

Eversight and Subsidiary

Financial Statements

**December 31, 2022
(With Summarized Comparative
Information for 2021)**



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

	Page
Independent Auditors' Report	1
Basic Financial Statements	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7
Supplementary Information	
Consolidating Statement of Financial Position	25
Consolidating Statement of Activities	26



800.968.0010 | YEOANDYEO.COM

Independent Auditors' Report

Management and the Board of Directors
Eversight and Subsidiary
Ann Arbor, Michigan

Opinion

We have audited the accompanying consolidated financial statements of Eversight and Subsidiary (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Eversight and Subsidiary as of December 31, 2022, 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 for 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 Eversight and Subsidiary 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.

Adoption of New Accounting Standards

As described in Note 2 to the consolidated financial statements, Eversight and Subsidiary changed its method of accounting for leases in 2022 as required by the provisions of FASB Accounting Standards Updates relating to FASB ASC 842, *Leases*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 Eversight and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including

omissions, 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 consolidated 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 consolidated 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 consolidated 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 Eversight and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eversight and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Eversight and Subsidiary's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2022. In our opinion, the summarized comparative information presented herein, as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and consolidating statement of activities are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Yeo & Yeo, P.C.

Ann Arbor, Michigan
May 26, 2023

Eversight and Subsidiary
Consolidated Statement of Financial Position
December 31, 2022
(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,341,252	\$ 8,152,713
Accounts receivables	2,942,068	2,778,557
Unconditional pledges to give	-	13,500
Prepaid expenses	<u>158,420</u>	<u>111,940</u>
Total current assets	6,441,740	11,056,710
Deposits	117,970	121,455
Investments	14,410,644	9,945,728
Property and equipment, net	1,135,545	8,148,086
Right of use asset - operating lease, net	729,244	-
Right of use asset - finance lease, net	<u>6,251,815</u>	<u>-</u>
Total assets	<u>\$ 29,086,958</u>	<u>\$ 29,271,979</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 816,923	\$ 555,894
Deferred revenue	7,772	4,865
Capital lease obligation, current portion	-	522,359
Operating lease obligation, current portion	241,485	-
Finance lease obligation, current portion	751,296	-
Accrued liabilities	<u>1,177,025</u>	<u>1,308,053</u>
Total current liabilities	2,994,501	2,391,171
Capital lease obligation, net of current portion	-	7,026,840
Operating lease obligation, net of current portion	491,607	-
Finance lease obligation, net of current portion	6,307,954	-
Deferred rent	<u>-</u>	<u>20,862</u>
Total liabilities	<u>9,794,062</u>	<u>9,438,873</u>
Net assets		
Without donor restrictions		
Undesignated	4,651,968	9,436,796
Board designated capital reserve	177,043	171,900
Board designated endowments	87,134	87,134
Board designated scholarships	100,000	100,000
Board designated investment fund	<u>14,131,555</u>	<u>9,666,638</u>
Total without donor restrictions	<u>19,147,700</u>	<u>19,462,468</u>
With donor restrictions		
Perpetual in nature	91,953	91,953
Purpose restrictions	<u>53,243</u>	<u>278,685</u>
Total with donor restrictions	<u>145,196</u>	<u>370,638</u>
Total net assets	<u>19,292,896</u>	<u>19,833,106</u>
Total liabilities and net assets	<u>\$ 29,086,958</u>	<u>\$ 29,271,979</u>

See Accompanying Notes to the Consolidated Financial Statements

Eversight and Subsidiary
Consolidated Statement of Activities
For the Year Ended December 31, 2022
(With Summarized Comparative Totals for 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Public support and program revenues				
Public support				
Contributions	\$ 816,734	\$ 157,977	\$ 974,711	\$ 1,478,182
Contributions of nonfinancial assets	63,120	-	63,120	57,082
Forgiveness of debt	-	-	-	2,246,600
Total public support	879,854	157,977	1,037,831	3,781,864
Program revenues				
Eye tissue processing fees	25,414,059	-	25,414,059	24,753,487
Other revenues gain (loss)	(179,533)	-	(179,533)	45,374
Total program revenues	25,234,526	-	25,234,526	24,798,861
Net assets released from restrictions	383,419	(383,419)	-	-
Total public support and program revenues	26,497,799	(225,442)	26,272,357	28,580,725
Expenses				
Program services				
Tissue procurement and processing program	17,554,600	-	17,554,600	17,268,768
Education program	161,164	-	161,164	154,940
Research program	1,262,585	-	1,262,585	1,170,984
Total program services	18,978,349	-	18,978,349	18,594,692
Support services				
Administration	5,153,228	-	5,153,228	4,630,220
Fundraising	645,009	-	645,009	1,008,119
Total support services	5,798,237	-	5,798,237	5,638,339
Total expenses	24,776,586	-	24,776,586	24,233,031
Public support and program revenues over expenses	1,721,213	(225,442)	1,495,771	4,347,694
Nonoperating income				
Net investment earnings	(2,035,981)	-	(2,035,981)	974,535
Change in net assets	(314,768)	(225,442)	(540,210)	5,322,229
Net assets - beginning of year	19,462,468	370,638	19,833,106	14,510,877
Net assets - end of year	\$ 19,147,700	\$ 145,196	\$ 19,292,896	\$ 19,833,106

