

**VisionCorps**

Year Ended September 30, 2021 with Comparative Totals  
for 2020



# VisionCorps

## Financial Statements

Year Ended September 30, 2021 with Comparative Totals for 2020

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
**VisionCorps**  
Lancaster, Pennsylvania

We have audited the accompanying financial statements of **VisionCorps** (a nonprofit organization) which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **VisionCorps** as of September 30, 2021, 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.

**Emphasis of Matter**

As discussed in Note 1 to the financial statements, **VisionCorps** and VisionsCorps Foundation, which have historically been presented as consolidating entities, merged. VisionCorps Foundation was dissolved, at which time all assets and liabilities transferred into **VisionCorps**. Our opinion is not modified with respect to that matter.

**Report on Summarized Comparative Information**

We have previously audited **VisionCorps** and VisionsCorps Foundation's 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated on November 11, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

A handwritten signature in black ink that reads "Trout CPA". The signature is written in a cursive, flowing style.

December 17, 2021  
Lancaster, Pennsylvania

# VisionCorps

## STATEMENT of FINANCIAL POSITION

September 30, 2021 with Comparative Totals for 2020

<b>ASSETS</b>				
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	
			<b>2021</b>	<b>2020</b>
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 2,656,023	\$ 29,348	\$ 2,685,371	\$ 2,563,852
Accounts Receivable	2,243,475		2,243,475	1,879,814
Pledges and Bequests Receivable, net	20,737		20,737	242,308
Inventories	3,353,721		3,353,721	1,575,771
Prepaid Expenses	15,150		15,150	125,844
	<u>8,289,106</u>	<u>29,348</u>	<u>8,318,454</u>	<u>6,387,589</u>
<b>Total Current Assets</b>				
<b>INVESTMENTS</b>				
Fulton Financial Advisors	7,164,903	881,728	8,046,631	6,918,523
PNC	7,082,409		7,082,409	6,301,987
Marketable Securities	21,519		21,519	13,574
Bank Investments Fund	2,427,461		2,427,461	2,443,983
Vollmer Bequest		222,710	222,710	198,810
Peters Bequest		649,596	649,596	579,764
Endowment	451,091	73,134	524,225	455,560
Robert Y. Garrett, Jr. Memorial		17,966	17,966	15,094
	<u>17,147,383</u>	<u>1,845,134</u>	<u>18,992,517</u>	<u>16,927,295</u>
<b>Total Investments</b>				
<b>PROPERTY and EQUIPMENT</b>				
Property and Equipment	15,809,349		15,809,349	16,265,313
Accumulated Depreciation	(7,991,266)		(7,991,266)	(8,611,921)
	<u>7,818,083</u>	<u>-0-</u>	<u>7,818,083</u>	<u>7,653,392</u>
<b>Net Property and Equipment</b>				
<b>OTHER ASSETS</b>				
Deposits on Equipment	9,504		9,504	68,381
Beneficial Interest in Assets Held by Others		193,936	193,936	212,051
Beneficial Interest in Perpetual Trusts		4,336,447	4,336,447	3,862,397
	<u>9,504</u>	<u>4,530,383</u>	<u>4,539,887</u>	<u>4,142,829</u>
<b>Total Other Assets</b>				
<b>TOTAL ASSETS</b>	<b><u>\$ 33,264,076</u></b>	<b><u>\$ 6,404,865</u></b>	<b><u>\$ 39,668,941</u></b>	<b><u>\$ 35,111,105</u></b>

See notes to financial statements.

# VisionCorps

## STATEMENT of FINANCIAL POSITION

(Continued)

September 30, 2021 with Comparative Totals for 2020

### LIABILITIES and NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
<b>CURRENT LIABILITIES</b>				
Line of Credit	\$ 237,750	\$	\$ 237,750	\$ 237,750
Note Payable - Current Portion	170,709		170,709	822,304
Accounts Payable	1,557,814		1,557,814	561,433
Accrued Payroll	111,425		111,425	327,858
Accrued and Withheld Payroll Taxes	16,880		16,880	15,200
Accrued Benefits	71,615		71,615	289,664
Charitable Gift Annuities - Current Portion	65,365		65,365	61,817
Deferred Revenue	20,410		20,410	8,107
	<u>2,251,968</u>	<u>-0-</u>	<u>2,251,968</u>	<u>2,324,133</u>
<b>Total Current Liabilities</b>	<b>2,251,968</b>	<b>-0-</b>	<b>2,251,968</b>	<b>2,324,133</b>
<b>NON-CURRENT LIABILITIES</b>				
Note Payable, net of Current Portion	1,221,892		1,221,892	531,596
Charitable Gift Annuities - Long-Term Portion	74,312		74,312	139,677
	<u>1,296,204</u>	<u>-0-</u>	<u>1,296,204</u>	<u>671,273</u>
<b>Total Non-Current Liabilities</b>	<b>1,296,204</b>	<b>-0-</b>	<b>1,296,204</b>	<b>671,273</b>
<b>TOTAL LIABILITIES</b>	<b>3,548,172</b>	<b>-0-</b>	<b>3,548,172</b>	<b>2,995,406</b>
<b>NET ASSETS</b>				
Without Donor Restrictions	29,715,904		29,715,904	26,137,208
With Donor Restrictions		6,404,865	6,404,865	5,978,491
	<u>29,715,904</u>	<u>6,404,865</u>	<u>36,120,769</u>	<u>32,115,699</u>
<b>TOTAL NET ASSETS</b>	<b>29,715,904</b>	<b>6,404,865</b>	<b>36,120,769</b>	<b>32,115,699</b>
 <b>TOTAL LIABILITIES and NET ASSETS</b>	 <b><u>\$ 33,264,076</u></b>	 <b><u>\$ 6,404,865</u></b>	 <b><u>\$39,668,941</u></b>	 <b><u>\$35,111,105</u></b>

See notes to financial statements.

# VisionCorps

## STATEMENT of ACTIVITIES

Year Ended September 30, 2021 with Comparative Totals for 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
<b>OPERATING ACTIVITIES</b>				
<b>SUPPORT</b>				
Contributions:				
Public Contributions and Grants	\$ 618,980	\$ 104,643	\$ 723,623	\$ 552,146
In-Kind Contributions	<u>54,420</u>	<u>          </u>	<u>54,420</u>	<u>67,948</u>
<b>Total Support</b>	<b>673,400</b>	<b>104,643</b>	<b>778,043</b>	<b>620,094</b>
<b>REVENUE</b>				
Enterprise Group Sales	17,707,922		17,707,922	22,595,359
Fees for Services	246,942		246,942	221,085
Client Services	13,094		13,094	12,666
Investment Income	257,426	(12,817)	244,609	375,028
Distributions from Perpetual Trusts	221,479		221,479	186,638
Other Income	<u>86,134</u>	<u>          </u>	<u>86,134</u>	<u>76,818</u>
<b>Total Revenue</b>	<b>18,532,997</b>	<b>(12,817)</b>	<b>18,520,180</b>	<b>23,467,594</b>
<b>NET ASSETS RELEASED</b>				
<b>from RESTRICTIONS</b>	<u><b>230,808</b></u>	<u><b>(230,808)</b></u>	<u><b>-0-</b></u>	<u><b>-0-</b></u>
<b>Total Support, Revenue, and Net Assets Released from Restrictions</b>	<b>19,437,205</b>	<b>(138,982)</b>	<b>19,298,223</b>	<b>24,087,688</b>
<b>FUNCTIONAL EXPENSES</b>				
Program Expenses:				
Enterprise Group	17,532,531		17,532,531	20,544,826
Rehabilitation	1,239,503		1,239,503	1,427,996
Youth Services	270,035		270,035	273,345
Grant Making	28,953		28,953	21,572
Education and Public Awareness	<u>118,097</u>	<u>          </u>	<u>118,097</u>	<u>87,502</u>
<b>Total Program Expenses</b>	<b>19,189,119</b>	<b>-0-</b>	<b>19,189,119</b>	<b>22,355,241</b>
Development	499,986		499,986	339,872
Administration	<u>658,483</u>	<u>          </u>	<u>658,483</u>	<u>805,731</u>
<b>Total Functional Expenses</b>	<b>20,347,588</b>	<b>-0-</b>	<b>20,347,588</b>	<b>23,500,844</b>
<b>Changes in Net Assets from Operations (Carried Forward)</b>	<b>\$ (910,383)</b>	<b>\$ (138,982)</b>	<b>\$ (1,049,365)</b>	<b>\$ 586,844</b>

See notes to financial statements.

