ADVISORS for WHAT'S NEXT

VisionCorps

Financial Statements

September 30, 2024 and 2023

VisionCorps

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September 30, 2024 and 2023

Independent Auditor's Report

To the Board of Directors
VisionCorps
Lancaster, Pennsylvania

Opinion

We have audited the financial statements of VisionCorps (the Organization), which comprise the statement of financial position as of September 30, 2024 and 2023, the related statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

RKL LLP

February 4, 2025
Lancaster, Pennsylvania

VisionCorps

Statement of Financial Position

	September 30, 2024	September 30, 2023
Assets		
Current Assets		
Cash and cash equivalents	**$ 3,511,016**	$ 947,322
Accounts receivable	**3,557,758**	3,191,272
Promises to give	**78,697**	106,235
Inventories	**7,708,786**	5,904,407
Prepaid expenses	**103,211**	12,406
Restricted cash	**51,066**	58,063
Total Current Assets	**15,010,534**	10,219,705
Property and Equipment, Net	**11,089,284**	10,660,478
Other Assets		
Investments	**16,599,327**	14,131,937
Beneficial interest in trusts	**6,227,476**	5,056,534
Interest in net assets of a community foundation	**45,248**	40,034
Deferred compensation plan asset	**390,486**	280,078
Goodwill, net	**1,641,354**	1,825,420
Total Other Assets	**24,903,891**	21,334,003
Total Assets	**$ 51,003,709**	$ 42,214,186
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	**$ 2,875,693**	$ 3,985,544
Accrued payroll and benefits	**881,697**	369,236
Accrued and withheld payroll taxes	**15,833**	9,906
Deferred revenue	**2,025**	6,114
Current portion of notes payable	**510,114**	356,907
Current portion of charitable gift annuity obligations	**5,040**	70,000
Total Current Liabilities	**4,290,402**	4,797,707
Other Liabilities		
Notes payable	**2,575,162**	2,643,093
Charitable gift annuity obligations	**10,445**	111,385
Interest rate swap liability	**116,278**	36,047
Deferred compensation plan liability	**390,486**	280,078
Total Other Liabilities	**3,092,371**	3,070,603
Total Liabilities	**7,382,773**	7,868,310
Net Assets		
Without donor restrictions	**36,072,886**	27,928,031
With donor restrictions	**7,548,050**	6,417,845
Total Net Assets	**43,620,936**	34,345,876
Total Liabilities and Net Assets	**$ 51,003,709**	$ 42,214,186

See accompanying notes.

VisionCorps

Statement of Activities

	Year Ended September 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Bequests	$ 1,663,365	$ 78,697	$ 1,742,062
Public contributions and grants	651,728	484,218	1,135,946
In-kind contributions	38,322	-	38,322
Total Support	2,353,415	562,915	2,916,330
Revenue			
Enterprise group sales	42,590,652	-	42,590,652
Interest and dividends, net	446,600	535	447,135
Distributions from trusts	405,353	-	405,353
Fees for services	382,980	-	382,980
Other income	58,383	-	58,383
Client services	19,325	-	19,325
Total Revenue	43,903,293	535	43,903,828
Net Assets Released from Restrictions	144,449	(144,449)	-
Total Support and Revenue	46,401,157	419,001	46,820,158
Expenses			
Program services			
Enterprise Group	35,997,893	-	35,997,893
Rehabilitation	1,321,691	-	1,321,691
Youth services	263,218	-	263,218
Total Program Services	37,582,802	-	37,582,802
Supporting services			
Administration	2,793,178	-	2,793,178
Development	774,950	-	774,950
Total Supporting Services	3,568,128	-	3,568,128
Total Expenses	41,150,930	-	41,150,930
Excess of Support and Revenue over Expenses	5,250,227	419,001	5,669,228
Gain on Sale of Property and Equipment	9,290	-	9,290
Net Unrealized and Realized Gain on Investments	2,850,240	3,770	2,854,010
Change in Value of Beneficial Interest in Trusts	-	707,434	707,434
Change in Interest in Net Assets of a Community Foundation	5,214	-	5,214
Change in Value of Charitable Gift Annuity Obligations	110,115	-	110,115
Change in Fair Value of Interest Rate Swap	(80,231)	-	(80,231)
Changes in Net Assets	$ 8,144,855	$ 1,130,205	$ 9,275,060

See accompanying notes.

	Year Ended September 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Bequests	$ 223,993	$ 103,125	$ 327,118
Public contributions and grants	930,872	25,599	956,471
In-kind contributions	33,592	-	33,592
Total Support	1,188,457	128,724	1,317,181
Revenue			
Enterprise group sales	22,553,826	-	22,553,826
Interest and dividends, net	440,907	424	441,331
Distributions from trusts	213,711	-	213,711
Fees for services	345,424	-	345,424
Other income	121,229	-	121,229
Client services	16,903	-	16,903
Total Revenue	23,692,000	424	23,692,424
Net Assets Released from Restrictions	442,070	(442,070)	-
Total Support and Revenue	25,322,527	(312,922)	25,009,605
Expenses			
Program services			
Enterprise Group	20,705,242	-	20,705,242
Rehabilitation	1,185,120	-	1,185,120
Youth services	253,004	-	253,004
Total Program Services	22,143,366	-	22,143,366
Supporting services			
Administration	1,976,068	-	1,976,068
Development	693,302	-	693,302
Total Supporting Services	2,669,370	-	2,669,370
Total Expenses	24,812,736	-	24,812,736
Excess (Deficiency) of Support and Revenue over Expenses	509,791	(312,922)	196,869
Gain on Sale of Property and Equipment	-	-	-
Net Unrealized and Realized Gain on Investments	1,529,179	1,430	1,530,609
Change in Value of Beneficial Interest in Trusts	-	206,569	206,569
Change in Interest in Net Assets of a Community Foundation	4,116	-	4,116
Change in Value of Charitable Gift Annuity Obligations	(187,028)	-	(187,028)
Change in Fair Value of Interest Rate Swap	(36,047)	-	(36,047)
Changes in Net Assets	$ 1,820,011	$ (104,923)	$ 1,715,088

See accompanying notes.