See Accompanying Notes to the Consolidated Financial Statements

Eversight and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended December 31, 2022
(With Summarized Comparative Totals for 2021)

	Program Services Expenses				Supporting Services Expenses			Total	
	Tissue Program	Education Program	Research Program	Total Program Services	Administration	Fundraising	Total Supporting Services	2022	2021
Functional Expenses									
Salaries and related expenses	\$ 8,095,582	\$ 83,355	\$ 757,292	\$ 8,936,229	\$ 3,938,296	\$ 528,688	\$ 4,466,984	\$ 13,403,213	\$ 12,965,297
Clinical lab and technical fees	6,784,118	-	203,210	6,987,328	-	-	-	6,987,328	7,137,789
Public and professional education	42,540	34,425	3,672	80,637	-	6,387	6,387	87,024	38,052
Research grants and awards	-	-	88,565	88,565	-	-	-	88,565	65,250
Business development	36,525	29	1,735	38,289	95,299	961	96,260	134,549	41,884
Conferences and meetings	233,093	1,266	3,741	238,100	49,346	8,112	57,458	295,558	237,110
Travel	136,042	1,275	8,002	145,319	43,679	8,183	51,862	197,181	103,578
Bad debt expense	3	-	-	3	-	-	-	3	55,315
Depreciation and amortization	803,594	1,316	18,427	823,337	52,648	9,213	61,861	885,198	871,857
Professional fees	158,857	22,406	9,228	190,491	197,020	-	197,020	387,511	362,946
Rent and utilities	70,694	7,534	108,260	186,488	304,031	52,736	356,767	543,255	669,625
Tax expense	286,646	-	-	286,646	-	-	-	286,646	206,325
Insurance	236,707	1,608	25,722	264,037	71,642	11,255	82,897	346,934	273,894
Supplies	15,636	107	1,553	17,296	5,625	750	6,375	23,671	24,028
Membership dues	174,578	-	-	174,578	-	-	-	174,578	198,249
Postage and shipping	8,077	167	867	9,111	4,029	1,172	5,201	14,312	12,183
Interest and finance charges	202,334	-	-	202,334	-	-	-	202,334	212,479
Printing and publications	7,152	5,397	3,576	16,125	-	1,821	1,821	17,946	13,957
Equipment rental and maintenance	121,500	920	12,879	135,299	37,299	6,440	43,739	179,038	178,252
Licenses and registrations	136,122	1,076	15,669	152,867	44,402	7,533	51,935	204,802	167,222
Miscellaneous	4,800	283	187	5,270	309,912	1,758	311,670	316,940	397,739
Total	\$ 17,554,600	\$ 161,164	\$ 1,262,585	\$ 18,978,349	\$ 5,153,228	\$ 645,009	\$ 5,798,237	\$ 24,776,586	\$ 24,233,031

See Accompanying Notes to the Consolidated Financial Statements

Eversight and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended December 31, 2022
(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (540,210)	\$ 5,322,229
Items not requiring cash		
Depreciation	238,232	871,857
Amortization	646,966	-
Bad debt expense	3	55,315
Deferred rent	(20,862)	(13,471)
Realized and unrealized (gain) loss on investment	2,136,135	(897,090)
Forgiveness of debt	-	(2,246,600)
Changes in operating assets and liabilities		
Accounts receivables	(163,514)	570,866
Unconditional pledges to give	13,500	6,500
Prepaid expenses	(46,480)	(25,900)
Operating lease assets and liabilities	3,848	-
Deposits	3,485	60,718
Accounts payable	261,029	(112,864)
Deferred revenue	2,907	(5,032)
Accrued liabilities	(131,028)	189,420
Net cash provided by operating activities	<u>2,404,011</u>	<u>3,775,948</u>
Cash flows from investing activities		
Purchase of property and equipment	(92,017)	(561,772)
Purchase of investments	(11,016,179)	(5,216,257)
Proceeds from sale of investments	<u>4,415,128</u>	<u>5,637,973</u>
Net cash used by investing activities	<u>(6,693,068)</u>	<u>(140,056)</u>
Cash flows from financing activities		
Payments on finance lease obligations	<u>(522,404)</u>	<u>(419,616)</u>
Change in cash and cash equivalents	(4,811,461)	3,216,276
Cash and cash equivalents - beginning of year	<u>8,152,713</u>	<u>4,936,437</u>
Cash and cash equivalents - end of year	<u>\$ 3,341,252</u>	<u>\$ 8,152,713</u>
Supplemental information		
Cash paid during the year for interest	<u>\$ 181,380</u>	<u>\$ 191,055</u>
Supplemental schedule of non-cash investing and financing activities		
Assets acquired through finance leases	<u>\$ 958,821</u>	<u>\$ -</u>

See Accompanying Notes to the Consolidated Financial Statements

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 1 - Organization

Established in 1947, Eversight is a network of community-based eye banks based in Ann Arbor, Michigan, that serves as the nation's largest nonprofit provider of donated tissue for sight-restoring corneal transplants in the United States. Its mission is to restore sight and prevent blindness through the healing power of donation, transplantation, and research. Operating 24/7/365 from locations in Connecticut, Illinois, Michigan, New Jersey, Ohio and South Korea, Eversight is responsible for recovering, evaluating and providing human eye tissue for transplantation; supporting research into the causes and cures of blinding eye conditions; promoting donation awareness through public and professional education; and providing humanitarian aid to people around the world in need of corneal transplantation.

