

**VisionSpring, Inc.**

Consolidated Financial Statements

December 31, 2020

## 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, 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 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 the four VisionSpring entities in India whose statements in aggregate reflect 15% of total assets as of December 31, 2020 and 11% of total support and revenue for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for this entity, 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 report 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, 2020, 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 16 and 17 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 report 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*

November 30, 2021

**VisionSpring, Inc.**

Consolidated Statement of Financial Position  
December 31, 2020  
(with comparative amounts at December 31, 2019)

	2020	2019
<b>ASSETS</b>		
Cash	\$ 9,128,902	\$ 6,936,048
Investments	65,596	61,856
Pledges receivable	1,819,756	1,846,945
Accounts and other receivables	660,682	561,173
Inventory	922,578	527,758
Intangible asset - software, net of accumulated amortization of \$140,306 and \$85,994	94,480	112,942
Other assets	339,726	418,465
Property and equipment, net	317,221	310,483
	<b>\$ 13,348,941</b>	<b>\$ 10,775,670</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 910,971	\$ 1,119,766
Deferred revenue	780,841	429,167
Refundable advance	300,000	-
Paycheck protection program loan	208,139	-
Total Liabilities	2,199,951	1,548,933
Net Assets		
Net assets without donor restrictions	10,990,204	9,107,517
Noncontrolling interest	453	28
	10,990,657	9,107,545
Net assets with donor restrictions	158,333	119,192
Total Net Assets	11,148,990	9,226,737
	<b>\$ 13,348,941</b>	<b>\$ 10,775,670</b>

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Activities Year Ended December 31, 2020 (with summarized totals for the year ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 8,178,079	\$ 1,204,877	\$ 9,382,956	\$ 8,482,741
Earned income	1,607,074	-	1,607,074	1,348,148
Investment and other income (loss)	63,725	-	63,725	(19,056)
Released from restrictions	<u>1,165,736</u>	<u>(1,165,736)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>11,014,614</u>	<u>39,141</u>	<u>11,053,755</u>	<u>9,811,833</u>
<b>EXPENSES</b>				
Program	7,503,397	-	7,503,397	6,672,171
Management and general	1,093,200	-	1,093,200	1,092,514
Fundraising	<u>502,950</u>	<u>-</u>	<u>502,950</u>	<u>539,079</u>
Total Expenses	<u>9,099,547</u>	<u>-</u>	<u>9,099,547</u>	<u>8,303,764</u>
Change in Net Assets Before Foreign				
Currency Translation Loss	1,915,067	39,141	1,954,208	1,508,069
Foreign currency translation loss	<u>(32,380)</u>	<u>-</u>	<u>(32,380)</u>	<u>(33,159)</u>
Change in Net Assets	1,882,687	39,141	1,921,828	1,474,910
Share capital contribution	425	-	425	13
<b>NET ASSETS</b>				
Beginning of year, restated	<u>9,107,545</u>	<u>119,192</u>	<u>9,226,737</u>	<u>7,751,814</u>
End of year	<u>\$10,990,657</u>	<u>\$ 158,333</u>	<u>\$11,148,990</u>	<u>\$ 9,226,737</u>

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Functional Expenses Year Ended December 31, 2020 (with summarized totals for the year ended December 31, 2019)

	Program				Management and General	Fundraising	2020 Total	2019 Total
	India	Bangladesh	Global Partnerships	Total Program				
Salaries and wages	\$ 1,594,255	\$ 48,437	\$ 718,082	\$ 2,360,774	\$ 345,071	\$ 402,583	\$ 3,108,428	\$ 2,894,541
Grants	-		838,764	838,764	-	-	838,764	783,909
Payroll taxes and benefits	60,050	6,433	132,767	199,250	64,153	74,846	338,249	269,672
Glasses and accessories	490,533	13,710	302,400	806,643	-	-	806,643	1,361,148
Personal protective equipment	220,305	-	720,510	940,815	-	-	940,815	
Freight and shipping	65,438	468	260,215	326,121	-	-	326,121	147,209
Professional fees and subcontractors	157,945	128,502	839,874	1,126,321	381,877	1,600	1,509,798	957,695
Travel and meals	268,155	16,377	82,048	366,580	15,421	11,510	393,511	784,463
Marketing and advertising	15,026	2,276	14,282	31,584	457	1,787	33,828	92,891
Printing	5,614	5,738	4,354	15,706	2,498	109	18,313	16,894
Communications and information technology	27,832	1,909	24,668	54,409	87,871	1,488	143,768	233,169
Office	42,229	891	3,164	46,284	19,231	1,550	67,065	107,542
Repairs and maintenance	15,579	-	-	15,579	3,555	-	19,134	33,529
Miscellaneous	70,376	21,479	15,990	107,845	28,370	7,477	143,692	140,730
Rent and utilities	116,095	15,905	32,540	164,540	73,751	-	238,291	285,293
Depreciation and amortization	80,236	647	647	81,530	59,203	-	140,733	75,608
Insurance	4,693	559	84	5,336	3,816	-	9,152	15,033
Donated assets	15,316	-	-	15,316	-	-	15,316	49,928
Bad debt	-	-	-	-	7,926	-	7,926	54,510
<b>Total Expenses</b>	<b><u>\$ 3,249,677</u></b>	<b><u>\$ 263,331</u></b>	<b><u>\$ 3,990,389</u></b>	<b><u>\$ 7,503,397</u></b>	<b><u>\$ 1,093,200</u></b>	<b><u>\$ 502,950</u></b>	<b><u>\$ 9,099,547</u></b>	<b><u>\$ 8,303,764</u></b>

