

VisAbility

Consolidated Financial Statements and Supplementary Information

**Years Ended June 30, 2025 and 2024
with Independent Auditor's Report**

MaherDuessel

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VISABILITY

YEARS ENDED JUNE 30, 2025 AND 2024

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Independent Auditor's Report

Board of Directors

VisAbility

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of VisAbility (Corporation), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Corporation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's 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 auditor's 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 for 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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting 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 Corporation'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Maher Duessel

Pittsburgh, Pennsylvania
December 1, 2025

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	\$ 48,239	\$ 13,614
Investments, at fair value	10,865,449	9,959,400
Third-party tuition, fees, and other receivables	880,149	914,187
Grant receivable	1,001,137	-
Promises to give	6,687	6,687
Inventories	396,454	505,026
Other assets	100,053	78,876
Plant and equipment, net of accumulated depreciation	13,612,034	14,249,836
Total Assets	\$ 26,910,202	\$ 25,727,626
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 201,134	\$ 282,119
Accrued liabilities	304,570	200,577
Deferred revenue	80,377	150,268
Line of credit	887,248	231,143
Loans payable	3,699,559	3,915,392
Total Liabilities	5,172,888	4,779,499
Net Assets:		
Without donor restrictions:		
Undesignated	3,793,869	4,101,739
Invested in plant and equipment, net of related debt	9,912,475	10,334,444
Board-designated	1,735,097	1,660,370
Total without donor restrictions	15,441,441	16,096,553
With donor restrictions	6,295,873	4,851,574
Total Net Assets	21,737,314	20,948,127
Total Liabilities and Net Assets	\$ 26,910,202	\$ 25,727,626

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Net Assets Without Donor Restrictions:		
Support and revenues:		
Service income	\$ 2,959,963	\$ 2,834,800
Sales	2,096,103	2,256,272
Donations and grants	1,077,262	1,541,571
Investment income, net	152,853	148,382
Income from trusts	176,238	190,721
Realized/unrealized gains (losses)	441,651	465,554
Other revenues	195,113	211,769
Net assets released from restrictions	995,696	551,403
Total support and revenues	8,094,879	8,200,472
Expenses:		
Program services:		
Industries	2,619,924	2,504,939
Rehabilitation	1,762,105	1,792,030
Vocational services	1,188,515	1,161,059
Community and support	364,998	364,964
PBA Products and Services	1,289,319	1,299,176
Total program services	7,224,861	7,122,168
Management and general	1,086,736	934,182
Development	438,394	456,279
Total expenses	8,749,991	8,512,629
Change in Net Assets Without Donor Restrictions	(655,112)	(312,157)
Net Assets with Donor Restrictions:		
Donations and grants	1,922,003	322,142
Investment income, net	138,379	117,942
Realized/unrealized gains (losses)	379,613	378,289
Net assets released from restrictions	(995,696)	(551,403)
Change in Net Assets With Donor Restrictions	1,444,299	266,970
Change in Net Assets	789,187	(45,187)
Net Assets:		
Beginning of year	20,948,127	20,993,314
End of year	\$ 21,737,314	\$ 20,948,127

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Total	Program Services					Management and General	Development
		Industries	Rehabilitation	Vocational Services	Community and Support	PBA Products and Services		
Salaries and benefits	\$ 5,047,918	\$ 830,803	\$ 967,207	\$ 714,174	\$ 206,424	\$ 1,148,609	\$ 989,951	\$ 190,750
Materials and supplies	1,242,419	936,069	128,530	8,637	3,204	67,060	92,382	6,537
Special event costs	132,230	-	-	-	-	-	-	132,230
Service fees	593,347	54,410	81,773	41,320	47,641	36,016	301,664	30,523
Occupancy	315,616	8,512	4,998	20,554	5,170	13,327	262,943	112
Meeting and travel	179,422	11,664	22,071	69,896	29,038	3,747	42,541	465
Depreciation	755,588	262,757	176,725	119,198	36,606	7,768	108,567	43,967
Postage and shipping	76,761	71,375	4	41	142	10	5,112	77
Equipment rental	172,165	7,900	36,290	26,169	7,048	652	68,806	25,300
Insurance	74,447	1,191	-	1,198	5,984	2,698	63,376	-
Interest expense	143,436	50,398	33,897	22,863	7,021	-	20,824	8,433
Miscellaneous	16,642	2,368	39	-	-	9,432	4,803	-
Total before admin	8,749,991	2,237,447	1,451,534	1,024,050	348,278	1,289,319	1,960,969	438,394
Allocation of admin	-	382,477	310,571	164,465	16,720	-	(874,233)	-
Total	\$ 8,749,991	\$ 2,619,924	\$ 1,762,105	\$ 1,188,515	\$ 364,998	\$ 1,289,319	\$ 1,086,736	\$ 438,394