Through its U.S. and international initiatives, working closely with donor families and surgeons, Eversight recovers, prepares, and provides donate eye/corneal tissue to ensure the gift of sight for more than 8,000 corneal transplant patients each year. Tissue services are provided at low or no cost for patients who cannot afford transplant surgeries and for surgeons conducting medical mission trips worldwide. Charitable donations to Eversight's Gift of Sight Fund provide financial aid to individuals who cannot afford the cost of a cornea transplant and supports humanitarian efforts to cure blindness. To date, Eversight has fulfilled 100 percent of charitable care requests submitted by surgeons on behalf of their patients.

In the pursuit to eliminate blinding eye diseases, Eversight established the Eversight Center for Vision and Eye Banking Research in Cleveland, Ohio, to provide leading ophthalmology researchers with needed resources to find cures and treatments for eye diseases such as age-related macular degeneration, diabetic retinopathy and glaucoma. Capabilities and services include developing eye banking practices that expand the availability of eye tissue for critical studies requiring specific types of tissue to gain new knowledge for future treatment and cures; procuring, processing and preserving critically needed corneal and non-corneal tissue; performing fluorescence, bright field and phase-contrast microscopy; and providing molecular biology and RNA isolation service lines for research partners, as well as services utilizing crucial R&D instrumentation. Research and clinical leadership and staff are highly involved primary and co-investigators on new research.

Since 1980, the Eversight Eye & Vision Research Grant Program has supported researchers at leading academic medical institutions including Harvard, Tufts, Cleveland Clinic, Case Western Reserve, University of Michigan and Northwestern. Eversight's grant program provides critical, early-stage funding or seed grants that are intended to drive foundational research and discovery. Many of these projects have stimulated larger-scale studies and won further financial support from the National Institutes of Health.

Eversight is one of the few nonprofit eye bank networks with the expertise, cultural competence, and philanthropic support to help developing countries establish their own sustainable eye banking infrastructures in regions where millions suffer from treatable blindness. In 2015, Eversight International was formed as a 501(c)3 nonprofit organization to build on this work with medical professionals and government entities in China, the Middle East, Pakistan, and South Korea. Through these partnerships, Eversight International establishes local donation programs and conducts technical laboratory training so tissue can be recovered, processed, and distributed safely, increasing access to corneal transplants and the availability of eye tissue for research and education purposes.

In 2019, Eversight earned GuideStar's Platinum Seal of Transparency for communicating its work and the progress toward its mission. Eversight maintains its commitment to excellence as an accredited member of the Eye Bank Association of America (EBAA) and by meeting the highest quality standards set by the U.S. Food and Drug Administration. It and collaborates with surgeons, researchers, academic medical centers, and eye banks across the United States and abroad.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Eversight actively and consistently monitors and measures the success of all programs and operations. Leadership, staff, and the Board of Directors closely monitor a dashboard of key performance and financial indicators to ensure and drive progress. Key performance indicators include tissue and research placements; expenses and revenue; and quality performance metrics recoveries. Multiple additional metrics and data are monitored at operational, research and departmental levels to ensure quality, responsiveness and impact including measures of fulfillment, precision, quality, compliance, surgeon satisfaction and outcomes and to inform continuous evaluation to improve our impact, performance and outcomes with particular emphasis on clinical operations, training and quality improvement.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net assets with donor restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity.

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

Principles of Consolidation

The 2022 consolidated financial statements include the financial information of Eversight and Eversight International. All inter-entity balances and transactions have been eliminated.

Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, the Organization considers as cash and cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase.

The Organization maintains cash accounts at an area financial institution. The carrying amount of the Organization's deposits with financial institutions at year end was \$3,341,252. The actual bank balances amounted to \$3,234,440. Of these balances, \$2,984,440 was not insured by the Federal Deposit Insurance Corporation.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Revenue Recognition

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or purpose by the donor are reported as increases in net assets with donor restrictions. Contributions received with time or purpose restrictions that are met in the same reporting period are reported as support without donor restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

Pledges receivable in the accompanying statement of financial position consist of unconditional promises to give, which are recorded at their net realizable value at the time the promises are received. These promises to give are reflected as either current or long-term receivables on the statement of financial position.

Eye tissue processing fees are recognized when eye tissue is shipped to the end customer and the performance obligation is met.

