

**VISIONCORPS**

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

AND

INDEPENDENT AUDITOR'S REPORT



McKONLY  
& ASBURY

TAX  
ASSURANCE  
CONSULTING  
ACCOUNTING

# VISIONCORPS

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
VisionCorps

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of VisionCorps, which comprise the statement of financial position as of September 30, 2025, and the related statements of activities, functional expenses, changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of VisionCorps as of September 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 VisionCorps and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Other Matter*

The financial statements of VisionCorps for the year ended September 30, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on February 4, 2025.

Camp Hill

Lancaster

Bloomsburg

Philadelphia

[macpas.com](http://macpas.com)

### ***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 VisionCorps' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VisionCorps' 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 VisionCorps' 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.

*McKonly & Asbury, LLP*

Camp Hill, Pennsylvania  
February 2, 2026



## LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities		
Accounts payable	\$ 1,359,048	\$ 2,875,693
Accrued payroll and benefits	872,360	881,697
Accrued and withheld payroll taxes	18,576	15,833
Deferred revenue	-	2,025
Current portion of notes payable	-	510,114
Current portion of charitable gift annuity obligations	18,066	5,040
Total current liabilities	2,268,050	4,290,402
Other liabilities		
Notes payable, net of current portion	-	2,575,162
Charitable gift annuity obligations, net of current portion	37,443	10,445
Interest rate swap liability	-	116,278
Deferred compensation plan liability	487,778	390,486
Total other liabilities	525,221	3,092,371
Total liabilities	2,793,271	7,382,773
Net assets		
Without donor restrictions	42,292,239	36,072,886
With donor restrictions	7,794,033	7,548,050
Total net assets	50,086,272	43,620,936
Total liabilities and net assets	\$ 52,879,543	\$ 51,003,709

# VISIONCORPS

## STATEMENTS OF ACTIVITIES

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and revenue</b>						
Enterprise group sales	\$ 46,063,901	\$ -	\$ 46,063,901	\$ 42,590,652	\$ -	\$ 42,590,652
Net investment return	1,993,047	2,598	1,995,645	3,296,840	4,305	3,301,145
Distributions from trusts	302,866	-	302,866	405,353	-	405,353
Fees for services	378,080	-	378,080	382,980	-	382,980
Miscellaneous income	137,112	-	137,112	58,383	-	58,383
Client services	18,271	-	18,271	19,325	-	19,325
Bequests	362,590	-	362,590	1,663,365	78,697	1,742,062
Public contributions and grants	763,506	25,000	788,506	651,728	484,218	1,135,946
In-kind contributions	64,027	-	64,027	38,322	-	38,322
Net assets released from restrictions	66,347	(66,347)	-	144,449	(144,449)	-
<b>Total support and revenue</b>	<b>50,149,747</b>	<b>(38,749)</b>	<b>50,110,998</b>	<b>49,251,397</b>	<b>422,771</b>	<b>49,674,168</b>
<b>Expenses</b>						
Program services						
Enterprise group	38,915,570	-	38,915,570	35,997,893	-	35,997,893
Rehabilitation	1,413,381	-	1,413,381	1,321,691	-	1,321,691
Youth services	276,944	-	276,944	263,218	-	263,218
Management and general	2,842,677	-	2,842,677	2,793,178	-	2,793,178
Development (fundraising)	673,201	-	673,201	774,950	-	774,950
<b>Total expenses</b>	<b>44,121,773</b>	<b>-</b>	<b>44,121,773</b>	<b>41,150,930</b>	<b>-</b>	<b>41,150,930</b>
<b>Other income (expense)</b>						
Other expense	(254,006)	-	(254,006)	-	-	-
Gain on sale of property and equipment	337,100	-	337,100	9,290	-	9,290
Change in value of beneficial interest in trusts	-	284,732	284,732	-	707,434	707,434
Change in interest in net assets of a community foundation	581	-	581	5,214	-	5,214
Change in value of charitable gift annuity obligations	(8,574)	-	(8,574)	110,115	-	110,115
Change in fair value of interest rate swap	116,278	-	116,278	(80,231)	-	(80,231)
<b>Total other income (expense)</b>	<b>191,379</b>	<b>284,732</b>	<b>476,111</b>	<b>44,388</b>	<b>707,434</b>	<b>751,822</b>
<b>Changes in net assets</b>	<b>\$ 6,219,353</b>	<b>\$ 245,983</b>	<b>\$ 6,465,336</b>	<b>\$ 8,144,855</b>	<b>\$ 1,130,205</b>	<b>\$ 9,275,060</b>