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets at September 30, 2022	$ 26,108,020	$ 6,522,768	$ 32,630,788
Changes in net assets	1,820,011	(104,923)	1,715,088
Net Assets at September 30, 2023	27,928,031	6,417,845	34,345,876
Changes in net assets	**8,144,855**	**1,130,205**	**9,275,060**
Net Assets at September 30, 2024	**$ 36,072,886**	**$ 7,548,050**	**$ 43,620,936**

VisionCorps

Statement of Functional Expenses - by Natural Classification

	Year Ended September 30, 2024						
	Program Services				Supporting Services		
	Enterprise Group	Rehabilitation	Youth Services	Total Program Services	Administration	Development	Total
Salaries and wages	$ 2,001,126	$ 720,897	$ 144,623	$ 2,866,646	$ 1,430,537	$ 386,919	$ 4,684,102
Direct labor	3,898,598	-	-	3,898,598	-	-	3,898,598
Indirect labor	583,668	-	-	583,668	-	-	583,668
Payroll taxes	482,774	52,127	10,520	545,421	101,377	28,936	675,734
Employee benefits	1,419,238	277,242	45,180	1,741,660	356,921	94,458	2,193,039
Professional services	54,752	39,364	156	94,272	357,468	80,437	532,177
Bank fees	9,596	-	-	9,596	15,153	-	24,749
Office, operating supplies, and equipment	325,853	61,909	10,867	398,629	157,891	8,970	565,490
Items for resale and shipping	24,663,419	16,714	-	24,680,133	-	-	24,680,133
Sales commissions and licensing fees	1,340,213	-	-	1,340,213	-	-	1,340,213
Building maintenance and utilities	324,256	36,261	15,775	376,292	33,274	5,988	415,554
Insurance	96,604	22,335	5,455	124,394	21,488	1,606	147,488
Travel, training, and seminars	62,621	23,226	3,279	89,126	62,019	9,177	160,322
Assistance to individuals	-	-	-	-	-	2,907	2,907
Facility rent	-	-	-	-	-	-	-
Miscellaneous and public relations	54,045	2,433	639	57,117	52,440	1,492	111,049
Interest	-	-	-	-	157,389	-	157,389
Depreciation and amortization	681,009	69,183	26,724	776,916	47,221	11,089	835,226
Advertising	121	-	-	121	-	25,332	25,453
Fundraising	-	-	-	-	-	117,639	117,639
	$ 35,997,893	$ 1,321,691	$ 263,218	$ 37,582,802	$ 2,793,178	$ 774,950	$ 41,150,930

See accompanying notes.

VisionCorps

Statement of Functional Expenses - by Natural Classification (continued)

	Year Ended September 30, 2023						
	Program Services				Supporting Services		
	Enterprise Group	Rehabilitation	Youth Services	Total Program Services	Administration	Development	Total
Salaries and wages	$ 1,567,701	$ 693,858	$ 145,889	$ 2,407,448	$ 1,199,310	$ 326,153	$ 3,932,911
Direct labor	2,527,713	-	-	2,527,713	-	-	2,527,713
Indirect labor	323,005	-	-	323,005	-	-	323,005
Payroll taxes	324,268	50,113	10,805	385,186	83,780	24,032	492,998
Employee benefits	856,104	166,487	30,068	1,052,659	254,057	45,774	1,352,490
Professional services	118,340	36,410	1,592	156,342	164,233	79,389	399,964
Bank fees	27,494	-	-	27,494	8,997	-	36,491
Office, operating supplies, and equipment	185,280	60,323	9,213	254,816	29,980	9,126	293,922
Items for resale and shipping	13,174,046	13,127	-	13,187,173	-	-	13,187,173
Sales commissions and licensing fees	722,660	-	-	722,660	-	-	722,660
Building maintenance and utilities	312,076	49,272	21,571	382,919	14,496	7,649	405,064
Insurance	66,766	21,181	3,465	91,412	13,120	2,198	106,730
Travel, training, and seminars	37,952	22,731	3,605	64,288	34,666	4,383	103,337
Assistance to individuals	-	-	-	-	-	845	845
Facility rent	17,563	525	-	18,088	-	-	18,088
Miscellaneous and public relations	23,188	485	155	23,828	141,304	242	165,374
Interest	-	-	-	-	7,280	-	7,280
Depreciation and amortization	419,100	70,608	26,641	516,349	24,845	10,802	551,996
Advertising	1,986	-	-	1,986	-	15,483	17,469
Fundraising	-	-	-	-	-	167,226	167,226
	$ 20,705,242	$ 1,185,120	$ 253,004	$ 22,143,366	$ 1,976,068	$ 693,302	$ 24,812,736