Charity Care

Eversight proudly fulfills 100 percent of charitable care requests in its communities with the Eversight Gift of Sight Program, ensuring individuals seeking cornea transplants receive treatment for their sight regardless of financial constraints. Patients are selected based on an analysis of financial information obtained from the patient. As the organization does not expect payment, the estimated charges for services are not included in net revenue. Tissue services are also offered at no cost to surgeons traveling abroad for medical mission trips to help people in parts of the world lacking access to adequate eye care. Total charitable care services for the years ended December 31, 2022 and 2021 was \$137,750 and \$262,560, respectively.

Accounts Receivable

The Organization's accounts receivable at December 31, 2022 and 2021, consist of processing fees from various healthcare organizations for tissue. Accounts receivable are stated at net invoice amounts. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal payment periods. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period that determination is made.

For the year ended December 31, 2022 and 2021, approximately 1% and 4%, of the Organization's revenue was earned from eye processing fees from Vision Share, respectively. Also, as of December 31, 2022 and 2021, approximately 3% and 10% of accounts receivable was due from Vision Share, respectively.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional.

The Organization uses the income approach to value unconditional promises to give, in the aggregate on an annual basis, under the fair value option.

Unconditional promises to give are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts for pledges receivable was \$0 at December 31, 2022 and 2021, respectively.

Prepaid Expenses

Prepaid expenses represent amounts paid in advance for future expenses. All prepaid amounts are expected to be fully utilized.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Investments

Investments are stated at fair values based upon quoted market prices using prevailing financial market information as of December 31, 2022. Realized gains and losses represent the difference between the proceeds received and the cost of investments sold. Unrealized gains and losses represent the change in the market value of the investments during the year. Donated investments are reflected as contributions at their fair values at date of receipt. Investment income is reported net of direct investment expenses.

Property and Equipment

Property and equipment are recorded at cost and are being depreciated on a straight-line basis over their estimated useful lives. Costs of maintenance and repairs are charged to expense when incurred. Property and equipment with costs exceeding \$5,000 per single purchase or \$15,000 for group purchases will be capitalized. Leasehold improvements exceeding \$15,000 will be capitalized. The Organization reports gifts of property, plant, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Gifts of land, buildings, equipment, and other long-lived assets are also reported as revenue without donor restrictions and net assets, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Donated Services and Goods

The Organization records the value of donated goods as contributions using estimated fair values at the date of receipt. The Organization's policy is to utilize, rather than monetize, donated services and goods.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and would typically need to be purchased if not provided by donation are recorded at their fair values in the period received.

Leases

The Organization leases certain buildings and equipment. The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Finance leases are contracts that have characteristics that make them similar to the purchase of the underlying asset. Operating leases are contracts that allow for the use of the underlying asset but there is no ownership transfer at the end of the lease.

Right of use assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments. Right of use assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Organization's lease terms may include options to extend or terminate the lease when it is reasonably certain that option will be exercised. The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Organization has applied the risk-free rate option to the building and office equipment classes of assets.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Operating lease expense for lease payments is recognized on a straight-line basis over the lease term. Finance lease expense is allocated between the amortization of the right of use asset and interest expense.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately with amounts allocated to the lease and non-lease components based on stand-alone prices. For certain equipment leases, office space, the Company accounts for the lease and non-lease components as a single lease.

Some of the building lease agreements include provisions for variable rent payments, which are adjusted periodically for inflation. None of the lease agreements contain any material residual value guarantees.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Those expenses include salaries and benefits, depreciation and amortization, and occupancy. Salaries and benefits are allocated based on a time and cost review of where efforts are made, occupancy, depreciation and amortization are allocated based on a square footage basis.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Long-Lived Assets

The Organization evaluates long-lived assets for impairment using a discounted cash flow method whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

Federal Income Taxes

The Organization is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Organization was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes income derived from activities other than the normal day-to-day operations of the Organization. For the year ended December 31, 2022 there were no interest or penalties recorded or included in the financial statements related to tax liabilities.

Date of Management's Review

Management has evaluated subsequent events through May 26, 2023, which is the date the financial statements were available to be issued.

Adoption of New Accounting Standards

The Organization adopted FASB Topic, Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets, as of the beginning of the year ended December 31, 2022. This was applied on a retrospective basis and adoption of the standard had no impact on the financial statement presentation.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

The Organization adopted FASB Topic 842, *Leases*, as of the beginning of the year ended December 31, 2022. This has been adopted using the modified retrospective approach, which restates the balances as of the date of adoption.

The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Organization to carry forward the historical lease classification. In addition, the Organization elected the practical expedient to use hindsight in determining the lease term for existing leases, which resulted in shortening the lease terms for certain existing leases and the useful lives of corresponding leasehold improvements as certain options to renew were not reasonably certain.

Note 3 - Liquidity and Availability

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 3,288,009	\$ 8,074,665
Investments	187,137	-
Accounts receivable	<u>2,577,890</u>	<u>2,774,465</u>
	<u>\$ 6,053,036</u>	<u>\$ 10,849,130</u>

The Organization's goal is generally to maintain financial assets to meet 30 days of operating expenses (approximately \$2 million). As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

The Organization's endowment funds consist of donor restricted endowments and funds designated by the board as endowments. Income from donor restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor restricted endowment funds are not available for general expenditure.

