

VisionCorps and VisionCorps Foundation

Year Ended September 30, 2020 with Comparative Totals
for 2019

VisionCorps and VisionCorps Foundation

Consolidated Financial Statements with Consolidating Information

Year Ended September 30, 2020 with Comparative Totals for 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
VisionCorps and VisionCorps Foundation
Lancaster, Pennsylvania

We have audited the accompanying consolidated financial statements of **VisionCorps** (a nonprofit organization) and **VisionCorps Foundation** (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **VisionCorps and VisionCorps Foundation** as of September 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 1 to the consolidated financial statements, **VisionCorps and VisionCorps Foundation** adopted new accounting guidance, FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, for the year ended September 30, 2020. Our opinion is not modified with respect to these matters.

Report on Summarized Comparative Information

We have previously audited **VisionCorps and VisionCorps Foundation's** 2019 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated on November 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in schedules I and II is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual entities, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

 Trout CPA

November 11, 2020
Lancaster, Pennsylvania

VisionCorps and VisionCorps Foundation
CONSOLIDATED STATEMENT of FINANCIAL POSITION
September 30, 2020 with Comparative Totals for 2019

ASSETS				
	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,534,519	\$ 29,333	\$ 2,563,852	\$ 785,664
Accounts Receivable	1,879,814		1,879,814	1,426,787
Pledges and Bequests Receivable, net	50,000	192,308	242,308	285,883
Inventories	1,575,771		1,575,771	3,064,555
Prepaid Expenses	125,844		125,844	41,624
	<u>6,165,948</u>	<u>221,641</u>	<u>6,387,589</u>	<u>5,604,513</u>
Total Current Assets				
INVESTMENTS				
Fulton Financial Advisors	6,102,923	815,600	6,918,523	6,695,661
BNY Mellon			-0-	6,223,980
PNC	6,301,987		6,301,987	-0-
Marketable Securities	13,574		13,574	19,142
Bank Investments Fund	2,443,983		2,443,983	1,431,908
Vollmer Bequest		198,810	198,810	200,107
Peters Bequest		579,764	579,764	541,253
Endowment	382,426	73,134	455,560	326,350
Robert Y. Garrett, Jr. Memorial		15,094	15,094	13,731
	<u>15,244,893</u>	<u>1,682,402</u>	<u>16,927,295</u>	<u>15,452,132</u>
Total Investments				
PROPERTY and EQUIPMENT				
Property and Equipment	16,265,313		16,265,313	15,899,631
Accumulated Depreciation	(8,611,921)		(8,611,921)	(8,038,625)
	<u>7,653,392</u>	<u>-0-</u>	<u>7,653,392</u>	<u>7,861,006</u>
Net Property and Equipment				
OTHER ASSETS				
Deposits on Equipment	68,381		68,381	-0-
Long-Term Pledges Receivable			-0-	192,571
Beneficial Interest in Assets Held by Others		212,051	212,051	215,755
Beneficial Interest in Perpetual Trusts		3,862,397	3,862,397	3,815,455
	<u>68,381</u>	<u>4,074,448</u>	<u>4,142,829</u>	<u>4,223,781</u>
Total Other Assets				
TOTAL ASSETS	<u>\$ 29,132,614</u>	<u>\$ 5,978,491</u>	<u>\$ 35,111,105</u>	<u>\$ 33,141,432</u>

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation

CONSOLIDATED STATEMENT of FINANCIAL POSITION

(Continued)

September 30, 2020 with Comparative Totals for 2019

LIABILITIES and NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
CURRENT LIABILITIES				
Line of Credit	\$ 237,750	\$	\$ 237,750	\$ 237,750
Note Payable - Current Portion	822,304		822,304	-0-
Accounts Payable	561,433		561,433	1,363,316
Accrued Payroll	327,858		327,858	248,371
Accrued and Withheld Payroll Taxes	15,200		15,200	11,677
Accrued Benefits	289,664		289,664	189,084
Charitable Gift Annuities - Current Portion	61,817		61,817	49,065
Deferred Revenue	8,107		8,107	75,204
	<u>2,324,133</u>	<u>-0-</u>	<u>2,324,133</u>	<u>2,174,467</u>
Total Current Liabilities				
NON-CURRENT LIABILITIES				
Note Payable, net of Current Portion	531,596		531,596	-0-
Charitable Gift Annuities - Long-Term Portion	139,677		139,677	-0-
	<u>671,273</u>	<u>-0-</u>	<u>671,273</u>	<u>-0-</u>
Total Non-Current Liabilities				
TOTAL LIABILITIES	2,995,406	-0-	2,995,406	2,174,467
NET ASSETS				
Without Donor Restrictions	26,137,208		26,137,208	24,888,322
With Donor Restrictions		<u>5,978,491</u>	<u>5,978,491</u>	<u>6,078,643</u>
TOTAL NET ASSETS	26,137,208	5,978,491	32,115,699	30,966,965
TOTAL LIABILITIES and NET ASSETS	<u>\$ 29,132,614</u>	<u>\$ 5,978,491</u>	<u>\$ 35,111,105</u>	<u>\$ 33,141,432</u>

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation

CONSOLIDATED STATEMENT of ACTIVITIES

Year Ended September 30, 2020 with Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
OPERATING ACTIVITIES				
SUPPORT				
Contributions:				
Public Contributions	\$ 493,504	\$ 58,642	\$ 552,146	\$ 380,069
In-Kind Contributions	67,948		67,948	62,662
Fees for Services and Grants	221,085		221,085	272,579
	782,537	58,642	841,179	715,310
REVENUE				
Enterprise Group Sales	22,595,359		22,595,359	16,875,718
Client Services	12,666		12,666	36,485
Investment Income	364,778	(7,134)	357,644	272,462
Distributions from Perpetual Trusts	204,022		204,022	194,033
Other Income	76,818		76,818	105,004
	23,253,643	(7,134)	23,246,509	17,483,702
NET ASSETS RELEASED				
from RESTRICTIONS	240,609	(240,609)	-0-	-0-
Total Support, Revenue, and Net Assets Released from Restrictions	24,276,789	(189,101)	24,087,688	18,199,012
FUNCTIONAL EXPENSES				
Program Expenses:				
Enterprise Group	20,544,826		20,544,826	16,534,608
Rehabilitation	1,427,996		1,427,996	1,371,390
Youth Services	273,345		273,345	283,382
Grant Making	21,572		21,572	81,628
Education and Public Awareness	87,502		87,502	39,918
	22,355,241	-0-	22,355,241	18,310,926
Development	339,872		339,872	219,697
Administration	805,731		805,731	808,170
	23,500,844	-0-	23,500,844	19,338,793
Changes in Net Assets from Operations (Carried Forward)	\$ 775,945	\$ (189,101)	\$ 586,844	\$ (1,139,781)

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation

CONSOLIDATED STATEMENT of ACTIVITIES

(Continued)

