

**Project Orbis International, Inc.**

Financial Statements and Supplementary Information

December 31, 2024



## **Independent Auditors' Report**

**Board of Directors  
Project Orbis International, Inc.**

### **Opinion**

We have audited the accompanying financial statements of Project Orbis International, Inc. ("Orbis"), which comprise the statement of financial position as of December 31, 2024, 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 financial statements referred to above present fairly, in all material respects, the financial position of Orbis as of December 31, 2024 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis of Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 available to be issued.

PKF O'CONNOR DAVIES, LLP  
245 Park Avenue, New York, NY 10167 | Tel: 212.867.8000 or 212.286.2600 | Fax: 212.286.4080 | [www.pkfod.com](http://www.pkfod.com)

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### **Auditors' 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 auditors' 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 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.

### **Report on Summarized Comparative Information**

We have previously audited Orbis' December 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 12, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Raffle Tickets and Fundraising Events on page 23 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 information has been subjected to the auditing procedures applied in the audit of the financial statements and 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 other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*PKF O'Connor Davies, LLP*

June 18, 2025

# Project Orbis International, Inc.

## Statement of Financial Position December 31, 2024 (with comparative amounts at December 31, 2023)

	2024	2023
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 7,870,925	\$ 9,744,412
Investments, at fair value (Notes 2 and 4)	23,452,091	13,877,204
Contributions receivable, current portion (Notes 2 and 5)	836,047	3,143,980
Accounts receivable from affiliates (Notes 2 and 11)	1,301,466	1,978,360
Inventory of medical supplies (Note 2)	1,274,119	1,998,166
Prepaid expenses and other current assets	1,482,443	1,153,275
Total Current Assets	36,217,091	31,895,397
Contributions receivable, net, less current portion (Notes 2 and 5)	-	140,157
Investments, at fair value (Notes 2 and 4)	13,393,232	11,724,403
Right of use asset, net - operating leases (Notes 2 and 10)	3,073,719	3,390,172
Property and equipment, net (Notes 2 and 6)	21,518,395	23,603,513
	<u>\$ 74,202,437</u>	<u>\$ 70,753,642</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Program advances	\$ 3,550,610	\$ 4,552,084
Accounts payable and accrued expenses	2,498,315	1,452,761
Accrued compensation and related expenses	1,298,199	1,229,706
Lease liabilities - operating leases, current (Notes 2 and 10)	303,522	211,833
Total Current Liabilities	7,650,646	7,446,384
Lease liabilities - operating leases, non-current (Notes 2 and 10)	3,075,903	3,379,425
Total Liabilities	<u>10,726,549</u>	<u>10,825,809</u>
Net Assets (Notes 2, 7 and 8)		
Without Donor Restrictions		
Board-designated endowment	7,659,045	7,338,908
General undesignated	13,785,096	13,512,487
Investment in property and equipment	21,518,395	23,603,513
Total Without Donor Restrictions	<u>42,962,536</u>	<u>44,454,908</u>
With Donor Restrictions		
Donor contributions restricted for time and purpose	14,349,113	10,134,031
Reinvested return on endowment funds	115,083	(171,280)
Donor endowment	5,343,640	4,343,640
Gift-in-kind	705,516	1,166,534
Total With Donor Restrictions	<u>20,513,352</u>	<u>15,472,925</u>
Total Net Assets	<u>63,475,888</u>	<u>59,927,833</u>
	<u>\$ 74,202,437</u>	<u>\$ 70,753,642</u>

