

**VisionSpring, Inc.**

Consolidated Financial Statements

December 31, 2021

## Independent Auditors' Report

**Board of Directors**  
**VisionSpring, Inc.**

### *Opinion*

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, 2021, 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.

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 the Organization as of December 31, 2021, 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.

We did not audit the consolidated financial statements of the four VisionSpring entities in India whose statements in aggregate reflect 12% of total assets as of December 31, 2021 and 16% 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 these entities, is based solely on the report of other auditors.

### *Basis for Opinion*

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

### *Responsibilities of Management for the Consolidated Financial Statements*

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

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

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Summarized Comparative Information***

We have previously audited VisionSpring, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***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 17 and 18 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*

December 6, 2022

**VisionSpring, Inc.**

Consolidated Statement of Financial Position  
December 31, 2021  
(with comparative amounts at December 31, 2020)

	2021	2020
<b>ASSETS</b>		
Cash	\$ 9,925,177	\$ 9,128,902
Investments	38,703	65,596
Pledges receivable	4,863,783	1,819,756
Accounts and other receivables	905,409	660,682
Inventory	975,520	922,578
Intangible asset - software, net of accumulated amortization of \$177,306 and \$140,306	62,480	94,480
Other assets	294,393	339,726
Property and equipment, net	534,250	317,221
	\$ 17,599,715	\$ 13,348,941
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 950,803	\$ 910,971
Deferred revenue	565,082	780,841
Refundable advance	200,000	300,000
Paycheck protection program loan	-	208,139
Total Liabilities	1,715,885	2,199,951
Net Assets		
Net assets without donor restrictions	14,043,063	10,990,204
Noncontrolling interest	395	453
	14,043,458	10,990,657
Net assets with donor restrictions	1,840,372	158,333
Total Net Assets	15,883,830	11,148,990
	\$ 17,599,715	\$ 13,348,941

See notes to consolidated financial statements

**VisionSpring, Inc.**

Consolidated Statement of Activities  
Year Ended December 31, 2021  
(with summarized totals for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>SUPPORT AND REVENUE</b>				
Contributions and grants	\$ 11,068,375	\$ 2,961,205	\$ 14,029,580	\$ 9,382,956
Earned income	1,910,662	-	1,910,662	1,607,074
Investment and other income	34,793	-	34,793	63,725
Released from restrictions	<u>1,279,166</u>	<u>(1,279,166)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>14,292,996</u>	<u>1,682,039</u>	<u>15,975,035</u>	<u>11,053,755</u>
<b>EXPENSES</b>				
Program	9,138,514	-	9,138,514	7,503,397
Management and general	1,455,088	-	1,455,088	1,093,200
Fundraising	<u>617,170</u>	<u>-</u>	<u>617,170</u>	<u>502,950</u>
Total Expenses	<u>11,210,772</u>	<u>-</u>	<u>11,210,772</u>	<u>9,099,547</u>
Change in Net Assets Before Foreign				
Currency Translation Loss	3,082,224	1,682,039	4,764,263	1,954,208
Foreign currency translation loss	<u>(29,423)</u>	<u>-</u>	<u>(29,423)</u>	<u>(32,380)</u>
Change in Net Assets	3,052,801	1,682,039	4,734,840	1,921,828
Share capital contribution	-	-	-	425
<b>NET ASSETS</b>				
Beginning of year	<u>10,990,657</u>	<u>158,333</u>	<u>11,148,990</u>	<u>9,226,737</u>
End of year	<u>\$ 14,043,458</u>	<u>\$ 1,840,372</u>	<u>\$ 15,883,830</u>	<u>\$ 11,148,990</u>

See notes to consolidated financial statements

**VisionSpring, Inc.**

Consolidated Statement of Functional Expenses  
Year Ended December 31, 2021  
(with summarized totals for the year ended December 31, 2020)