The accompanying notes are an integral part of these financial statements.

## VISIONCORPS

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2025

	Program Services						Total
	Enterprise Group	Rehabilitation	Youth Services	Total Program Services	Management and General	Development (Fundraising)	
Salaries and wages	\$ 2,239,697	\$ 879,400	\$ 164,732	\$ 3,283,829	\$ 1,609,269	\$ 324,329	\$ 5,217,427
Direct labor	4,101,925	-	-	4,101,925	-	-	4,101,925
Indirect labor	401,018	-	-	401,018	-	-	401,018
Payroll taxes	518,703	63,693	12,102	594,498	112,864	23,835	731,197
Employee benefits	1,132,653	210,836	30,408	1,373,897	395,998	59,911	1,829,806
Professional services	142,817	49,715	1,124	193,656	276,848	69,921	540,425
Bank fees	5,916	-	-	5,916	13,846	441	20,203
Office, operating supplies, and equipment	351,991	54,342	13,936	420,269	111,834	8,061	540,164
Items for resale and shipping	26,753,627	16,196	-	26,769,823	-	-	26,769,823
Sales commissions and licensing fees	1,547,718	-	-	1,547,718	-	-	1,547,718
Building maintenance and utilities	329,519	28,682	17,156	375,357	42,225	4,165	421,747
Insurance	129,969	22,476	8,163	160,608	16,585	1,881	179,074
Travel, training, and seminars	60,343	31,022	4,018	95,383	70,888	10,409	176,680
Facility rent	-	3,733	-	3,733	-	-	3,733
Miscellaneous and supplies	31,618	453	185	32,256	24,162	145	56,563
Provision for credit losses	455,397	-	-	455,397	-	-	455,397
Interest	-	-	-	-	65,081	-	65,081
Depreciation and amortization	711,866	52,833	25,120	789,819	57,904	7,195	854,918
Advertising	793	-	-	793	45,173	2,461	48,427
Fundraising	-	-	-	-	-	160,447	160,447
	<u>\$ 38,915,570</u>	<u>\$ 1,413,381</u>	<u>\$ 276,944</u>	<u>\$ 40,605,895</u>	<u>\$ 2,842,677</u>	<u>\$ 673,201</u>	<u>\$ 44,121,773</u>

The accompanying notes are an integral part of these financial statements.

## VISIONCORPS

### STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2024

	Program Services						Total
	Enterprise	Rehabilitation	Youth	Total	Management and General	Development (Fundraising)	
	Group		Services	Program Services			
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	1,424,267	279,675	45,796	1,749,738	382,392	95,912	2,228,042
Professional services	54,752	39,364	156	94,272	361,522	80,437	536,231
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
Miscellaneous and supplies	49,016	-	23	49,039	22,915	38	71,992
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	-	-	-	-	-	120,546	120,546
	<u>\$ 35,997,893</u>	<u>\$ 1,321,691</u>	<u>\$ 263,218</u>	<u>\$ 37,582,802</u>	<u>\$ 2,793,178</u>	<u>\$ 774,950</u>	<u>\$ 41,150,930</u>

The accompanying notes are an integral part of these financial statements.