Year Ended September 30, 2020 with Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2020	Total 2019
Changes in Net Assets from Operations (Brought Forward)	\$ 775,945	\$ (189,101)	\$ 586,844	\$ (1,139,781)
NONOPERATING ACTIVITIES				
Gain (Loss) on Sale of Assets	(9,044)		(9,044)	2,849
Realized and Unrealized Gain on Investments	555,934	45,711	601,645	56,322
Change in Value of Beneficial Interest in Assets Held by Others		(3,704)	(3,704)	1,573
Change in Value of Beneficial Interest in Perpetual Trusts		46,942	46,942	(150,749)
Change in Value of Charitable Gift Annuities	(203,623)		(203,623)	11,302
Bequests	129,674		129,674	400,202
	<u>472,941</u>	<u>88,949</u>	<u>561,890</u>	<u>321,499</u>
Changes in Net Assets from Nonoperating Activities	472,941	88,949	561,890	321,499
CHANGES in NET ASSETS	1,248,886	(100,152)	1,148,734	(818,282)
NET ASSETS				
Beginning of Year	<u>24,888,322</u>	<u>6,078,643</u>	<u>30,966,965</u>	<u>31,785,247</u>
End of Year	<u>\$ 26,137,208</u>	<u>\$ 5,978,491</u>	<u>\$ 32,115,699</u>	<u>\$ 30,966,965</u>

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation
CONSOLIDATED STATEMENT of FUNCTIONAL EXPENSES
Year Ended September 30, 2020 with Comparative Totals for 2019

	Program Expenses						Development	Administration	Total Expenses	
	Enterprise Group	Rehabilitation	Youth Services	Grant Making	Education and Public Awareness	Total Program Expenses			2020	2019
EXPENSES										
Salaries and Wages	\$ 1,960,707	\$ 895,652	\$ 164,318	\$ 13,611	\$ 72,383	\$ 3,106,671	\$ 125,064	\$ 370,673	\$ 3,602,408	\$ 3,408,626
Direct Labor	2,579,554					2,579,554			2,579,554	2,227,593
Indirect Labor	168,772					168,772			168,772	168,177
Payroll Taxes	339,697	51,989	11,548	1,077	5,729	410,040	9,898	30,064	450,002	423,026
Employee Benefits	878,955	175,469	30,357	884	9,390	1,095,055	12,180	101,738	1,208,973	1,015,280
Professional Services	116,658	39,175	3,597			159,430	59,902	80,606	299,938	294,556
Bank Fees	35,717					35,717		3,296	39,013	28,669
Office, Operating Supplies, and Equipment	136,220	83,908	5,166			225,294		65,212	290,506	238,845
Items for Resale and Shipping	12,551,042	11,084				12,562,126			12,562,126	9,403,878
Sales Commissions and Licensing Fees	800,408					800,408			800,408	589,579
Building and Utilities	324,612	47,928	18,788			391,328		25,082	416,410	419,859
Insurance	68,910	15,384	3,365			87,659		14,890	102,549	91,514
Travel, Training, and Seminars	22,841	16,933	3,293			43,067		30,304	73,371	125,073
Assistance to Individuals		349		6,000		6,349			6,349	6,253
Warehouse/Office Rental	111,764					111,764		3,210	114,974	156,955
Miscellaneous and Public Relations	8,124	439	178			8,741		39,695	48,436	40,933
Interest - Operations						-0-		6,976	6,976	10,566
Depreciation	375,170	88,126	32,735			496,031		28,892	524,923	534,716
Sales and Marketing	65,675	1,560				67,235		5,093	72,328	77,703
Fundraising Expenses						-0-	132,828		132,828	76,992
2020 Total Expenses	20,544,826	1,427,996	273,345	21,572	87,502	22,355,241	339,872	805,731	23,500,844	
2019 Total Expenses	\$ 16,534,608	\$ 1,371,390	\$ 283,382	\$ 81,628	\$ 39,918	\$ 18,310,926	\$ 219,697	\$ 808,170		\$ 19,338,793

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation

CONSOLIDATED STATEMENT of CASH FLOWS

Year Ended September 30, 2020 with Comparative Totals for 2019

	2020	2019
CASH FLOWS from OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,148,734	\$ (818,282)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Realized and Unrealized Gain on Investments	(601,645)	(56,322)
Depreciation	524,923	534,716
(Gain) Loss on Sale of Assets	9,044	(2,849)
Contributed Investments	(6,357)	(22,071)
Change in Value of Beneficial Interest in Assets Held by Others	3,704	(1,573)
Change in Value of Beneficial Interest in Perpetual Trusts	(46,942)	150,749
Change in Value of Charitable Gift Annuities	203,623	(11,302)
(Increase) Decrease in:		
Accounts Receivable	(453,027)	155,634
Pledges and Bequests Receivable	236,146	472,562
Inventories	1,488,784	(926,779)
Prepaid Expenses	(84,220)	5,319
Increase (Decrease) in:		
Accounts Payable	(801,883)	413,016
Accrued Payroll, Taxes, and Benefits	183,590	34,662
Deferred Revenue	(67,097)	58,765
Net Cash Provided (Used) by Operating Activities	1,737,377	(13,755)
CASH FLOWS from INVESTING ACTIVITIES		
Proceeds on Disposal of Assets	-0-	2,849
Deposits on Equipment	(68,381)	-0-
Purchase of Investments	21,267,810	(6,073,828)
Proceeds from Sale of Investments	(22,134,971)	6,549,128
Purchase of Property and Equipment	(326,353)	(185,411)
Net Cash Provided (Used) by Investing Activities	(1,261,895)	292,738
CASH FLOWS from FINANCING ACTIVITIES		
Payments Made on Charitable Gift Annuities	(67,715)	(69,485)
Proceeds from Charitable Gift Annuities	16,521	-0-
Proceeds on Note Payable	1,353,900	-0-
Net Cash Provided (Used) by Financing Activities	1,302,706	(69,485)
INCREASE in CASH and CASH EQUIVALENTS	1,778,188	209,498
CASH and CASH EQUIVALENTS		
Beginning of Year	785,664	576,166
End of Year	\$ 2,563,852	\$ 785,664

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation

CONSOLIDATED STATEMENT of CASH FLOWS

(Continued)

Year Ended September 30, 2020 with Comparative Totals for 2019

	2020	2019
CASH and CASH EQUIVALENTS on the STATEMENT of FINANCIAL POSITION is COMPRISED of the FOLLOWING:		
Cash and Cash Equivalents:		
Without Donor Restrictions	\$ 2,534,519	\$ 750,836
With Donor Restrictions	<u>29,333</u>	<u>34,828</u>
	<u>\$ 2,563,852</u>	<u>\$ 785,664</u>
SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION		
Cash Payments for Interest	6,976	10,566

See notes to consolidated financial statements.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

VisionCorps (the Agency) is a charitable organization providing a variety of employment, educational, clinical, and social services to sight impaired individuals in Lancaster, Lebanon, Chester, and York Counties, and offers employment opportunities in Philadelphia and Mechanicsburg, Pennsylvania and Washington, DC. The mission of **VisionCorps Foundation** (the Foundation) is to provide financial support for projects that support employment opportunity, career development, education, and research for the benefit of persons who are blind.

