

VisionSpring, Inc.

Consolidated Financial Statements

December 31, 2019

Independent Auditors' Report

Board of Directors VisionSpring, Inc.

We have audited the accompanying consolidated financial statements of VisionSpring, Inc. (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2019, 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 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 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 did not audit the consolidated financial statements of VisionSpring, Inc., India and the financial statements of VisionSpring Bangladesh Ltd. whose statements reflect 19% of total assets as of December 31, 2019 and 24% of total support and revenue for the year then ended. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these entities, is based solely on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, based on our audit and the reports of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of VisionSpring, Inc. as of December 31, 2019, and the consolidated 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our report and the reports of other auditors, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

January 6, 2021

VisionSpring, Inc.

Consolidated Statement of Financial Position
December 31, 2019
(with comparative amounts at December 31, 2018)

	2019	2018
ASSETS		
Cash	\$ 6,936,048	\$ 5,423,815
Investments	61,856	57,570
Pledges receivable	1,523,012	1,116,728
Accounts and other receivables	620,793	687,371
Inventory	527,758	580,546
Intangible asset - software, net of accumulated amortization of \$85,994 and \$31,682	112,942	131,254
Other assets	418,465	370,291
Property and equipment, net	310,483	259,789
	\$ 10,511,357	\$ 8,627,364
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,119,766	\$ 822,118
Deferred revenue	429,167	53,432
Total Liabilities	1,548,933	875,550
Net Assets		
Net assets without donor restrictions	8,843,204	7,719,455
Noncontrolling interest	28	-
	8,843,232	7,719,455
Net assets with donor restrictions	119,192	32,359
Total Net Assets	8,962,424	7,751,814
	\$ 10,511,357	\$ 8,627,364

See notes to consolidated financial statements

VisionSpring, Inc.

Consolidated Statement of Activities Year Ended December 31, 2019 (with summarized totals for the year ended December 31, 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
SUPPORT AND REVENUE				
Contributions and grants	\$ 6,235,920	\$ 1,922,888	\$ 8,158,808	\$ 6,364,543
Earned income	1,407,768	-	1,407,768	1,432,657
Investment and other income (loss)	(19,056)	-	(19,056)	20,053
Released from restrictions	<u>1,836,055</u>	<u>(1,836,055)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>9,460,687</u>	<u>86,833</u>	<u>9,547,520</u>	<u>7,817,253</u>
EXPENSES				
Program	6,672,171	-	6,672,171	5,131,879
Management and general	1,092,514	-	1,092,514	838,609
Fundraising	<u>539,079</u>	<u>-</u>	<u>539,079</u>	<u>383,766</u>
Total Expenses	<u>8,303,764</u>	<u>-</u>	<u>8,303,764</u>	<u>6,354,254</u>
Change in Net Assets Before Foreign				
Currency Translation Loss	1,156,923	86,833	1,243,756	1,462,999
Foreign currency translation loss	<u>(33,159)</u>	<u>-</u>	<u>(33,159)</u>	<u>(88,536)</u>
Change in Net Assets	1,123,764	86,833	1,210,597	1,374,463
Share capital contribution	13	-	13	-
NET ASSETS				
Beginning of year	<u>7,719,455</u>	<u>32,359</u>	<u>7,751,814</u>	<u>6,377,351</u>
End of year	<u>\$ 8,843,232</u>	<u>\$ 119,192</u>	<u>\$ 8,962,424</u>	<u>\$ 7,751,814</u>

See notes to consolidated financial statements

VisionSpring, Inc.