See notes to financial statements

# Project Orbis International, Inc.

## Statement of Activities Year Ended December 31, 2024 (with summarized totals for the year ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
<b>SUPPORT AND REVENUE</b>				
Special event revenue	\$ 1,484,385	\$ -	\$ 1,484,385	\$ 1,773,045
Less: direct cost to donors	<u>(636,594)</u>	<u>-</u>	<u>(636,594)</u>	<u>(713,857)</u>
Net Fundraising Events	847,791	-	847,791	1,059,188
Contributions	28,420,680	17,967,460	46,388,140	38,143,212
Revenue from affiliates (Notes 2 and 11)	4,405,211	940,015	5,345,226	5,951,608
Contributed goods and services (Notes 2 and 9)	205,043,317	11,173	205,054,490	214,893,910
Investment return used for operations	988,155	-	988,155	1,078,474
Miscellaneous income	591,325	-	591,325	640,954
Net assets released from restrictions (Note 7)	<u>15,164,584</u>	<u>(15,164,584)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>255,461,063</u>	<u>3,754,064</u>	<u>259,215,127</u>	<u>261,767,346</u>
<b>OPERATING EXPENSES</b>				
Program Services:				
Donated medicine, supplies and equipment	204,916,841	-	204,916,841	213,664,500
Other program expense	<u>29,196,956</u>	<u>-</u>	<u>29,196,956</u>	<u>33,096,203</u>
Total Program Services	<u>234,113,797</u>	<u>-</u>	<u>234,113,797</u>	<u>246,760,703</u>
Supporting Services:				
Management and general	9,678,314	-	9,678,314	9,740,407
Fundraising	<u>13,227,371</u>	<u>-</u>	<u>13,227,371</u>	<u>10,742,565</u>
Total Supporting Services	<u>22,905,685</u>	<u>-</u>	<u>22,905,685</u>	<u>20,482,972</u>
Total Operating Expenses	<u>257,019,482</u>	<u>-</u>	<u>257,019,482</u>	<u>267,243,675</u>
Excess (Deficit) of Support and Revenue over Operating Expenses	(1,558,419)	3,754,064	2,195,645	(5,476,329)
<b>NONOPERATING ACTIVITIES</b>				
Bequests and contributions	-	1,000,000	1,000,000	-
Investment income (loss), net	777,013	286,363	1,063,376	1,023,919
Foreign currency translation loss (Note 2)	(87,756)	-	(87,756)	(125,377)
Reduction in value of inventory due to obsolescence	(623,210)	-	(623,210)	(161,968)
Asset disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,542)</u>
Change in Net Assets	(1,492,372)	5,040,427	3,548,055	(4,780,297)
<b>NET ASSETS</b>				
Beginning of year	<u>44,454,908</u>	<u>15,472,925</u>	<u>59,927,833</u>	<u>64,708,130</u>
End of year	<u>\$ 42,962,536</u>	<u>\$ 20,513,352</u>	<u>\$ 63,475,888</u>	<u>\$ 59,927,833</u>

See notes to financial statements

**Project Orbis International, Inc.**

**Statement of Functional Expenses**

**Year Ended December 31, 2024**

(with summarized totals for the year ended December 31, 2023)

		Supporting Services				
	Program Services	Fundraising	Management and General	Total Supporting Services	2024 Total	2023 Total
Salaries and Fringe Benefits						
Salaries	\$ 9,362,701	\$ 4,973,792	\$ 5,659,903	\$ 10,633,695	\$ 19,996,396	\$ 18,691,619
Employee benefits and payroll taxes	<u>2,177,841</u>	<u>859,384</u>	<u>1,100,710</u>	<u>1,960,094</u>	<u>4,137,935</u>	<u>3,798,767</u>
Total Salaries and Fringe Benefits	11,540,542	5,833,176	6,760,613	12,593,789	24,134,331	22,490,386
Other Expenses						
Professional fees and contract service payments	1,182,025	1,754,819	682,477	2,437,296	3,619,321	3,024,927
Travel, conferences and meetings	2,479,122	254,945	180,123	435,068	2,914,190	2,499,539
Medical supplies (Note 9)	205,735,570	274	-	274	205,735,844	214,934,051
Supplies, registrations, and other expenses	109,016	320,818	352,393	673,211	782,227	887,273
Equipment rental and maintenance	1,187,683	200,369	587,182	787,551	1,975,234	1,731,364
Occupancy and related expenses	428,167	330,397	613,746	944,143	1,372,310	1,350,664
Printing, mailings, and publications	219,544	1,399,170	23,111	1,422,281	1,641,825	1,651,870
Postage and communications	167,881	972,648	107,045	1,079,693	1,247,574	1,602,466
Insurance	481,686	63,827	97,095	160,922	642,608	718,128
Aircraft operations and fuel	1,451,834	-	-	-	1,451,834	1,448,270
Advertising and promotional expenses	465,354	1,897,468	207,744	2,105,212	2,570,566	1,734,392
Program expense and other	1,780,787	63	-	63	1,780,850	1,682,813
Program partner expenses	4,885,195	-	-	-	4,885,195	8,845,280
Miscellaneous	<u>56,534</u>	<u>108,330</u>	<u>1,098</u>	<u>109,428</u>	<u>165,962</u>	<u>557,950</u>
Total Expenses, before Depreciation and Amortization	232,170,940	13,136,304	9,612,627	22,748,931	254,919,871	265,159,373
Depreciation and amortization	<u>1,942,857</u>	<u>91,067</u>	<u>65,687</u>	<u>156,754</u>	<u>2,099,611</u>	<u>2,084,302</u>
Total Expenses	<u>\$ 234,113,797</u>	<u>\$ 13,227,371</u>	<u>\$ 9,678,314</u>	<u>\$ 22,905,685</u>	<u>\$ 257,019,482</u>	<u>\$ 267,243,675</u>