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Cash Flows Year Ended December 31, 2020 (with comparative amounts for the year ended December 31, 2019)

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,921,828	\$ 1,474,910
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	140,733	75,608
Bad debt expense	7,926	54,510
Change in operating assets and liabilities		
Pledges receivable	19,263	(784,727)
Accounts and other receivables	(99,509)	126,198
Inventory	(394,820)	52,788
Other assets	78,739	(48,174)
Accounts payable and accrued expenses	(208,795)	297,648
Deferred revenue	351,674	375,735
Refundable advance	300,000	-
Net Cash from Operating Activities	2,117,039	1,624,496
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(93,160)	(71,990)
Reinvested interest	(3,740)	(4,286)
Purchase of intangible asset - software	(35,849)	(36,000)
Net Cash from Investing Activities	(132,749)	(112,276)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contribution from minority shareholder	425	13
Proceeds from paycheck protection program loan	208,139	-
Net Cash from Investing Activities	208,564	13
 Change in Cash	2,192,854	1,512,233
 <b>CASH</b>		
Beginning of year	6,936,048	5,423,815
End of year	\$ 9,128,902	\$ 6,936,048

See notes to consolidated financial statements

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2020

### 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, VisionSpring Foundation and Vision Spring Society are non-profit organizations located in India. The accounts of the three not-for profit entities; and one for profit entity, also located in India, Vision Spring Private Limited report their financial statements on a consolidated basis. The mission of these four entities is to conduct eye-screenings and/or provide eyeglasses to those who lack access to them. These entities also work on COVID response and relief, and on creating social impact on the poor, underprivileged, and underserved.
- 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.

These 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 Foundation and VisionSpring Society are independent entities.

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. In accordance with the Bangladesh Income Tax Ordinance, the tax provision for VisionSpring Bangladesh Ltd. has been recorded at the actual advance income tax withheld.

### 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, 2020

### 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.

#### ***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.

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, 2020 and 2019 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, and were renewed through November 19, 2021 and January 11, 2022, and earn interest at 5.15% and 5.40%.

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2020

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

#### ***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.

#### ***Intangible Assets - software***

Intangible assets – software is carried at cost less accumulated amortization. Amortization is provided under the straight-line method over the estimated useful life of the intangible asset which is 3 years. The Organization has established a \$1,000 threshold above which intangible assets are capitalized.

#### ***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.

#### ***Refundable Advance***

Refundable advance represents funds received to support a program with a condition of repayment back to the funder when sales from the respective program equal the refundable advance.

#### ***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, 2020

### 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 business to business 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 2020 and 2019 were \$17,179 and \$35,725.

#### ***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 accessories, personal protective equipment and freight and shipping. 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, professional fees and subcontractors, travel and meals, rent and utilities, and communications and information technology.

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2020

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

#### ***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 2017.

#### ***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, 2019, 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 November 30, 2021.

### 4. Concentration of Credit Risk

Financial instruments that potentially subject the Organization 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 three 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 31% and 27% of total support and revenue consists of contributions and grants derived from one grantor for the years ended December 31, 2020 and 2019.

### 5. Receivables

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

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2020

#### 5. Receivables (continued)

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

	<u>2020</u>	<u>2019</u>
VisionSpring, Inc.	\$ 208,338	\$ 86,825
VisionSpring India	419,909	456,727
VisionSpring, Inc., Bangladesh	32,435	17,621
	<u>\$ 660,682</u>	<u>\$ 561,173</u>

#### 6. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Machinery and equipment	\$ 393,368	\$ 339,543
Furniture and fixtures	132,760	134,731
	526,128	474,274
Accumulated depreciation and amortization	<u>(208,907)</u>	<u>(163,791)</u>
	<u>\$ 317,221</u>	<u>\$ 310,483</u>

#### 7. Paycheck Protection Program Loan

On April 27, 2020, the Organization received loan proceeds in the amount of \$208,139 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable provided the Organization uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period of either eight or twenty-four weeks (the "Covered Period"). The unforgiven portion of the PPP loan, if any, is payable over two years from the date of the loan. Loan payments of principal and interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration ("SBA"). The entire amount received under the PPP is reported as a loan payable in the statement of financial position at December 31, 2020.

