

**VisionSpring, Inc.**

Consolidated Financial Statements

December 31, 2023

## 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, 2023, 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, 2023, 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 VisionSpring Private Limited and VisionSpring India, and the individual financial statements of VisionSpring Nigeria Eye Health Initiative Company LTD/GTE, VisionSpring Ghana Limited, and VisionSpring Bangladesh Ltd., identified in Note 1, whose statements in aggregate reflect 9% of total assets as of December 31, 2023 and 5% 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.

#### *Emphasis of Matter*

As discussed in Note 3 to the consolidated financial statements, the Organization adopted Financial Accounting Standards Board ("FASB") Topic 326, *Financial Instruments – Credit Losses*, which resulted in the accounting of lifetime expected credit losses on certain financial instruments effective January 1, 2023. Our opinion is not modified with respect to that matter.

***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 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 judgment 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 judgment, 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 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 19 and 20 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 4, 2024

## VisionSpring, Inc.

### Consolidated Statement of Financial Position December 31, 2023

#### ASSETS

Cash and cash equivalents	\$ 2,445,844
Investments	20,089,406
Pledges receivable	3,367,000
Accounts and other receivables, net of allowance for credit losses of \$137,884	1,374,881
Inventory	1,336,692
Intangible asset - software, net of accumulated amortization of \$209,253	34,283
Other assets	447,851
Right of use asset	172,192
Property and equipment, net	<u>360,529</u>
	<u>\$ 29,628,678</u>

#### LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 1,240,200
Deferred revenue	10,367
Lease liability	<u>182,158</u>
Total Liabilities	<u>1,432,725</u>
Net Assets	
Net assets without donor restrictions	26,761,100
Noncontrolling interest	<u>408</u>
	26,761,508
Net assets with donor restrictions	<u>1,434,445</u>
Total Net Assets	<u>28,195,953</u>
	<u>\$ 29,628,678</u>

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Activities Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions and grants	\$ 8,363,380	\$ 1,538,678	\$ 9,902,058
Earned income	1,528,110	-	1,528,110
Investment and other income	1,935,545	-	1,935,545
Released from restrictions	1,934,149	(1,934,149)	-
Total Support and Revenue	13,761,184	(395,471)	13,365,713
<b>EXPENSES</b>			
Program	10,594,785	-	10,594,785
Management and general	2,081,143	-	2,081,143
Fundraising	1,278,680	-	1,278,680
Total Expenses	13,954,608	-	13,954,608
Change in Net Assets Before Foreign			
Currency Translation Loss	(193,424)	(395,471)	(588,895)
Foreign currency translation loss	(110,027)	-	(110,027)
Change in Net Assets	(303,451)	(395,471)	(698,922)
<b>NET ASSETS</b>			
Beginning of year	27,064,959	1,829,916	28,894,875
End of year	\$ 26,761,508	\$ 1,434,445	\$ 28,195,953

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Functional Expenses Year Ended December 31, 2023