Consolidated Statement of Functional Expenses Year Ended December 31, 2019 (with summarized totals for the year ended December 31, 2018)

	Program		Total Program	Management and General	Fundraising	2019 Total	2018 Total
	India	Global Partnerships					
Salaries and wages	\$ 1,562,801	\$ 512,406	\$ 2,075,207	\$ 481,219	\$ 338,115	\$ 2,894,541	\$ 2,253,203
Grants	-	783,909	783,909	-	-	783,909	573,461
Payroll taxes and benefits	56,743	77,921	134,664	73,119	61,889	269,672	193,673
Glasses	1,152,817	208,331	1,361,148	-	-	1,361,148	1,065,142
Freight and shipping	78,124	69,052	147,176	33	-	147,209	153,765
Professional fees and subcontractors	193,832	582,969	776,801	124,427	56,467	957,695	822,733
Travel	572,746	155,880	728,626	14,032	41,805	784,463	510,697
Marketing and advertising	29,660	33,238	62,898	1,528	28,465	92,891	96,724
Printing	16,372	-	16,372	522	-	16,894	16,887
Communications and information technology	42,124	16,549	58,673	173,596	900	233,169	99,686
Office	78,033	5,655	83,688	23,458	396	107,542	124,839
Repairs and maintenance	28,852	1,027	29,879	3,650	-	33,529	21,445
Miscellaneous	102,667	3,191	105,858	25,130	9,742	140,730	52,163
Rent and utilities	124,636	22,864	147,500	136,493	1,300	285,293	228,406
Depreciation and amortization	68,027	-	68,027	7,581	-	75,608	98,293
Insurance	5,860	-	5,860	9,173	-	15,033	14,778
Donated items	48,290	-	48,290	1,638	-	49,928	10,571
Bad debt	22,140	15,455	37,595	16,915	-	54,510	17,788
Total Expenses	<u>\$ 4,183,724</u>	<u>\$ 2,488,447</u>	<u>\$ 6,672,171</u>	<u>\$ 1,092,514</u>	<u>\$ 539,079</u>	<u>\$ 8,303,764</u>	<u>\$ 6,354,254</u>

See notes to consolidated financial statements

VisionSpring, Inc.

Consolidated Statement of Cash Flows Year Ended December 31, 2019 (with comparative amounts for the year ended December 31, 2018)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,210,597	\$ 1,374,463
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	75,608	98,293
Bad debt expense	54,510	17,788
Change in operating assets and liabilities		
Pledges receivable	(460,794)	(374,706)
Accounts and other receivables	66,578	(311,114)
Inventory	52,788	(92,532)
Other assets	(48,174)	(191,974)
Accounts payable and accrued expenses	297,648	372,224
Deferred revenue	<u>375,735</u>	<u>(201,657)</u>
Net Cash from Operating Activities	<u>1,624,496</u>	<u>690,785</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(71,990)	(139,274)
Change in investments	(4,286)	5,210
Purchase of intangible asset - software	<u>(36,000)</u>	<u>(162,936)</u>
Net Cash from Investing Activities	<u>(112,276)</u>	<u>(297,000)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Contribution from minority shareholder	<u>13</u>	<u>-</u>
 Change in Cash	1,512,233	393,785
 CASH		
Beginning of year	<u>5,423,815</u>	<u>5,030,030</u>
End of year	<u>\$ 6,936,048</u>	<u>\$ 5,423,815</u>

See notes to consolidated financial statements

VisionSpring, Inc.

Notes to Consolidated Financial Statements December 31, 2019

1. Organization

VisionSpring, Inc. ("VisionSpring"), is a not for profit organization established to create access to affordable eyewear for people earning less than \$4 per day in emerging and frontier markets. VisionSpring uses multiple distribution channels to deliver affordable, stylish, high-quality eyeglasses to poor and low income communities across the globe. VisionSpring aims to create replicable and scalable delivery methods to reach this customer-base with the eyeglasses they need to live full and productive lives.

- VisionSpring is a non-profit organization located in the United States whose principal activities are to distribute eyeglasses through wholesale channels and through vision access programs in Asia and Africa, which bring vision screening and eyeglass dispensing to rural communities, informal settlements, workplaces, schools and transportation hubs.
- VisionSpring India is a non-profit organization located in India that distributes eyeglasses through wholesale channels and through vision access programs. VisionSpring India reports its financial statements on a consolidated basis, which includes the accounts of three not-for profit entities; Vision Spring Society, VisionSpring Foundation, and VisionSpring India; and one for profit entity, Vision Spring Private Limited.
- VisionSpring Bangladesh Ltd. is a for profit entity incorporated in January 2019, whose principal activities are to distribute eyeglasses through wholesale channels and through vision access programs.