See notes to financial statements

**Project Orbis International, Inc.**

Statement of Cash Flows  
Year Ended December 31, 2024  
(with comparative amounts for the year ended December 31, 2023)

	Year Ended December 31	
	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 3,548,055	\$ (4,780,297)
Adjustments to reconcile change in net assets to net cash from operating activities		
Realized and unrealized gains on investments	(4,139,184)	(1,139,674)
Donated investments	-	(47,766)
Depreciation and amortization	2,099,611	2,084,302
Donor contributions restricted in perpetuity	(1,000,000)	-
Loss on disposal of property and equipment	-	40,542
Inventory obsolescence	623,210	161,968
Amortization of right of use asset	316,453	308,332
Change in operating assets and liabilities		
Contributions receivable	2,448,090	5,528,383
Accounts receivable from affiliates	676,894	1,959,258
Prepaid expenses and other current assets	(329,168)	2,008,755
Inventory of medical supplies	100,837	(614,370)
Program advances	(1,001,474)	(1,622,659)
Accounts payable and accrued expenses	1,045,554	(326,330)
Accrued compensation and related expenses	68,493	155,730
Lease liabilities	<u>(211,833)</u>	<u>(197,003)</u>
Net Cash from Operating Activities	<u>4,245,538</u>	<u>3,519,171</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(17,937,234)	(31,433,555)
Sale of investments	10,832,702	30,331,967
Purchases of equipment	<u>(14,493)</u>	<u>(78,194)</u>
Net Cash from Investing Activities	<u>(7,119,025)</u>	<u>(1,179,782)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Donor contributions restricted in perpetuity	<u>1,000,000</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	<u>(1,873,487)</u>	<u>2,339,389</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>9,744,412</u>	<u>7,405,023</u>
End of year	<u>\$ 7,870,925</u>	<u>\$ 9,744,412</u>

See notes to financial statements



# **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

## **1. Nature of Operations**

Project Orbis International, Inc. (“Orbis”) is a not-for-profit, non-governmental organization delivering sight-saving programs in over 200 countries and regions worldwide so that individuals, families, and communities can thrive. Currently, around 1 billion people across the globe live with completely avoidable blindness and vision loss. For over four decades, Orbis has been tackling this challenge by building strong and sustainable eye care systems that leave a lasting legacy of vision. Orbis runs in-country programs in Africa, Asia, the Caribbean, and Latin America; develops and implements innovative training and technology, including an award-winning telemedicine and e-learning platform, Cybersight; and operates the world’s first and only Flying Eye Hospital, a fully accredited ophthalmic teaching hospital on board a MD-10 aircraft.

Orbis is affiliated with six separately incorporated and non-consolidated organizations: Orbis Charitable Trust (United Kingdom), Project Orbis (Ireland) Limited, Project Orbis International Inc. (Orbis Canada), Orbis Macau, Orbis Africa NPC (South Africa) and Project Orbis International Inc. (Singapore) Ltd. (closed operations June 2023).

During May 2024, Project Orbis International Inc. (Orbis Canada) changed its name to Orbis Canada Foundation.

## **2. Summary of Significant Accounting Policies**

### ***Basis of Presentation and Use of Estimates***

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### ***Cash and Cash Equivalents***

Orbis considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.