## VISIONCORPS

### STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning	\$ 36,072,886	\$ 7,548,050	\$ 43,620,936
Changes in net assets	6,219,353	245,983	6,465,336
Net assets, ending	\$ 42,292,239	\$ 7,794,033	\$ 50,086,272
	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning	\$ 27,928,031	\$ 6,417,845	\$ 34,345,876
Changes in net assets	8,144,855	1,130,205	9,275,060
Net assets, ending	\$ 36,072,886	\$ 7,548,050	\$ 43,620,936

The accompanying notes are an integral part of these financial statements.

# VISIONCORPS

## STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Changes in net assets	\$ 6,465,336	\$ 9,275,060
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Provision for credit losses	455,397	-
Depreciation	672,374	651,160
Amortization of goodwill	182,544	184,066
Gain on sale of property and equipment	(337,100)	(9,290)
Net unrealized and realized gain on investments	(1,546,802)	(2,854,010)
Change in value of beneficial interest in trusts	(284,732)	(707,434)
Contributions restricted for beneficial interest in trusts	-	(463,508)
Change in interest in net assets of a community foundation	(581)	(5,214)
Change in fair value of interest rate swap liability	(116,278)	80,231
(increase) decrease in assets		
Accounts receivable	(2,092,184)	(366,486)
Promises to give	28,697	27,538
Inventories	2,637,046	(1,804,379)
Prepaid expenses	18,172	(90,805)
Deferred compensation plan asset	(97,292)	(110,408)
Increase (decrease) in liabilities		
Accounts payable	(1,516,645)	(1,109,851)
Accrued payroll, benefits, and withheld payroll taxes	(6,594)	518,388
Deferred revenue	(2,025)	(4,089)
Charitable gift annuity obligations	40,024	(165,900)
Deferred compensation plan liability	97,292	110,408
	4,596,649	3,155,477
Net cash and cash equivalents provided by operating activities		
Cash flows from investing activities		
Purchase of property and equipment	(640,833)	(1,079,966)
Payments on notes receivable	13,534	-
Proceeds from sale of property and equipment	716,919	9,290
Purchase of investments	(855,140)	(494,321)
Proceeds from sale of investments	761,738	880,941
	(3,782)	(684,056)
Net cash and cash equivalents used in investing activities		
Cash flows from financing activities		
Proceeds from notes payable	-	500,000
Principal payments on notes payable	(3,085,276)	(414,724)
	(3,085,276)	85,276
Net cash and cash equivalents provided (used) by financing activities		
Net increase in cash and cash equivalents	1,507,591	2,556,697
Cash and cash equivalents, beginning	3,562,082	1,005,385
Cash and cash equivalents, ending	\$ 5,069,673	\$ 3,562,082
Supplementary cash flow information		
Interest paid	\$ 65,081	\$ 157,389

The accompanying notes are an integral part of these financial statements.

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

### 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 during the year ended September 30, 2024.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### ***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.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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 Presentation***

The Organization's financial statement presentation includes the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. FASB ASC 958 requires the Organization to report information regarding its financial position and activities according to two classes of net assets that are based on the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The Board of Directors may, at its discretion, designate funds for specific purposes. The Board of Directors designated \$35,866 and \$42,398 of net assets as an endowment at September 30, 2025 and 2024, respectively. See Note 17 for further details.

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

*Net Assets with Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. See Note 18 for more details.

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

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.

For purposes of the statement of cash flows, cash and cash equivalents consist of the following at September 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,025,069	\$ 3,511,016
Restricted cash	44,604	51,066
	<u>\$ 5,069,673</u>	<u>\$ 3,562,082</u>

### ***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 and do not bear interest.

### ***Allowance for Credit Losses for Accounts Receivable***

At each balance sheet date, the Organization recognizes an expected allowance for credit losses. The allowance for credit losses is the Organization's best estimate of the amount of probable credit losses in the Organization's existing accounts receivable based on specific identification of accounts at risk. Management's periodic evaluation of the adequacy of the allowance is based on past experience, aging's of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective, as it requires estimates that may be susceptible to significant change. Unpaid balances after the stated payment terms are considered past due. An allowance for credit losses of \$455,397 was recorded as of September 30, 2025. There was no allowance for credit losses as of September 30, 2024.