The consolidated financial statements entail VisionSpring, the four VisionSpring entities in India and VisionSpring Bangladesh Ltd. VisionSpring owns 99.99% of VisionSpring Private Limited, 99.99% of VisionSpring India and 99.88% of VisionSpring Bangladesh Ltd.

VisionSpring, Inc. is exempt from federal income taxes pursuant to Section 501(c)(3) of the United States Internal Revenue Code and from state and local taxes under comparable laws.

Provision for taxation has not been made for VisionSpring India, VisionSpring Foundation and VisionSpring Society as these entities have been recognized and registered under section 12-A of the India, Income Tax Act 1961 as entities exempt from paying income tax. In addition, VisionSpring Private Limited has not made any profit and therefore no tax provision has been recorded. Provision for VisionSpring Bangladesh Ltd. has been recorded at 32.5% of pretax income

2. Principles of Consolidation

These financial statements are prepared on a consolidated basis and include the accounts and activities of VisionSpring, Inc., VisionSpring entities in India, and VisionSpring Bangladesh Ltd. The consolidated entity is collectively referred to as the "Organization." All intercompany transactions and balances have been eliminated in consolidation.

VisionSpring, Inc.

Notes to Consolidated Financial Statements
December 31, 2019

3. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Non-Controlling Interest

The non-controlling interest represents the minority shareholders' interest in VisionSpring Bangladesh Ltd. and certain VisionSpring India entities.

Adoption of New Accounting Policies

On January 1, 2019, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"). This guidance provides a framework for evaluating whether grants and contributions should be accounted for as exchange transactions or as nonexchange transactions. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes contributions, and therefore no changes to the previously issued audited consolidated financial statements were required on a retrospective basis. Adoption of this ASU had no impact on the Organization's consolidated financial statements.

Additionally, on January 1, 2019, the Organization adopted ASU 2014-09 *Revenue from Contracts with Customers*, which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. Adoption of this ASU had no impact on the Organization's consolidated financial statements.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Asset Presentation

The classification of the Organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions represent resources that are not subject to donor-imposed restrictions.

VisionSpring, Inc.

Notes to Consolidated Financial Statements
December 31, 2019

3. Summary of Significant Accounting Policies *(continued)*

Net Asset Presentation (continued)

Net assets with donor restrictions represent net assets subject to donor-imposed restrictions that expire by the passage of time, or actions of the Organization. When a donor's time-restriction expires or a purpose-restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the accompanying consolidated statement of activities as "net assets released from restrictions."

Investments

Investments are held by VisionSpring Private Limited at December 31, 2019 and 2018 and consist of two certificates of deposit which are stated at cost plus accrued interest (which approximates fair value). The certificates of deposit matured on November 18, 2020 and August 11, 2020, were renewed through November 19, 2021 and January 11, 2022, and earn interest at 5.15% and 5.40%.

Allowance for Doubtful Accounts

An allowance for doubtful accounts is established for amounts where there exists doubt as to whether an amount will be fully collected. The determination of this allowance is an estimate based on the Organization's historical experience, review of account balances and expectations relative to collections.

Inventory

Inventories consist of reading glasses, frames and cases, which are stated at the lower of cost or net realizable value, with cost being determined by the first-in, first-out method.

Property and Equipment

Property and equipment is carried at cost less accumulated depreciation and amortization. Depreciation and amortization is provided under the straight-line method over the estimated useful lives of the assets which range from 2 to 20 years. The Organization has established a \$1,000 threshold above which assets are capitalized.

Contributions and Grants

Contributions and grants received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Contributions and grants with purpose or time restrictions are reported as increases in net assets with donor restrictions.

Unconditional promises to give are recognized as contribution revenue in the period received and as assets, decreases of liabilities or expenses depending on the form of the benefits received and are classified as with or without donor restrictions. Promises to give are recorded at net realizable value if expected to be collected in one year. Unconditional promises to give that are expected to be collected in the future years are recorded at the present value of those estimated future cash flows.

VisionSpring, Inc.