### ***Investments***

Investments in debt and equity securities, mutual funds and money market funds are carried at fair value based upon published market prices at the end of the fiscal year or management’s estimate of amounts to be realized on settlement. Contributed investments are recorded at fair value at the date of gift.

Gains and losses on the sale of investments are calculated by the specific-identification method. Investment return and net gains and losses on the sale of investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by the donor.

## **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

### **2. Summary of Significant Accounting Policies *(continued)***

#### ***Fair Value Measurements***

Orbis follows guidance that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical financial instruments as of the measurement date. The types of investments in Level 1 include listed equities held in the name of Orbis, and exclude listed equities and other securities held directly through commingled funds;

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies; and

Level 3 - Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instruments. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments, partnerships and similar interests.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by Orbis. Orbis considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to Orbis' perceived risk of that instrument.

## **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation. Maintenance and repairs of a routine nature are charged to expense while those that extend the life of existing properties are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets generally from 3 to 20 years. Leasehold improvements are amortized on a straight-line basis over the shorter of the estimated useful lives of the assets or the term of the lease. The cost of property and equipment purchased in excess of \$5,000 is capitalized.

Property and equipment are reviewed for impairment if the use of the asset significantly changes or another indicator of possible impairment is noted. If the carrying amount of the asset is not recoverable, the value is written down to the asset's fair value. There were no asset impairments for the years ended December 31, 2024 and 2023.

#### ***Inventory of Medical Supplies***

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

#### ***Net Asset 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. When a donor restriction expires 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 Directors and management has discretionary control.

## **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

### **2. Summary of Significant Accounting Policies (continued)**

#### ***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, 2024 and 2023, there was no allowance for doubtful accounts recorded.

#### ***Contributions and Revenues***

Revenue is recognized in accordance with guidance that requires Orbis to evaluate whether a transfer of assets is (1) a contribution or (2) an exchange transaction. An exchange transaction is one in which the resource provider is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a contribution, Orbis evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before Orbis is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

#### ***Contributed Goods and Services***

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

Contributed goods for medical supplies and other goods are recorded at their fair value at the date of the receipt. The amounts reflected in the accompanying financial statements as goods and services are offset by amounts in expenses, inventory, or property and equipment.

Contributed goods expense for certain medical supplies are recognized when the medical supplies are distributed for program use. Refer to Note 9 for further details on contributed goods and services.

#### ***Functional Allocation of Expenses***

The majority of Orbis' expenses can be directly identified with the program or supporting service to which they relate (fundraising or management and general) and are charged accordingly.

Other expenses are allocated to the functional categories based on allocation factors determined by management such as headcount for occupancy costs and time and effort reporting for personnel costs. For functions where roles or activities can change annually, Orbis sets an allocation percentage annually and updates the percentages during the fiscal year if roles or activities change.

## **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

### **2. Summary of Significant Accounting Policies *(continued)***

#### ***Foreign Currency Translation***

Assets and liabilities for foreign branch offices are translated using the current rate at the statement of financial position date. Revenues and expenses that occur during the period are translated for practical purposes using a weighted average exchange rate for the period.

The foreign currency translation gains and losses are recorded for Orbis' statement of activities as a foreign currency exchange gain or loss. For the years ended December 31, 2024 and 2023, Orbis recognized a foreign currency exchange loss of \$87,756 and \$125,377.

#### ***Accounting for Uncertainty in Income Taxes***

Orbis recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that Orbis had no uncertain tax positions that would require financial statement recognition or disclosure. Orbis is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2021.

Orbis is exempt from federal income tax under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Orbis has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions.

#### ***Advertising***

Advertising is expensed as incurred.

#### ***Leases***

Orbis leases office space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use assets ("ROU assets") and operating lease liabilities on the accompanying statement of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit borrowing rate, Orbis uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend the lease, and it is reasonably certain that Orbis will exercise that option, such amounts are included in ROU assets and lease liabilities. Lease expense for the lease payments is recognized on a straight-line basis of the lease term.