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

### ***Note Receivable***

Note receivable is stated at its unpaid principal balance which represents its estimated collectible amount. Interest income is recognized using the effective interest method.

The Organization evaluates the note receivable at each balance sheet date to determine whether an allowance for expected credit losses is necessary. The estimate of expected credit losses is based on management's assessment of historical loss experience, the debtor's current financial condition, current economic conditions, and other relevant factors. This evaluation is inherently subjective, as it requires estimates that may be susceptible to significant change. Accordingly, there was no allowance for credit losses as of September 30, 2025 and 2024.

In December 2024, the Organization entered into a mortgage agreement with Flex Holdings LLC ( the buyer) to finance the purchase of a property located in Lebanon, PA. The Organization provided the buyer a term loan in the principal amount of \$1,125,000 with an annual interest rate of 4.50%. Monthly payments commenced in January 2025 and will span over a term of 60 months.

### ***Promises to Give***

Promises to give are stated at their outstanding balance. Promises to give are recognized when the Organization is notified of the promises. The Organization considers promises to give to be fully collectible. If collection becomes doubtful, an allowance for uncollectible promises 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.

### ***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 an estimated useful life of more than 5 years. The cost of maintenance, repairs, and minor renewals is expensed as incurred. Expenditures that 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. 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. Estimated useful lives of buildings and building improvements, machinery and equipment, office equipment, and vehicles range from 5 to 40 years.

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

### ***Impairment of 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, 2025 and 2024.

### ***Investments***

Investments in debt and equity securities with readily determinable fair values are reported at fair value in the statements 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 acquisition of IFB (refer to Note 1), the Organization recognized goodwill in the amount of \$1,825,420.

The Organization follows FASB ASC 350, *Intangibles - Goodwill and Other*, 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, 2025 and 2024.

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

As of September 30, 2025 and 2024, accumulated amortization amounted to \$366,610 and \$184,066, respectively. Amortization expense amounted to \$182,544 and \$184,066 for the years ended September 30, 2025 and 2024. Amortization expense for each of the next five years ending September 30 will be \$182,544.

### ***Derivatives and Hedging Activity***

The Organization was 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 statements of financial position at fair value. The Organization's interest rate swap was 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. The interest rate swap was terminated during the year ended September 30, 2025.

### ***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.

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### *Exchange Transactions*

Revenue is recognized as an exchange transaction when the resource provider is receiving commensurate value from the Organization in exchange for the resources provided. This includes their enterprise group sales related to tangible goods contracts, and service-type contracts. 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.

Contract assets arising from such exchange transactions are comprised of accounts receivable of \$5,194,545 and \$3,557,758 as of September 30, 2025 and 2024, respectively. As of October 1, 2023, contracts assets were \$3,191,272.

Contract liabilities arising from exchange transactions are comprised of deferred revenue of zero and \$2,025 as of September 30, 2025 and 2024, respectively. As of October 1, 2023, contract liabilities were \$6,114.

#### *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. 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.

#### *In-Kind Contributions*

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.

In addition to the in-kind contribution amounts recorded in the financial statements, during the years ended September 30, 2025 and 2024, a substantial number of individual volunteers have donated

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

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.

### ***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. Shipping and handling costs amounted to \$637,991 and \$951,268 for the years ended September 30, 2025 and 2024, respectively.