The Organization's board-designated endowment of \$87,134 is subject to spending restriction as described in Note 7. Although the Organization does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Organization's board-designated investment fund consists of funds set aside at the Board's discretion for investing activities. These funds cannot be used for general expenditure without Board consent.

The Organization's board-designated capital reserve consists of funds set aside at the Board's discretion for future capital projects and additions. These funds cannot be used for general expenditure without Board consent.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 4 - Unconditional Pledges to Give

Unconditional pledges to give are scheduled to be collected as follows:

	<u>2022</u>	<u>2021</u>
Pledges due in less than one year	\$ -	\$ 13,500

Unconditional pledges to give activity for 2022 is detailed as follows:

Balance beginning of the year	\$ 13,500
Less collections	<u>(13,500)</u>
Balance end of the year	<u>\$ -</u>

Note 5 - Investments

Fair value of marketable debt and equity securities at December 31 consist of:

	<u>2022</u>	<u>2021</u>
Money market funds	\$ 5,263,160	\$ 175,878
Corporate and government bonds	3,710,303	3,831,428
Equities	<u>5,437,181</u>	<u>5,938,422</u>
 Total	 <u>\$ 14,410,644</u>	 <u>\$ 9,945,728</u>

The net investment earnings included in the consolidated statement of activities are summarized as follows for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Dividend and interest income	\$ 181,255	\$ 156,491
Investment fees	(81,101)	(79,046)
Unrealized gain (loss)	(2,089,733)	478,376
Realized gain (loss)	<u>(46,402)</u>	<u>418,714</u>
 Total	 <u>\$ (2,035,981)</u>	 <u>\$ 974,535</u>

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 6 - Property and Equipment

The cost of property and equipment of the Organization is summarized as follows:

	<u>2022</u>	<u>2021</u>
Equipment and software	\$ 6,379,697	\$ 6,306,314
Furniture and fixtures	816,246	816,246
Leasehold improvements	1,261,507	1,242,873
Buildings	<u>-</u>	<u>8,206,433</u>
 Total cost	 8,457,450	 16,571,866
 Accumulated depreciation	 <u>(7,321,905)</u>	 <u>(8,423,780)</u>
 Property and equipment, net	 <u>\$ 1,135,545</u>	 <u>\$ 8,148,086</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$238,232 and \$871,857, respectively.

Note 7 - Endowment Fund

The Organization's endowment consists of individual funds established to fulfill its mission statement. Its endowment includes net assets with donor restrictions. As required by accounting procedures generally accepted in the United States of America, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of net assets with donor restrictions.

Interpretation of Relevant Law

The board of directors of the Organization has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2022, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) The duration and preservation of the fund; (2) The purposes of the organization and the donor restricted endowment fund; (3) General economic conditions; (4) The possible effect of inflation and deflation; (5) The expected total return from income and the appreciation of investments; (6) Other *Investment Return Objectives, Risk Parameters and Strategies*. The Organization has adopted investment and spending policies, approved by the Board of Trustees, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution if chosen so by the Board of Trustees. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Endowment net asset composition by type of fund as of December 31, 2022 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated	\$ 87,134	\$ -	\$ 87,134
Donor-restricted			
Original donor-restricted			
gift amount and amounts			
required to be maintained			
in perpetuity by donor	-	91,953	91,953
	<u>\$ 87,134</u>	<u>\$ 91,953</u>	<u>\$ 179,087</u>

Changes in endowment net assets for the year ended December 31, 2022 were:

	Without Donor Restriction	With Donor Restrictions	Total
Beginning of year	\$ 87,134	\$ 91,953	\$ 179,087
Contributions	-	-	-
Distributions	-	-	-
Investment income	-	-	-
End of year	<u>\$ 87,134</u>	<u>\$ 91,953</u>	<u>\$ 179,087</u>

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Endowment net asset composition by type of fund as of December 31, 2021 is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Board-designated	\$ 87,134	\$ -	\$ 87,134
Donor-restricted			
Original donor-restricted			
gift amount and amounts			
required to be maintained			
in perpetuity by donor	-	91,953	91,953
	<u>\$ 87,134</u>	<u>\$ 91,953</u>	<u>\$ 179,087</u>

Changes in endowment net assets for the year ended December 31, 2021 were:

	Without Donor Restriction	With Donor Restrictions	Total
Beginning of year	\$ 87,134	\$ 91,953	\$ 179,087
Contributions	-	-	-
Distributions	-	-	-
Investment income	-	-	-
	<u>\$ 87,134</u>	<u>\$ 91,953</u>	<u>\$ 179,087</u>