# VisionCorps

## STATEMENT of ACTIVITIES

(Continued)

Year Ended September 30, 2021 with Comparative Totals for 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
<b>Changes in Net Assets from Operations (Brought Forward)</b>	<b>\$ (910,383)</b>	<b>\$ (138,982)</b>	<b>\$ (1,049,365)</b>	<b>\$ 586,844</b>
<b>NONOPERATING ACTIVITIES</b>				
Gain (Loss) on Sale of Assets	500		500	(9,044)
Realized and Unrealized Gain on Investments	2,238,716	109,421	2,348,137	601,645
Change in Value of Beneficial Interest in Assets Held by Others		(18,115)	(18,115)	(3,704)
Change in Value of Beneficial Interest in Perpetual Trusts		474,050	474,050	46,942
Change in Value of Charitable Gift Annuities	(9,983)		(9,983)	(203,623)
Employee Retention Credit	828,856		828,856	-0-
PPP Debt Forgiveness	1,353,900		1,353,900	-0-
Bequests	77,090		77,090	129,674
	<b>4,489,079</b>	<b>565,356</b>	<b>5,054,435</b>	<b>561,890</b>
<b>Changes in Net Assets from Nonoperating Activities</b>				
	<b>4,489,079</b>	<b>565,356</b>	<b>5,054,435</b>	<b>561,890</b>
<b>CHANGES in NET ASSETS</b>	<b>3,578,696</b>	<b>426,374</b>	<b>4,005,070</b>	<b>1,148,734</b>
<b>NET ASSETS</b>				
Beginning of Year	26,137,208	5,978,491	32,115,699	30,966,965
End of Year	<u><u>\$ 29,715,904</u></u>	<u><u>\$ 6,404,865</u></u>	<u><u>\$ 36,120,769</u></u>	<u><u>\$ 32,115,699</u></u>

See notes to financial statements.



## VisionCorps

### STATEMENT of FUNCTIONAL EXPENSES

Year Ended September 30, 2021 with Comparative Totals for 2020

	Program Expenses						Development	Administration	Total Expenses	
	Enterprise Group	Rehabilitation	Youth Services	Grant Making	Education and Public Awareness	Total Program Expenses			2021	2020
<b>EXPENSES</b>										
Salaries and Wages	\$ 2,251,781	\$ 753,234	\$ 159,340	\$ 17,305	\$ 97,539	\$ 3,279,199	\$ 163,928	\$ 284,633	\$ 3,727,760	\$ 3,602,408
Direct Labor	2,749,308					2,749,308			2,749,308	2,579,554
Indirect Labor	223,040					223,040			223,040	168,772
Payroll Taxes	377,765	53,898	11,391	1,439	8,110	452,603	13,629	21,687	487,919	450,002
Employee Benefits	916,836	155,815	30,517	2,209	12,448	1,117,825	21,095	71,409	1,210,329	1,208,973
Professional Services	126,136	40,034	3,475			169,645	100,099	100,865	370,609	299,938
Bank Fees	21,309					21,309		4,656	25,965	39,013
Office, Operating Supplies, and Equipment	145,433	68,809	8,686			222,928	9,350	53,764	286,042	290,506
Items for Resale and Shipping	9,209,014	11,007				9,220,021			9,220,021	12,562,126
Sales Commissions and Licensing Fees	565,844					565,844			565,844	800,408
Building and Utilities	322,555	46,401	18,772			387,728	6,596	19,604	413,928	416,410
Insurance	68,765	17,262	3,711			89,738	2,328	12,834	104,900	102,549
Travel, Training, and Seminars	20,765	10,475	2,124			33,364	2,050	10,787	46,201	73,371
Assistance to Individuals				8,000		8,000			8,000	6,349
Warehouse/Office Rental	119,965	3,316				123,281	3,358	75	126,714	114,974
Miscellaneous and Public Relations	32,475	2,556	271			35,302		48,662	83,964	48,436
Interest - Operations						-0-		2,788	2,788	6,976
Depreciation	378,740	74,400	31,748			484,888	642	26,719	512,249	524,923
Sales and Marketing	2,800	2,296				5,096	15,890		20,986	72,328
Fundraising Expenses						-0-	161,021		161,021	132,828
<b>2021 Total Expenses</b>	<b>17,532,531</b>	<b>1,239,503</b>	<b>270,035</b>	<b>28,953</b>	<b>118,097</b>	<b>19,189,119</b>	<b>499,986</b>	<b>658,483</b>	<b>20,347,588</b>	
<b>2020 Total Expenses</b>	<b>\$ 20,544,826</b>	<b>\$ 1,427,996</b>	<b>\$ 273,345</b>	<b>\$ 21,572</b>	<b>\$ 87,502</b>	<b>\$ 22,355,241</b>	<b>\$ 339,872</b>	<b>\$ 805,731</b>		<b>\$ 23,500,844</b>

See notes to financial statements.

# VisionCorps

## STATEMENT of CASH FLOWS

Year Ended September 30, 2021 with Comparative Totals for 2020

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS from OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ 4,005,070	\$ 1,148,734
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and Unrealized Gain on Investments	(2,348,137)	(601,645)
Depreciation	512,249	524,923
(Gain) Loss on Sale of Assets	(500)	9,044
PPP Debt Forgiveness	(1,353,900)	-0-
Contributed Investments	(112,778)	(6,357)
Change in Value of Beneficial Interest in Assets Held by Others	18,115	3,704
Change in Value of Beneficial Interest in Perpetual Trusts	(474,050)	(46,942)
Change in Value of Charitable Gift Annuities	-0-	203,623
(Increase) Decrease in:		
Accounts Receivable	(363,661)	(453,027)
Pledges and Bequests Receivable	221,571	236,146
Inventories	(1,777,950)	1,488,784
Prepaid Expenses	110,694	(84,220)
Increase (Decrease) in:		
Accounts Payable	996,381	(801,883)
Accrued Payroll, Taxes, and Benefits	(432,802)	183,590
Deferred Revenue	12,303	(67,097)
	<b>(987,395)</b>	<b>1,737,377</b>
<b>CASH FLOWS from INVESTING ACTIVITIES</b>		
Deposits on Equipment	58,877	(68,381)
Purchase of Investments	14,987,202	21,267,810
Proceeds from Sale of Investments	(14,591,004)	(22,134,971)
Purchase of Property and Equipment	(676,945)	(326,353)
	<b>(221,870)</b>	<b>(1,261,895)</b>
<b>CASH FLOWS from FINANCING ACTIVITIES</b>		
Payments Made on Charitable Gift Annuities	(61,817)	(67,715)
Proceeds from Charitable Gift Annuities	-0-	16,521
Proceeds on Note Payable	1,392,601	1,353,900
	<b>1,330,784</b>	<b>1,302,706</b>
<b>INCREASE in CASH and CASH EQUIVALENTS</b>	<b>121,519</b>	<b>1,778,188</b>
<b>CASH and CASH EQUIVALENTS</b>		
Beginning of Year	2,563,852	785,664
<b>End of Year</b>	<b>\$ 2,685,371</b>	<b>\$ 2,563,852</b>

See notes to financial statements.