Principles of Consolidation

VisionCorps (the Agency) is a nonstock, nonprofit organization incorporated under the laws of the State of Pennsylvania. **VisionCorps Foundation** (the Foundation) is a nonstock, nonprofit organization incorporated under the laws of the State of Pennsylvania whose sole member is **VisionCorps**. The consolidated financial statements include the accounts of the Agency and the Foundation, an affiliate (together, the Consolidated Group). All grant requests made to the Foundation by the Agency that are necessary to maintain the financial stability of the Agency must be given priority, and must be considered before the Foundation may consider grant requests from other eligible applicants. While principal and earnings of the Foundation may be used to provide grants to the Agency, only earnings may be used to provide grants to other organizations and programs. In accordance with the FASB ASC Topic 958, *Not-For-Profit Entities*, consolidation is required. All material interorganizational accounts and transactions have been eliminated.

Basis of Accounting

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

Basis of Presentation

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

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

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

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measure of Operations

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

Financial Statement Presentation

Information for the year ended September 30, 2019, is not intended to be a complete presentation in accordance with US GAAP and is presented for comparative purposes only.

Use of Estimates

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

Cash and Cash Equivalents

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

Accounts Receivable

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

The Consolidated Group records an allowance for doubtful accounts relative to its accounts receivable and promises to give balances. The allowance for doubtful accounts is based on management's assessment of the collectability of specific balances and the aging of the receivables and promises to give. If there is a deterioration of a customer or major contributor's financial status or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Consolidated Group could be adversely affected. No allowance was deemed necessary at September 30, 2020 and 2019.

Promises to Give and Bequests

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Promises to Give and Bequests (Continued)

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a rate of return that a market participant would demand at the date of the promise to give. Amortization of the discounts is included in contribution revenue. Pledges and bequests receivable at September 30, 2020 and 2019, amounted to \$242,308 and \$478,454, respectively.

Inventories

Inventories consist mainly of workshop raw materials and finished goods. Raw material inventories are recorded at lower of FIFO cost or net realizable value. Finished goods inventory is recorded at cost and an allocation for applicable overhead.

Investments and Fair Value Measurements

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

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

Property and Equipment

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

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

Beneficial Interest in Assets Held by Others

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Support

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

Donated Noncash Items

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

Deferred Revenue

The Consolidated Group recognizes deferred revenue which consists of miscellaneous revenue received for special events and was received in advance of the year in which the event is scheduled to occur. Deferred revenue was \$8,107 and \$75,204 at September 30, 2020 and 2019, respectively.

Functional Expense Classification

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

Sales and Marketing

The Consolidated Group expenses marketing costs as they are incurred.

Enterprise Group Contracts

The Consolidated Group records profits or losses on its contracts on the completed contract method of accounting on a shipment by shipment basis. Under this method, revenue and costs are accumulated during the period of processing, but no profits are recorded before completion. For tangible goods, 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 delivered to and accepted by the customer. Operating expenses, including costs and administrative expenses, are charged as incurred to operations and not allocated to contract costs.

Income Tax Status and Uncertain Tax Positions

The Agency and the Foundation operate as nonprofit organizations and are exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and are not private foundations as determined by the Internal Revenue Service.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status and Uncertain Tax Positions (Continued)

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

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

Sales Tax

Sales taxes assessed by a governmental authority on applicable revenue-producing transactions between the Agency and its customers are recorded on a net basis, excluding both the collection and payment of such taxes from the Agency’s revenues and expenses.

Shipping and Handling

Shipping and handling costs are included in items for resale and shipping on the accompanying consolidated statement of functional expenses. Shipping and handling costs amounted to \$752,882 and \$634,460 for the years ended September 30, 2020 and 2019, respectively.

Accounting Standards Adopted in Fiscal Year 2020

During the current fiscal year, the Consolidated Group adopted the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). The update assists entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions. The adoption of this new accounting standard was determined not to have a material impact on the Consolidated Group’s financial statements.

During the current fiscal year, the Consolidated Group adopted the FASB issued ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* (ASU 2016-01), which assists entities in addressing certain aspects of recognition measurement, presentation, and disclosure of financial instruments as well as the measurement of credit losses of financial assets in a separate project. The adoption of this new accounting standard was determined not to have a material impact on the Consolidated Group’s financial statements.

Accounting Standards Not Yet Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (ASU 2014-09), which requires entities to recognize revenue when a customer obtains control rather than when entities have transferred substantially all risks and rewards of a good or service. This update is effective for fiscal year ending September 30, 2021. The Consolidated Group is currently assessing the impact adoption of ASU 2014-09 will have on its financial statements.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 1 - SUMMARY of SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Standards Not Yet Adopted (Continued)

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

NOTE 2 - CONCENTRATION of CREDIT RISK

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

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

NOTE 3 - PLEDGES and BEQUESTS RECEIVABLE

At September 30, 2020 and 2019, the Consolidated Group's total pledges receivable were \$192,308 and \$377,219, respectively, which have been discounted to the estimated present value using a rate of 4%. At September 30, 2020 and 2019, the Consolidated Group's bequests receivable were \$50,000 and \$101,235, respectively, and are expected to be collected in one year. The current portion of pledges and bequests receivable and long-term portion of pledges receivable, included in the consolidated statement of financial position in the current assets and other assets section, respectively, are as follows:

	2020	2019
Pledges Receivable	200,000	400,000
Discount	<u>(7,692)</u>	<u>(22,781)</u>
Net Present Value of Pledges Receivable	192,308	377,219
Current Portion of Pledges Receivable	<u>(192,308)</u>	<u>(184,648)</u>
Long-Term Pledges Receivable	-0-	192,571
Bequests Receivable	50,000	101,235
Current Portion of Pledges Receivable	<u>192,308</u>	<u>184,648</u>
Current Portion of Pledges and Bequests Receivables	242,308	285,883

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 3 - PLEDGES and BEQUESTS RECEIVABLE (Continued)

	2020	2019
Receivables Due In:		
Less than One Year	242,308	285,883
One to Five Years	<u>-0-</u>	<u>192,571</u>
	242,308	478,454

NOTE 4 - INVENTORIES

Inventories in the Consolidated Group as of September 30, 2020 and 2019, consist of the following:

	2020	2019
Raw Materials	741,916	1,637,012
Finished Goods/Items Held for Resale/Other	<u>833,855</u>	<u>1,427,543</u>
	1,575,771	3,064,555

NOTE 5 - INVESTMENTS

A comparison of cost and fair value of investments at September 30, 2020 and 2019, is as follows:

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 5 - INVESTMENTS (Continued)

2019	Cost	Fair Value	Unrealized Gain (Loss)
Fulton Financial Advisors	5,047,281	5,882,041	834,760
BNY Mellon	5,741,371	6,223,980	482,609
Fulton Scholarship	239,020	260,140	21,120
Fulton Youth Services	508,928	553,480	44,552
Fulton Short Term Fund	1,431,908	1,431,908	-0-
Principal Marketable Securities	18,793	19,142	349
Vollmer Bequest	195,214	200,107	4,893
Peters Bequest	423,324	541,253	117,929
Endowment	295,828	326,350	30,522
Robert Y. Garrett, Jr. Memorial	<u>13,728</u>	<u>13,731</u>	<u>3</u>
	13,915,395	15,452,132	1,536,737

A breakdown of the investment income for the years ended September 30, 2020 and 2019, is as follows:

	2020	2019
Operating:		
Interest and Dividends	429,856	355,935
Investment Fees	<u>(72,212)</u>	<u>(83,473)</u>
Total Operating	357,644	272,462
Nonoperating:		
Realized Gains	866,625	254,097
Unrealized Losses	<u>(264,980)</u>	<u>(197,775)</u>
Total Investment Income	959,289	328,784

NOTE 6 - FAIR VALUE MEASUREMENTS

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

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

Level 2 - Inputs to the valuation methodology include:

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2020 and 2019.