## **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Concentration of Credit Risk***

Financial instruments that potentially subject Orbis to concentrations of credit risk consist principally of cash and cash equivalents and investments. Orbis maintains its cash and cash equivalents with high-credit-quality financial institutions and the balances of which, from time to time, may exceed federal insurance limits. As of December 31, 2024 and 2023, Orbis' cash and cash equivalent balances on deposit exceeded the federal insurance limits and other foreign insurance limits by approximately \$7.6 million and \$9.4 million, respectively.

Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times, investment balances may exceed SIPC limits. At December 31, 2024 and 2023, Orbis' uninsured investment holdings totaled approximately \$36.3 million and \$25.1 million, respectively.

The investment portfolio is diversified by type of investment and industry concentrations so that no individual investment or group of investments represent a significant concentration of credit risk.

#### ***Operations***

Orbis excludes from operating activities reduction in inventory due to obsolescence, foreign currency translation adjustments, asset disposal losses, contributions that are restricted for endowment, bequests and contributions, and investment return less than or in excess of the spending rate. All other revenue and all expenses are included in operating activities.

#### ***Summarized Comparative Information***

The statements of activities and functional expenses include certain prior year summarized comparative information in total but not by net asset class or functional class. 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 as of and for the year ended December 31, 2023 from which the summarized information was derived.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is June 18, 2025.

## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 3. Liquidity and Availability of Financial Assets

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, are comprised of the following at December 31:

	2024	2023
Total current assets	\$ 36,217,091	\$ 31,895,397
Less amounts unavailable for general expenditure:		
Inventory of medical supplies	1,274,119	1,998,166
Prepaid expenses and other assets	1,482,443	1,153,275
Donor imposed restrictions	14,349,113	10,134,031
	<u>17,105,675</u>	<u>13,285,472</u>
Financial Assets at Year-End Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 19,111,416</u>	<u>\$ 18,609,925</u>

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 line of credit in the amount of \$3,000,000, which it could draw upon with approval from the Board of Directors.

#### 4. Investments

The following tables present Orbis' investments (including short-term investments) at fair value as of December 31:

	2024		
	Quoted Market Prices (Level 1)	Significant Observable Inputs (Level 2)	Total
Equities	\$ 5,592,026	\$ -	\$ 5,592,026
Fixed income	18,383,671	4,133,448	22,517,119
Mutual funds	2,200,832	-	2,200,832
Money market funds	4,566,036	-	4,566,036
Exchange-traded products	1,969,310	-	1,969,310
	<u>\$ 32,711,875</u>	<u>\$ 4,133,448</u>	<u>\$ 36,845,323</u>

## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 4. Investments (*continued*)

	2023		
	Quoted Market Prices (Level 1)	Significant Observable Inputs (Level 2)	Total
Equities	\$ 5,144,891	\$ -	\$ 5,144,891
Fixed income	10,567,623	3,677,304	14,244,927
Mutual funds	2,367,325	-	2,367,325
Money market funds	2,213,701	-	2,213,701
Exchange-traded products	1,630,763	-	1,630,763
	<u>\$ 21,924,303</u>	<u>\$ 3,677,304</u>	<u>\$ 25,601,607</u>

There were no transfers between levels during the years ended December 31, 2024 and 2023.

#### 5. Contributions Receivable

Contributions receivable are expected to be collected at December 31 as follows:

	2024	2023
Due within		
Less than one year	\$ 836,047	\$ 3,143,980
One to five years	-	145,594
	<u>836,047</u>	<u>3,289,574</u>
Discount to present value	-	(5,437)
	<u>\$ 836,047</u>	<u>\$ 3,284,137</u>

During 2024, contributions receivable were not discounted. During 2023, the present value of contributions receivable was discounted using the applicable rate of 3.88%. Management believes that the contributions receivables are fully collectible and no allowance for doubtful accounts has been established.



## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 6. Property and Equipment

Property and equipment consisted of the following at December 31:

	2024	2023
Aircraft equipment and hospital	\$ 37,328,906	\$ 37,340,853
Office/field equipment and software	2,325,606	2,398,416
Leasehold improvements	429,078	429,078
	<u>40,083,590</u>	<u>40,168,347</u>
Less: accumulated depreciation and amortization	<u>(18,565,195)</u>	<u>(16,564,834)</u>
	<u>\$ 21,518,395</u>	<u>\$ 23,603,513</u>

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 was \$2,099,611 and \$2,084,302, respectively. During 2024, Orbis wrote off \$99,250 of fully depreciated equipment and software that were no longer in use.