	Program					Total Program	Management and General	Fundraising	Total
	India	Bangladesh	Ghana	Nigeria	Global Partnerships				
Salaries and wages	\$ 625,015	\$ 212,685	\$ -	\$ -	\$ 746,773	\$ 1,584,473	\$ 726,983	\$ 608,972	\$ 2,920,428
Grants	1,930,000	-	-	-	6,669	1,936,669	-	-	1,936,669
Payroll taxes and benefits	23,287	119,933	-	-	118,965	262,185	141,648	108,349	512,182
Glasses and accessories	365,017	98,786	74,171	133,915	794,003	1,465,892	-	-	1,465,892
Covid response equipment and supplies	4,430	-	-	-	26,010	30,440	-	-	30,440
Freight, shipping and warehousing	28,739	1,204	46,830	55,454	168,719	300,946	-	-	300,946
Professional fees and subcontractors	76,200	199,973	361,525	84,388	2,684,186	3,406,272	658,322	421,744	4,486,338
Travel and meals	161,109	-	71,681	73,015	351,722	657,527	84,677	88,111	830,315
Marketing	-	-	-	-	-	-	191,591	17	191,608
Printing	-	1,080	3,687	2,415	22,445	29,627	-	-	29,627
Information technology	10,036	5,058	4,959	11,876	300,793	332,722	93,224	38,902	464,848
Office	55,552	6,488	6,132	1,800	5,042	75,014	3,224	2,767	81,005
Repairs and maintenance	5,229	563	-	27	37	5,856	-	-	5,856
Occupancy	80,609	23,176	6,414	23,897	14,334	148,430	20,384	5,381	174,195
Depreciation and amortization	70,061	11,529	13,084	4,994	7,003	106,671	19,696	-	126,367
Insurance	10,159	-	3,189	4,433	35,410	53,191	20,189	4,360	77,740
Board meeting expenses	-	-	-	-	-	-	3,094	-	3,094
Provision for credit losses	-	-	-	-	-	-	117,884	-	117,884
Bank charges	-	589	415	652	136,097	137,753	40	23	137,816
Legal expenses	-	-	-	458	-	458	-	-	458
Interest expense	12,579	1,434	456	-	-	14,469	-	-	14,469
Miscellaneous	15,614	-	5,400	21,471	3,705	46,190	187	54	46,431
<b>Total Expenses</b>	<b>\$ 3,473,636</b>	<b>\$ 682,498</b>	<b>\$ 597,943</b>	<b>\$ 418,795</b>	<b>\$ 5,421,913</b>	<b>\$ 10,594,785</b>	<b>\$ 2,081,143</b>	<b>\$ 1,278,680</b>	<b>\$ 13,954,608</b>

See notes to consolidated financial statements

## VisionSpring, Inc.

### Consolidated Statement of Cash Flows Year Ended December 31, 2023

#### **CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (698,922)
Adjustments to reconcile change in net assets to net cash from operating activities	
Amortization of right of use asset	61,677
Realized and unrealized gain on investments	(959,813)
Depreciation and amortization	126,367
Provision for credit losses	117,884
Change in operating assets and liabilities	
Pledges receivable	238,069
Accounts and other receivables	(538,633)
Inventory	(467,097)
Other assets	(158,698)
Accounts payable and accrued expenses	36,741
Deferred revenue	(327,658)
Payment on leases payable	(60,917)
Net Cash from Operating Activities	<u>(2,631,000)</u>

#### **CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of property and equipment	(188,653)
Proceeds from maturity of investments	18,349,846
Purchase of investments	<u>(33,743,131)</u>
Net Cash from Investing Activities	<u>(15,581,938)</u>

Change in Cash and Cash Equivalents (18,212,938)

#### **CASH AND CASH EQUIVALENTS**

Beginning of year	<u>\$ 20,658,782</u>
End of year	<u>\$ 2,445,844</u>

#### **SUPPLEMENTAL CASH FLOW INFORMATION**

Cash paid for interest \$ 14,469

See notes to consolidated financial statements



## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2023

### 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. The organization’s mission includes conducting eye-screenings and/or providing eyeglasses to those who lack access to them. The organization also works 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.
- VisionSpring Nigeria Eye Health Initiative Company LTD/GTE was incorporated in April 2022 as a private company and commenced operations on January 1, 2023. The company’s main objective is to provide affordable spectacles and lenses to eye hospitals, eye clinics, eye foundations and others in the private and public sector.
- VisionSpring Ghana Limited a not-for-profit organization incorporated in December 2022 and commenced operations on January 1, 2023. The organization’s principal objective is to engage in the provision of affordable eyeglasses, vision screening and training for non-profit social entrepreneurs and government agencies and the sale of eyeglasses.
- VisionSpring Private Limited is a for profit entity incorporated in September 2014, and registered under the Companies Act, 2013.

These consolidated financial statements entail VisionSpring, VisionSpring India, VisionSpring Bangladesh Ltd., VisionSpring Nigeria Eye Health Initiative Company LTD/GTE, VisionSpring Ghana Limited and VisionSpring Private Limited. VisionSpring owns 99.99% of VisionSpring Private Limited, 99.99% of VisionSpring India, 99.88% of VisionSpring Bangladesh Ltd, 100% of both VisionSpring Nigeria Eye Health Initiative and VisionSpring Ghana Limited.