Note 8 - Leases

The Organization leases certain office facilities and equipment at various terms under long-term non-cancelable operating lease and finance lease agreements. The leases expire at various dates through 2034 and provide for renewal options ranging from one year to five years. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay real estate taxes, insurance, and repairs.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis. The short-term lease costs do not reflect the ongoing short-term lease commitments as the Organization entered into several short-term lease commitments. The Organization elected the practical expedient to not separate lease and non-lease components for real estate and office equipment leases.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Total lease costs for the years ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Operating lease cost	\$ 249,354	\$ -
Finance lease cost:		
Interest expense	202,334	-
Amortization of right-of-use assets	<u>646,966</u>	<u>-</u>
Total lease costs	<u>\$ 1,098,654</u>	<u>\$ -</u>

The following table summarizes the supplemental cash flow information for the years ended December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 245,507	\$ -
Operating cash flows from finance leases	200,605	-
Financing cash flows from finance leases	<u>522,404</u>	<u>-</u>
	<u>\$ 968,516</u>	<u>\$ -</u>

The following summarizes the weighted-average remaining lease term and weight-average discount rate:

	<u>2022</u>	<u>2021</u>
Weighted-average remaining lease term in years:		
Operating leases	3.10	-
Finance leases	10.80	-
Weighted-average discount rate:		
Operating leases	3.23%	-
Finance leases	2.75%	-

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of December 31, 2022:

	<u>Operating</u>	<u>Finance</u>
2023	\$ 241,485	\$ 751,296
2024	232,213	772,207
2025	236,675	793,707
2026	63,069	716,183
2027	-	629,572
Thereafter	<u>-</u>	<u>4,555,561</u>
Total lease payments	773,442	8,218,526
Less interest	<u>(40,350)</u>	<u>(1,159,276)</u>
Present value of lease liabilities	<u>\$ 733,092</u>	<u>\$ 7,059,250</u>

Note 9 - Board-designated Funds

The board has designated certain funds for specific purposes and projects. The board has designated amounts in the Investment Fund to be invested for future use by the Organization. Board-designated amounts in the Investment Fund totaled \$14,131,555 and \$9,666,638 at December 31, 2022 and 2021, respectively. The Investment Fund is comprised of investments and interest receivable. Additionally, \$177,043 and \$171,900 of net assets were designated to purchase capital assets, \$87,134 and \$87,134 of net assets were designated for endowments and \$100,000 and \$100,000 of net assets were designated for scholarships at December 31, 2022 and 2021, respectively.

Note 10 - Revenue from Contracts with Customers

The following summarizes revenue by type for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers	\$ 25,414,059	\$ 24,753,487
Contribution revenue	974,711	1,478,182
In-kind contributions	63,120	57,082
Forgiveness of debt	-	2,246,600
Net investment earnings (loss)	(2,035,981)	974,535
Other revenue	<u>(179,533)</u>	<u>45,374</u>
Total revenue	<u>\$ 24,236,376</u>	<u>\$ 29,555,260</u>

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

The following summarizes bad debt expense for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Impairment loss on receivables and contract assets on contracts with customers	\$ <u>3</u>	\$ <u>55,315</u>

The revenue from contracts with customers for the year ended December 31 consists of:

	<u>2022</u>	<u>2021</u>
Revenue earned at a point in time	\$ <u>25,414,059</u>	\$ <u>24,753,487</u>

Revenue earned at a point in time consists of tissue processing fees provided to researchers and transplant professionals. The tissues are unique orders that are derived from the research or transplant needs and therefore the performance obligation is satisfied when the order is fulfilled; if the tissue is compromised, revenue is still earned as long as the tissue is shipped adhering to the terms of the contract. This is because the tissue use is unique to the needs of the research or transplant. There is no variable consideration for the tissue processing. The transaction price is determined by the terms of the contract. Because the majority of customers are regular and known for paying timely, there is no constraint.

The following summarizes contract assets and contract liabilities as of:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Accounts receivable	\$ <u>2,942,068</u>	\$ <u>2,778,557</u>	\$ <u>2,778,557</u>
Deferred revenue	\$ <u>7,772</u>	\$ <u>4,865</u>	\$ <u>9,897</u>

There were no changes in judgments related to revenue recognition for the year ended December 31, 2022.

The Organization uses the practical expedient to record revenue as if there is no significant financing component when the receivable is due within one year.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 11 – Contributed Nonfinancial Assets

Contributed nonfinancial assets for the year ended December 31, 2022 were:

Category	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Special event raffle items	\$ 63,120	Fundraising	No associated donor restrictions	Client name estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Criteria for recording revenue are not met; approximately 461 hours were donated
Volunteer services	-	Program	No associated donor restrictions	
	<u>\$ 63,120</u>			

Contributed nonfinancial assets for the year ended December 31, 2021 were:

Category	Revenue Recognized	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques and Inputs
Special event raffle items	\$ 57,082	Fundraising	No associated donor restrictions	Client name estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States. Criteria for recording revenue are not met; approximately 348 hours were donated
Volunteer services	-	Program	No associated donor restrictions	
	<u>\$ 57,082</u>			