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

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

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

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

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

The following tables set forth by level, within the fair value hierarchy, the Consolidated Group's assets that are measured at fair value on a recurring basis as of September 30, 2020 and 2019:

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

2020	Level 1	Level 2	Level 3	Total Fair Value
ASSETS				
Beneficial Interest in Assets Held by Others			212,051	212,051
Beneficial Interest in Perpetual Trusts			3,862,397	3,862,397
Fixed Income Securities:				
US Treasury Notes	1,776,709			1,776,709
Certificate of Deposits	503,408			503,408
Corporate Bonds and Notes		460,543		460,543
Mutual Funds and Money Market Funds:				
Alternative and Liquid Real Assets	348,421			348,421
Equity	348,248			348,248
International and Emerging Markets	896,692			896,692
Large Cap	1,592,516			1,592,516
Small Cap/Mid Cap	794,869			794,869
Money Market	1,070,873			1,070,873
Fixed Income Mutual Funds	4,134,697			4,134,697
Exchange-Traded Funds:	1,806,324			1,806,324
Common Stocks:				
Consumer Staples	244,048			244,048
Consumer Discretionary	345,576			345,576
Energy	44,542			44,542
Financial	399,761			399,761
Healthcare	551,486			551,486
Industrials	323,158			323,158
Materials	98,731			98,731
Real Estate	38,279			38,279
Technology	780,825			780,825
Telecom	260,304			260,304
Utilities	107,285			107,285
	16,466,752	460,543	4,074,448	21,001,743

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

	2019	Level 1	Level 2	Level 3	Total Fair Value
ASSETS					
Beneficial Interest in Assets Held by Others				215,755	215,755
Beneficial Interest in Perpetual Trusts				3,815,455	3,815,455
Fixed Income Securities:					
Government Agency Obligations			66,367		66,367
Corporate Bonds and Notes			20,101		20,101
Bond Funds	127,284				127,284
Multi-Sector	2,319,052				2,319,052
Other Fixed Income Securities	2,030,930				2,030,930
Mutual Funds and Money Market Funds:					
Equity	1,286,059				1,286,059
International and Emerging Markets	1,888,400				1,888,400
Large Cap	3,105,723				3,105,723
Mid Cap	557,867				557,867
Money Market	1,573,508				1,573,508
Alternative and Liquid Real Assets	589,694				589,694
Real Estate	105,655				105,655
Small Blend	24,212				24,212
Small Growth	41,027				41,027
Small Cap	672,938				672,938
Common Stocks:					
Consumer Goods	98,763				98,763
Consumer Staples	81,264				81,264
Energy	52,259				52,259
Financial	151,432				151,432
Healthcare	138,203				138,203
Industrials	95,529				95,529
Materials	31,650				31,650
Technology	248,917				248,917
Telecom	115,987				115,987
Utilities	29,311				29,311
	15,365,664		86,468	4,031,210	19,483,342

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

Level 1 and 2 Transfers

No transfers in and out of levels 1 and 2 occurred during the years ended September 30, 2020 and 2019.

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair values of the Consolidated Group's level 3 assets for the years ended September 30, 2020 and 2019:

	Beneficial Interest In Assets Held by Others	Beneficial Interest in Perpetual Trusts
Balance - September 30, 2018	214,182	3,966,204
Net Investment Income	6,528	30,177
Distributions	<u>(4,955)</u>	<u>(180,926)</u>
Balance - September 30, 2019	215,755	3,815,455
Net Investment Income	14,668	215,208
Distributions	<u>(18,372)</u>	<u>(168,266)</u>
Balance - September 30, 2020	212,051	3,862,397

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

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

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 6 - FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Consolidated Group's assets and liabilities that are measured at fair value on a non-recurring basis as of September 30, 2019:

2019	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Bequests Receivable			101,235	101,235
Pledges Receivable	-0-	-0-	400,000	400,000
Discounts on Pledges Received	<u>-0-</u>	<u>-0-</u>	<u>(22,781)</u>	<u>(22,781)</u>
	-0-	-0-	478,454	478,454
Liabilities:				
Charitable Gift Annuities	-0-	-0-	49,065	49,065

The following table sets forth a summary of changes in the fair values of the Consolidated Group's level 3 assets measured at fair value on a non-recurring basis for the year ended September 30, 2020:

	Pledges and Bequests Receivable	Charitable Gift Annuities
Balance - September 30, 2018	951,016	129,852
Payments on Charitable Gift Annuities	-0-	(69,485)
Pledges Collected	(200,000)	-0-
Bequests Recorded/Recognized	101,235	-0-
Bequests Collected	(395,998)	-0-
Change in Present Value Discount	<u>22,201</u>	<u>(11,302)</u>
Balance - September 30, 2019	478,454	49,065
Liabilities Assumed	-0-	16,521
Payments on Charitable Gift Annuities	-0-	(67,715)
Pledges Collected	(200,000)	-0-
Bequests Recorded/Recognized	50,000	-0-
Bequests Collected	(101,235)	-0-
Change in Present Value Discount	<u>15,089</u>	<u>203,623</u>
Balance - September 30, 2020	242,308	201,494

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 7 - PROPERTY and EQUIPMENT

Property and equipment as of September 30, 2020 and 2019, are as follows:

	2020	Cost	Accumulated Depreciation	Net Book Value
Office Furniture and Fixtures		1,020,925	919,940	100,985
Vehicles		368,905	262,583	106,322
Enterprise Group Equipment		1,824,125	1,405,111	419,014
Client Services Equipment		105,705	96,236	9,469
Building		5,904,939	2,885,766	3,019,173
Building - Capital Campaign		6,605,428	2,925,919	3,679,509
Leasehold Improvements		119,905	116,366	3,539
Land		<u>315,381</u>	<u>-0-</u>	<u>315,381</u>
		16,265,313	8,611,921	7,653,392