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.

# VisionSpring, Inc.

## Notes to Consolidated Financial Statements December 31, 2023

### 1. **Organization (*continued*)**

Provision for taxation has not been made for VisionSpring India, as this entity has been recognized and registered under section 12-A of the India, Income Tax Act 1961 as an entity 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. No tax provision is required for VisionSpring Nigeria Eye Health Initiative Company LTD/GTE under the provisions of Section 23 (1)C of the Companies Income Tax Act, CAP C21, LFN 2004 (as amended). No tax provision is required for VisionSpring Ghana Limited under the Income Tax Act, 2015 (Act 896) as amended. However, the company is required to charge VAT for selected services under the VAT Act, 2013 (Act 870) as amended.

### 2. **Principles of Consolidation**

These financial statements are prepared on a consolidated basis and include the accounts and activities of VisionSpring, Inc., VisionSpring Private Limited, VisionSpring India, VisionSpring Bangladesh Ltd., VisionSpring Nigeria Eye Health Initiative Company LTD/GTE and VisionSpring Ghana Limited. The consolidated entity is collectively referred to as the "Organization." All intercompany transactions and balances have been eliminated in consolidation.

### 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").

#### ***Adoption of New Accounting Policies***

#### ***New Accounting Pronouncement***

In June 2016, the Financial Accounting Standards Board issued an accounting pronouncement related to the measurement of credit losses on financial instruments. This pronouncement and subsequently issued Accounting Standards Updates, clarified certain provisions of the new guidance, changed the incurred loss model for most financial assets and required the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities are required to estimate the lifetime expected credit losses on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. The adoption of this guidance on January 1, 2023, expanded the Organization's required disclosures for its expected credit losses for accounts receivable.

The standard was adopted effective January 1, 2023, utilizing a cumulative-effect adjustment for all financial assets measured at amortized cost. As a result of the adoption, a transition adjustment was recorded, which included a \$117,884 increase to the allowance for credit losses for accounts receivable, which is presented on the consolidated statement of functional expenses as provision for credit losses.

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2023

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

#### ***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.

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

The Organization considers all cash deposited with banks and short-term investments with a maturity of three months or less at the time of purchase to be cash equivalents.

#### ***Investments***

Investments, other than certificates of deposit which are stated at cost plus accrued interest (which approximate fair value), are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2023

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

#### *Investments (continued)*

The following are major categories of assets measured at estimated fair value categorized by the fair value hierarchy as of December 31, 2023:

	Level 1	Level 2	Total
Measured at Fair Value			
Equity securities	\$ 3,349	\$ -	\$ 3,349
Mutual funds	78,515	-	78,515
Exchange-traded funds	11,184,805	-	11,184,805
Fixed income securities			
Asset backed securities	191,577	-	191,577
Corporate bonds	-	2,478,789	2,478,789
Municipal bonds	1,169,976	-	1,169,976
United States Treasury Bills	1,739,953	-	1,739,953
Total at Fair Value	\$ 14,368,175	\$ 2,478,789	
Certificates of deposit			
at cost which approximates fair value:			3,242,442
Total Investments			\$ 20,089,406

#### ***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 5 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 \$100 threshold above which assets are capitalized.

#### ***Deferred Revenue***

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.

## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2023

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

#### ***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.

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 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, 2023 totaled \$1,035,073. Deferred revenue as of January 1, 2023 totaled \$338,025.

#### ***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.

#### ***Marketing Costs***

Marketing costs are expensed as incurred. Marketing costs for 2023 were \$191,608.

#### ***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, 2023

### 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 2020.

#### ***Leases***

The Organization leases office and warehouse space and determines if an arrangement is a lease at inception. Operating leases are included in operating lease ROU asset and lease liability on the accompanying consolidated statement of financial position.