	Years Ended September 30, 2024	2023
Cash Flows from Operating Activities		
Changes in net assets	**$ 9,275,060**	$ 1,715,088
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	**651,160**	551,996
Amortization of goodwill	**184,066**	-
Gain on sale of property and equipment	**(9,290)**	-
Net unrealized and realized gain on investments	**(2,854,010)**	(1,530,609)
Change in value of beneficial interest in trusts	**(707,434)**	(206,569)
Contributions restricted for beneficial interest in trusts	**(463,508)**	-
Change in interest in net assets of a community foundation	**(5,214)**	(4,116)
In-kind contributions - donated securities	**(8,353)**	(5,741)
Proceeds from sale of donated securities	**8,353**	5,741
Change in fair value of interest rate swap liability	**80,231**	36,047
(Increase) decrease in assets		
Accounts receivable	**(366,486)**	(1,325,202)
Promises to give	**27,538**	298,692
Inventories	**(1,804,379)**	(2,053,005)
Prepaid expenses	**(90,805)**	55,050
Deferred compensation plan asset	**(110,408)**	(69,280)
Increase (decrease) in liabilities		
Accounts payable	**(1,109,851)**	2,770,492
Accrued payroll, benefits, and withheld payroll taxes	**518,388**	(4,078)
Deferred revenue	**(4,089)**	(30,175)
Charitable gift annuity obligations	**(165,900)**	113,508
Deferred compensation plan liability	**110,408**	69,280
Net Cash Provided by Operating Activities	**3,155,477**	387,119
Cash Flows from Investing Activities		
Purchase of property and equipment	**(1,079,966)**	(3,770,853)
Proceeds from sale of property and equipment	**9,290**	-
Purchase of investments	**(494,321)**	(509,435)
Proceeds from sale of investments	**880,941**	3,744,454
Purchase of goodwill	**-**	(1,825,420)
Net Cash Used in Investing Activities	**(684,056)**	(2,361,254)
Cash Flows from Financing Activities		
Net change in lines of credit	**-**	(237,750)
Proceeds on notes payable	**500,000**	3,000,000
Principal payments on notes payable	**(414,724)**	-
Net Cash Provided by Financing Activities	**85,276**	2,762,250
Net Increase in Cash	**2,556,697**	788,115
Cash at Beginning of Year	**1,005,385**	217,270
Cash at End of Year	**$ 3,562,082**	$ 1,005,385

See accompanying notes.

	Years Ended September 30, 2024	2023
Cash is Comprised of the Following on the Statement of Financial Position		
Cash and cash equivalents	**$ 3,511,016**	$ 947,322
Restricted cash	**51,066**	58,063
	$ 3,562,082	$ 1,005,385
Supplementary Cash Flow Information		
Interest paid	**$ 157,389**	$ 7,280

Note 1 - Nature of Operations

VisionCorps (the Organization) is a Pennsylvania nonprofit corporation providing a variety of employment, educational, clinical, and social services to sight impaired individuals in Adams, Lancaster, Lebanon, Chester, and York Counties, and offers employment opportunities in Pennsylvania, Little Rock, Arkansas, and remote professional positions. The Organization's primary sources of revenue are enterprise group sales and public contributions and grants.

On September 29, 2023, the Organization finalized the purchase of substantially all of the assets utilized in Winston-Salem Industries for the Blind, d/b/a IFB Solutions (IFB) paper product business and certain real property associated therewith, located in Little Rock, Arkansas. The total purchase price, combined with broker fees and other settlement costs amounted to $5,824,234. The Organization expanded its current operations to this facility beginning the year ended September 30, 2024.

Note 2 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization 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, which is treated as an investment.

Accounts Receivable

Accounts receivable consist primarily of amounts due to the Organization related to enterprise group sales. Accounts receivable are stated at amounts management expects to collect on balances outstanding at year-end. If collection becomes doubtful, an allowance for credit losses will be established, or the accounts will be charged to revenue when that determination is made by management. Management regularly evaluates individual accounts based on past experience, aging of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts receivable are recorded to revenue when received.

Note 2 - Summary of Significant Accounting Policies (continued)

Promises to Give

Promises to give are stated at outstanding balances. The Organization considers promises to give to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. At September 30, 2024 and 2023, the Organization considers all promises to give to be fully collectible. As such, no allowance for doubtful accounts was recorded.

Inventories

Inventories consist primarily of raw materials and finished goods. Raw materials are recorded at lower of cost (first in, first out) or net realizable value. Finished goods are recorded at cost plus an allocation for applicable overhead.

Property and Equipment

Property and equipment are stated at cost if purchased, or at the estimated fair market value at the date of the gift, if contributed. The Organization capitalizes assets with a cost or fair market value in excess of $5,000 and a useful life of at least two years. The cost of maintenance, repairs, and minor renewals is expensed as incurred. Expenditures for betterments and major renewals which extend the useful life of property and equipment are capitalized. Property and equipment are depreciated on the straight-line basis over their estimated useful lives or the lease term, whichever is shorter. Land is not depreciated. 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 reflected in earnings for the period. The estimated useful lives of significant property and equipment categories are as follows:

Buildings	40 years
Vehicles	2 to 5 years
Equipment	3 to 10 years
Office furniture and fixtures	3 to 10 years

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and the discount rates reflecting varying degrees of perceived risk. Management of the Organization concluded that no impairment adjustments were required during the years ended September 30, 2024 and 2023.

Note 2 - Summary of Significant Accounting Policies (continued)

Investments

Investments in debt and equity securities with readily determinable fair values are reported at fair value in the statement of financial position. Contributed investments are valued at market value on the date contributed. Unrealized gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Realized gains and losses, if any, on the sale or disposal of investments are computed on a specific identification basis and are also included as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Beneficial Interest in Trusts

Beneficial interest in trusts are reported at fair value, as determined by the Organization's beneficiary interest percentage in the trusts. The changes in value of beneficial interest in trusts are reported as an increase or decrease in net assets with donor restrictions.

Goodwill

Goodwill represents the excess of the aggregate purchase price over the fair value of the net assets received in a business combination at the date of acquisition. During the year ended September 30, 2023, in connection with the IFB acquisition (refer to Note 1), the Organization recognized goodwill in the amount of $1,825,420.

The Organization follows Accounting Standards Update 2014-02, *Intangibles - Goodwill and Other (Topic 350): Accounting for Goodwill*, which provides for an accounting alternative for private companies related to the subsequent accounting for goodwill. The Organization amortizes goodwill on a straight-line basis over a period of ten years and tests its goodwill for impairment only upon the occurrence of an event or circumstance that may indicate the fair value is less than its carrying amount. Management of the Organization concluded that no impairment adjustments were required during the years ended September 30, 2024 and 2023.

As of September 30, 2024, accumulated amortization amounted to $184,066. Amortization expense amounted to $184,066 for the year ended September 30, 2024. Amortization expense for each of the next five years ending September 30 will be $182,542.