### ***Functional Expenses***

The cost of providing the Organization's various program and supporting services have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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***

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

The Organization adheres to the provisions of FASB ASC 740, *Income Taxes*. FASB ASC 740 establishes rules for recognizing and measuring tax positions taken in an income tax return, including disclosures of uncertain tax positions (UTPs). FASB ASC 740 mandates that companies evaluate all material income tax positions for periods that remain open under applicable statutes of limitation, as well as positions expected to be taken in future returns. The UTP rules then impose a recognition threshold on each tax position. A company can recognize an income tax benefit only if the position has a "more likely than not" (i.e., more than 50 percent) chance of being sustained on the technical merits. For the years ended September 30, 2025 and 2024, the Organization has taken no material tax positions on its applicable tax filings that do not meet the more likely than not threshold. As a result, no amount for uncertain tax positions has been included in the financial statements.

The Organization's federal exempt organization income tax returns are no longer subject to examination by the appropriate taxing authorities for years prior to 2022.

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

### ***Reclassification***

Certain amounts in the 2024 financial statements have been reclassified to conform to the presentation in the 2025 financial statements.

### ***Subsequent Events***

Management evaluated subsequent events through February 2, 2026, the date the financial statements were available to be issued.

### **3. LIQUIDITY AND AVAILABILITY OF RESOURCES**

Financial assets as of September 30, 2025 and 2024, available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	\$ 5,025,069	\$ 3,511,016
Accounts receivable	5,194,545	3,557,758
Current portion of notes receivable	18,771	-
Promises to give	50,000	78,697
Restricted cash	44,604	51,066
Investments	18,239,531	16,599,327
Distributions from beneficial interest in trusts	302,866	402,708
Less: cash and investments with donor restrictions	(940,191)	(950,243)
Less: endowment funds with donor restrictions	(291,634)	(291,634)
Less: board designated endowment funds	(35,866)	(42,398)
	\$ 27,607,695	\$ 22,916,297

### **4. INVENTORIES**

	2025	2024
Raw materials	\$ 3,287,776	\$ 4,544,831
Finished goods	1,639,285	2,850,954
Sub- assemblies	144,679	313,001
	\$ 5,071,740	\$ 7,708,786

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### 5. PROPERTY AND EQUIPMENT

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

	2025		
	Cost	Accumulated Depreciation	Net Book Value
Office furniture and fixtures	\$ 681,624	\$ (313,643)	\$ 367,981
Vehicles	373,728	(349,738)	23,990
Enterprise group equipment	2,121,480	(1,488,297)	633,183
Client services equipment	57,481	(29,034)	28,447
Building	14,387,573	(6,404,953)	7,982,620
Land	516,703	-	516,703
	\$ 18,138,589	\$(8,585,665)	\$ 9,552,924
	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

Depreciation expense amounted to \$672,374 and \$651,160 for the years ended September 30, 2025 and 2024, respectively.

During 2025, the Organization sold the real estate and related equipment at their Lebanon location in addition to other property and equipment. See below for a summary of the sale:

Notes receivable acquired at settlement	\$ 1,125,000
Cash acquired at settlement	716,919
Property and equipment, net	(1,504,819)
Gain on sale of property and equipment	\$ 337,100

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### 6. INVESTMENTS

Investments consist of the following as of September 30:

	2025		
	Cost	Fair Value	Unrealized Appreciation
<b>Fulton Financial Advisors</b>			
Long-term reserve	\$ 6,767,729	\$ 8,447,169	\$ 1,679,440
Youth Services fund	607,127	736,522	129,395
Scholarship fund	361,212	435,221	74,009
Endowment fund	89,825	109,000	19,175
Robert Y. Garrett, Jr. Memorial fund	19,868	23,587	3,719
<b>PNC</b>			
Long-term reserve	6,780,642	8,488,032	1,707,390
	<b>\$ 14,626,403</b>	<b>\$ 18,239,531</b>	<b>\$ 3,613,128</b>
	2024		
	Cost	Fair Value	Unrealized Appreciation
<b>Fulton Financial Advisors</b>			
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
<b>PNC</b>			
Long-term reserve	6,397,452	7,559,101	1,161,649
	<b>\$ 14,471,492</b>	<b>\$ 16,599,327</b>	<b>\$ 2,127,835</b>

#### 7. 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

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

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, 2025 and 2024, the Organization's beneficiary interest allocation ranges from 2.50% to 100.00%.