ROU asset represents the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. When leases do not provide an implicit borrowing rate, the Organization uses borrowing or loan related interest rates based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset includes any lease payments made and excludes lease incentives. The lease terms may include options to extend the lease and when it is reasonably certain that the Organization will exercise that option, such amounts are included in ROU asset and lease liability. Lease expense for the lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

#### ***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 4, 2024.

### 4. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of receivables which are expected to be collected in the normal course of business and cash on deposit with financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions are insured by the Securities Investor Protection Corporation ("SIPC") up to \$500,000 (\$250,000 for cash holdings). At times balances may exceed the FDIC and/or the SIPC limit.

Cash held by foreign entities is not insured.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2023

#### 4. Concentration of Credit Risk (*continued*)

Approximately 27% of total support and revenue consists of contributions and grants derived from one grantor for the year ended December 31, 2023. Pledges receivable from two grantors were approximately \$2,329,000 as of December 31, 2023.

#### 5. Receivables

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

Accounts and other receivables, net consist of the following at December 31, 2023:

VisionSpring, Inc.	\$ 691,517
VisionSpring India	324,130
VisionSpring Bangladesh Ltd.	72,305
VisionSpring Ghana	177,383
VisionSpring Nigeria	109,546
	<u>\$ 1,374,881</u>

Prior to January 1, 2023, accounts receivable were recorded at the amount invoiced less an allowance for doubtful accounts. Subsequent to January 1, 2023, accounts receivable are recorded at amortized cost less an allowance for credit losses that are not expected to be recovered. Recoveries of accounts receivable previously written off are recorded when received. The allowance is an amount that management believes will be adequate to absorb estimated losses on existing accounts receivable, based on an evaluation of the collectability of accounts receivable and prior bad debt experience. This evaluation also takes into consideration factors such as: changes in the nature and volume of the accounts receivable, overall accounts receivable quality, review of specific accounts receivable balances, and current economic conditions that may affect the customer's ability to pay. While management uses the best information available to make its evaluation, future adjustments to the allowance may be necessary if there are significant changes in economic conditions.

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2023

#### 5. Receivables (continued)

The Organization records a provision for expected credit losses using a historical loss-rate method based on the ratio of its historical write-offs to its average accounts receivable. The Organization's accounts receivable are short-term in nature and written off only when all collection attempts have failed. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election.

Below is a reconciliation of the beginning and ending balance of the allowance for credit losses:

Allowance for credit losses - January 1, 2023	\$ 20,000
Provison for credit losses	117,884
Write-offs	<u>-</u>
Allowance for credit losses - December 31, 2023	<u>\$ 137,884</u>

#### 6. Property and Equipment

Property and equipment consists of the following at December 31, 2023:

Machinery and equipment	\$ 430,787
Furniture and fixtures	189,781
Vehicles	27,791
Computers and software	<u>133,972</u>
	782,331
Accumulated depreciation and amortization	<u>(421,802)</u>
	<u>\$ 360,529</u>

#### 7. Net Assets with Donor Restrictions

Net assets with donor restrictions are as follows at December 31, 2023:

RGIL/Bangladesh program costs	\$ 395,350
Clear Vision Collective Initiative	210,367
India program costs	198,356
Africa program costs	480,852
Patricia Sagna Memorial internship	38,431
Pharmacy Development	<u>111,089</u>
	<u>\$ 1,434,445</u>



## VisionSpring, Inc.

Notes to Consolidated Financial Statements  
December 31, 2023

### 7. Net Assets with Donor Restrictions (*continued*)

Net assets released from donor restrictions are as follows during the year ended December 31, 2023:

India program costs	\$ 361,400
Clear Vision Collective Initiative	231,430
COVID Response	-
RGIL/Bangladesh program costs	486,111
Pharmacy Development	117,060
Africa program costs	721,148
Patricia Sagna Memorial internship	17,000
	<u>\$ 1,934,149</u>

### 8. RGIL/Bangladesh Program Costs

In 2023 VisionSpring granted approximately \$625,000 in the RGIL program for VisionSpring Bangladesh Ltd. The investment contributed to the sale of eyeglasses and eyewear of approximately 254,000 units in 2023.

### 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 \$44,027 for 2023.

VisionSpring India has a contribution plan for certain employees. Under this plan, VisionSpring India contributes up to 12% of compensation. VisionSpring India contributed \$11,098 for 2023.