Deferred Revenue

Deferred revenue consists of revenue received related to special events received in advance of the year in which the event is scheduled to occur. Deferred revenue is recognized as income after delivery of the event. As of September 30, 2024 and 2023, deferred revenue amounted to $2,025 and $6,114, respectively.

Derivatives and Hedging Activity

The Organization is a party to an interest rate swap agreement to hedge the exposure to changing rates with respect to certain variable rate debt. In accordance with the accounting standard on accounting for derivative instruments and hedging activities, all derivatives, whether designated in hedging relationships or not, are required to be recorded on the statement of financial position at fair value. The Organization's interest rate swap is recorded at fair value as determined by a third party. Changes in the fair value of the swap are recorded in the statement of activities as a component of the changes in net assets as change in fair value of interest rate swap.

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation

The Organization reports net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and are available for general operating purposes. The Board of Directors may designate a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

Revenue Recognition

Contributions and Bequests

The Organization recognizes contributions and bequests when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. When a restriction expires, 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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as without donor restrictions.

Grants

Grant revenue deemed to be a contribution is classified as revenue with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

The Organization also receives grant revenue, which is deemed to be in respect of exchange transactions and is classified as revenue without donor restrictions or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

Enterprise Group Sales

The Organization recognizes enterprise group sales revenue 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.

Note 2 - Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Fees for Services

Fees for services represent revenue earned from providing rehabilitation youth services. Revenue is recognized when the related services are provided. The Organization records accounts receivable when it has the unconditional right to receive payment. Revenue is billed monthly.

Donated or Contributed Investments, Services, or Materials

Donated or contributed investments, services, or materials meeting the criteria for recognition, are reflected in the financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received.

Advertising Costs

The Organization expenses advertising costs as incurred.

Shipping and Handling

Shipping and handling costs are considered a fulfillment activity and are included in items for resale and shipping on the statement of functional expenses - by natural classification. Shipping and handling costs amounted to $951,268 and $809,866 for the years ended September 30, 2024 and 2023, respectively.

Functional Expenses

The cost of providing the Organization's various program and supporting services have been summarized on a functional basis in the statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of administration and development expenses. Expenses that are directly attributable to a specific program or supporting service are charged directly to the respective program or supporting service according to their natural classification. Expenses that are common to several functions are allocated based on management's estimates of time spent amongst functions.

Income Tax Status and Uncertain Tax Positions

The Organization is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to Section 509(a) of the Code. In addition, the Organization was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Note 2 - Summary of Significant Accounting Policies (continued)

Income Tax Status and Uncertain Tax Positions (continued)

U.S. GAAP require management to evaluate tax positions taken by the Organization, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Organization has taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before September 30, 2021.

Note 3 - Concentration of Credit Risk

The Organization has a potential concentration of credit risk if they maintain deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. The maximum deposit insurance amount for interest and non-interest bearing accounts is $250,000, which is applied per depositor, per insured bank for each account ownership category. At times during the years ended September 30, 2024 and 2023, the Organization's cash balances may have exceeded the federally insured limit of $250,000.

Additionally, the Organization invests in professionally managed investment portfolios that contain cash and cash equivalents, fixed income funds, mutual funds, exchange traded funds, and common stocks. Such investments are exposed to various risks such as interest rate, market, and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in such risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Note 4 - Promises to Give

As of September 30, 2024 and 2023, promises to give consist of bequests due to the Organization through estate agreements. The entire amount of promises to give is due within one year. As of September 30, 2024 and 2023, promises to give amounted to $78,697 and $106,235, respectively.

Note 5 - Inventories

Inventories consist of the following as of September 30:

	2024	2023
Raw materials	**$ 4,544,831**	$ 3,448,030
Finished goods	**2,850,954**	2,256,507
Sub-assemblies	**313,001**	199,870
	$ 7,708,786	$ 5,904,407

Note 6 - Property and Equipment

Property and equipment consist of the following as of September 30:

	2024		
	Cost	**Accumulated Depreciation**	**Net Book Value**
Office furniture and fixtures	**$ 775,147**	**$ (369,375)**	**$ 405,772**
Vehicles	**350,283**	**(340,643)**	**9,640**
Enterprise group equipment	**2,346,516**	**(1,507,162)**	**839,354**
Client services equipment	**56,570**	**(55,010)**	**1,560**
Building	**16,254,127**	**(7,134,252)**	**9,119,875**
Land	**713,083**	**-**	**713,083**
	$ 20,495,726	**$ (9,406,442)**	**$ 11,089,284**

	2023		
Office furniture and fixtures	$ 775,147	$ (293,356)	$ 481,791
Vehicles	373,231	(339,712)	33,519
Enterprise group equipment	1,816,722	(1,407,283)	409,439
Client services equipment	56,570	(53,024)	3,546
Building	15,703,954	(6,684,855)	9,019,099
Land	713,084	-	713,084
	$ 19,438,708	$ (8,778,230)	$ 10,660,478

Note 7 - Investments

Investments consist of the following as of September 30:

	2024		
	Cost	**Fair Value**	**Unrealized Appreciation**
Fulton Financial Advisors			
Long-term reserve	**$ 6,967,910**	**$ 7,836,142**	**$ 868,232**
Youth Services fund	**626,906**	**678,959**	**52,053**
Scholarship fund	**353,683**	**388,604**	**34,921**
Endowment fund	**106,085**	**115,532**	**9,447**
Robert Y. Garrett, Jr. Memorial fund	**19,456**	**20,989**	**1,533**
PNC			
Long-term reserve	**6,397,452**	**7,559,101**	**1,161,649**
	$ 14,471,492	**$ 16,599,327**	**$ 2,127,835**

Note 7 - Investments (continued)