Notes to Consolidated Financial Statements
December 31, 2019

3. Summary of Significant Accounting Policies *(continued)*

Contributions and Grants (continued)

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Earned Income

Earned income from the sale of eyeglasses and eye care products are recorded when the products are shipped to B2B customers or sold directly to end consumers. Earned income from consulting fees or terms of service contracts are recorded in the period services are provided. Consulting and contract fees received in advance are reported in the accompanying consolidated statement of financial position as deferred revenue.

Foreign Currency Translation

The Organization's functional currency is the United States Dollar. As such, assets and liabilities denominated in foreign currencies are translated at year-end exchange rates and revenue and expenses are translated at average exchange rates during the year. Gains and losses from foreign currency translation for the period are included in the consolidated statement of activities.

Advertising Costs

Advertising costs are expensed as incurred. Advertising costs for 2019 and 2018 were \$35,725 and \$24,384.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses, which can be identified with a specific program or support service, are allocated directly, according to their natural expenditure; these expenses include grants, glasses, and professional fees and subcontractors. Costs that are common to several functions are allocated among the program and supporting services based on time and effort records, square footage, and estimates made by the Organization's management; these include salaries and wages, payroll taxes and benefits, travel, marketing and advertising, and communications and information technology.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for the periods prior to 2016.

VisionSpring, Inc.

Notes to Consolidated Financial Statements
December 31, 2019

3. Summary of Significant Accounting Policies *(continued)*

Reclassification

Certain expenses in the consolidated statement of functional expenses for 2018 have been reclassified in order to conform with the presentation for 2019.

Prior Year Summarized Comparative Information

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements as of and for the year ended December 31, 2018, from which the summarized information was derived.

Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which is January 6, 2021.

4. Concentration of Credit Risk

Financial instruments that potentially subject VisionSpring to concentrations of credit risk consist principally of cash and receivables. Receivables are expected to be collected in the normal course of business. VisionSpring maintains its cash in bank deposits in two financial institutions. At times, these accounts may exceed the federal insurance limits, and subject VisionSpring to a concentration of credit risk. VisionSpring has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on uninsured cash.

Cash held by foreign entities is not insured.

Approximately 27% and 34% of total support and revenue consists of contributions and grants derived from one and two grantors for the years ended December 31, 2019 and 2018.

VisionSpring, Inc.

Notes to Consolidated Financial Statements December 31, 2019

5. Receivables

Pledges receivable shown in the accompanying consolidated statement of financial position are all due within one year.

Accounts and other receivables consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
VisionSpring, Inc.	\$ 146,445	\$ 157,653
VisionSpring India	456,727	529,718
VisionSpring, Inc., Bangladesh	17,621	-
	<u>\$ 620,793</u>	<u>\$ 687,371</u>

6. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2019</u>	<u>2018</u>
Machinery and equipment	\$ 339,543	\$ 441,325
Furniture and fixtures	134,731	116,240
Leasehold improvements	-	6,600
	474,274	564,165
Accumulated depreciation and amortization	(163,791)	(304,376)
	<u>\$ 310,483</u>	<u>\$ 259,789</u>

7. Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows at December 31:

	<u>2019</u>	<u>2018</u>
BRAC/Bangladesh program costs	\$ 23,359	\$ 32,359
Clear Vision Collective Initiative	62,500	-
India program costs	33,333	-
	<u>\$ 119,192</u>	<u>\$ 32,359</u>

VisionSpring, Inc.

Notes to Consolidated Financial Statements December 31, 2019

7. Net Assets With Donor Restrictions (continued)

Net assets were released from donor restrictions as follows during the years ended December 31:

	<u>2019</u>	<u>2018</u>
BRAC/Bangladesh program costs	\$ 325,000	\$ 300,000
Global Partnerships	-	737,813
India program costs	66,667	148,200
See to Earn and See to Learn	1,171,165	566,456
Clear Vision Collective Initiative	212,500	-
Eye Camp	51,723	-
Other	<u>9,000</u>	<u>69,000</u>
	<u>\$ 1,836,055</u>	<u>\$ 1,821,469</u>

8. BRAC/Bangladesh Program Costs

In 2019 and 2018, VisionSpring invested in the BRAC program for Bangladesh by granting approximately \$1,106,000 and \$561,000. The investment contributed to the sale of eyeglasses and eyewear of approximately 149,000 units in 2019 and 182,000 units in 2018.