On March 22, 2021, certain conditions were met, and the loan was fully forgiven.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2020

#### 8. Net Assets with Donor Restrictions

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

	<u>2020</u>	<u>2019</u>
BRAC/Bangladesh program costs	\$ -	\$ 23,359
Clear Vision Collective Initiative	125,000	62,500
India program costs	<u>33,333</u>	<u>33,333</u>
	<u>\$ 158,333</u>	<u>\$ 119,192</u>

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

	<u>2020</u>	<u>2019</u>
BRAC/Bangladesh program costs	\$ 28,359	\$ 325,000
India program costs	537,377	66,667
See to Earn and See to Learn	-	1,171,165
Clear Vision Collective Initiative	-	212,500
Eye Camp	25,000	51,723
Time restriction	575,000	-
Other	<u>-</u>	<u>9,000</u>
	<u>\$ 1,165,736</u>	<u>\$ 1,836,055</u>

#### 9. BRAC/Bangladesh Program Costs

In 2020 and 2019, VisionSpring invested in the BRAC program for Bangladesh by granting approximately \$488,000 and \$1,106,000, respectively. The investment contributed to the sale of eyeglasses and eyewear of approximately 115,000 units in 2020 and 149,000 units in 2019.

#### 10. Pension Plan

VisionSpring has a defined contribution plan for its employees. Under this plan, VisionSpring matches 100% up to 4% of compensation. VisionSpring contributed \$27,887 and \$29,760 for 2020 and 2019.

VisionSpring India has a contribution plan for certain employees. Under this plan, VisionSpring India contributes up to 12% of compensation. VisionSpring India contributed \$16,093 and \$12,788 for 2020 and 2019.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2020

#### 11. Commitments

In February 2015, VisionSpring entered into a five-year non-cancelable lease for office space. The lease ended in May 2020, and upon its expiration, the landlord allowed VisionSpring to occupy the premises on a month to month basis through February 2021 at a monthly rate of approximately \$5,600. Subsequently, VisionSpring elected to vacate the office space.

VisionSpring India entered into two five year leases, one cancelable for office space and another non-cancelable for warehouse space. The lease on the warehouse expired in December 2020.

Rent expense was \$219,399 and \$229,717 for 2020 and 2019.

#### 12. 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:

	2020	2019
Financial assets:		
Cash	\$ 9,128,902	\$ 6,936,048
Investments	65,596	61,856
Pledges and grants receivable	1,819,756	1,846,945
Accounts and other receivables	<u>660,682</u>	<u>561,173</u>
Total Financial Assets	11,674,936	9,406,022
Less donor restricted for purpose	158,333	119,192
Add donor restricted to be released next year	<u>(158,333)</u>	<u>(119,192)</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 11,674,936</u>	<u>\$ 9,406,022</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.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2020

#### 13. Contingencies

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 continues to believe 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.

The Coronavirus (“COVID-19”) may continue to 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.

#### 14. Non-Controlling Interest

The change in non-controlling interest for the year ended December 31, 2020 and 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		28
Share capital contribution		425
Noncontrolling interest		<u>-</u>
Balance as of December 31, 2020	\$	<u><u>453</u></u>

#### 15. Prior Period Adjustments

Net assets at January 1, 2020 have been restated to:

- Record pledges receivable aggregating \$575,000.
- Correct pledges receivable with a decrease aggregating \$251,067.
- Correct accounts and other receivables with a decrease aggregating \$59,620.



**VisionSpring, Inc.**

Notes to Consolidated Financial Statements  
December 31, 2020

**15. Prior Period Adjustments (continued)**

The net effect of the above restatements are reflected as Balances Restated as shown below, and in the December 31, 2019 consolidated statements of financial position and statement of activities:

	Balance as Previously Reported	Prior Period Adjustments	Balance Restated
Pledges receivable	\$ 1,523,012	\$ 323,933	\$ 1,846,945
Accounts and other receivable	620,793	(59,620)	561,173
Net assets	8,962,424	264,313	9,226,737
Contributions and grants	8,158,808	323,933	8,482,741
Earned income	1,407,768	(59,620)	1,348,148