#### 7. Net Assets with Donor Restrictions

The activity in the net assets with donor restrictions at December 31 consists of the following:

	2024		
	Net Assets With Donor Restrictions as of December 31, 2023	Additions With Donor Restrictions	Net Assets Released from Restrictions
			Net Assets With Donor Restrictions as of December 31, 2024
Time restrictions:			
Reinvestment of return on endowment funds	\$ (171,280)	\$ 286,363	\$ -
Purpose restrictions:			
Strengthening human resources for eye health	3,416,711	11,395,701	(6,121,256)
Pediatric eye care	3,593,361	4,463,755	(6,100,866)
Community-based primary care	2,329,881	1,948,819	(1,681,980)
Medical supplies for programs	1,166,534	11,173	(472,191)
MD-10 program	694,718	500,000	(510,819)
Gender equity, disability inclusion, internally displaced populations	99,358	599,200	(277,470)
Trachoma elimination	2	-	(2)
	<u>11,300,565</u>	<u>18,918,648</u>	<u>(15,164,584)</u>
In perpetuity:			
Donor-restricted endowment fund	4,343,640	1,000,000	-
	<u>\$ 15,472,925</u>	<u>\$ 20,205,011</u>	<u>\$ (15,164,584)</u>
			<u>\$ 20,513,352</u>

## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 7. Net Assets with Donor Restrictions (*continued*)

	2023				
	Net Assets With Donor Restrictions as of December 31, 2022	Additions With Donor Restrictions	Adjustments	Net Assets Released from Restrictions	Net Assets With Donor Restrictions as of December 31, 2023
Time restrictions:					
Reinvestment of return on endowment funds	\$ (662,069)	\$ 490,789	\$ -	\$ -	\$ (171,280)
Purpose restrictions:					
Strengthening human resources for eye health	5,495,671	1,766,083	-	(3,845,043)	3,416,711
Pediatric eye care	5,603,246	5,264,977	-	(7,274,862)	3,593,361
Community-based primary care	3,993,632	-	(83,742)	(1,580,009)	2,329,881
Medical supplies for programs	893,135	273,399	-	-	1,166,534
MD-10 program	564,056	1,000,000	-	(869,338)	694,718
Gender equity, disability inclusion, internally displaced populations	182,125	-	(3,523)	(79,244)	99,358
Trachoma elimination	2,834	-	-	(2,832)	2
	<u>16,734,699</u>	<u>8,304,459</u>	<u>(87,265)</u>	<u>(13,651,328)</u>	<u>11,300,565</u>
In perpetuity:					
Donor-restricted endowment fund	<u>4,343,640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,343,640</u>
	<u>\$ 20,416,270</u>	<u>\$ 8,795,248</u>	<u>\$ (87,265)</u>	<u>\$ (13,651,328)</u>	<u>\$ 15,472,925</u>

#### 8. Endowment

Orbis' endowment is subject to the provision of the New York Prudent Management of Institutional Funds Act (NYPMIFA). Orbis classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions until appropriate for expenditure.

##### *Board-Designated Endowment*

The board of directors has established a fund to provide for the long-term financial stability of Orbis. The purpose of this fund is to provide a mechanism for the board of directors to set aside and invest certain fund. Accordingly, the board of directors has designated portions of surpluses in operating funds for this purpose.

##### *Donor-Restricted Endowment*

In further support of the long-term financial stability of the organization, Orbis received donations for which the principal must be maintained in perpetuity.

From time-to-time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or state standards require Orbis to retain as a fund of perpetual duration. There was no deficiency of this nature that existed as of December 31, 2024. A deficiency of this nature existed in one donor-restricted endowment fund, with a deficiency of \$171,280 as of December 31, 2023.

# Project Orbis International, Inc.

Notes to Financial Statements  
December 31, 2024

## 8. Endowment (continued)

### Investment Strategy

Orbis employs a strategic asset allocation strategy with its asset allocations diversified over multiple classes and sub classes. Orbis' investment objective is for the asset value, exclusive of contributions or withdrawals, to grow over the long run and earn, through a combination of investment income and capital appreciation, a time weighted total rate of return in excess of the established benchmarks.