# VisionCorps

## STATEMENT of CASH FLOWS

(Continued)

Year Ended September 30, 2021 with Comparative Totals for 2020

	<b>2021</b>	<b>2020</b>
<b>CASH and CASH EQUIVALENTS on the STATEMENT of FINANCIAL POSITION is COMPRISED of the FOLLOWING:</b>		
Cash and Cash Equivalents:		
Without Donor Restrictions	\$ 2,656,023	\$ 2,534,519
With Donor Restrictions	<u>29,348</u>	<u>29,333</u>
	<b><u>\$ 2,685,371</u></b>	<b><u>\$ 2,563,852</u></b>
<b>SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION</b>		
Cash Payments for Interest	2,788	6,976

See notes to financial statements.

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES**

**Nature of the Organization**

**VisionCorps** (the Organization) is a charitable organization providing a variety of employment, educational, clinical, and social services to sight impaired individuals in Lancaster, Lebanon, Chester, and York Counties, and offers employment opportunities in Philadelphia and Mechanicsburg, Pennsylvania and Washington, DC.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Merger**

In July 2021, VisionCorps Foundation (the Foundation) was merged into **VisionCorps** (the Organization). The Foundation existed to provide financial support to the Organization for projects that support employment opportunity, career development, education, and research for the benefit of persons who are blind. All assets and liabilities held by the Foundation were transferred to the Organization and are recognized on the statements of net position. These assets include cash, pledges and bequests receivable, investments, and office equipment. The liabilities transferred include accounts payable, deferred revenue, and charitable gift annuities. All activity for the fiscal period from October 1, 2020 to June 30, 2021, are included in the statement of activity. Fiscal year 2020 is shown comparatively and summarized on the consolidated basis, which is materially the same as the presentation in 2021.

**Basis of Presentation**

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP). Current US GAAP standards are contained in the Accounting Standards Codification (ASC) as set forth by the Financial Accounting Standards Board (FASB).

The financial statements have been presented in accordance with FASB Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.

**Net Assets With Donor Restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions may be temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Measure of Operations**

The statement of activities reports all changes in net assets including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the organizations ongoing programs and supporting services. Nonoperating activities are limited to other activities considered to be of a more unusual or nonrecurring nature, including bequests and gains or losses on the sale of assets, or realized and unrealized changes in value of investments or similar assets.

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Financial Statement Presentation**

Information for the year ended September 30, 2020, is not intended to be a complete presentation in accordance with US GAAP and is presented for comparative purposes only.

**Use of Estimates**

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates relate primarily to the valuation of pledges and accounts receivable, valuation of inventory, fair value of investments, and beneficial interest in assets held by other and perpetual trusts, depreciation of property and equipment, split interest agreements (charitable gift annuities), the allocation of expenses to the various functional areas of the Organization's operations, and other unsettled transactions and events as of the date of the financial statements. Accordingly, actual results may differ from estimated amounts.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organizations considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, except cash that is held in the investment accounts and is treated as an investment.

**Accounts Receivable**

Accounts receivable that management has the intent and ability to hold for the foreseeable future, or until maturity or payoff, are reported at outstanding principal adjusted for charge offs. Account balances generally are written off when management judges such balances uncollectible, such as an account in bankruptcy. Management continually monitors and reviews accounts receivable balances.

The Organizations records an allowance for doubtful accounts relative to its accounts receivable and promises to give balances. The allowance for doubtful accounts is based on management's assessment of the collectability of specific balances and the aging of the receivables and promises to give. If there is a deterioration of a customer or major contributor's financial status or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Organizations could be adversely affected. No allowance was deemed necessary at September 30, 2021 and 2020.

**Promises to Give and Bequests**

Unconditional promises to give are recognized as revenues or gains in the period the unconditional promise is made and as assets, decreases of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Bequests receivable are receivables expected to be collected in less than one year and revenue recognized is not considered donor restricted unless otherwise specifically restricted by the donor.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a rate of return that a market participant would demand at the date of the promise to give. Amortization of the discounts is included in contribution revenue. Pledges and bequests receivable at September 30, 2021 and 2020, amounted to \$20,737 and \$242,308, respectively.

# VisionCorps

## NOTES to FINANCIAL STATEMENTS (Continued)

### NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Inventories

Inventories consist mainly of manufacturing raw materials and finished goods. Raw material inventories are recorded at lower of cost (first in, first out) or net realizable value. Finished goods inventory is recorded at cost and an allocation for applicable overhead.

#### Investments and Fair Value Measurements

Investments are recorded at fair value in the statement of financial position in accordance with FASB ASC Subtopic 958, *Not-For-Profit Entities*. Gains and losses on investments are required to be reported in the statement of activities as increases or decreases to net assets without donor restrictions unless restrictions are stipulated by the donor or the law.

The Organization has adopted FASB ASC Topic 820, *Fair Value Measurements*. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

#### Property and Equipment

The Organization capitalized assets with a cost or fair market value in excess of \$5,000 or a useful life of at least two years. The cost of maintenance and repairs is expensed as incurred; expenditures for betterments which extend the useful life of property and equipment are capitalized. Property and equipment are capitalized at cost or fair market value at the date of donation and depreciated on the straight-line basis over their estimated useful lives. The Organization does not imply time restrictions with respect to donations of long-lived assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The estimated useful lives of significant property and equipment categories are as follows:

Building	40 Years
Vehicles	2 to 5 Years
Equipment	3 to 10 Years
Office Furniture	3 to 10 Years

#### Beneficial Interest in Assets Held by Others

The Organization is the income beneficiary of assets held in trust by others in investment accounts. The Organization recognizes the fair value of the assets as net assets with donor restrictions on the statement of financial position.

#### Revenue and Support

Contributions received are reported as increases to net assets without donor restrictions, unless specifically restricted by the donor. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when the purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted donations whose restrictions are met in the same period are accounted for as net assets without donor restrictions, except for certain grant revenues, where the grantor has stipulated that revenues be reported as with donor restrictions and released from restrictions.

The Organization earns revenue from exchange transactions by providing management and other services to third parties whose mission closely aligns with the Organization's. Program revenue is billed monthly and recognized as income ratably over the period to which it applies.

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Revenue and Support (Continued)**

There were no impairment losses recorded for contract assets during the years ended September 30, 2021 and 2020. The beginning and ending contract balances are as follows:

	<b>2021</b>	<b>September 30, 2020</b>	<b>2019</b>
Accounts Receivable	2,243,036	1,873,507	1,431,210

**Donated Noncash Items**

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

**Deferred Revenue**

The Organization recognizes deferred revenue which consists of miscellaneous revenue received for special events and was received in advance of the year in which the event is scheduled to occur. Deferred revenue was \$20,410 and \$8,107 at September 30, 2021 and 2020, respectively.

**Functional Expense Classification**

The Organization allocates its expenses on a functional basis among its programs and support services. Supporting services consist of development and administrative expenses. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on management estimates of time spent amongst functions.

**Sales and Marketing**

The Organization expenses marketing costs as they are incurred.

**Enterprise Group Contracts**

The Organization recognizes revenues when they satisfy a performance obligation by transferring control over a product to a customer. For tangible goods contracts, the contract is considered complete upon delivery or shipment, depending upon the F.O.B. point. For service-type contracts, the contract is considered complete when services have been performed and accepted by the customer. Operating expenses, including costs and administrative expenses, are charged as incurred to operations and not allocated to contract costs.