	2023		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Fulton Financial Advisors			
Long-term reserve	$ 6,808,864	$ 6,688,479	$ (120,385)
Youth Services fund	545,668	561,261	15,593
Scholarship fund	310,298	309,898	(400)
Endowment fund	111,631	112,761	1,130
Robert Y. Garrett, Jr. Memorial fund	16,519	16,684	165
Short-term fund	4,885	4,885	-
PNC			
Long-term reserve	6,442,729	6,437,969	(4,760)
	$ 14,240,594	$ 14,131,937	$ (108,657)

Note 8 - Beneficial Interest in Trusts

The Organization is named as a beneficiary of numerous trusts held by financial institutions whereby funds are distributed in accordance with an established payment schedule. The trusts were established by persons, wills, living trust agreements, and court decrees with various terms. As the trusts are administered by third-party trustees, the Organization does not determine return objectives and risk parameters or the strategies for achieving return objects. The Organization does not control the investment or spending policies for the principal of the trusts, but is allowed to spend all of its allocated investment income for its operations. As of September 30, 2024 and 2023, the Organization's beneficiary interest allocation ranges from 2.50% to 100.00%.

Note 9 - Interest in Net Assets of a Community Foundation

Interest in net assets of a community foundation is reported at fair value as determined by the community foundation.

The Organization is the beneficiary of endowment funds of the York County Community Foundation (the Foundation), a community foundation. The Foundation maintains variance power over distributions from the funds. As beneficiary, the Organization is entitled to annual distributions from the funds, based upon the Foundation's spending policy.

The organizational endowment fund created by the Organization at the Foundation is reflected in the statement of financial position as interest in net assets of a community foundation. Future contributions are at the discretion of the Board of Directors of the Organization.

In addition to the organizational endowment fund, contributions made by third parties directly to the Foundation created a designated endowment fund, which is not an asset of the Organization, and is not reflected in the statement of financial position. As of September 30, 2024 and 2023, the balance of Foundation funds in which the Organization is currently designated by the contributor as the beneficiary amounted to $43,495 and $38,480, respectively, which includes the fund's accumulated investment earnings in excess of annual distributions and fees.

Note 10 - Fair Value Measurements

The fair value hierarchy prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported with little or no market activity).

An asset's or liability's level within the fair value hierarchy is based on the lowest level of 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.

The following valuation techniques were used to measure fair value of assets in the tables on the following pages on a recurring basis as of September 30, 2024 and 2023:

Cash and cash equivalents - The carrying amounts of cash and cash equivalents approximate fair value because of the short-term nature of those investments.

Fixed income funds, mutual funds, exchange traded funds, and common stocks - Fair value of fixed income funds, mutual funds, exchange traded funds, and common stocks funds is based on quoted market prices for the identical securities.

Beneficial interest in trusts - The beneficial interest in trusts are valued at fair value based on the Organization's interest in the fair value of the underlying assets, which approximate the present value of estimated cash flows to be received from the trusts. The present value measure is utilized as the underlying assets of each individual trust are not in the control of the Organization.

Interest in net assets of a community foundation - Fair value of the interest in net assets of a community foundation was based on the fair value as determined by the community foundation.

Interest rate swap liability - Fair value of the interest rate swap is based on quoted market prices when available, or externally developed valuation models using forward looking assumptions of interest rates and the resulting effect on the underlying cash flows of the interest rate swap. Adjustments are not made for nonperformance risk on behalf of either party.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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.

Note 10 - Fair Value Measurements (continued)

For assets measured at fair value on a recurring basis, the fair value measurements by level within the fair value hierarchy consist of the following as of September 30:

	2024			
	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 984,543	$ -	$ -	$ 984,543
Fixed Income Funds				
High-yield bonds	786,504	-	-	786,504
U.S. Treasury notes	1,204,708	-	-	1,204,708
Multi-sector	235,083	-	-	235,083
Intermediate core bonds	1,591,744	-	-	1,591,744
Emerging market	135,970	-	-	135,970
Mutual Funds				
Large cap	4,896,777	-	-	4,896,777
Large blend	2,522,249	-	-	2,522,249
International and emerging markets	1,306,086	-	-	1,306,086
Small cap/mid cap	1,171,297	-	-	1,171,297
Exchange Traded Funds				
International	568,342	-	-	568,342
Large blend	433,677	-	-	433,677
Common Stocks				
Industrials	170,735	-	-	170,735
Financial	145,298	-	-	145,298
Technology	122,512	-	-	122,512
Consumer discretionary	107,559	-	-	107,559
Healthcare	92,849	-	-	92,849
Communication services	40,825	-	-	40,825
Consumer staples	23,031	-	-	23,031
Materials	22,658	-	-	22,658
Utilities	15,973	-	-	15,973
Energy	15,753	-	-	15,753
Real estate	5,154	-	-	5,154
	$ 16,599,327	$ -	$ -	$ 16,599,327
Beneficial Interest in Trusts	$ -	$ -	$ 6,227,476	$ 6,227,476
Interest in Net Assets of a Community Foundation	$ -	$ -	$ 45,248	$ 45,248
Interest Rate Swap Liability	$ -	$ (116,278)	$ -	$ (116,278)

Note 10 - Fair Value Measurements (continued)