### 10. Commitments

VisionSpring India, VisionSpring Bangladesh Ltd. and VisionSpring Ghana Limited have non-cancelable operating leases which expire at various dates through December 2026 and contain lease and non-lease components, which are generally accounted for separately. Variable lease components in these leases are common area maintenance, utilities, and real estate taxes and are recognized in operating expenses in the period in which the obligation is incurred.

The components of occupancy expense on the accompanying statement of functional expenses for the year ended December 31, 2023 are shown below:

Lease expense	
Operating lease cost	\$ 61,677
Variable lease cost	112,518
	<u>\$ 174,195</u>

## VisionSpring, Inc.

### Notes to Consolidated Financial Statements December 31, 2023

#### 10. Commitments *(continued)*

VisionSpring amortizes the operating lease right-of-use asset over the remaining life of the lease agreements. The right of use asset and corresponding liability associated with future lease payments on the above noted leases as of December 31, 2023 are shown below:

Right of use asset	\$	172,192
Lease liability		182,158
Weighted average:		
Discount rate		3.30%
Remaining lease term in years		1.00 - 3.00

The ROU asset is net of \$61,677 accumulated amortization at December 31, 2023.

The aggregate of the lease commitments under operating leases requiring future annual minimum payments are as follows for years ending December 31:

2024	\$	68,984
2025		53,771
2026		<u>77,868</u>
Total Undiscounted Lease Payments		200,623
Less: imputed interest		<u>(18,465)</u>
Present Value of Lease Payments	\$	<u>182,158</u>

#### 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, 2023:

Financial assets:	
Cash	\$ 2,445,844
Investments	20,089,406
Pledges receivable	3,367,000
Accounts and other receivables	<u>1,374,881</u>
Total Financial Assets	27,277,131
Less donor restricted for purpose	(1,434,445)
Add donor restricted to be released next year	<u>1,434,445</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 27,277,131</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, 2023

**12. Non-Controlling Interest**

The change in non-controlling interest for the year ended December 31, 2023 was as follows:

Balance as of December 31, 2022	\$ 387
Share of income	<u>21</u>
Balance as of December 31, 2023	<u>\$ 408</u>

\* \* \* \* \*

**VisionSpring, Inc.**

Supplementary Financial Information

December 31, 2023

## VisionSpring, Inc.

### Consolidating Schedule of Financial Position December 31, 2023

	VisionSpring, Inc.	VisionSpring Nigeria	VisionSpring Ghana	VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,989,296	\$ -	\$ -	\$ 245,653	\$ 210,895	\$ -	\$ 2,445,844
Investments	22,427,554	-	-	-	101,386	(2,439,534)	20,089,406
Pledges receivable	3,367,000	-	-	-	-	-	3,367,000
Accounts and other receivables, net of allowance for credit losses of \$137,884	691,672	109,546	177,383	324,130	72,305	(155)	1,374,881
Inventory	676,935	68,073	128,289	322,702	140,693	-	1,336,692
Intangible asset - software, net	34,283	-	-	-	-	-	34,283
Other assets	138,234	14,094	31,091	248,103	16,329	-	447,851
Right of use asset	-	-	11,401	147,168	13,623	-	172,192
Property and equipment, net	64,210	25,005	86,025	157,363	27,926	-	360,529
	<u>\$ 29,389,184</u>	<u>\$ 216,718</u>	<u>\$ 434,189</u>	<u>\$ 1,445,119</u>	<u>\$ 583,157</u>	<u>\$ (2,439,689)</u>	<u>\$ 29,628,678</u>
<b>LIABILITIES AND NET ASSETS</b>							
Liabilities							
Accounts payable and accrued expenses	\$ 740,029	\$ 58,770	\$ 76,795	\$ 242,087	\$ 122,519	\$ -	\$ 1,240,200
Deferred revenue	10,367	-	-	-	-	-	10,367
Lease liability	-	-	10,896	160,557	10,705	-	182,158
Total Liabilities	<u>750,396</u>	<u>58,770</u>	<u>87,691</u>	<u>402,644</u>	<u>133,224</u>	<u>-</u>	<u>1,432,725</u>
Net Assets							
Without donor restrictions	27,204,343	157,948	346,498	1,042,475	449,933	(2,439,689)	26,761,508
With donor restrictions	1,434,445	-	-	-	-	-	1,434,445
Total Net Assets	<u>28,638,788</u>	<u>157,948</u>	<u>346,498</u>	<u>1,042,475</u>	<u>449,933</u>	<u>(2,439,689)</u>	<u>28,195,953</u>
	<u>\$ 29,389,184</u>	<u>\$ 216,718</u>	<u>\$ 434,189</u>	<u>\$ 1,445,119</u>	<u>\$ 583,157</u>	<u>\$ (2,439,689)</u>	<u>\$ 29,628,678</u>