**Income Tax Status and Uncertain Tax Positions**

The Organization is exempt from taxation as provided by Code Section 501(c)(3) of the Internal Revenue Code (the Code). Section 501(c)(3) defines the exempt organization as being "organized and operated for religious, charitable, scientific, testing for public safety, literacy or educational purposes, or the prevention of cruelty to children or animals." In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Tax Status and Uncertain Tax Positions (Continued)**

The Organization is not aware of any unrelated business income that would be subject to taxation. Accordingly, the Internal Revenue Service Form 990-T will not be filed. The Organization follows the provisions of ASC Topic 740, *Income Taxes*, and is not aware of any uncertain tax positions, and accordingly, no corresponding liability, including penalties and interest, has been recorded in the accompanying financial statements.

**Shipping and Handling**

Shipping and handling costs are considered a fulfillment activity and are included in items for resale and shipping on the accompanying statement of functional expenses. Shipping and handling costs amounted to \$727,284 and \$752,882 for the years ended September 30, 2021 and 2020, respectively.

**Accounting Standards Adopted in Fiscal Year 2021**

During the current year, the Organization adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which amends the existing accounting standard for revenue recognition. The Organization has analyzed the provisions of the FASB's ASC Topic 606, and has concluded that no changes to the Organization's preexisting policies of revenue recognition are necessary to conform with the new standard. Therefore, a restatement of net assets is not necessary to apply the standard retrospectively.

**Accounting Standards Not Yet Adopted**

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (ASU 2016-02), which will require lessees to recognize most leases on their balance sheet, increasing their reported assets and liabilities. This update was developed to provide financial statement users with more information about an entity's leasing activities, and will require changes in processes and internal controls. This update is effective for fiscal year ending September 30, 2023. The Organization is currently assessing the impact the adoption of ASU 2016-02 will have on its financial statements.

**PPP Debt Forgiveness**

The Organization participated in the Small Business Administration's Paycheck Protection Program, whereby the Organization received loans to support payroll and other operating costs (Note 10). The proceeds are initially recognized as debt, and if conditions are met to qualify for forgiveness, subsequently recognized as income.

**NOTE 2 - CONCENTRATION of CREDIT RISK**

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash deposits, investments with financial institutions, and accounts receivable. The Organization maintains its cash and cash equivalents and investments in various financial institutions where the account balances may at times exceed FDIC and SIPC insured limits. The Organization grants credit to its customers without collateral, all of whom are located in various regions throughout the United States.

Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is possible that changes in the value of investments could occur in the near term. Such changes could materially affect investment balances.



**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 3 - PLEDGES and BEQUESTS RECEIVABLE**

At September 30, 2021 and 2020, the Organization's total pledges receivable were \$-0- and \$192,308, respectively, which have been discounted to the estimated present value using a rate of 4%. At September 30, 2021 and 2020, the Organizations bequests receivable were \$20,737 and \$50,000, respectively, and are expected to be collected in one year. The current portion of pledges and bequests receivable and long-term portion of pledges receivable, included in the statement of financial position in the current assets and other assets section, respectively, are as follows:

	<b>2021</b>	<b>2020</b>
Pledges Receivable	-0-	200,000
Discount	<u>-0-</u>	<u>(7,692)</u>
Net Present Value of Pledges Receivable	-0-	192,308
Current Portion of Pledges Receivable	<u>-0-</u>	<u>(192,308)</u>
Long-Term Pledges Receivable	-0-	-0-
Bequests Receivable	20,737	50,000
Current Portion of Pledges Receivable	<u>-0-</u>	<u>192,308</u>
Current Portion of Pledges and Bequests Receivables	<b>20,737</b>	<b>242,308</b>
Receivables Due In:		
Less than One Year	<u>20,737</u>	<u>242,308</u>
	<b>20,737</b>	<b>242,308</b>

**NOTE 4 - INVENTORIES**

Inventories in the Organization as of September 30, 2021 and 2020, consist of the following:

	<b>2021</b>	<b>2020</b>
Raw Materials	2,222,087	741,916
Finished Goods/Items Held for Resale/Other	<u>1,131,634</u>	<u>833,855</u>
	<b>3,353,721</b>	<b>1,575,771</b>

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 5 - INVESTMENTS**

A comparison of cost and fair value of investments at September 30, 2021 and 2020, is as follows:

<b>2021</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
Fulton Financial Advisors	6,015,192	7,046,837	1,031,645
PNC	6,248,545	7,082,409	833,864
Fulton Scholarship	268,038	333,722	65,684
Fulton Youth Services	531,578	666,072	134,494
Fulton Short Term Fund	2,438,632	2,427,461	(11,171)
Principal Marketable Securities	18,793	21,519	2,726
Vollmer Bequest	191,015	222,710	31,695
Peters Bequest	452,577	649,596	197,019
Endowment	422,641	524,225	101,584
Robert Y. Garrett, Jr. Memorial	<u>14,821</u>	<u>17,966</u>	<u>3,145</u>
	<b>16,601,832</b>	<b>18,992,517</b>	<b>2,390,685</b>

<b>2020</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gain (Loss)</b>
Fulton Financial Advisors	5,713,588	6,057,185	343,597
PNC	6,240,859	6,301,987	61,128
Fulton Scholarship	247,866	279,620	31,754
Fulton Youth Services	517,187	581,718	64,531
Fulton Short Term Fund	2,440,555	2,443,983	3,428
Principal Marketable Securities	18,793	13,574	(5,219)
Vollmer Bequest	188,666	198,810	10,144
Peters Bequest	439,512	579,764	140,252
Endowment	411,206	455,560	44,354
Robert Y. Garrett, Jr. Memorial	<u>13,978</u>	<u>15,094</u>	<u>1,116</u>
	<b>16,232,210</b>	<b>16,927,295</b>	<b>695,085</b>

A breakdown of the investment income for the years ended September 30, 2021 and 2020, is as follows:

	<b>2021</b>	<b>2020</b>
<b>Operating:</b>		
Interest and Dividends	343,422	447,240
Investment Fees	<u>(98,813)</u>	<u>(72,212)</u>
<b>Total Operating</b>	<b>244,609</b>	<b>375,028</b>
<b>Nonoperating:</b>		
Realized Gains	613,415	866,625
Unrealized Gain (Loss)	<u>1,734,722</u>	<u>(264,980)</u>
<b>Total Nonoperating</b>	<b>2,348,137</b>	<b>601,645</b>

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 6 - FAIR VALUE MEASUREMENTS**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are adjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2021 and 2020.

*Fixed Income Securities:* Valued using matrix pricing techniques that value securities based on their relationship to benchmark quoted prices.

*Common Stocks and Money Market Funds:* Valued at the closing price reported in the principal market on which the individual securities are traded.

*Mutual Funds and Exchange-Traded Funds:* Valued at the net asset value (NAV) of shares held by the Organization at year end.

*Beneficial Interests in Assets Held by Others and in Perpetual Trusts:* Valued at the present value of the estimated future cash flows of the underlying assets in trust.