### 8. 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, 2025 and 2024, the balance of Foundation funds in which the Organization is currently designated by the contributor as the beneficiary amounted to \$44,055 and \$43,495, respectively, which includes the fund's accumulated investment earnings in excess of annual distributions and fees.

### 9. 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820, *Fair Value Measurements and Disclosures*, are described as follows:

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

### NOTES TO FINANCIAL STATEMENTS

- 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 asset 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The 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, 2025 and 2024.

*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.

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

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.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value as of September 30:

	2025			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,124,255	\$ -	\$ -	\$ 1,124,255
Fixed income funds	4,562,973	-	-	4,562,973
Mutual funds	10,551,220	-	-	10,551,220
Exchange traded funds	1,189,628	-	-	1,189,628
Common stocks	811,455	-	-	811,455
	<u>\$18,239,531</u>	<u>-</u>	<u>-</u>	<u>\$18,239,531</u>
Beneficial interest in trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,512,208</u>	<u>\$ 6,512,208</u>
Interest in net assets of a community foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,829</u>	<u>\$ 45,829</u>

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

	2024			Total
	Level 1	Level 2	Level 3	
Cash and cash equivalents	\$ 984,543	\$ -	\$ -	\$ 984,543
Fixed income funds	3,954,009	-	-	3,954,009
Mutual funds	9,896,409	-	-	9,896,409
Exchange traded funds	1,002,019	-	-	1,002,019
Common stocks	762,347	-	-	762,347
	\$ 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)

#### ***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, 2025. There were no other transfers in or out of Level 3 assets during the years ended September 30, 2025 and 2024.

#### **10. LINES OF CREDIT**

The Organization has a \$5,000,000 operating line of credit with Fulton Bank at the U.S. Secured Overnight Financing Rate (4.24% and 4.96% at September 30, 2025 and 2024, respectively). The line of credit is secured by investment assets held by the Organization. Additionally, the Organization must

# VISIONCORPS

## NOTES TO FINANCIAL STATEMENTS

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, 2025 and 2024.

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 (5.24% and 5.96% at September 30, 2025 and 2024, 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 11). During the year ended September 30, 2025, the Organization repaid the remaining balance on its line of credit in full. As of September 30, 2025, there were no outstanding borrowings under the line of credit.

### 11. NOTES PAYABLE

As discussed in Note 10, 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 13). The agreement provided 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 were payable over the term of the interest rate swap agreement which was scheduled to mature September 30, 2030. The outstanding balance on this note was paid in full during the year ended September 30, 2025.

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 were used for certain renovation projects at the Little Rock, Arkansas facility. The note was collateralized by substantially all assets of the Organization. No interest was charged for the first year and no principal payments was required for the first six months. The agreement provided for the Organization to pay a fixed rate of interest of 4.25% beginning April 1, 2025. Monthly principal only payments of \$7,989 were due between October 1, 2024, through March 1, 2025. Beginning April 1, 2025, monthly principal and interest payments of \$7,989 were due. The maturity date of this loan was March 1, 2029. All unpaid principal and interest was due and payable in full on this date. The outstanding balance on this note was paid in full during the year ended September 30, 2025.

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

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### **12. 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 statements of financial position at their present value discounted over the expected lives of the annuitants using discount rates ranging from 0.6% to 5.0%. 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.

#### **13. INTEREST RATE SWAP AGREEMENT**

In order to achieve a fixed interest rate on the variable rate note described in Note 11, the Organization entered into an interest rate swap agreement effective September 25, 2023. The agreement provided 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. The interest rate swap agreement was terminated due to the note being paid in full (refer to Note 11) during the year ended September 30, 2025.

#### **14. 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, 2025 and 2024, the Organization made contributions to the plan in the amount of \$50,000 and \$35,000, respectively. 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.