See independent auditors' report

## VisionSpring, Inc.

### Consolidating Schedule of Activities Year Ended December 31, 2023

	VisionSpring, Inc.			VisionSpring Nigeria	VisionSpring Ghana	VisionSpring India	VisionSpring Bangladesh Ltd.	Eliminating Entries	Total
	Without Donor Restrictions	With Donor Restrictions	Total						
<b>SUPPORT AND REVENUE</b>									
Contributions and grants	\$ 8,363,380	\$ 1,538,678	\$ 9,902,058	\$ 499,397	\$ 926,607	\$ 1,459,417	\$ 832,393	\$ (3,717,814)	\$ 9,902,058
Earned income	868,343	-	868,343	179,679	70,954	451,847	205,770	(248,483)	1,528,110
Investment and other income	1,905,743	-	1,905,743	713	-	25,412	3,677	-	1,935,545
Released from restrictions	1,934,149	(1,934,149)	-	-	-	-	-	-	-
Total Support and Revenue	<u>13,071,615</u>	<u>(395,471)</u>	<u>12,676,144</u>	<u>679,789</u>	<u>997,561</u>	<u>1,936,676</u>	<u>1,041,840</u>	<u>(3,966,297)</u>	<u>13,365,713</u>
<b>EXPENSES</b>									
Program									
India	1,930,000	-	1,930,000	-	-	1,543,636	-	-	3,473,636
Bangladesh	-	-	-	-	-	-	682,498	-	682,498
Ghana	918,537	-	918,537	-	597,943	-	-	(918,537)	597,943
Nigeria	499,260	-	499,260	418,795	-	-	-	(499,260)	418,795
Global partnerships	5,670,396	-	5,670,396	-	-	-	-	(248,483)	5,421,913
Total Program	9,018,193	-	9,018,193	418,795	597,943	1,543,636	682,498	(1,666,280)	10,594,785
Management and general	1,828,092	-	1,828,092	41,503	43,928	103,728	63,892	-	2,081,143
Fundraising	1,274,940	-	1,274,940	-	-	-	3,740	-	1,278,680
Total Expenses	<u>12,121,225</u>	<u>-</u>	<u>12,121,225</u>	<u>460,298</u>	<u>641,871</u>	<u>1,647,364</u>	<u>750,130</u>	<u>(1,666,280)</u>	<u>13,954,608</u>
Change in Net Assets Before Foreign Currency Translation Loss	950,390	(395,471)	554,919	219,491	355,690	289,312	291,710	(2,300,017)	(588,895)
Foreign currency translation loss	-	-	-	(61,543)	(9,192)	(4,617)	(13,287)	(21,388)	(110,027)
Change in Net Assets	950,390	(395,471)	554,919	157,948	346,498	284,695	278,423	(2,321,405)	(698,922)
<b>NET ASSETS</b>									
Beginning of year	<u>26,253,953</u>	<u>1,829,916</u>	<u>28,083,869</u>	<u>-</u>	<u>-</u>	<u>757,780</u>	<u>171,510</u>	<u>(118,284)</u>	<u>28,894,875</u>
End of year	<u>\$ 27,204,343</u>	<u>\$ 1,434,445</u>	<u>\$ 28,638,788</u>	<u>\$ 157,948</u>	<u>\$ 346,498</u>	<u>\$ 1,042,475</u>	<u>\$ 449,933</u>	<u>\$ (2,439,689)</u>	<u>\$ 28,195,953</u>

See independent auditors' report