**VisionCorps**  
 NOTES to FINANCIAL STATEMENTS  
 (Continued)

**NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)**

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets that are measured at fair value on a recurring basis as of September 30, 2021 and 2020:

2021	Level 1	Level 2	Level 3	Total Fair Value
<b>ASSETS</b>				
<b>Beneficial Interest in Assets Held by Others</b>			193,936	193,936
<b>Beneficial Interest in Perpetual Trusts</b>			4,336,447	4,336,447
<b>Fixed Income Securities:</b>				
US Treasury Notes	1,565,116			1,565,116
Government Agency	324,705			324,705
Corporate Bonds and Notes		1,092,108		1,092,108
<b>Mutual Funds and Money Market Funds:</b>				
Alternative and Liquid Real Assets	335,100			335,100
Equity	403,503			403,503
International and Emerging Markets	1,436,355			1,436,355
Large Cap	1,629,325			1,629,325
Small Cap/Mid Cap	1,029,369			1,029,369
Money Market	727,162			727,162
Fixed Income Mutual Funds	4,100,164			4,100,164
<b>Exchange-Traded Funds:</b>	2,246,865			2,246,865

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)**

2021	Level 1	Level 2	Level 3	Total Fair Value
<b>Common Stocks:</b>				
Consumer Staples	270,638			270,638
Consumer Discretionary	518,301			518,301
Energy	78,695			78,695
Financial	610,326			610,326
Healthcare	621,336			621,336
Industrials	379,780			379,780
Materials	109,741			109,741
Real Estate	74,819			74,819
Technology	1,012,539			1,012,539
Telecom	308,055			308,055
Utilities	118,515			118,515
	<u>17,900,409</u>	<u>1,092,108</u>	<u>4,530,383</u>	<u>23,522,900</u>
2020	Level 1	Level 2	Level 3	Total Fair Value
<b>ASSETS</b>				
<b>Beneficial Interest in Assets Held by Others</b>			212,051	212,051
<b>Beneficial Interest in Perpetual Trusts</b>			3,862,397	3,862,397
<b>Fixed Income Securities:</b>				
US Treasury Notes	1,776,709			1,776,709
Certificate of Deposits	503,408			503,408
Corporate Bonds and Notes		460,543		460,543
<b>Mutual Funds and Money Market Funds:</b>				
Alternative and Liquid Real Assets	348,421			348,421
Equity	348,248			348,248
International and Emerging Markets	896,692			896,692
Large Cap	1,592,516			1,592,516
Small Cap/Mid Cap	794,869			794,869
Money Market	1,070,873			1,070,873
Fixed Income Mutual Funds	4,134,697			4,134,697
<b>Exchange-Traded Funds:</b>	1,806,324			1,806,324

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)**

2020	Level 1	Level 2	Level 3	Total Fair Value
<b>Common Stocks:</b>				
Consumer Staples	244,048			244,048
Consumer Discretionary	345,576			345,576
Energy	44,542			44,542
Financial	399,761			399,761
Healthcare	551,486			551,486
Industrials	323,158			323,158
Materials	98,731			98,731
Real Estate	38,279			38,279
Technology	780,825			780,825
Telecom	260,304			260,304
Utilities	<u>107,285</u>			<u>107,285</u>
	<b>16,466,752</b>	<b>460,543</b>	<b>4,074,448</b>	<b>21,001,743</b>

**Level 1 and 2 Transfers**

No transfers in and out of levels 1 and 2 occurred during the years ended September 30, 2021 and 2020.

**Level 3 Gains and Losses**

The following table sets forth a summary of changes in the fair values of the Organization's level 3 assets for the years ended September 30, 2021 and 2020:

	Beneficial Interest In Assets Held by Others	Beneficial Interest in Perpetual Trusts
<b>Balance - September 30, 2019</b>	215,755	3,815,455
Net Investment Income	14,668	215,208
Distributions	<u>(18,372)</u>	<u>(168,266)</u>
<b>Balance - September 30, 2020</b>	<b>212,051</b>	<b>3,862,397</b>
Net Investment Income	21,687	655,727
Distributions	<u>(39,802)</u>	<u>(181,677)</u>
<b>Balance - September 30, 2021</b>	<b>193,936</b>	<b>4,336,447</b>

These gains are reported as changes in the value of beneficial interest in assets held by others and in perpetual trusts in the accompanying financial statements.

The following table sets forth, by level within the fair value hierarchy, the Organization's assets and liabilities that are measured at fair value on a non-recurring basis as of September 30, 2021:

**VisionCorps**  
 NOTES to FINANCIAL STATEMENTS  
 (Continued)

**NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)**

2021	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets:</b>				
Bequests Receivable	-0-	-0-	20,737	20,737
<b>Liabilities:</b>				
Charitable Gift Annuities	-0-	-0-	139,677	139,677

The following table sets forth by level, within the fair value hierarchy, the Organization's assets and liabilities that are measured at fair value on a non-recurring basis as of September 30, 2020:

2020	Level 1	Level 2	Level 3	Total Fair Value
<b>Assets:</b>				
Bequests Receivable	-0-	-0-	50,000	50,000
Pledges Receivable	-0-	-0-	200,000	200,000
Discounts on Pledges Received	<u>-0-</u>	<u>-0-</u>	<u>(7,692)</u>	<u>(7,692)</u>
	<b>-0-</b>	<b>-0-</b>	<b>242,308</b>	<b>242,308</b>
<b>Liabilities:</b>				
Charitable Gift Annuities	-0-	-0-	201,494	201,494

The following table sets forth a summary of changes in the fair values of the Organizations level 3 assets measured at fair value on a non-recurring basis for the year ended September 30, 2021:

	Pledges and Bequests Receivable	Charitable Gift Annuities
<b>Balance - September 30, 2019</b>	478,454	49,065
Liabilities Assumed	-0-	16,521
Payments on Charitable Gift Annuities	-0-	(67,715)
Pledges Collected	(200,000)	-0-
Bequests Recorded/Recognized	50,000	-0-
Bequests Collected	(101,235)	-0-
Change in Present Value Discount	<u>15,089</u>	<u>203,623</u>
<b>Balance - September 30, 2020</b>	<b>242,308</b>	<b>201,494</b>
Payments on Charitable Gift Annuities	-0-	(81,783)
Pledges Collected	(200,000)	-0-
Bequests Recorded/Recognized	20,737	-0-
Bequests Collected	(50,000)	-0-
Change in Present Value Discount	<u>7,692</u>	<u>19,966</u>
<b>Balance - September 30, 2021</b>	<b>20,737</b>	<b>139,677</b>

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)**

The fair values of charitable gift annuities are determined based upon discounted expected future cash flows over the actuarially determined life expectancies of the annuitants. The fair values of pledges receivable are determined based on discounted expected future cash flows, using a risk free rate of return. The risk free rate is used because the risk of uncollectibility is already reflected in an allowance. This methodology is an application of the income approach.

**NOTE 7 - PROPERTY and EQUIPMENT**

Property and equipment as of September 30, 2021 and 2020, are as follows:

<b>2021</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Office Furniture and Fixtures	763,148	189,393	573,755
Vehicles	373,231	276,340	96,891
Enterprise Group Equipment	1,804,019	1,364,736	439,283
Client Services Equipment	56,570	49,053	7,517
Building	12,377,095	5,992,781	6,384,314
Leasehold Improvements	119,905	118,963	942
Land	<u>315,381</u>	<u>-0-</u>	<u>315,381</u>
	<b>15,809,349</b>	<b>7,991,266</b>	<b>7,818,083</b>
<b>2020</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net Book Value</b>
Office Furniture and Fixtures	1,020,925	919,940	100,985
Vehicles	368,905	262,583	106,322
Enterprise Group Equipment	1,824,125	1,405,111	419,014
Client Services Equipment	105,705	96,236	9,469
Building	12,510,367	5,811,685	6,698,682
Leasehold Improvements	119,905	116,366	3,539
Land	<u>315,381</u>	<u>-0-</u>	<u>315,381</u>
	<b>16,265,313</b>	<b>8,611,921</b>	<b>7,653,392</b>



**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 8 - BENEFICIAL INTEREST in ASSETS HELD by OTHERS**

The Organization has beneficial interest in assets held by York Foundation. These beneficial interests were received in 2017 and 2018. The assets are held in endowed component trust funds (the Funds) for the benefit of the Organization. The assets for the Funds were originally transferred to York Foundation by ForSight Vision, at which time ForSight Vision granted York Foundation variance power to use the Funds for other purposes in certain circumstances. The ultimate disposition of the Funds is at the discretion of York Foundation's Board of Directors. The Organization is the beneficiary of the Funds and receives distributions of income, subject to York Foundation's spending policy. Distributions of \$3,101 and \$3,051 were recorded as trust income for the years ended September 30, 2021 and 2020, respectively, on the statement of activities. The fair value of the assets was estimated at \$86,673 and \$65,631 at September 30, 2021 and 2020, respectively. These assets are considered net assets with donor restrictions on the statement of financial position.