\* \* \* \* \*

**VisionSpring, Inc.**

Supplementary Financial Information

December 31, 2020

**VisionSpring, Inc.**

Consolidating Schedule of Financial Position  
December 31, 2020

	VisionSpring, Inc.	VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
<b>ASSETS</b>					
Cash	\$ 8,684,903	\$ 359,152	\$ 84,847	\$ -	\$ 9,128,902
Investments	118,284	65,596	-	(118,284)	65,596
Pledges receivable	1,819,756	-	-	-	1,819,756
Accounts and other receivables	208,338	419,909	32,435	-	660,682
Inventory	282,058	597,837	42,683	-	922,578
Intangible asset - software, net	94,480	-	-	-	94,480
Other assets	28,381	279,045	32,300	-	339,726
Property and equipment, net	5,048	306,753	5,420	-	317,221
	<u>\$ 11,241,248</u>	<u>\$ 2,028,292</u>	<u>\$ 197,685</u>	<u>\$ (118,284)</u>	<u>\$ 13,348,941</u>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Accounts payable and accrued expenses	\$ 603,100	\$ 239,580	\$ 68,291	\$ -	\$ 910,971
Deferred revenue	780,841	-	-	-	780,841
Refundable advance	300,000	-	-	-	300,000
Paycheck protection program loan	208,139	-	-	-	208,139
Total Liabilities	<u>1,892,080</u>	<u>239,580</u>	<u>68,291</u>	<u>-</u>	<u>2,199,951</u>
Net Assets					
Without donor restrictions	9,190,835	1,788,712	129,394	(118,284)	10,990,657
With donor restrictions	158,333	-	-	-	158,333
Total Net Assets	<u>9,349,168</u>	<u>1,788,712</u>	<u>129,394</u>	<u>(118,284)</u>	<u>11,148,990</u>
	<u>\$ 11,241,248</u>	<u>\$ 2,028,292</u>	<u>\$ 197,685</u>	<u>\$ (118,284)</u>	<u>\$ 13,348,941</u>

See independent auditors' report

## VisionSpring, Inc.

### Consolidating Schedule of Activities Year Ended December 31, 2020

	VisionSpring, Inc.			VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Total				
<b>SUPPORT AND REVENUE</b>							
Contributions and grants	\$ 7,281,437	\$ 1,204,877	\$ 8,486,314	\$ 3,379,278	\$ -	\$ (2,482,636)	\$ 9,382,956
Earned income	1,333,021	-	1,333,021	248,460	368,551	(342,958)	1,607,074
Investment and other income	41,063	-	41,063	22,662	-	-	63,725
Released from restrictions	1,165,736	(1,165,736)	-	-	-	-	-
Total Support and Revenue	<u>9,821,257</u>	<u>39,141</u>	<u>9,860,398</u>	<u>3,650,400</u>	<u>368,551</u>	<u>(2,825,594)</u>	<u>11,053,755</u>
<b>EXPENSES</b>							
Program							
India	2,540,850	-	2,540,850	3,191,463	-	(2,482,636)	3,249,677
Bangladesh	606,289	-	606,289	-	-	(342,958)	263,331
Global partnerships	3,932,607	-	3,932,607	-	57,782	-	3,990,389
Total Program	<u>7,079,746</u>	<u>-</u>	<u>7,079,746</u>	<u>3,191,463</u>	<u>57,782</u>	<u>(2,825,594)</u>	<u>7,503,397</u>
Management and general	782,753	-	782,753	-	310,447	-	1,093,200
Fundraising	502,950	-	502,950	-	-	-	502,950
Total Expenses	<u>8,365,449</u>	<u>-</u>	<u>8,365,449</u>	<u>3,191,463</u>	<u>368,229</u>	<u>(2,825,594)</u>	<u>9,099,547</u>
Change in Net Assets Before Foreign							
Currency Translation Loss	1,455,808	39,141	1,494,949	458,937	322	-	1,954,208
Foreign currency translation loss	-	-	-	(30,445)	(425)	(1,510)	(32,380)
Change in Net Assets	<u>1,455,808</u>	<u>39,141</u>	<u>1,494,949</u>	<u>428,492</u>	<u>(103)</u>	<u>(1,510)</u>	<u>1,921,828</u>
Share capital contributions	-	-	-	-	107,199	(106,774)	425
<b>NET ASSETS</b>							
Beginning of year, restated	<u>7,735,027</u>	<u>119,192</u>	<u>7,854,219</u>	<u>1,360,220</u>	<u>22,298</u>	<u>(10,000)</u>	<u>9,226,737</u>
End of year	<u>\$ 9,190,835</u>	<u>\$ 158,333</u>	<u>\$ 9,349,168</u>	<u>\$ 1,788,712</u>	<u>\$ 129,394</u>	<u>\$ (118,284)</u>	<u>\$ 11,148,990</u>

See independent auditors' report