9. Pension Plan

VisionSpring has a defined contribution plan for its employees. Under this plan, VisionSpring matches 100% up to 4% of compensation. VisionSpring contributed \$29,760 and \$27,928 for 2019 and 2018.

VisionSpring India has a contribution plan for certain employees. Under this plan, VisionSpring India contributes up to 12% of compensation. VisionSpring India contributed \$12,788 and \$8,838 for 2019 and 2018.

10. Commitments

In February 2015, VisionSpring entered into a five year non-cancelable lease for office space. This lease ended in May 2020. Future minimum rental payments as of December 31, 2019 and through May 2020 are approximately \$28,000. Upon expiration of the lease, the landlord allowed VisionSpring to occupy the premises at approximately \$4,600 on a month to month basis.

VisionSpring India entered into two five year non-cancellable leases, one for office space another for warehouse space. These leases are scheduled to end on or before January 2023. Annual future minimum rental payments under these leases are approximately \$70,000 as of December 31, 2019.

Rent expense was \$229,717 and \$215,379 for 2019 and 2018.

VisionSpring, Inc.

Notes to Consolidated Financial Statements December 31, 2019

11. Liquidity and Availability of Financial Assets

The Organization's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the consolidated statement of financial position were as follows as of December 31:

	<u>2019</u>	<u>2018</u>
Financial assets:		
Cash	\$ 6,936,048	\$ 5,423,815
Investments	61,856	57,570
Pledges and grants receivable	1,523,012	1,116,728
Accounts and other receivable	<u>620,793</u>	<u>687,371</u>
Total Financial Assets	9,141,709	7,285,484
Less donor restricted for purpose	119,192	32,359
Add donor restricted to be released next year	<u>(119,192)</u>	<u>(32,359)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 9,141,709</u>	<u>\$ 7,285,484</u>

As part of the Organization's liquidity management strategy, the Organization structures its financial assets to be available as its general expenditures, liabilities and other obligations become due. The Organization's working capital and cash flows have cyclical variations during the year attributable to cash receipts of contributions and grants from donors and earned income. As a result, general expenditures over the next twelve months are supported through contributions, grants and contractual commitments from corporate partners.

12. Contingencies

Subsequent to year end, the Coronavirus ("COVID-19") pandemic has resulted in substantial volatility in the global financial markets. Because the value of the Organization's individual investments has and will fluctuate in response to changing market conditions, the amount of losses, if any, that may be recognized in subsequent periods, cannot be determined.

COVID-19 may have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flows, or financial condition.

In addition, the Organization received a \$208,139 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration ("SBA").

VisionSpring, Inc.

Notes to Consolidated Financial Statements December 31, 2019

12. Contingencies *(continued)*

The PPP Loan matures in April 2022, has an interest rate of 1.0% per annum and no payments are due until February 2021. If certain defined conditions are met, the PPP Loan may be forgiven by the SBA, otherwise the Organization will be required to repay the loan in full.

In 2018, VisionSpring India received a notice from the Reserve Bank of India (“RBI”) for violating FEMA provision i.r.o. and delay in allotment of shares against share application money. VisionSpring India management believes the violation may require payment of a fee and/or penalty which is not expected to be material in nature. However, management is unable to determine an estimate at this time.

13. Non-Controlling Interest

The change in non-controlling interest for the year ended December 31, 2019 was as follows:

Balance as of December 31, 2018	\$	-
Share capital contribution		13
Noncontrolling interest		<u>15</u>
Balance as of December 31, 2019	\$	<u><u>28</u></u>

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VisionSpring, Inc.

Supplementary Financial Information

December 31, 2019

VisionSpring, Inc.