The Organization has other beneficial interest in assets held by others which were received in 2017 and 2018. The assets for these beneficial interests are held by local banks whereby funds will be distributed in accordance with an established payment schedule. The Organization has the irrevocable right to receive a proportional share of the principal from the trust. Distributions from the trust will be expended by the Organization in any way that is consistent with its mission. There were no distributions received from the trusts for the years ended September 30, 2021 and 2020. The fair value of the assets was \$107,263 and \$146,420 at September 30, 2021 and 2020, respectively. These assets are considered net assets with donor restrictions on the statement of financial position.

**NOTE 9 - BENEFICIAL INTEREST in PERPETUAL TRUSTS**

Investments for the trusts significantly benefiting the Organization are included on the following schedules as of September 30, 2021 and 2020. The Organization is an income beneficiary of the trusts noted below in the capacity of trusts under will.

2021	Organization Interest	Value at Inception	Fair Values				Income Net of Trust Fees
			Cash Equivalents	Fixed Investments	Equities	Total	
	Less than 10%	5,223,746	8,470	108,667	244,145	361,282	16,227
	10 - 20%	11,734,417	40,577	505,472	1,355,222	1,901,271	69,885
	20 - 30%	1,003,030	25,569	172,654	734,935	933,158	34,239
	30 - 40%	1,411,221	5,655	162,296	359,029	526,980	25,479
	40 - 50%	238,600	685	31,652	70,309	102,646	5,223
	50% and Greater	515,186	<u>14,589</u>	<u>57,845</u>	<u>438,676</u>	<u>511,110</u>	<u>22,834</u>
			<b>95,545</b>	<b>1,038,586</b>	<b>3,202,316</b>	<b>4,336,447</b>	<b>173,887</b>

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 9 - BENEFICIAL INTEREST in PERPETUAL TRUSTS (Continued)**

2020	Organization Interest	Value at Inception	Fair Values				Income Net of Trust Fees
			Cash Equivalents	Fixed Investments	Equities	Total	
	Less than 10%	5,223,746	8,326	108,243	209,830	326,399	15,287
	10 - 20%	11,734,417	35,235	506,667	1,122,050	1,663,952	70,103
	20 - 30%	1,003,030	60,326	160,565	589,887	810,778	25,084
	30 - 40%	1,411,221	12,364	159,608	308,709	480,681	24,327
	40 - 50%	238,600	618	31,259	62,391	94,268	4,758
	50% and Greater	515,186	<u>13,068</u>	<u>65,211</u>	<u>408,040</u>	<u>486,319</u>	<u>22,834</u>
			<b>129,937</b>	<b>1,031,553</b>	<b>2,700,907</b>	<b>3,862,397</b>	<b>162,393</b>

In accordance with accounting principles generally accepted in the United States of America, the Organization recognizes its beneficial interests in these perpetual trusts as an asset and any change in market value of trust assets from year to year on the statement of activities. The asset held in trust is recorded at its fair value which is deemed to approximate the present value of estimated future cash receipts. The changes in value of the beneficial interest in perpetual trusts for the years ended September 30, 2021 and 2020, were \$474,050 and \$46,942, respectively.

**NOTE 10 - NOTES PAYABLE and LINE of CREDIT and COLLATERAL ASSIGNMENTS and GUARANTEE AGREEMENT**

The Organization has a \$5,000,000 operating line of credit with Fulton Bank which has no set maturity date. The line bears interest at the one-month London Interbank Offered Rate (LIBOR) plus 1.25%. The line is secured by investment assets held by the Organization with a fair value of \$7,046,837 at September 30, 2021. Under this agreement, the Organization must maintain certain debt to collateral ratios. Additionally, the Organization must not sell, offer to sell, or otherwise transfer any of the collateral. The outstanding balance on the line of credit was \$0- at September 30, 2021 and 2020.

The Organization has a \$3,900,000 operating line of credit with PNC Bank which expires June 2026. This line bears interest at a floating rate equal to the daily London Interbank Offered Rate (LIBOR) plus 1.25%. The line is secured by investment assets held by the Organization with a fair value of \$7,082,409 at September 30, 2021. Under this agreement, the Organization must maintain certain debt to collateral ratios. The outstanding balance on the line of credit was \$237,750 at September 30, 2021 and 2020.

In April 2020, the Organization received a loan of \$1,353,900 under the Paycheck Protection Program (PPP) from the Small Business Administration (SBA) with funding provided by the federal government under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was passed on March 27, 2020. The loan bears interest at 1% with a two year repayment term, with a six month deferral of principal payments. The Organization applied for and received forgiveness under the Paycheck Protection Program. Refer to PPP Debt Forgiveness in Note 1 for more detail.

**VisionCorps**  
 NOTES to FINANCIAL STATEMENTS  
 (Continued)

**NOTE 10 - NOTES PAYABLE and LINE of CREDIT and COLLATERAL ASSIGNMENTS and GUARANTEE AGREEMENT (Continued)**

In February 2021, the Organization received a loan of \$1,392,601 under the Paycheck Protection Program (PPP) from the Small Business Administration (SBA) with funding provided by the federal government under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was passed on March 27, 2020. The loan bears interest at 1% with a five year repayment term. The Organization plans to apply for forgiveness under the Paycheck Protection Program. If the Organization is legally released from any or all amount of the loan, the liability will be derecognized and a gain on loan extinguishment will be recorded.

Aggregate maturities on notes payable, without regard to amounts that may be forgiven, for the years ending September 30, 2021, are as follows:

2022	170,709
2023	381,638
2024	385,472
2025	389,345
2026	<u>65,437</u>
	<b>1,392,601</b>

The Organization expenses all interest costs as they are incurred. Interest cost incurred was \$2,788 and \$6,976 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 11 - CHARITABLE GIFT ANNUITIES**

On July 2, 2010, the Organization received a contribution of \$10,000 from an individual for unrestricted use, of which \$4,090 was recorded as a charitable gift annuity liability, which was the present value of the annuity. Under the agreement, \$215 is paid quarterly to the beneficiary. In calculating present value of the liability, the discount rate used was 3.4%. The obligation for the annuity was \$-0- at September 30, 2021 and 2020. Amortization of the discount of the liability was \$-0- and \$9 for the years ended September 30, 2021 and 2020, respectively.

On June 24, 2016, the Organization received a contribution of \$750,000 from an individual for unrestricted use, of which \$233,842 was recorded as a charitable gift annuity liability, which was the present value of the annuity. Under the agreement, \$16,875 is paid quarterly to the beneficiary. In calculating present value of the liability, the discount rate used was 1.8%. Due to change in life expectancy, the obligation has been recalculated for September 30, 2021 and thereafter. The obligation for the annuity was \$126,761 and \$184,973 at September 30, 2021 and 2020, respectively. Amortization of the discount of the liability was \$9,288 and \$1,766 for the years ended September 30, 2021 and 2020, respectively.

On September 15, 2020, the Organization received a contribution of \$50,000 from an individual for the technology fund, of which \$16,521 was recorded as a charitable gift annuity liability, which was the present value of the annuity. Under the agreement, \$1,075 is paid quarterly to the beneficiary. In calculating present value of the liability, the discount rate used was 0.6%. The obligation for the annuity was \$12,916 and \$16,521 at September 30, 2021 and 2020, respectively. Amortization of the discount of the liability was \$695 and \$-0- for the years ended September 30, 2021 and 2020, respectively.