	2019	Cost	Accumulated Depreciation	Net Book Value
Office Furniture and Fixtures		841,317	720,625	120,692
Vehicles		309,412	209,817	99,595
Enterprise Group Equipment		1,751,453	1,472,107	279,346
Client Services Equipment		87,886	75,543	12,343
Building		5,868,849	2,687,044	3,181,805
Building - Capital Campaign		6,605,428	2,763,920	3,841,508
Leasehold Improvements		119,905	109,569	10,336
Land		<u>315,381</u>	<u>-0-</u>	<u>315,381</u>
		15,899,631	8,038,625	7,861,006

NOTE 8 - BENEFICIAL INTEREST in ASSETS HELD by OTHERS

The Consolidated Group has beneficial interest in assets held by York Foundation. These beneficial interests were received in 2017 and 2018. The assets are held in endowed component trust funds (the Funds) for the benefit of the Consolidated Group. The assets for the Funds were originally transferred to York Foundation by ForSight Vision, at which time ForSight Vision granted York Foundation variance power to use the Funds for other purposes in certain circumstances. The ultimate disposition of the Funds is at the discretion of York Foundation's Board of Directors. The Consolidated Group is the beneficiary of the Funds and receives distributions of income, subject to York Foundation's spending policy. Distributions of \$3,051 and \$2,891 were recorded as trust income for the years ended September 30, 2020 and 2019, respectively, on the consolidated statement of activities. The fair value of the assets was estimated at \$65,631 and \$70,963 at September 30, 2020 and 2019, respectively. These assets are considered net assets with donor restrictions on the consolidated statement of financial position.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 8 - BENEFICIAL INTEREST in ASSETS HELD by OTHERS (Continued)

The Consolidated Group has other beneficial interest in assets held by others which were received in 2017 and 2018. The assets for these beneficial interests are held by local banks whereby funds will be distributed in accordance with an established payment schedule. The Consolidated Group has the irrevocable right to receive a proportional share of the principal from the trust. Distributions from the trust will be expended by the Consolidated Group in any way that is consistent with its mission. There were no distributions received from the trusts for the years ended September 30, 2020 and 2019. The fair value of the assets was \$146,420 and \$144,792 at September 30, 2020 and 2019, respectively. These assets are considered net assets with donor restrictions on the consolidated statement of financial position.

NOTE 9 - BENEFICIAL INTEREST in PERPETUAL TRUSTS

Investments for the trusts significantly benefiting the Consolidated Group are included on the following schedules as of September 30, 2020 and 2019. The Consolidated Group is an income beneficiary of the trusts noted below in the capacity of trusts under will.

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

2019	Consolidated Group Interest	Value at Inception	Fair Values				Income Net of Trust Fees
			Cash Equivalents	Fixed Investments	Equities	Total	
	Less than 10%	5,223,746	12,348	105,499	204,258	322,105	14,684
	10 - 20%	11,650,197	55,518	476,818	1,117,007	1,649,343	71,221
	20 - 30%	1,003,030	8,733	155,332	635,198	799,263	31,841
	30 - 40%	1,411,221	1,121	162,236	310,659	474,016	23,511
	40 - 50%	238,600	1,130	32,306	60,584	94,020	4,700
	50% and Greater	515,186	<u>16,383</u>	<u>56,257</u>	<u>404,068</u>	<u>476,708</u>	<u>19,862</u>
			95,233	988,448	2,731,774	3,815,455	165,819

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 9 - BENEFICIAL INTEREST in PERPETUAL TRUSTS (Continued)

In accordance with accounting principles generally accepted in the United States of America, the Consolidated Group recognizes its beneficial interests in these perpetual trusts as an asset and any change in market value of trust assets from year to year on the consolidated statement of activities. The asset held in trust is recorded at its fair value which is deemed to approximate the present value of estimated future cash receipts. The changes in value of the beneficial interest in perpetual trusts for the years ended September 30, 2020 and 2019, were \$46,942 and \$(150,749), respectively.

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

VisionCorps has a \$5,000,000 operating line of credit with Fulton Bank which has no set maturity date. The line bears interest at the one-month London Interbank Offered Rate (LIBOR) plus 1.25%. The line is secured by investment assets held by **VisionCorps Foundation** with a fair value of \$6,057,185 at September 30, 2020. Under this agreement, **VisionCorps Foundation** must maintain certain debt to collateral ratios. Additionally, **VisionCorps Foundation** must not sell, offer to sell, or otherwise transfer any of the collateral. Under the guarantee agreement, **VisionCorps Foundation** unconditionally guarantees the \$5 million line of credit facility obtained by **VisionCorps**. The outstanding balance on the line of credit was \$-0- at September 30, 2020 and 2019.

VisionCorps has a \$3,900,000 operating line of credit with PNC Bank which expires June 2026. This line bears interest at a floating rate equal to the daily London Interbank Offered Rate (LIBOR) plus 1.25%. The line is secured by investment assets held by **VisionCorps Foundation** with a fair value of \$6,301,987 at September 30, 2020. Under this agreement, **VisionCorps Foundation** must maintain certain debt to collateral ratios. **VisionCorps Foundation** does not separately provide a guarantee of the \$3.9 million line of credit facility obtained by **VisionCorps**. The outstanding balance on the line of credit was \$237,750 at September 30, 2020 and 2019.

In April 2020, **VisionCorps** received a loan of \$1,353,900 under the Paycheck Protection Program (PPP) from the Small Business Administration (SBA) with funding provided by the federal government under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was passed on March 27, 2020. The loan bears interest at 1% with a two year repayment term, with a six month deferral of principal payments. **VisionCorps** plans to apply for forgiveness under the Paycheck Protection Program. If **VisionCorps** is legally released from any or all amount of the loan, the liability will be derecognized and a gain on loan extinguishment will be recorded.

Maturities on notes payable, without regard to amounts forgiven, for the years ending September 30, 2021 and 2022, total \$822,304 and \$531,596, respectively.

The Consolidated Group expenses all interest costs as they are incurred. Interest cost incurred was \$6,976 and \$10,566 for the years ended September 30, 2020 and 2019, respectively.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 11 - CHARITABLE GIFT ANNUITIES

On July 2, 2010, the Consolidated Group received a contribution of \$10,000 from an individual for unrestricted use, of which \$4,090 was recorded as a charitable gift annuity liability, which was the present value of the annuity. Under the agreement, \$215 is paid quarterly to the beneficiary. In calculating present value of the liability, the discount rate used was 3.4%. The obligation for the annuity was \$-0- and \$206 at September 30, 2020 and 2019, respectively. Amortization of the discount of the liability was \$9 and \$113 for the years ended September 30, 2020 and 2019, respectively.

On June 24, 2016, the Consolidated Group received a contribution of \$750,000 from an individual for unrestricted use, of which \$233,842 was recorded as a charitable gift annuity liability, which was the present value of the annuity. Under the agreement, \$16,875 is paid quarterly to the beneficiary. In calculating present value of the liability, the discount rate used was 1.8%. Due to change in life expectancy, the obligation has been recalculated for September 30, 2020 and thereafter. The obligation for the annuity was \$184,973 and \$48,859 at September 30, 2020 and 2019, respectively. Amortization of the discount of the liability was \$1,766 and \$6,288 for the years ended September 30, 2020 and 2019, respectively. Additionally, an expense of \$201,848 was recognized for the year ended September 30, 2020, to reflect the change of liability attributed to a change in life expectancy.