	2023							
	Level 1		Level 2		Level 3		Total	
Cash and Cash Equivalents	$	2,710,152	$	-	$	-	$	2,710,152
Fixed Income Funds								
U.S. Treasury notes		129,725		-		-		129,725
Multi-sector		1,493,942		-		-		1,493,942
Intermediate core bonds		1,451,228		-		-		1,451,228
Other fixed income		70,810		-		-		70,810
Mutual Funds								
Large cap		1,739,016		-		-		1,739,016
Large blend		2,345,832		-		-		2,345,832
International and emerging markets		1,436,782		-		-		1,436,782
Small cap/mid cap		690,528		-		-		690,528
Alternative and liquid real assets		412,373		-		-		412,373
Exchange Traded Funds								
International		385,241		-		-		385,241
Small blend		271,177		-		-		271,177
Large blend		241,571		-		-		241,571
Common Stocks								
Industrials		172,681		-		-		172,681
Healthcare		144,866		-		-		144,866
Technology		110,234		-		-		110,234
Financial		103,848		-		-		103,848
Consumer discretionary		73,125		-		-		73,125
Consumer staples		56,423		-		-		56,423
Materials		28,100		-		-		28,100
Energy		24,977		-		-		24,977
Utilities		19,992		-		-		19,992
Real estate		17,031		-		-		17,031
Communication services		2,283		-		-		2,283
	$	14,131,937	$	-	$	-	$	14,131,937
Beneficial Interest in Trusts	$	-	$	-	$	5,056,534	$	5,056,534
Interest in Net Assets of a Community Foundation	$	-	$	-	$	40,034	$	40,034
Interest Rate Swap Liability	$	-	$	(36,047)	$	-	$	(36,047)

Note 10 - Fair Value Measurements (continued)

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another.

Management has evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total assets. During the year ended September 30, 2024, contributions related to beneficial interest in trusts, classified as Level 3, amounted to $463,508. There were no contributions related to beneficial interest in trusts during the year ended September 30, 2023. There were no other transfers in or out of Level 3 assets during the years ended September 30, 2024 and 2023.

Note 11 - Lines of Credit

The Organization has a $5,000,000 operating line of credit with Fulton Bank, which is reviewed annually. The line of credit has been reaffirmed through June 30, 2025. Interest on the line of credit is equal to the U.S. Secured Overnight Financing Rate. The line of credit is secured by investment assets held by the Organization. Additionally, the Organization must not sell, offer to sell, or otherwise transfer any of the collateral. There were no outstanding borrowings on the line of credit as of September 30, 2024 and 2023.

The Organization has a $3,900,000 revolving line of credit with PNC Bank. Amounts outstanding under the line of credit will bear interest at a rate per annum, which is equal to the sum of the U.S. Secured Overnight Financing Rate plus 100 basis points (5.84% and 6.32% as of September 30, 2024 and 2023, respectively). The line of credit is secured by cash held by the Organization. On September 25, 2023, the Organization borrowed $3,000,000 on the line of credit in connection with its acquisition of IFB (refer to Note 1). The balance drawn on the line of credit related to this transaction is included in notes payable on the statement of financial position (refer to Note 12). There were no other outstanding borrowings on the line of credit as of September 30, 2024 and 2023.

Note 12 - Notes Payable

As discussed in Note 11, on September 25, 2023, the Organization borrowed $3,000,000 on the line of credit with PNC Bank in connection with its acquisition of IFB (refer to Note 1). In connection with this borrowing, the Organization entered into an interest rate swap agreement (refer to Note 14). The agreement provides for the Organization to pay a fixed rate of interest of 4.74% plus a 1.00% credit spread. Monthly principal and interest payments of $43,574 are payable over the term of the interest rate swap agreement which matures September 30, 2030. The outstanding balance on this note amounted to $2,643,093 and $3,000,000 at September 30, 2024 and 2023, respectively.

Note 12 - Notes Payable (continued)

On March 1, 2024, the Organization entered into a promissory note agreement with National Industries for the Blind (NIB) in the amount of $400,000. Loan proceeds may only be used for certain renovation projects at the Little Rock, Arkansas facility. The note is collateralized by substantially all assets of the Organization. No interest will be charged for the first year and no principal payments will be required for the first six months. The agreement provides for the Organization to pay a fixed rate of interest of 4.25% beginning April 1, 2025. Monthly principal only payments of $7,989 will be due beginning on October 1, 2024 through March 1, 2025. Beginning April 1, 2025 monthly principal and interest payments of $7,989 will be due. The maturity date of this loan is March 1, 2029. All unpaid principal and interest will be due and payable in full on this date. The outstanding balance on this note amounted to $400,000 at September 30, 2024.

On March 1, 2024, the Organization entered into a promissory note agreement with NIB in the amount of $100,000. Loan proceeds may only be used for inventory supporting rice packaging operations at the Little Rock, Arkansas facility. The note is collateralized by substantially all assets of the Organization. The agreement provides for the Organization to pay a fixed rate of interest of 4.25% over twelve months. Twelve monthly principal payments of $8,526 are due beginning on April 1, 2024 through maturity. The maturity date of this loan is March 1, 2025. All unpaid principal and interest will be due and payable in full on this date. The outstanding balance on this note amounted to $42,183 at September 30, 2024.

Aggregate maturities of notes payable, assuming no change in current terms, consist of the following for the five years ending September 30 and thereafter:

2025	$ 510,114
2026	486,122
2027	513,803
2028	542,972
2029	525,604
Thereafter	506,661
	$ 3,085,276

Note 13 - Charitable Gift Annuity Obligations

The Organization is the beneficiary of various charitable gift annuities that provide for the payment of distributions to the annuitants for the remainder of their lives. After this time period, the remaining assets are available for the Organization's use. The value of the gift annuities received over the calculated liability is recognized as contribution revenue without donor restrictions, unless restricted by donor stipulation. The annuities are reflected as a liability on the Organization's statement of financial position at their present value discounted over the expected lives of the annuitants using discount rates ranging from 0.6% to 3.4%. There were no new gift annuities during the years ended September 30, 2024 and 2023. The Organization will calculate the present value of the estimated future payments to the annuitants on an annual basis. The current portion of the liability consists of all payment distributions due within one year.

Note 14 - Interest Rate Swap Agreement

In order to achieve a fixed interest rate on the variable rate note described in Note 12, the Organization entered into an interest rate swap agreement effective September 25, 2023. The agreement provides for the Organization to pay a fixed rate of interest of 4.74% plus a 1.00% credit spread, applied to the notional amount of the swap to the counterparty to the agreement and receive a variable rate equal to the U.S. Secured Overnight Financing Rate applied to the notional amount of the swap from the counterparty over the term of the agreement. The notional amount of the swap amounted to $3,000,000 at the beginning of the agreement and will decrease to $43,360 at maturity. The interest rate swap agreement is scheduled to mature on September 25, 2030.