Orbis expects the portfolio's asset allocation to reflect the investment objectives, goals, time horizon, risk tolerances and any investment restrictions that may exist within the investment policy.

### Spending Policy

Orbis maintains a spending rate policy on the invested assets. The spending rate policy was designed to preserve the value of the investment portfolio in real terms and to reduce the impact of market fluctuations on operations. The spending rate used for operations is set at 4.0% of the prior two-year rolling average fair value. In addition to the return on the invested assets, investment return used for operations includes investment income on working capital cash. Return on investment is shown net of investment managers fees at December 31, 2024 and 2023.

Endowment net assets, consist of the following as December 31:

	2024			
	Without Donor Restrictions	With Donor Restrictions	To Be Held In Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ 115,083	\$ 5,343,640	\$ 5,458,723
Board designated endowment funds	7,659,045	-	-	7,659,045
	<u>\$ 7,659,045</u>	<u>\$ 115,083</u>	<u>\$ 5,343,640</u>	<u>\$ 13,117,768</u>
	2023			
	Without Donor Restrictions	With Donor Restrictions	To Be Held In Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ (171,280)	\$ 4,343,640	\$ 4,172,360
Board designated endowment funds	7,338,908	-	-	7,338,908
	<u>\$ 7,338,908</u>	<u>\$ (171,280)</u>	<u>\$ 4,343,640</u>	<u>\$ 11,511,268</u>

## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 8. Endowment *(continued)*

Changes in endowment net assets for the fiscal years ended December 31 were as follows:

	2024			
	Without Donor Restrictions	With Donor Restrictions	To Be Held In Perpetuity	Total
Endowment net assets, beginning of year	\$ 7,338,908	\$ (171,280)	\$ 4,343,640	\$ 11,511,268
Investment return	642,544	407,219	-	1,049,763
Contributions	-	-	1,000,000	1,000,000
Distributions	(322,407)	(120,856)	-	(443,263)
Endowment net assets, end of year	<u>\$ 7,659,045</u>	<u>\$ 115,083</u>	<u>\$ 5,343,640</u>	<u>\$ 13,117,768</u>

  

	2023			
	Without Donor Restrictions	With Donor Restrictions	To Be Held In Perpetuity	Total
Endowment net assets, beginning of year	\$ 6,805,779	\$ (662,069)	\$ 4,343,640	\$ 10,487,350
Investment return	858,060	513,224	-	1,371,284
Distributions	(324,931)	(22,435)	-	(347,366)
Endowment net assets, end of year	<u>\$ 7,338,908</u>	<u>\$ (171,280)</u>	<u>\$ 4,343,640</u>	<u>\$ 11,511,268</u>

#### 9. Contributed Goods and Services

For the years ended December 31, contributed goods and services recognized within the statement of activities included:

	2024	2023
Pharmaceuticals	\$ 203,065,468	\$ 212,221,119
Donated services	1,298,864	1,580,753
Medical supplies and equipment	527,155	924,853
Other	163,003	167,185
	<u>\$ 205,054,490</u>	<u>\$ 214,893,910</u>

Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services. Certain contributed pharmaceuticals were restricted by donors for use outside the United States and were utilized in international health services. In valuing contributed pharmaceuticals, Orbis utilized Red Book prices based on the weighted average of the most recently reported monthly Average Wholesale Price (AWP). The Red Book is issued by the U.S. Accountability Office which provides current drug pricing and description information for pharmaceuticals. Contributed goods for medical supplies and other goods are recorded at their fair value at the date of the receipt based on wholesale values that would be received for selling similar products in the United States.

## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 10. Leases

In August 2022, Project Orbis International entered into a lease agreement for its office in New York expiring in January 2033.