	Program			Total Program	Management and General	Fundraising	2021 Total	2020 Total
	India	Bangladesh	Global Partnerships					
Salaries and wages	\$ 1,713,264	\$ 143,343	\$ 792,605	\$ 2,649,212	\$ 400,370	\$ 481,764	\$ 3,531,346	\$ 3,108,428
Grants	61,519	12,745	530,321	604,585	-	-	604,585	838,764
Payroll taxes and benefits	74,254	5,855	143,569	223,678	76,640	78,627	378,945	338,249
Glasses and accessories	971,170	118,691	348,243	1,438,104	-	-	1,438,104	806,643
Covid response equipment and supplies	1,220,378	48,366	108,950	1,377,694	-	-	1,377,694	940,815
Freight, shipping and warehousing	80,613	17,857	346,154	444,624	-	-	444,624	326,121
Professional fees and subcontractors	150,132	218,674	930,274	1,299,080	687,578	13,120	1,999,778	1,509,798
Travel and meals	246,090	48,051	94,359	388,500	22,895	11,313	422,708	393,511
Marketing	8,843	2,628	40,880	52,351	18,850	2,085	73,286	33,828
Printing	3,684	3,486	3,195	10,365	-	2	10,367	18,313
Information technology	22,527	4,162	88,162	114,851	169,355	27,164	311,370	143,768
Office	95,442	21,740	10,493	127,675	11,493	1,699	140,867	67,065
Repairs and maintenance	17,512	1,298	666	19,476	290	-	19,766	19,134
Rent and utilities	129,529	15,428	19,945	164,902	19,089	-	183,991	238,291
Depreciation and amortization	113,070	2,722	37,000	152,792	6,534	-	159,326	140,733
Insurance	22,622	2,909	7,829	33,360	22,945	-	56,305	9,152
Donated assets	-	-	-	-	-	-	-	15,316
Bad debt	19,778	5,798	-	25,576	9,216	-	34,792	7,926
Miscellaneous	8,887	1,406	1,396	11,689	9,833	1,396	22,918	143,692
<b>Total Expenses</b>	<b><u>\$ 4,959,314</u></b>	<b><u>\$ 675,159</u></b>	<b><u>\$ 3,504,041</u></b>	<b><u>\$ 9,138,514</u></b>	<b><u>\$ 1,455,088</u></b>	<b><u>\$ 617,170</u></b>	<b><u>\$ 11,210,772</u></b>	<b><u>\$ 9,099,547</u></b>

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Cash Flows Year Ended December 31, 2021 (with comparative amounts for the year ended December 31, 2020)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 4,734,840	\$ 1,921,828
Adjustments to reconcile change in net assets to net cash from operating activities		
Paycheck Protection Program loan forgiveness	(208,139)	-
Donated stock	(7,678)	-
Depreciation and amortization	159,326	140,733
Bad debt expense	34,792	7,926
Change in operating assets and liabilities		
Pledges receivable	(3,078,819)	19,263
Accounts and other receivables	(244,727)	(99,509)
Inventory	(52,942)	(394,820)
Other assets	45,333	78,739
Accounts payable and accrued expenses	39,832	(208,795)
Deferred revenue	(215,759)	351,674
Refundable advance	(100,000)	300,000
Net Cash from Operating Activities	1,106,059	2,117,039
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(339,355)	(93,160)
Proceeds from maturity of investments	73,274	-
Purchase of investments	(38,703)	(3,740)
Purchase of intangible asset - software	(5,000)	(35,849)
Net Cash from Investing Activities	(309,784)	(132,749)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contribution from minority shareholder	-	425
Proceeds from paycheck protection program loan	-	208,139
Net Cash from Investing Activities	-	208,564
Change in Cash	796,275	2,192,854
<b>CASH</b>		
Beginning of year	9,128,902	6,936,048
End of year	\$ 9,925,177	\$ 9,128,902

See notes to consolidated financial statements



## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2021

#### 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 but does not exercise control, 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. 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, 2021

### 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, 2021 and 2020 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 19, 2021 and January 11, 2022, and were renewed through November 20, 2022 and October 16, 2023, and earn interest at 5.10% and 5.70%.

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2021

### 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***

Inventory consists 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 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, 2021

### 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 is 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 when the services are provided. Consulting and contract fees received in advance are reported in the accompanying consolidated statement of financial position as deferred revenue.

Accounts and other receivables as of January 1, 2020 totaled \$620,793.