Note 15 - Deferred Compensation Plan Asset and Liability

The Organization sponsors a 457(b) eligible deferred compensation retirement plan for the benefit of certain members of management as designated by the Board of Directors. Employer contributions are based on years of service. During each of the years ended September 30, 2024 and 2023, the Organization made contributions to the plan in the amount of $35,000. Remitted assets are held in a separate investment account, which has been designated for the sole benefit of the participants. Investments are recorded at fair value. Any increase or decrease in the fair value of the assets directly increases or decreases the Organization's liability to the participants. The Organization derives no benefit nor incurs no cost from the change in the fair value of the investment account.

Note 16 - Fees for Services

Annually, the Organization receives a grant for preschool early intervention services from the Lancaster-Lebanon Intermediate Unit #13. During the years ended September 30, 2024 and 2023, the Organization recognized revenue related to the Lancaster-Lebanon Intermediate Unit #13 grant in the amount of $16,180 and $13,168, respectively.

Additionally, the Organization has agreements with the offices of behavioral health and mental health services of Lancaster, Lebanon, and York Counties for the preschool program. The Organization is reimbursed based on the number of hours services are rendered to preschool children. During the years ended September 30, 2024 and 2023, the Organization recognized revenue related to these contracts in the amount of $37,214 and $69,300, respectively.

Other fees for services amounted to $329,586 and $262,956 for the years ended September 30, 2024 and 2023, respectively.

The disbursement of funds received under fee for service 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 17 - In-Kind Contributions

In-kind contributions consist of the following for the years ended September 30:

	2024	2023
Supplies	**$ 29,969**	$ 27,851
Donated securities	**8,353**	5,741
	$ 38,322	$ 33,592

Donated supplies recognized is comprised of donations of miscellaneous supplies for programs and supporting services. There are no associated donor restrictions related to the donations. Donated supplies are reported at the estimated fair value based on the value that would be paid to purchase similar products.

Donated securities are valued at market value on the date contributed. There are no associated donor restrictions related to the donations. Fair value was based on quoted market prices for the identical securities. It is the Organization's policy to sell donated securities immediately upon receipt.

In addition to the in-kind contribution amounts recorded in the financial statements, during the years ended September 30, 2024 and 2023, a substantial number of individual volunteers have donated significant amounts of time to the Organization's programs and supporting services. These services do not meet the criteria for recognition as contributed services, and are not reflected on the accompanying financial statements.

Note 18 - Retirement Plan

The Organization sponsors a defined-contribution 403(b) retirement plan covering employees who meet certain age and length of service requirements. 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 total retirement expense for the years ended September 30, 2024 and 2023 amounted to $472,883 and $361,849, respectively.

Note 19 - Self-Insurance

The Organization is self-insured for unemployment compensation. Expenditures are recorded in the unemployment compensation fund when invoiced by the state and paid by the Organization. Management is not aware of any need to fund additional amounts as of September 30, 2024.

The Organization has a self-funded health insurance plan for employee health benefits. The Organization covers health care claims up to a maximum of $60,000 per individual on an annual basis. The aggregate maximum exposure is adjusted based on the number of plan participants. The Organization has purchased stop-loss coverage for claims exceeding the Organization's individual liability. In accordance with the terms of the insurance program, the Organization faces potential exposure, which could require additional payments if the program experiences significant adverse claims development; however, management is not aware of any need to fund additional amounts as of September 30, 2024.

Note 20 - Endowment

The Organization's endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as an endowment. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as an endowment, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Organization has interpreted the relevant state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Unless specifically defined by a donor-restricted endowment fund required by donor stipulation, the Organization considers the following factors in making a determination to accumulate or appropriate endowment funds:

1) The duration and preservation of the fund
2) The purpose of 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 appreciation of investments
6) Other resources of the Organization
7) The investment policies of the Organization

The following schedule represents the endowment net asset composition by type of endowment fund as of September 30:

	2024	2023
Endowment funds without donor restrictions	**$ 42,398**	$ 39,627
Endowment funds with donor restrictions	**302,623**	298,318
	$ 345,021	$ 337,945

Note 20 - Endowment (continued)

The following schedule represents the changes in endowment net assets for the years ended September 30:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance as of September 30, 2022	$ 342,513	$ 296,464	$ 638,977
Investment Return			
Interest and dividends, net	11,578	424	12,002
Net appreciation (realized and unrealized)	48,644	1,430	50,074
Disbursements	(363,108)	-	(363,108)
Balance as of September 30, 2023	39,627	298,318	337,945
Investment Return			
Interest and dividends, net	**2,949**	**535**	**3,484**
Net appreciation (realized and unrealized)	**22,214**	**3,770**	**25,984**
Disbursements	**(22,392)**	**-**	**(22,392)**
Balance as of September 30, 2024	**$ 42,398**	**$ 302,623**	**$ 345,021**

Funds with Deficiencies

The relevant state law has no requirement to restore permanent fund deficiencies and accounting standards provide that the generally accepted rule of reporting such deficiencies as net assets without donor restrictions should be applied only in the absences of donor stipulations or laws to the contrary. The Organization has interpreted state law to allow spending of the original principal with no requirement to restore fund deficiencies to the original value. As such, the Organization has no underwater endowments as of September 30, 2024 or 2023. Any fund deficiencies are reported as reductions to net assets with donor restrictions.

Return Objectives and Endowment Spending Policy

Endowment funds are invested for balanced growth, with capital appreciation and income generation of comparable importance. Funds within the endowment accounts 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 board-designated endowment fund whereby 5% 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 Organization has not adopted a total return policy for its donor-restricted endowment fund. The Board of Directors approves disbursements from the donor-restricted endowment fund on a specific need basis.