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 12 - FEES for SERVICES**

The Organization receives a yearly grant for preschool early intervention services from the Lancaster-Lebanon Intermediate Unit #13. Total received from the Lancaster-Lebanon Intermediate Unit #13 during the fiscal years ended September 30, 2021 and 2020, was \$18,704 and \$28,775, respectively.

The Organization is under a contract agreement with the offices of behavioral health and mental health services of Lancaster and Lebanon counties for the preschool program. The Organization is reimbursed based on the number of hours services are rendered to preschool children. The Organization received \$46,883 and \$29,522 under these contracts for the fiscal years ended September 30, 2021 and 2020, respectively.

Total other fees for services and grants received amounted to \$181,355 and \$162,788 for the fiscal years ended September 30, 2021 and 2020, respectively.

The disbursement of funds received under these contracts generally requires compliance with terms and conditions specified in the contracts and is subject to audit by the contracting agencies. The amount of charges to these contracts that may be disallowed, if any, by such audits cannot presently be determined and no provisions for any liability that may result has been made in the financial statements. However, management believes that the Organization is in compliance with grant requirements, and no liability has arisen in the past or is currently expected.

**NOTE 13 - DONATED SERVICES**

*Volunteer Service* - During the year ended September 30, 2021, volunteers gave 1,786 hours of service, which are valued at approximately \$22,322. During the year ended September 30, 2020, volunteers gave 1,837 hours of service, which are valued at approximately \$22,963. The value of these services is not recorded as support and expenditures on the financial statements, as they do not meet criteria for recording under FASB ASC 958, *Not-For-Profit Entities*.

*Accounting Services* - The Organization recorded the value of services donated from an accounting firm in the amount of \$24,000 and \$16,000 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 14 - RETIREMENT PLAN**

The Organization employees participate in a tax shelter annuity plan, sponsored by **VisionCorps**, which covers all full-time employees. The plan consists of 403(b) deferrals by eligible employees and employer matching contributions. The employer implemented a safe harbor matching contribution equal to 100% of participant salary deferrals up to 6% of compensation. Eligible employees are fully vested in their 403(b) deferral and employer matching account balances at all times. Eligible employees become vested in discretionary employer contributions according to a vesting schedule over six years. The retirement plan contribution on behalf of the eligible employees was \$322,733 and \$340,829 for the years ended September 30, 2021 and 2020, respectively.

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 15 - RISK MANAGEMENT**

The Organization has elected to self-insure for unemployment compensation rather than contribute to the state fund. Expenditures are recorded in the unemployment compensation fund when invoiced by the state and paid by the Organization. Unemployment claims paid were \$49,312 and \$109,201 at September 30, 2021 and 2020, respectively.

In 2020, the Organization received a credit of \$21,709 towards unemployment claims paid as a result of the COVID-19 pandemic, as required by the CARES Act.

As of September 30, 2021, the Organization is unaware of any additional unemployment claims.

**NOTE 16 - ENDOWMENT FUNDS and NET ASSETS**

The Organization has adopted the provisions of FASB ASC 958, *Not-For-Profit Entities*, which relate to endowment funds. Endowment funds are invested for balanced growth, with capital appreciation and income generation of comparable importance. Funds within the account are allocated among equity and fixed income investments reflective of an average risk tolerance. As permitted by Pennsylvania Act 141, the Organization has adopted a total return policy with regard to its endowment funds whereby 4% of the five-year average market value of the investments is deemed income available for appropriation. The Organization considers this policy to be consistent with its strategy of long-term preservation of the fair value of the assets.

The endowment account was established during the fiscal year ended September 1991 to record a donation from the Oxford Foundation in the amount of \$15,000. An additional amount of \$3,500 was designated by the Board of Directors for endowment purposes. In 2007, upon the termination of a perpetual trust in which the Organization had a beneficial interest, \$4,313 was added to the account. In 2008, upon the termination of a perpetual trust in which the Organization had a beneficial interest, \$53,821 was added to the account. In addition, through a donor stipulated memorial for Robert Y. Garrett, Jr., \$10,000 has been permanently restricted. The income from this account is temporarily restricted for training purposes. The Organization has not adopted a total return policy with regard to this account. The amount permanently restricted at September 30, 2021 and 2020, is \$83,134.

**VisionCorps**  
 NOTES to FINANCIAL STATEMENTS  
 (Continued)

**NOTE 16 - ENDOWMENT FUNDS and NET ASSETS (Continued)**

The following summarizes the changes in endowment net assets for the fiscal years ended September 30, 2021 and 2020, and presents the endowment net assets as of September 30, 2021 and 2020:

	<b>Board Designated Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Balance - September 30, 2019</b>	253,216	86,865	340,081
Investment Return:			
Investment Income	625	250	875
Net Appreciation	<u>37,471</u>	<u>1,113</u>	<u>38,584</u>
Total Investment Return	38,096	1,363	39,459
Contributions	107,146	-0-	107,146
Appropriation of Endowment Assets for Expenditure	<u>(16,032)</u>	<u>-0-</u>	<u>(16,032)</u>
<b>Balance - September 30, 2020</b>	<b>382,426</b>	<b>88,228</b>	<b>470,654</b>
Investment Return:			
Investment Income	29,111	843	29,954
Net Appreciation	<u>57,230</u>	<u>2,029</u>	<u>59,259</u>
Total Investment Return	86,341	2,872	89,213
Contributions	-0-	-0-	-0-
Appropriation of Endowment Assets for Expenditure	<u>(17,676)</u>	<u>-0-</u>	<u>(17,676)</u>
<b>Balance - September 30, 2021</b>	<b>451,091</b>	<b>91,100</b>	<b>542,191</b>

**Net Assets With Donor Restrictions**

In 2004, the Organization received a portion of the remainder of the trust under will of Henry Vollmer. The will appointed a trustee with discretionary powers to distribute income and principal to the Organization for its general operating expenses. The funds are time restricted until such time as the trustee releases the funds.

In 2010, the Organization received a portion of the remainder of the trust under will of Kathleen D. Peters. A portion of the income is distributed semi-annually and is available for operating expenses. The principal will be held in trust for fifteen years.

In 2017, the Organization received a portion of the remainder of the trust under will of Grace Myers through its merger with Forsight Vision. The will appointed a trustee and the Organization has the irrevocable right to receive a proportional share of the principal from the trust. Distributions from the trust will be available to the Organization to spend in any way that supports its mission. The funds are time restricted until such time as the trustee releases the funds.

**VisionCorps**  
 NOTES to FINANCIAL STATEMENTS  
 (Continued)

**NOTE 16 - ENDOWMENT FUNDS and NET ASSETS (Continued)**

Net assets with donor restrictions reflect contributions which have been received for specific purposes, contributions which have been restricted for time and for which the restrictions have not yet been met, or contributions that have been restricted in perpetuity. The earnings from the net assets restricted in perpetuity are available to be used by the Organization for general purposes. Net assets with donor restrictions are made up of the following at September 30, 2021 and 2020:

	2021	2020
<b>Purpose Restrictions:</b>		
Garrett - Restricted for Training	7,966	5,094
Restricted for Client Services and Other	29,348	29,333
Restricted for Scholarships and Grants	118,400	126,400
Restricted for Youth Services	381,291	407,163
Restricted for Technology Fund	173,537	73,537
<b>Time Restrictions:</b>		
Pledges Receivable, net	-0-	192,308
Trusts - Held by Others	107,263	146,420
Vollmer Trust	222,710	198,810
Peters Trust	649,596	579,764
<b>Perpetual:</b>		
Beneficial Interest in Assets Held by Others - York Foundation	86,673	65,631
Beneficial Interest in Perpetual Trusts	4,336,447	3,862,397
Other Endowment Investments	83,134	83,134
Stipulated Gift to be Held in Investment in Perpetuity	<u>208,500</u>	<u>208,500</u>
	<b>6,404,865</b>	<b>5,978,491</b>