Note 12 - Retirement Plan

The Organization maintains a tax-sheltered retirement plan qualified under Internal Revenue Code Section 403(b). Under this plan, a qualified participant can elect to have 3.5% of compensation withheld for payment into a pension plan. In addition, the Organization contributes a matching percentage of no more than 7% of the compensation of participating employees to the plan. The Organization's contributions to the plan for the years ended December 31, 2022 and 2021, were \$563,277 and \$536,335, respectively.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 13 - Net Assets Release from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions		
Gift of Sight	\$ 71,120	\$ 104,257
Charitable purposes	106,130	70,602
Research programs	154,450	5,025
Scholarships	6,719	5,760
Equipment fund	-	23,999
Pakistan Eye Bank	20,000	-
Global development	<u>25,000</u>	<u>1,500</u>
	<u><u>\$ 383,419</u></u>	<u><u>\$ 211,143</u></u>

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 14 - Net Assets with Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purpose:		
Gift of Sight	\$ 32,650	\$ 40,650
Charitable purposes	-	16,418
Research programs	-	152,000
Scholarships	20,593	24,617
Pakistan Eye Bank	-	20,000
Global development	-	25,000
	<u>53,243</u>	<u>278,685</u>
Endowments (perpetual in nature):		
Subject to NFP endowment spending policy and appropriation		
Beverly A. Blettner Community Education	6,550	6,550
Gift of Hope and Vision Research	54,483	54,483
Gift of Sight Charitable	<u>30,920</u>	<u>30,920</u>
Total endowments	<u>91,953</u>	<u>91,953</u>
Total net assets with donor restrictions	<u><u>\$ 145,196</u></u>	<u><u>\$ 370,638</u></u>

During the year ended June 30, 2007, the Organization created the Beverly A. Blettner Community Education Endowment Fund. The donors stipulated that the principal amount may not be expended. The income generated from the principal may be used for educational purposes.

During the year ended June 30, 2005, the Organization created the Gift of Hope and Vision Research Endowment Fund. The donors stipulated that the principal amounts of \$25,000 and \$30,000 may not be expended. The income generated from the principal may be used to provide for annual distributions to support Eversight Gift of Hope Eye and Vision Research Program.

During the year ended June 30, 2005, the Organization created the Gift of Sight Charitable Endowment Fund. The donor stipulated that the \$385 principal may not be expended. The income generated from the principal may be used to waive or reduce tissue processing fees for patients who are unable to pay.

Note 15 - Research and Training Tissues (Unaudited)

During the years ended December 31, 2022 and 2021, the Organization supplied 3,981 and 3,441, research tissues to medical facilities and universities for research and training purposes. Estimated costs to procure these tissues are included in research program expenditures.

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

Note 16 - Fair Value Measurements

Fair value is defined as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e. an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

Level 1: Quoted prices in active markets for identical securities

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).

Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Organization's financial assets and liabilities are not indicators of the risks associated with those instruments.

The following tables provide fair value measurement information of marketable debt and equity securities measured at fair value as of December 31, 2022 and 2021:

	Balance at December 31, 2022	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market funds	\$ 5,263,160	\$ 5,263,160	\$ -
Debt securities of the U.S. Treasury and other U.S. government corporations and agencies	1,531,633	-	1,531,633
Municipal bonds	502,018	502,018	-
Corporate bonds	981,913	981,913	-
Other fixed income	694,739	694,739	-
Equity securities	5,437,181	5,437,181	-
	<u>14,410,644</u>	<u>12,879,011</u>	<u>1,531,633</u>
Total assets at fair value	\$ 14,410,644	\$ 12,879,011	\$ 1,531,633

Eversight and Subsidiary
Notes to the Consolidated Financial Statements
December 31, 2022
(With Summarized Comparative Information for 2021)

	Balance at December 31, 2021	Quoted prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Money market funds	\$ 175,878	\$ 175,878	\$ -
Debt securities of the U.S. Treasury and other U.S. government corporations and agencies	1,708,381	-	1,708,381
Municipal bonds	548,950	548,950	-
Corporate bonds	1,262,102	1,262,102	-
Other fixed income	311,995	311,995	-
Equity securities	<u>5,938,422</u>	<u>5,938,422</u>	<u>-</u>
 Total assets at fair value	 <u>\$ 9,945,728</u>	 <u>\$ 8,237,347</u>	 <u>\$ 1,708,381</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. There have been no changes in the methodologies used to determine fair value.

Note 17 - Self-Insurance

The Organization is self-funded for vision, dental, and health benefits. Employees who elect coverage agree to a copayment. Medical benefits are insured with Blue Cross in a high deductible plan and supplemented by the Organization. Management believes they have adequately provided for all claims incurred in the accompanying financial statements.