On September 15, 2020, the Consolidated Group received a contribution of \$50,000 from an individual for the technology fund, of which \$16,521 was recorded as a charitable gift annuity liability, which was the present value of the annuity. Under the agreement, \$1,075 is paid quarterly to the beneficiary. In calculating present value of the liability, the discount rate used was 0.6%. The obligation for the annuity was \$16,521 and \$-0- at September 30, 2020 and 2019, respectively. Amortization of the discount of the liability was \$-0- for each of the years ended September 30, 2020 and 2019.

During the year ended September 30, 2019, the Consolidated Group had two other charitable gift annuities which were written off as a result of the termination of the agreement due to the death of the donor. Amortization of the discount of the liability was \$342 and the amount written off was \$18,045 for the year ended September 30, 2019.

NOTE 12 - FEES for SERVICES and GRANTS

The Agency receives a yearly grant for preschool early intervention services from the Lancaster-Lebanon Intermediate Unit #13. Total received from the Lancaster-Lebanon Intermediate Unit #13 during the fiscal years ended September 30, 2020 and 2019, was \$28,775 and \$45,455, respectively.

The Agency is under a contract agreement with the offices of behavior health and mental health services of Lancaster and Lebanon counties for the preschool program. The Agency is reimbursed based on the number of hours services are rendered to preschool children. The Agency received \$29,522 and \$44,063 under these contracts for the fiscal years ended September 30, 2020 and 2019, respectively.

Total other fees for services and grants received amounted to \$162,788 and \$183,061 for the fiscal years ended September 30, 2020 and 2019, respectively.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 12 - FEES for SERVICES and GRANTS (Continued)

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

NOTE 13 - DONATED SERVICES

Volunteer Service - During the year ended September 30, 2020, volunteers gave 1,837 hours of service, which are valued at approximately \$22,963. During the year ended September 30, 2019, volunteers gave 2,136 hours of service, which are valued at approximately \$30,968. The value of these services is not recorded as support and expenditures on the consolidated financial statements, as they do not meet criteria for recording under FASB ASC 958, *Not-For-Profit Entities*.

Accounting Services - The Consolidated Group recorded the value of services donated from an accounting firm in the amount of \$16,000 and \$21,000 for the years ended September 30, 2020 and 2019, respectively.

NOTE 14 - RETIREMENT PLAN

The Consolidated Group employees participate in a tax shelter annuity plan, sponsored by **VisionCorps**, which covers all full-time employees. The plan consists of 403(b) deferrals by eligible employees and employer matching contributions. The employer implemented a safe harbor matching contribution equal to 100% of participant salary deferrals up to 6% of compensation. Eligible employees are fully vested in their 403(b) deferral and employer matching account balances at all times. Eligible employees become vested in discretionary employer contributions according to a vesting schedule over six years. The retirement plan contribution on behalf of the eligible employees was \$340,829 and \$322,733 for the years ended September 30, 2020 and 2019, respectively.

NOTE 15 - RISK MANAGEMENT

The Consolidated Group has elected to self-insure for unemployment compensation rather than contribute to the state fund. Expenditures are recorded in the unemployment compensation fund when invoiced by the state and paid by the Consolidated Group. Unemployment claims paid were \$109,201 and \$48,540 during the years ended September 30, 2020 and 2019, respectively.

In 2020, the Consolidated Group received a credit of \$51,323 towards unemployment claims paid as a result of the COVID-19 pandemic, as required by the CARES Act.

As of September 30, 2020, the Consolidated Group is unaware of any additional unemployment claims.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 16 - ENDOWMENT FUNDS and NET ASSETS

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

The endowment account was established during the fiscal year ended September 1991 to record a donation from the Oxford Foundation in the amount of \$15,000. An additional amount of \$3,500 was designated by the Board of Directors for endowment purposes. In 2007, upon the termination of a perpetual trust in which the Consolidated Group had a beneficial interest, \$4,313 was added to the account. In 2008, upon the termination of a perpetual trust in which the Consolidated Group had a beneficial interest, \$53,821 was added to the account. In addition, through a donor stipulated memorial for Robert Y. Garrett, Jr., \$10,000 has been permanently restricted. The income from this account is temporarily restricted for training purposes. The Consolidated Group has not adopted a total return policy with regard to this account. The amount permanently restricted at September 30, 2020 and 2019, is \$83,134.

The following summarizes the changes in endowment net assets for the fiscal years ended September 30, 2020 and 2019, and presents the endowment net assets as of September 30, 2020 and 2019:

	Board Designated Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Balance - September 30, 2018	478,050	85,997	564,047
Investment Return:			
Investment Income	7,500	532	8,032
Net Appreciation	<u>1,757</u>	<u>336</u>	<u>2,093</u>
Total Investment Return	9,257	868	10,125
Appropriation of Endowment Assets for Expenditure	<u>(234,091)</u>	<u>-0-</u>	<u>(234,091)</u>
Balance - September 30, 2019	253,216	86,865	340,081
Investment Return:			
Investment Income	625	250	875
Net Appreciation	<u>37,471</u>	<u>1,113</u>	<u>38,584</u>
Total Investment Return	38,096	1,363	39,459
Contributions	107,146	-0-	107,146
Appropriation of Endowment Assets for Expenditure	<u>(16,032)</u>	<u>-0-</u>	<u>(16,032)</u>
Balance - September 30, 2020	382,426	88,228	470,654

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 16 - ENDOWMENT FUNDS and NET ASSETS (Continued)

Net Assets With Donor Restrictions

In 2004, the Consolidated Group 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 Consolidated Group for its general operating expenses. The funds are time restricted until such time as the trustee releases the funds.

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

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

Net assets with donor restrictions reflect contributions which have been received for specific purposes, contributions which have been restricted for time and for which the restrictions have not yet been met, or contributions that have been restricted in perpetuity. The earnings from the net assets restricted in perpetuity are available to be used by the Consolidated Group for general purposes. Net assets with donor restrictions are made up of the following at September 30, 2020 and 2019:

	2020	2019
Purpose Restrictions:		
Garrett - Restricted for Training	5,094	3,731
Restricted for Client Services and Other	29,333	34,828
Restricted for Scholarships and Grants	126,400	132,400
Restricted for Youth Services	407,163	428,703
Restricted for Technology Fund	73,537	37,558
Time Restrictions:		
Pledges Receivable, net	192,308	377,219
Trusts - Held by Others	146,420	144,792
Vollmer Trust	198,810	200,107
Peters Trust	579,764	541,253
Perpetual:		
Beneficial Interest in Assets Held		
by Others - York Foundation	65,631	70,963
Beneficial Interest in Perpetual Trusts	3,862,397	3,815,455
Other Endowment Investments	83,134	83,134
Stipulated Gift to be Held in Investment in Perpetuity	<u>208,500</u>	<u>208,500</u>
	5,978,491	6,078,643

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 16 - ENDOWMENT FUNDS and NET ASSETS (Continued)

Board Designated Net Assets

The board has designated net assets to be held in long-term investment accounts. The designation of funds is to support the ongoing operations of the Consolidated Group and its mission. The long-term investments, by account, have the following balances at September 30, 2020 and 2019:

	2020	2019
Endowment - Oxford Foundation	382,426	253,216
BNY - Cash and Cash Equivalents	-0-	6,333
BNY Mellon - Investments	-0-	6,223,980
PNC – Investments	6,301,987	-0-
Fulton Financial Advisors - Long-Term Investments	<u>5,775,148</u>	<u>5,635,983</u>
	12,459,561	12,119,512

NOTE 17 - MAJOR CUSTOMERS and SUPPLIERS

A major customer of the Consolidated Group is National Industries for the Blind, which secures U.S. Government military contracts. During the year ended September 30, 2020, net sales to this organization were \$13,396,104 with trade receivables having a balance of \$976,604 at September 30, 2020. During the year ended September 30, 2019, National Industries for the Blind was a major customer with net sales and trade receivables of \$8,884,849 and \$843,623, respectively.