**Board Designated Net Assets**

The board has designated net assets to be held in long-term investment accounts. The designation of funds is to support the ongoing operations of the Organization and its mission. The long-term investments, by account, have the following balances at September 30, 2021 and 2020:

	2021	2020
Endowment - Oxford Foundation	451,091	382,426
PNC - Investments	7,082,409	6,301,987
Fulton Financial Advisors - Long-Term Investments	<u>6,664,800</u>	<u>5,775,148</u>
	<b>14,198,300</b>	<b>12,459,561</b>

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 17 - MAJOR CUSTOMERS and SUPPLIERS**

A major customer of the Organization is National Industries for the Blind, which secures U.S. Government military contracts. During the year ended September 30, 2021, net sales to this organization were \$11,175,252 with trade receivables having a balance of \$648,253 at September 30, 2021. During the year ended September 30, 2020, National Industries for the Blind was a major customer with net sales and trade receivables of \$13,396,104 and \$976,604, respectively.

During the years ended September 30, 2021 and 2020, the Organization had the following major suppliers:

	<b>2021</b>	<b>2020</b>
Team Wendy LLC	4,647,181	5,742,652
D30 US LLC	1,416,363	-0-
Riceland Foods, Inc.	1,131,750	2,035,583

Supplies acquired from the major suppliers are available elsewhere, but are not easily replaced with similar quality.

**NOTE 18 - OPERATING LEASES**

Rental expense for all operating leases totaled \$89,783 and \$93,086 for buildings and \$29,356 and \$21,888 for equipment for the years ended September 30, 2021 and 2020, respectively.

The building leases provide for index-based escalation in future periods. FASB ASC Topic 849, *Accounting for Leases*, prescribes that if rental payments are not made on a straight-line basis, rental expense nevertheless should be recognized on a straight-line basis. The Organization has recorded rent expenses equal to the amounts actually paid. The amounts do not differ significantly from the expense that would be recorded on a straight-line basis.

Future minimum lease payments under all operating leases for the years ended September 30 are as follows:

2021	122,145
2022	166,024
2023	150,810
2024	142,708
2022	157,288
Thereafter	<u>135,212</u>
	<b>874,187</b>

The Organization also rented temporary facilities that did not extend beyond one year. Rent expense from these temporary leases totaled \$-0- and \$45,960 for the years ended September 30, 2021 and 2020, respectively.



## VisionCorps

### NOTES to FINANCIAL STATEMENTS (Continued)

#### NOTE 19 - PENNSYLVANIA ASSOCIATION for the BLIND GRANT

The Pennsylvania Association for the Blind (PAB) contracts services from the Organization to deliver “Preschool Vision Screenings and Eye Safety Education” (PSE) as well as “Training and Supportive Services” (TSS) for Persons with Blindness/Vision Impairment” in Lancaster, Lebanon, Chester, York, and Adams Counties. Individuals need to meet the set criteria to be eligible for these specific services. Services Include: support services, life skills education, support groups, orientation and mobility instruction, occupational therapy, access technology, and transportation to critical destinations. Individualized plans are developed and reviewed yearly to ensure clients are receiving the services that are necessary and appropriate for them. Funding for the program flows down from the State through the Department of Human Services to PAB and then to the Organization to assist in supporting staff salaries, office space, utilities, travel and/or mileage, and training cost. The details of the grant for the grant years ended June 30, 2021 and 2020, are as follows:

	2021	2020
Grant Received	147,510	143,581
Salary Expenses	(274,641)	(250,117)
Payroll Taxes	(21,010)	(19,134)
Employee Benefits	(67,033)	(48,770)
Utilities	<u>(5,820)</u>	<u>(5,238)</u>
<b>Organization’s Subsidy</b>	<b>(220,994)</b>	<b>(179,678)</b>

#### NOTE 20 - FUNDRAISING ACTIVITIES

The Organization has events to raise money to fund the mission of the Organization. Revenues and expenses related to these events are as follows for the years ended September 30, 2021 and 2020:

	2021	2020
Gross Revenue	165,813	179,241
Gross Expenses	<u>(71,904)</u>	<u>(55,451)</u>
<b>Net Revenue</b>	<b>93,909</b>	<b>123,790</b>

Revenues from fundraising activities are reported as a component of public support and related expenses are reported as a component of development expenses in the accompanying statement of activities.

#### NOTE 21 - RELATED PARTY TRANSACTIONS

The Organization purchases various services and products which are offered by members of the Organization’s Board of Directors. Insurance products and other various services were purchased totaling \$154,421 and \$196,087 for the years ended September 30, 2021 and 2020, respectively.

**VisionCorps**  
 NOTES to FINANCIAL STATEMENTS  
 (Continued)

**NOTE 22 - LIQUIDITY and AVAILABILITY of RESOURCES**

The Organization is primarily funded by government and commercial contracts and purchases. The Organization also receives donations and grants that may contain restrictions. As part of its liquidity management, the Organization identifies financial assets available for general expenditures within one year of the statement of financial position date as part of its annual budget approval process. These available financial assets include cash, receivables, and unrestricted investments. The Organization also relies upon a \$5,000,000 line of credit to manage cash shortfalls and unexpected expenditures.

The Organization maintains a policy to ensure its financial assets are available to meet its expenditures and other obligations with a goal to maintain balances to meet three to six months of ordinary business expenses. Excess operating cash not needed for operations will be invested in the Organization's long-term investment accounts to be invested in accordance with its investment policy. Assets from the long-term investment can be converted to cash as necessary, per policy. The Organization does not intend to spend from its long-term investment accounts other than amounts appropriated for general expenditure as part of its annual budget approval process; however, if deemed necessary by the Finance Committee and approved by the Board of Directors, amounts from its long-term investment could be made available.

On an annual basis, the Organization evaluates its cash position upon which excess cash can be invested in the Organization's long-term investment fund. If there is an anticipated cash shortfall in the coming year, the Organization may request a distribution from the investment fund. The long-term investment funds are board designated for the Organization needs, and the Board of Directors can remove that designation at any time should a cash need arise with the Organization.

The Organization financial assets available within one year of the statement of financial position date for general expenditures are as follows at September 30, 2021:

Financial Assets:	
Cash and Cash Equivalents	2,685,371
Accounts Receivable	2,243,475
Pledges and Bequests Receivable, net	20,737
Investments	<u>18,992,517</u>
Total Financial Assets Available within One Year	<b>23,942,100</b>
Less Amounts Unavailable for General Expenditures, Due to:	
Contractual or Donor-Imposed Restrictions:	
Restricted by Donors with Time and Purpose Restrictions, Excluding Pledges	(1,582,848)
Restricted by Donors in Perpetuity	(291,634)
Board Designation for Endowment	(451,091)
Board Designation for Investment for Long-Term Purposes	<u>(13,847,209)</u>
<b>Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year</b>	<b>7,769,318</b>

**VisionCorps**  
NOTES to FINANCIAL STATEMENTS  
(Continued)

**NOTE 23 - UNCERTAINTIES**

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) a pandemic. The Organization cannot currently estimate the impact of COVID-19 on its financial condition. Management is monitoring the evolving situation and adapting operations and decision making as necessary.

**NOTE 24 - RECLASSIFICATIONS**

Certain items on the financial statements for the year ended September 30, 2020, have been reclassified to be consistent with the classifications adopted for the year ended September 30, 2021. These reclassifications have no effect on the change in net assets and total net assets for the year ended September 30, 2020.

**NOTE 25 - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through December 17, 2021, which represents the date the financial statements were available to be issued.