Note 21 - Net Assets without Donor Restrictions

The Organization's net assets without donor restrictions is comprised of undesignated and board-designated amounts for the following purposes as of September 30:

	2024	2023
Undesignated	**$ 36,030,488**	$ 27,888,404
Board-designated		
Endowment investments	**42,398**	39,627
	$ 36,072,886	$ 27,928,031

Note 22 - Net Assets with Donor Restrictions

Net assets with donor restrictions reflect contributions which have been received for specific purposes, contributions which have been restricted due to time restrictions 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 restricted for the following purposes or periods as of September 30:

	2024	2023
Purpose Restrictions		
Investments - technology	**$ 475,827**	$ 456,527
Investments - youth services	**293,960**	323,768
Investments - scholarships and grants	**118,400**	118,400
Restricted cash - client services and other	**51,067**	58,063
Endowment earnings accumulated - training	**10,989**	6,684
Time Restrictions		
Beneficial interest in trusts		
Peters trust	**496,376**	572,092
Vollmer trust	**195,767**	174,234
Promises to give	**78,697**	106,235
Perpetual		
Beneficial interest in trusts	**5,535,333**	4,310,208
Endowment investments	**291,634**	291,634
	$ 7,548,050	$ 6,417,845

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 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.

Note 23 - Major Customers and Suppliers

A major customer of the Organization is NIB, which secures United States military contracts. During the year ended September 30, 2024, net sales to NIB amounted to $13,803,371 and as of September 30, 2024, accounts receivable from NIB amounted to $1,095,990. During the year ended September 30, 2023, net sales to NIB amounted to $6,210,845 and as of September 30, 2023, accounts receivable from NIB amounted to $1,893,922. A second major customer of the Organization is Defense Contract Management Agency (DCMA), which administers contracts on behalf of authorized federal agencies. During the years ended September 30, 2024 and 2023, net sales to DCMA amounted to $8,330,138 and $5,282,904, respectively. There were no significant accounts receivable from DCMA as of September 30, 2024 and 2023.

During the years ended September 30, 2024 and 2023, the Organization had the following major suppliers:

	2024	2023
Design Blue LTD.	**$ 5,836,179**	$ 3,773,959
Riceland Foods, Inc.	**2,088,860**	1,795,005
Team Wendy LLC	**11,852,385**	4,945,076

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

Note 24 - Pennsylvania Association for the Blind Grant

The Organization has a contract with Pennsylvania Association for the Blind (PAB) to deliver Preschool Vision Screenings and Eye Safety Education as well as Training and Supportive Services 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 and benefits and utilities.

The details of grant funds received and related spending are as follows for the years ended September 30:

	2024	2023
Grant received	**$ 237,814**	$ 153,680
Salary expenses	**(402,496)**	(365,385)
Payroll taxes	**(29,487)**	(27,952)
Employee benefits	**(122,158)**	(110,894)
Utilities	**(6,995)**	(6,696)
	$ (323,322)	$ (357,247)

Note 25 - Fundraising Activities

The Organization holds certain events to raise funds to support the mission of the Organization. Revenue and expenses related to these events are as follows for the years ended September 30:

	2024	2023
Gross revenue	**$ 225,525**	$ 217,367
Gross expenses	**(41,699)**	(90,277)
	$ 183,826	$ 127,090

Revenue from fundraising events is reported as a component of public contributions and grants and related expenses are reported as a component of development expenses in the statement of activities.

Note 26 - Related Party Transactions

The Organization purchases various products and services that are offered by third parties of which members of the Organization's Board of Directors are affiliated. Products and services purchased from these related parties amounted to $3,309 and $18,239 for the years ended September 30, 2024 and 2023, respectively.

Note 27 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the statement of financial position, comprise the following as of September 30:

	2024	2023
Financial Assets		
Cash and cash equivalents	**$ 3,511,016**	$ 947,322
Accounts receivable	**3,557,758**	3,191,272
Promises to give	**78,697**	106,235
Restricted cash	**51,066**	58,063
Investments	**16,599,327**	14,131,937
Distributions from beneficial interest in trusts	**402,708**	213,711
Total Financial Assets	**24,200,572**	18,648,540

Note 27 - Liquidity and Availability (continued)

	2024	2023
Less Amounts that are Internally Designated or Externally Restricted		
Donor-imposed restrictions		
Restricted cash and investments subject to donor restrictions	**$ (950,243)**	$ (963,442)
Endowment investments	**(291,634)**	(291,634)
Board-designated		
Endowment investments	**(42,398)**	(39,627)
Total Amounts Not Available to be Used Within One Year	**(1,284,275)**	(1,294,703)
Financial Assets Available to be Used Within One Year	**$ 22,916,297**	$ 17,353,837

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. 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.

The Organization's endowment consists of a donor-restricted endowment fund and funds designated by the Board of Directors to function as an endowment. Donor-restricted endowment funds are not available for general expenditures. The endowment is subject to an annual spending rate (refer to Note 20).

The Organization also has lines of credit available to meet short-term obligations if needed (refer to Note 11).

Note 28 - Contingency

The Organization is involved in legal proceedings arising from activities in the ordinary course of business. Although it is not possible to presently determine the final outcome of these matters, management believes the aggregate liability, if any, will not have a material adverse effect on the Organization's financial statements.

Note 29 - Subsequent Events

The Organization has evaluated subsequent events through February 4, 2025. This date is the date the financial statements were available to be issued. The following events subsequent to September 30, 2024 were noted:

In January 2025, the outstanding balance on the line of credit with PNC Bank (refer to Note 12) was paid in full.

In January 2025, the Organization terminated the interest rate swap agreement (refer to Note 14). As part of the swap termination, the Organization paid a settlement payment of $51,150.

Except as disclosed above, no other material events subsequent to September 30, 2024 were noted.