During the years ended September 30, 2020 and 2019, the Consolidated Group had the following major suppliers:

	2020	2019
Team Wendy LLC	5,742,652	5,793,137
Riceland Foods, Inc.	2,035,583	1,501,630

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

NOTE 18 - OPERATING LEASES

Rental expense for all operating leases totaled \$93,086 and \$88,836 for buildings and \$21,888 and \$22,159 for equipment for the years ended September 30, 2020 and 2019, respectively.

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

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 18 - OPERATING LEASES (Continued)

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

2021	117,433
2022	117,563
2023	65,819
2024	<u>10,598</u>
	311,413

The Consolidated Group also rented temporary facilities that did not extend beyond one year. Rent expense from these temporary leases totaled \$-0- and \$45,960 for the years ended September 30, 2020 and 2019, respectively.

NOTE 19 - PENNSYLVANIA ASSOCIATION for the BLIND GRANT

The Pennsylvania Association for the Blind (PAB) contracts services from VisionCorps to deliver "Preschool Vision Screenings and Eye Safety Education" (PSE) as well as "Training and Supportive Services" (TSS) for Persons with Blindness/Vision Impairment" in Lancaster, Lebanon, Chester, York and Adams Counties. Individuals need to meet the set criteria to be eligible for these specific services. Services Include: support services, life skills education, support groups, orientation and mobility instruction, occupational therapy, access technology, and transportation to critical destinations. Individualized plans are developed and reviewed yearly to ensure clients are receiving the services that are necessary and appropriate for them. Funding for the program flows down from the State through the Department of Human Services to PAB and then to VisionCorps to assist in supporting staff salaries, office space, utilities, travel and/or mileage, and training cost. The details of the grant for the grant years ended June 30, 2020 and 2019, are as follows:

	2020	2019
Grant Received	143,581	125,575
Salary Expenses	(250,117)	(177,743)
Payroll Taxes	(19,134)	(13,597)
Employee Benefits	(48,770)	(40,385)
Utilities	<u>(5,238)</u>	<u>(5,133)</u>
Agency's Subsidy	(179,678)	(111,283)

NOTE 20 - FUNDRAISING ACTIVITIES

The Consolidated Group has events to raise money to fund the mission of the Consolidated Group. Revenues and expenses related to these events are as follows for the years ended September 30, 2020 and 2019:

	2020	2019
Gross Revenue	179,241	16,069
Gross Expenses	<u>(55,451)</u>	<u>(3,374)</u>
Net Revenue	123,790	12,695

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 20 - FUNDRAISING ACTIVITIES (Continued)

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

NOTE 21 - RELATED PARTY TRANSACTIONS

The Consolidated Group purchases various services and products which are offered by members of the Consolidated Group's Board of Directors. Insurance products and other various services were purchased totaling \$196,087 and \$97,950 for the years ended September 30, 2020 and 2019, respectively.

NOTE 22 - LIQUIDITY and AVAILABILITY of RESOURCES

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

VisionCorps Foundation (the Foundation) 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 Foundation's long-term investment accounts to be invested in accordance with its investment policy. Assets from the long-term investment can be converted to cash as necessary, per policy. The Foundation does not intend to spend from its long-term investment accounts other than amounts appropriated for general expenditure as part of its annual budget approval process; however, if deemed necessary by the Finance Committee and approved by the Board of Directors, amounts from its long-term investment could be made available.

There is a reciprocal arrangement between **VisionCorps** and **VisionCorps Foundation** (the Consolidated Group) to manage excess cash and cash shortfalls at **VisionCorps**. On an annual basis, **VisionCorps** evaluates its cash position upon which excess cash can be invested in **VisionCorps Foundation's** long-term investment fund. If there is an anticipated cash shortfall in the coming year, **VisionCorps** may request a distribution from the investment fund of **VisionCorps Foundation**. The long-term investment funds are board designated for **VisionCorps** needs, and the Board of Directors can remove that designation at any time should a cash need arise with **VisionCorps**.

VisionCorps and VisionCorps Foundation

NOTES to CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

NOTE 22 - LIQUIDITY and AVAILABILITY of RESOURCES (Continued)

The Consolidated Group's financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows at September 30, 2020:

Financial Assets:	
Cash and Cash Equivalents	2,563,852
Accounts Receivable	1,879,814
Pledges and Bequests Receivable, net	242,308
Investments	<u>16,927,295</u>
Total Financial Assets Available within One Year	21,613,269
Less Amounts Unavailable for General Expenditures, Due to:	
Contractual or Donor-Imposed Restrictions:	
Restricted by Donors with Time and Purpose Restrictions, Excluding Pledges	(1,420,101)
Restricted by Donors in Perpetuity	(291,634)
Board Designation for Endowment	(382,426)
Board Designation for Investment for Long-Term Purposes	<u>(12,077,135)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	7,441,973

NOTE 23 - UNCERTAINTIES

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

NOTE 24 - RECLASSIFICATIONS

Certain items on the consolidated financial statements for the year ended September 30, 2019, have been reclassified to be consistent with the classifications adopted for the year ended September 30, 2020. These reclassifications have no effect on the change in net assets and total net assets for the year ended September 30, 2019.

NOTE 25 - SUBSEQUENT EVENTS

The VisionCorps Board of Directors and the VisionCorps Foundation Board of Trustees have both resolved to merge the Foundation into VisionCorps during the 2021 fiscal year. All elected Foundation Trustees for 2021 will become part of the VisionCorps Board, and assigned to appropriate Board Committees. The merger will simplify oversight and administrative functions, but will have no material effect on the governance or financial results on the consolidated entity.

Subsequent events have been evaluated through November 11, 2020, which represents the date the consolidated financial statements were available to be issued.

