-	8,653,592	-	8,653,592	9,163,700
Total Expenses	\$ 211,925,958	\$ 8,653,592	\$ 9,984,433	\$ 230,563,983	\$ 381,002,938

Project Orbis International, Inc.

Schedule of Raffle Tickets and Fundraising Events

1. Raffle Ticket Event - Lottery License Issued by Home Affairs Department in Hong Kong

<i>Lottery event held between January 9, 2020 and March 1, 2020</i>	HK\$
Gross income	6,770,311
Expenditure	564,223
Net Surplus	6,206,088

The net proceeds from the lottery event under Lottery License No. 4728 held between January 9, 2020 and March 1, 2020 have been fully used on the operating expenses of Orbis' sight-saving work worldwide.

2. Fundraising Events - Public Subscription Permit Issued by Social Welfare Department in Hong Kong

Permit no.	2020/107/1	2020/111/1
	HK\$	HK\$
Gross income	26,489	16,632
Expenditure	6,237	5,754
Net Surplus	20,252	10,878

The net proceeds have been utilized during the year ended December 31, 2020 for Orbis' sight-saving work worldwide.