#### ***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 2021 and 2020 were \$73,040 and \$33,828.

#### ***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, 2021

### 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 2018.

#### ***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, 2020, 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 December 6, 2022.

### 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 19% and 31% of total support and revenue consists of contributions and grants derived from one grantor for the years ended December 31, 2021 and 2020. Pledges receivable from this grantor was approximately \$1,574,000 and \$1,730,000 as of December 31, 2021 and 2020.

### 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, 2021

#### 5. Receivables (continued)

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

	<u>2021</u>	<u>2020</u>
VisionSpring, Inc.	\$ 338,147	\$ 208,338
VisionSpring India	496,463	419,909
VisionSpring Bangladesh	70,799	32,435
	<u>\$ 905,409</u>	<u>\$ 660,682</u>

#### 6. Property and Equipment

Property and equipment consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Machinery and equipment	\$ 688,983	\$ 393,368
Furniture and fixtures	167,881	132,760
	856,864	526,128
Accumulated depreciation and amortization	(322,614)	(208,907)
	<u>\$ 534,250</u>	<u>\$ 317,221</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 was reported as a loan payable in the consolidated statement of financial position at December 31, 2020.

On March 22, 2021, the defined conditions were met, and as a result, the SBA notified the Organization that the PPP loan was forgiven. Under requirements contained in ASU 2018-08, "Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made," the Organization recognized the full amount of the proceeds from the PPP loan as a federal grant, which is included in contributions and grants in the 2021 consolidated statement of activities.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2021

#### 8. Net Assets with Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
BRAC/Bangladesh program costs	\$ 1,200,000	\$ -
Pharmacy Development	299,149	-
COVID Response	228,723	-
Clear Vision Collective Initiative	79,500	125,000
India program costs	33,000	33,333
	<u>\$ 1,840,372</u>	<u>\$ 158,333</u>

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

	<u>2021</u>	<u>2020</u>
India program costs	\$ 430,000	\$ 537,377
Clear Vision Collective Initiative	369,166	-
COVID Response	255,000	-
BRAC/Bangladesh program costs	200,000	28,359
Time restriction	-	575,000
Eye Camp	25,000	25,000
	<u>\$ 1,279,166</u>	<u>\$ 1,165,736</u>

#### 9. BRAC/Bangladesh Program Costs

In 2021 and 2020, VisionSpring invested in the BRAC program for Bangladesh by granting approximately \$530,000 and \$488,000. The investment contributed to the sale of eyeglasses and eyewear of approximately 141,000 units in 2021 and 115,000 units in 2020.

#### 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 \$38,966 and \$27,887 for 2021 and 2020.

VisionSpring India has a contribution plan for certain employees. Under this plan, VisionSpring India contributes up to 12% of compensation. VisionSpring India contributed \$28,739 and \$16,903 for 2021 and 2020.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2021

#### 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 \$165,536 and \$215,608 for 2021 and 2020.

#### 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:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 9,925,177	\$ 9,128,902
Investments	38,703	65,596
Pledges and grants receivable	4,863,783	1,819,756
Accounts and other receivables	905,409	660,682
Total Financial Assets	<u>15,733,072</u>	<u>11,674,936</u>
Less donor restricted for purpose	(1,840,372)	(158,333)
Add donor restricted to be released next year	<u>1,840,372</u>	<u>158,333</u>
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 15,733,072</u>	<u>\$ 11,674,936</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, 2021

### 13. Contingencies

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 made a payment of approximately \$38,000 in March 2022. Management is unable to determine if any further fees or penalties will be owed as a result of this violation.

The Coronavirus (“COVID-19”) and other global events may have an adverse effect on the results of operations. Given the uncertainty around other global events and the extent and timing of the potential future spread or mitigation of COVID-19, 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 years ended December 31, 2021 and 2020 was as follows:

Balance as of December 31, 2019	\$ 28
Share capital contribution	<u>425</u>
Balance as of December 31, 2020	453
Share of income (loss)	<u>(58)</u>
Balance as of December 31, 2021	<u>\$ 395</u>