VisionCorps and VisionCorps Foundation
SCHEDULE I - CONSOLIDATING STATEMENT of FINANCIAL POSITION
September 30, 2020

	ASSETS			
	VisionCorps	VisionCorps Foundation	Eliminations	Consolidated
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 2,469,156	\$ 94,696	\$	\$ 2,563,852
Accounts Receivable	1,938,051		(58,237)	1,879,814
Pledges and Bequests Receivable, net		242,308		242,308
Inventories	1,575,771			1,575,771
Prepaid Expenses	101,789	24,055		125,844
	<u>6,084,767</u>	<u>361,059</u>	<u>(58,237)</u>	<u>6,387,589</u>
Total Current Assets	6,084,767	361,059	(58,237)	6,387,589
INVESTMENTS				
Fulton Financial Advisors		6,918,523		6,918,523
PNC		6,301,987		6,301,987
Marketable Securities	13,574			13,574
Bank Investments Fund	2,443,983			2,443,983
Vollmer Bequest	198,810			198,810
Peters Bequest	579,764			579,764
Endowment	455,560			455,560
Robert Y. Garrett, Jr. Memorial	15,094			15,094
	<u>3,706,785</u>	<u>13,220,510</u>	<u>-0-</u>	<u>16,927,295</u>
Total Investments	3,706,785	13,220,510	-0-	16,927,295
PROPERTY and EQUIPMENT				
Property and Equipment	16,239,885	25,428		16,265,313
Accumulated Depreciation	(8,591,083)	(20,838)		(8,611,921)
	<u>7,648,802</u>	<u>4,590</u>	<u>-0-</u>	<u>7,653,392</u>
Net Property and Equipment	7,648,802	4,590	-0-	7,653,392
OTHER ASSETS				
Deposits on Equipment	68,381			68,381
Beneficial Interest in Assets Held by Others	212,051			212,051
Beneficial Interest in Perpetual Trusts	3,862,397			3,862,397
	<u>4,142,829</u>	<u>-0-</u>	<u>-0-</u>	<u>4,142,829</u>
Total Other Assets	4,142,829	-0-	-0-	4,142,829
TOTAL ASSETS	<u>\$ 21,583,183</u>	<u>\$ 13,586,159</u>	<u>\$ (58,237)</u>	<u>\$ 35,111,105</u>

See independent auditors' report.

VisionCorps and VisionCorps Foundation
 SCHEDULE I - CONSOLIDATING STATEMENT of FINANCIAL POSITION

(Continued)

September 30, 2020

LIABILITIES and NET ASSETS

	VisionCorps	VisionCorps Foundation	Eliminations	Consolidated
CURRENT LIABILITIES				
Line of Credit	\$ 237,750	\$	\$	\$ 237,750
Note Payable - Current Portion	822,304			822,304
Accounts Payable	551,852	67,818	(58,237)	561,433
Accrued Payroll	312,982	14,876		327,858
Accrued and Withheld Payroll Taxes	15,200			15,200
Accrued Benefits	277,181	12,483		289,664
Charitable Gift Annuities - Current Portion		61,817		61,817
Deferred Revenue		8,107		8,107
	2,217,269	165,101	(58,237)	2,324,133
NON-CURRENT LIABILITIES				
Note Payable, net of Current Portion	531,596			531,596
Charitable Gift Annuities - Long-Term Portion		139,677		139,677
	531,596	139,677	-0-	671,273
TOTAL LIABILITIES	2,748,865	304,778	(58,237)	2,995,406
NET ASSETS				
Net Assets Without Donor Restrictions	13,863,735	12,273,473		26,137,208
Net Assets With Donor Restrictions	4,970,583	1,007,908		5,978,491
	18,834,318	13,281,381	-0-	32,115,699
 TOTAL LIABILITIES and NET ASSETS	 \$ 21,583,183	 \$ 13,586,159	 \$ (58,237)	 \$ 35,111,105

See independent auditors' report.

VisionCorps and VisionCorps Foundation
SCHEDULE II - CONSOLIDATING STATEMENT of ACTIVITIES
Year Ended September 30, 2020

	VisionCorps	VisionCorps Foundation	Eliminations	Consolidated
OPERATING ACTIVITIES				
SUPPORT				
Contributions:				
Public Contributions	\$	\$ 552,146	\$	\$ 552,146
In-Kind Contributions	56,716	67,948	(56,716)	67,948
Fees for Services and Grants	<u>889,988</u>	<u> </u>	<u>(668,903)</u>	<u>221,085</u>
Total Support	946,704	620,094	(725,619)	841,179
REVENUE				
Enterprise Group Sales	22,595,359			22,595,359
Client Services	12,666			12,666
Investment Income	32,067	325,577		357,644
Distributions from Perpetual Trusts	204,022			204,022
Other Income	<u>76,818</u>	<u> </u>	<u> </u>	<u>76,818</u>
Total Revenue	<u>22,920,932</u>	<u>325,577</u>	<u>-0-</u>	<u>23,246,509</u>
Total Support and Revenue	23,867,636	945,671	(725,619)	24,087,688
FUNCTIONAL EXPENSES				
Program Expenses:				
Enterprise Group	20,544,826			20,544,826
Rehabilitation	1,427,996			1,427,996
Youth Services	273,345			273,345
Grant Making		686,603	(665,031)	21,572
Education and Public Awareness		<u>87,502</u>	<u> </u>	<u>87,502</u>
Total Program Expenses	22,246,167	774,105	(665,031)	22,355,241
Development		339,872		339,872
Administration	<u>706,454</u>	<u>159,865</u>	<u>(60,588)</u>	<u>805,731</u>
Total Functional Expenses	<u>22,952,621</u>	<u>1,273,842</u>	<u>(725,619)</u>	<u>23,500,844</u>
Changes in Net Assets from Operations (Carried Forward)	\$ 915,015	\$ (328,171)	\$ -0-	\$ 586,844

See independent auditors' report.

VisionCorps and VisionCorps Foundation
SCHEDULE II - CONSOLIDATING STATEMENT of ACTIVITIES

(Continued)

Year Ended September 30, 2020

	VisionCorps	VisionCorps Foundation	Eliminations	Consolidated
Changes in Net Assets from Operations (Brought Forward)	\$ 915,015	\$ (328,171)	\$ -0-	\$ 586,844
NONOPERATING ACTIVITIES				
Loss on Sale of Assets	(9,044)			(9,044)
Realized and Unrealized Gain on Investments	74,234	527,411		601,645
Change in Value of Beneficial Interest in Assets Held by Others	(3,704)			(3,704)
Change in Value of Beneficial Interest in Perpetual Trusts	46,942			46,942
Change in Value of Charitable Gift Annuities		(203,623)		(203,623)
Bequests	19,290	110,384		129,674
	<u>127,718</u>	<u>434,172</u>	<u>-0-</u>	<u>561,890</u>
Changes in Net Assets from Nonoperating Activities	127,718	434,172	-0-	561,890
CHANGES in NET ASSETS	1,042,733	106,001	-0-	1,148,734
NET ASSETS				
Beginning of Year	<u>17,791,585</u>	<u>13,175,380</u>		<u>30,966,965</u>
End of Year	<u>\$ 18,834,318</u>	<u>\$ 13,281,381</u>	<u>\$ -0-</u>	<u>\$ 32,115,699</u>

See independent auditors' report.