#### **15. 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

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

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, 2025 and 2024 amounted to \$516,215 and \$472,883, respectively.

#### **16. 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, 2025.

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. There is an additional health liability included in accrued payroll and benefits on the statements of financial position which represents the Organization's estimated liability for claims incurred but not yet reported, based on historical claims experience, in the amount of \$250,000 and \$302,409 at September 30, 2025 and 2024.

#### **17. 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

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

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:

	2025	2024
Endowment funds without donor restrictions	\$ 35,866	\$ 42,398
Endowment funds with donor restrictions	305,221	302,623
	\$ 341,087	\$ 345,021

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

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 42,398	\$ 302,623	\$ 345,021
Investment return			
Investment income	2,177	473	2,650
Realized gain	2,207	6	2,213
Unrealized gain	9,376	2,119	11,495
Total investment income	13,760	2,598	16,358
Disbursements	(20,292)	-	(20,292)
Endowment net assets, end of year	\$ 35,866	\$ 305,221	\$ 341,087

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 39,627	\$ 298,318	\$ 337,945
Investment return			
Investment income	2,949	535	3,484
Realized gain	13,897	2,414	16,311
Unrealized gain	8,317	1,356	9,673
Total investment income	25,163	4,305	29,468
Disbursements	(22,392)	-	(22,392)
Endowment net assets, end of year	\$ 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 absence 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, 2025 and 2024. 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.

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### 18. 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:

	2025	2024
<b>Purpose Restrictions</b>		
Investments - technology	\$ 500,827	\$ 475,827
Investments - youth services	263,000	293,960
Investments - scholarships and grants	118,400	118,400
Restricted cash - client services and other	44,377	51,067
Endowment earnings accumulated - training	13,587	10,989
<b>Time Restrictions</b>		
Beneficial interest in trusts		
Peters trust	492,089	496,376
Vollmer trust	209,382	195,767
Promises to give	50,000	78,697
<b>Perpetual</b>		
Beneficial interest in trusts	5,810,737	5,535,333
Endowment investments	291,634	291,634
	\$ 7,794,033	\$ 7,548,050

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.

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### 19. CONCENTRATIONS

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, 2025 and 2024, 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.

Four customers exceeded 10% of sales or accounts receivable as of and for the years ended September 30, as follows:

	2025		2024	
	Sales	Accounts Receivable	Sales	Accounts Receivable
A	39%	42%	29%	31%
B	15%	*	18%	*
C	*	14%	*	16%
D	*	14%	*	*

\* Customer did not meet the concentration threshold for sales or accounts receivable.

Two vendors exceeded 10% of purchases or accounts payable as of and for the years ended September 30, as follows:

	2025		2024	
	Purchases	Accounts Payable	Purchases	Accounts Payable
A	42%	55%	36%	35%
B	*	*	18%	13%

\* Vendor did not meet the concentration threshold for purchases or accounts payable.

## VISIONCORPS

### NOTES TO FINANCIAL STATEMENTS

#### 20. 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:

	<u>2025</u>	<u>2024</u>
Grant received	\$ 237,814	\$ 237,814
Salary expenses	(395,661)	(402,496)
Payroll taxes	(30,268)	(29,487)
Employee benefits	(126,681)	(122,158)
Utilities	(11,642)	(6,995)
	<u>\$ (326,438)</u>	<u>\$ (323,322)</u>

#### 21. CONTINGENCIES

A significant portion of the Organization's revenue is dependent upon its customers obtaining and maintaining government contracts. Significant changes in government funding levels, contract awards, or policies would have a material effect on the Organization's programs and activities.

#### 22. PURCHASE COMMITMENT

In July 2025, the Organization entered into a purchase commitment with one of its vendors for the future acquisition of consumable products. As of September 30, 2025, the Organization is committed to purchase \$1,000,000 of packaging supplies. These purchases are expected to be made over the next 27 months.



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