\* \* \* \* \*

**VisionSpring, Inc.**

Supplementary Financial Information

December 31, 2021

**VisionSpring, Inc.**

Consolidating Schedule of Financial Position  
December 31, 2021

	VisionSpring, Inc.	VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
<b>ASSETS</b>					
Cash	\$ 9,290,170	\$ 560,755	\$ 74,252	\$ -	\$ 9,925,177
Investments	125,962	31,025	-	(118,284)	38,703
Pledges receivable	4,863,783	-	-	-	4,863,783
Accounts and other receivables	338,147	496,463	70,799	-	905,409
Inventory	526,307	363,903	85,310	-	975,520
Intangible asset - software, net	62,480	-	-	-	62,480
Other assets	43,572	180,280	70,541	-	294,393
Property and equipment, net	19,429	502,404	12,417	-	534,250
	<u>\$ 15,269,850</u>	<u>\$ 2,134,830</u>	<u>\$ 313,319</u>	<u>\$ (118,284)</u>	<u>\$ 17,599,715</u>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Accounts payable and accrued expenses	\$ 473,985	\$ 330,806	\$ 146,012	\$ -	\$ 950,803
Deferred revenue	565,082	-	-	-	565,082
Refundable advance	200,000	-	-	-	200,000
Total Liabilities	<u>1,239,067</u>	<u>330,806</u>	<u>146,012</u>	<u>-</u>	<u>1,715,885</u>
Net Assets					
Without donor restrictions	12,190,411	1,804,024	167,307	(118,284)	14,043,458
With donor restrictions	1,840,372	-	-	-	1,840,372
Total Net Assets	<u>14,030,783</u>	<u>1,804,024</u>	<u>167,307</u>	<u>(118,284)</u>	<u>15,883,830</u>
	<u>\$ 15,269,850</u>	<u>\$ 2,134,830</u>	<u>\$ 313,319</u>	<u>\$ (118,284)</u>	<u>\$ 17,599,715</u>

See independent auditors' report

**VisionSpring, Inc.**

Consolidating Schedule of Activities

Year Ended December 31, 2021

	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	\$ 9,744,611	\$ 2,961,205	\$ 12,705,816	\$ 3,888,322	\$ -	\$ (2,564,558)	\$ 14,029,580
Earned income	735,642	-	735,642	1,110,223	713,373	(648,576)	1,910,662
Investment and other income	29,286	-	29,286	5,507	-	-	34,793
Released from restrictions	1,279,166	(1,279,166)	-	-	-	-	-
Total Support and Revenue	<u>11,788,705</u>	<u>1,682,039</u>	<u>13,470,744</u>	<u>5,004,052</u>	<u>713,373</u>	<u>(3,213,134)</u>	<u>15,975,035</u>
<b>EXPENSES</b>							
Program							
India	2,564,555	-	2,564,555	4,959,317	-	(2,564,558)	4,959,314
Bangladesh	1,323,735	-	1,323,735	-	-	(648,576)	675,159
Global partnerships	<u>3,381,541</u>	<u>-</u>	<u>3,381,541</u>	<u>-</u>	<u>122,500</u>	<u>-</u>	<u>3,504,041</u>
Total Program	7,269,831	-	7,269,831	4,959,317	122,500	(3,213,134)	9,138,514
Management and general	902,128	-	902,128	-	552,960	-	1,455,088
Fundraising	<u>617,170</u>	<u>-</u>	<u>617,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,170</u>
Total Expenses	<u>8,789,129</u>	<u>-</u>	<u>8,789,129</u>	<u>4,959,317</u>	<u>675,460</u>	<u>(3,213,134)</u>	<u>11,210,772</u>
Change in Net Assets Before Foreign							
Currency Translation Loss	2,999,576	1,682,039	4,681,615	44,735	37,913	-	4,764,263
Foreign currency translation loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,423)</u>	<u>-</u>	<u>-</u>	<u>(29,423)</u>
Change in Net Assets	2,999,576	1,682,039	4,681,615	15,312	37,913	-	4,734,840
<b>NET ASSETS</b>							
Beginning 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>
End of year	<u>\$ 12,190,411</u>	<u>\$ 1,840,372</u>	<u>\$ 14,030,783</u>	<u>\$ 1,804,024</u>	<u>\$ 167,307</u>	<u>\$ (118,284)</u>	<u>\$ 15,883,830</u>

See independent auditors' report