The information regarding the above noted leases as of December 31 are shown below:

	2024	2023
Right-of-use asset	\$ 3,824,824	\$ 3,824,824
Less: accumulated amortization	<u>(751,105)</u>	<u>(434,652)</u>
	<u>\$ 3,073,719</u>	<u>\$ 3,390,172</u>
Weighted Average:		
Discount rate	4.00%	4.00%
Remaining lease term in months	97	109
	2024	2023
Cash paid for amounts included in the measurement of lease liabilities	\$ 351,200	\$ 342,634

Future minimum rental payments under the lease arrangement are as follows:

Year	Amount
2025	\$ 433,226
2026	444,057
2027	466,752
2028	494,652
2029	507,019
Thereafter	<u>1,644,542</u>
Total Future Minimum Lease Payments	3,990,248
Less Imputed Interest	<u>(610,823)</u>
Total Operating Lease Liability	<u>\$ 3,379,425</u>

A breakdown of occupancy costs is as follows for the years ended December 31:

	2024	2023
Operating leases, included in occupancy costs	\$ 455,820	\$ 455,820
Variable lease payments, included in occupancy costs	<u>795,746</u>	<u>751,290</u>
	<u>\$ 1,251,566</u>	<u>\$ 1,207,110</u>

## Project Orbis International, Inc.

### Notes to Financial Statements December 31, 2024

#### 11. Affiliated Organizations

Orbis is affiliated with six separately incorporated organizations and has received contributions from these affiliates, as follows:

	2024	2023
Orbis Charitable Trust (United Kingdom)	\$ 2,655,026	\$ 3,654,708
Project Orbis (Ireland) Limited	713,493	671,444
Project Orbis International, Inc. (Orbis Canada Foundation)	806,591	24,679
Orbis Macau	1,170,116	1,420,134
Orbis Africa NPC (South Africa)	-	178,271
Project Orbis International, Inc. (Singapore)	-	2,372
	<u>\$ 5,345,226</u>	<u>\$ 5,951,608</u>

December 31, 2024 and 2023, accounts receivable from these affiliates were \$1,301,466 and \$1,978,360, respectively.

#### 12. Line of Credit

Orbis has a revolving unsecured line of credit for \$3,000,000, which expires on December 31, 2025, automatically renews 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 Secured Overnight Financing Rate plus a margin of 225 basis points for interest periods of one, two or three months. As of December 31, 2024 and 2023, there were no outstanding balances on the line of credit.

#### 13. 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 with a two-year vesting requirement.

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.

Pension expense relating to the defined contribution plans for 2024 and 2023 was \$498,151 and \$462,002, respectively.

## **Project Orbis International, Inc.**

Notes to Financial Statements  
December 31, 2024

### **13. Retirement Plan (*continued*)**

Orbis' 457(b) plan covers highly compensated employees and enables eligible employees to enhance retirement security by permitting them to defer a portion of their compensation above the limits of the 403(b) plan during the calendar year. Orbis does not contribute to this plan. The 457(b) plan assets have been recorded as investments and the corresponding liabilities as accrued compensation and related expenses in the accompanying statement of financial position.

### **14. Conditional Grants**

Orbis has grant agreements with several donors that consist of providing conditional funding in future years, amounting to approximately \$12.6 million at December 31, 2024. No amounts have been recorded in the financial statements, as the conditional grants are contingent upon incurring qualifying expenditures and fulfilling milestones.

\* \* \* \* \*

**Project Orbis International, Inc.**

Supplementary Information

December 31, 2024



## 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

Lottery event held between January 9, 2024 and March 1, 2024: HK\$

Gross income	2,498,750
Expenditure	<u>322,011</u>
Net Surplus	<u>2,176,739</u>

The net proceeds from the lottery event under Lottery License No. 4888 held between January 9, 2024 and March 1, 2024 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.	2024/071/1	2024/084/1	2024/094/1	2024/131/1	2024/133/1	2024/008/1 2024/008/6 2024/008/2 2024/008/7 2024/008/3 2024/008/8 2024/008/4 2024/008/9 2024/008/5 2024/008/10
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Gross income	43,909	21,109	9,150	12,266	33,096	61,380
Expenditure	16,221	15,388	12,154	11,234	15,512	150,073
Net Surplus (Deficit)	27,688	5,721	(3,004)	1,032	17,584	(88,693)

The net proceeds have been utilized during the year ended December 31, 2024 for Orbis' sight saving work worldwide.

See independent auditors' report