Changes in balances of claims liabilities, which are included in the accrued liabilities, for the year ended December 31, 2022 is as follows:

Unpaid claims, December 31, 2021	\$ 85,108
Incurred claims	1,211,521
Claim payments	<u>(1,228,361)</u>
Unpaid claims, December 31, 2022	<u>\$ 68,268</u>

Supplementary Information

Eversight and Subsidiary
Consolidating Statement of Financial Position
December 31, 2022

	Eversight	Eversight International	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,483,366	\$ 857,886	\$ -	\$ 3,341,252
Accounts receivables	2,930,442	421,126	(409,500)	2,942,068
Intercompany receivable	13,344,027	13,093,043	(26,437,070)	-
Prepaid expenses	157,170	1,250	-	158,420
Total current assets	18,915,005	14,373,305	(26,846,570)	6,441,740
Deposits	97,068	20,902	-	117,970
Investments	14,410,644	-	-	14,410,644
Property and equipment, net	1,135,545	-	-	1,135,545
Right of use asset - operating lease, net	717,908	11,336	-	729,244
Right of use asset - finance lease, net	6,251,815	-	-	6,251,815
Total assets	\$ 41,527,985	\$ 14,405,543	\$ (26,846,570)	\$ 29,086,958
Liabilities and Net Assets				
Current Liabilities				
Accounts payable	\$ 1,226,423	\$ -	\$ (409,500)	\$ 816,923
Deferred revenue	400	7,372	-	7,772
Intercompany payable	13,093,043	13,344,027	(26,437,070)	-
Operating lease obligation, current portion	230,149	11,336	-	241,485
Finance lease obligation, current portion	751,296	-	-	751,296
Accrued liabilities	675,326	501,699	-	1,177,025
Total current liabilities	15,976,637	13,864,434	(26,846,570)	2,994,501
Operating lease obligation, net of current portion	491,607	-	-	491,607
Finance lease obligation, net of current portion	6,307,954	-	-	6,307,954
Total liabilities	22,776,198	13,864,434	(26,846,570)	9,794,062
Net assets				
Without donor restrictions				
Undesignated	4,110,859	541,109	-	4,651,968
Board designated capital reserve	177,043	-	-	177,043
Board designated endowments	87,134	-	-	87,134
Board designated scholarships	100,000	-	-	100,000
Board designated investment fund	14,131,555	-	-	14,131,555
Total without donor restrictions	18,606,591	541,109	-	19,147,700
With donor restrictions				
Perpetual in nature	91,953	-	-	91,953
Purpose restrictions	53,243	-	-	53,243
Total with donor restrictions	145,196	-	-	145,196
Total net assets	18,751,787	541,109	-	19,292,896
Total liabilities and net assets	\$ 41,527,985	\$ 14,405,543	\$ (26,846,570)	\$ 29,086,958

Eversight and Subsidiary
Consolidating Statement of Activities
For the Year Ended December 31, 2022

	Eversight		Eversight International			Total		
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	Without Donor Restriction	With Donor Restrictions	Total
Public support and program revenues								
Public support								
Contributions	\$ 816,734	\$ 157,977	\$ -	\$ -	\$ -	\$ 816,734	\$ 157,977	\$ 974,711
Contributions of nonfinancial assets	63,120	-	-	-	-	63,120	-	63,120
Total public support	879,854	157,977	-	-	-	879,854	157,977	1,037,831
Program service fee revenue								
Eye tissue processing fees	22,401,703	-	3,012,356	-	-	25,414,059	-	25,414,059
Other revenue	66,183	-	(245,716)	-	-	(179,533)	-	(179,533)
Intercompany charges	1,976,155	-	-	-	(1,976,155)	-	-	-
Total program revenues	24,444,041	-	2,766,640	-	(1,976,155)	25,234,526	-	25,234,526
Net assets released from restrictions	363,419	(363,419)	20,000	(20,000)	-	383,419	(383,419)	-
Total public support and program revenues	25,687,314	(205,442)	2,786,640	(20,000)	(1,976,155)	26,497,799	(225,442)	26,272,357
Expenses								
Program services								
Tissue procurement and processing program	16,971,336	-	2,559,419	-	(1,976,155)	17,554,600	-	17,554,600
Education program	161,164	-	-	-	-	161,164	-	161,164
Research program	1,226,217	-	36,368	-	-	1,262,585	-	1,262,585
Total program services	18,358,717	-	2,595,787	-	(1,976,155)	18,978,349	-	18,978,349
Support services								
Administration	5,059,835	-	93,393	-	-	5,153,228	-	5,153,228
Fundraising	645,009	-	-	-	-	645,009	-	645,009
Total support services	5,704,844	-	93,393	-	-	5,798,237	-	5,798,237
Total expenses	24,063,561	-	2,689,180	-	(1,976,155)	24,776,586	-	24,776,586
Public support and program revenues over expenses	1,623,753	(205,442)	97,460	(20,000)	-	1,721,213	(225,442)	1,495,771
Nonoperating income								
Net investment earnings	(2,035,981)	-	-	-	-	(2,035,981)	-	(2,035,981)
Change in net assets	(412,228)	(205,442)	97,460	(20,000)	-	(314,768)	(225,442)	(540,210)
Net assets - beginning of year	19,018,819	350,638	443,649	20,000	-	19,462,468	370,638	19,833,106
Net assets - end of year	\$ 18,606,591	\$ 145,196	\$ 541,109	\$ -	\$ -	\$ 19,147,700	\$ 145,196	\$ 19,292,896