Consolidating Schedule of Financial Position
December 31, 2019

	VisionSpring, Inc.	VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
ASSETS					
Cash	\$ 6,547,213	\$ 381,119	\$ 7,716	\$ -	\$ 6,936,048
Investments	10,000	61,856	-	(10,000)	61,856
Pledges receivable	1,523,012	-	-	-	1,523,012
Accounts and other receivables	146,445	456,727	17,621	-	620,793
Inventory	160,224	365,352	2,182	-	527,758
Intangible asset - software, net	112,942	-	-	-	112,942
Other assets	58,549	346,998	12,918	-	418,465
Property and equipment, net	8,740	295,834	5,909	-	310,483
	<u>\$ 8,567,125</u>	<u>\$ 1,907,886</u>	<u>\$ 46,346</u>	<u>\$ (10,000)</u>	<u>\$10,511,357</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 548,052	\$ 547,666	\$ 24,048	\$ -	\$ 1,119,766
Deferred revenue	429,167	-	-	-	429,167
Total Liabilities	<u>977,219</u>	<u>547,666</u>	<u>24,048</u>	<u>-</u>	<u>1,548,933</u>
Net Assets					
Without donor restrictions	7,470,714	1,360,220	22,298	10,000	8,843,232
With donor restrictions	119,192	-	-	-	119,192
Total Net Assets	<u>7,589,906</u>	<u>1,360,220</u>	<u>22,298</u>	<u>10,000</u>	<u>8,962,424</u>
	<u>\$ 8,567,125</u>	<u>\$ 1,907,886</u>	<u>\$ 46,346</u>	<u>\$ 10,000</u>	<u>\$10,511,357</u>

See independent auditors' report

VisionSpring, Inc.

Consolidating Schedule of Activities Year Ended December 31, 2019

	VisionSpring, Inc.			VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Total				
SUPPORT AND REVENUE							
Contributions and grants	\$ 4,509,883	\$ 1,922,888	\$ 6,432,771	\$ 3,670,671	\$ -	\$ (1,944,634)	\$ 8,158,808
Earned income	890,977	-	890,977	516,791	82,454	(82,454)	1,407,768
Investment and other income (loss)	(36,605)	-	(36,605)	17,549	-	-	(19,056)
Released from restrictions	1,836,055	(1,836,055)	-	-	-	-	-
Total Support and Revenue	<u>7,200,310</u>	<u>86,833</u>	<u>7,287,143</u>	<u>4,205,011</u>	<u>82,454</u>	<u>(2,027,088)</u>	<u>9,547,520</u>
EXPENSES							
Program							
India	2,181,283	-	2,181,283	4,029,529	-	(2,027,088)	4,183,724
Global partnerships	2,488,447	-	2,488,447	-	-	-	2,488,447
Total Program	4,669,730	-	4,669,730	4,029,529	-	(2,027,088)	6,672,171
Management and general	1,022,409	-	1,022,409	-	70,105	-	1,092,514
Fundraising	539,079	-	539,079	-	-	-	539,079
Total Expenses	<u>6,231,218</u>	<u>-</u>	<u>6,231,218</u>	<u>4,029,529</u>	<u>70,105</u>	<u>(2,027,088)</u>	<u>8,303,764</u>
Change in Net Assets Before Foreign Currency Translation (Loss)	969,092	86,833	1,055,925	175,482	12,349	-	1,243,756
Foreign currency translation (loss)	-	-	-	(33,095)	(23)	(41)	(33,159)
Change in Net Assets	969,092	86,833	1,055,925	142,387	12,326	(41)	1,210,597
Share capital contributions	-	-	-	-	9,987	(9,974)	13
Non-controlling interest	-	-	-	-	(15)	15	-
NET ASSETS							
Beginning of year	<u>6,501,622</u>	<u>32,359</u>	<u>6,533,981</u>	<u>1,217,833</u>	<u>-</u>	<u>-</u>	<u>7,751,814</u>
End of year	<u>\$ 7,470,714</u>	<u>\$ 119,192</u>	<u>\$ 7,589,906</u>	<u>\$ 1,360,220</u>	<u>\$ 22,298</u>	<u>\$ (10,000)</u>	<u>\$ 8,962,424</u>

See independent auditors' report