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Total	Program Services					Management and General	Development
		Industries	Rehabilitation	Vocational Services	Community and Support	PBA Products and Services		
Salaries and benefits	\$ 4,772,299	\$ 743,326	\$ 953,722	\$ 644,151	\$ 199,245	\$ 1,147,460	\$ 851,038	\$ 233,357
Materials and supplies	1,386,818	1,000,253	194,074	60,515	4,131	80,547	39,920	7,378
Special event costs	114,603	-	-	-	-	-	-	114,603
Service fees	688,791	43,676	124,942	69,167	65,852	38,408	325,380	21,366
Occupancy	267,713	3,955	8,774	20,696	15,637	17,418	200,708	525
Meeting and travel	164,645	12,611	14,875	69,971	27,979	3,460	34,484	1,265
Depreciation	615,006	196,050	139,882	90,115	29,881	7,799	115,700	35,579
Postage and shipping	100,938	95,749	-	86	138	11	4,054	900
Equipment rental	157,057	10,445	36,432	34,432	-	433	41,507	33,808
Insurance	66,594	1,128	-	2,284	5,390	2,712	55,080	-
Interest expense	127,959	41,314	29,478	18,990	6,297	-	24,382	7,498
Miscellaneous	50,206	-	-	-	-	928	49,278	-
Total before admin	8,512,629	2,148,507	1,502,179	1,010,407	354,550	1,299,176	1,741,531	456,279
Allocation of admin	-	356,432	289,851	150,652	10,414	-	(807,349)	-
Total	\$ 8,512,629	\$ 2,504,939	\$ 1,792,030	\$ 1,161,059	\$ 364,964	\$ 1,299,176	\$ 934,182	\$ 456,279

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Cash received from:		
Services to trainees	\$ 2,906,173	\$ 2,579,660
Sales	2,186,591	2,211,680
Donations and grants	1,925,577	1,863,713
Investment income	467,470	457,045
Other receipts	195,113	211,769
Cash paid to employees	(5,047,918)	(4,772,299)
Cash paid to suppliers	(2,692,646)	(3,022,064)
Interest paid	(143,436)	(127,959)
Net cash provided by (used in) operating activities	(203,076)	(598,455)
Cash Flows From Investing Activities:		
Purchase of plant and equipment	(117,786)	(351,345)
Investment (purchases) sales	(84,785)	383,754
Net cash provided by (used in) investing activities	(202,571)	32,409
Cash Flows From Financing Activities:		
Repayments on loans payable	(215,833)	(216,474)
Borrowings on line of credit	4,365,901	1,996,692
Repayments on line of credit	(3,709,796)	(1,765,549)
Net cash provided by (used in) financing activities	440,272	14,669
Net Increase (Decrease) in Cash and Cash Equivalents	34,625	(551,377)
Cash and Cash Equivalents:		
Beginning of year	13,614	564,991
End of year	\$ 48,239	\$ 13,614

(Continued)

See accompanying notes to consolidated financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

(Continued)

	2025	2024
Reconciliation of Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Change in net assets	\$ 789,187	\$ (45,187)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	755,588	615,006
Realized/unrealized (gains) losses	(821,264)	(843,843)
Change in:		
Accounts receivable	34,038	(299,500)
Grant receivable	(1,001,137)	-
Inventory	108,572	12,270
Other assets	(21,177)	24,699
Accounts payable and accrued liabilities	23,008	30,550
Deferred revenue	(69,891)	(92,450)
Total adjustments	(992,263)	(553,268)
Net cash provided by (used in) operating activities	<u>\$ (203,076)</u>	<u>\$ (598,455)</u>

(Concluded)

See accompanying notes to consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

1. Corporation

VisAbility (Corporation), formerly known as Blind & Vision Rehabilitation Services of Pittsburgh, was incorporated on July 1, 1997 as a result of the consolidation of the Greater Pittsburgh Guild for the Blind (Guild) and Pittsburgh Blind Association (PBA). The Corporation changes the lives of persons with vision loss and other disabilities by fostering independence and individual choice.

The mission of the Corporation is accomplished through a variety of programs:

Rehabilitation Program

- Residential and community-based personal adjustment services that enable people to learn how to use their other senses along with specialized equipment and procedures to perform the usual activities of daily living.
- Comprehensive, interdisciplinary low vision services that enable people with vision impairments to learn how to effectively use their vision in their daily activities.
- Providing access to technology services.

Vocational Services/Industries Programs

- Vocational assessment, training, placement, and employment support, which permit people with vision impairments to work successfully in the community or in specialized work programs within the facility.

Community and Support Program

- Coordinated and comprehensive information and referral and case management services which enable people to identify, consider, and select services which they feel will be of greatest assistance to them.
- Information and screening services designed to prevent loss of vision.

PBA Industries/PBA Products and Services

- Provide employment opportunities to those with a broad spectrum of disabilities.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Management and General

- Administrative support to all programmatic services as well as a vehicle for community education activities designed to improve the attitudes toward and expectations for people with visual impairments.

Development

- Fundraising and other activities designed to provide additional support for all the Corporation's programs.

The Corporation is a private, not-for-profit corporation, governed by an elected and self-sustaining Board of Directors (Board) who volunteer their efforts. The Corporation has been determined to be a charitable corporation exempt from federal taxes in accordance with Internal Revenue Code Section 501(c)(3).

During fiscal year 2009, the Board of the Corporation formed PBA Products and Services, Inc. (PBA), a non-profit entity, and Med-Tec Textiles, Inc. (Med-Tec), a for-profit entity. In August of 2014, the Corporation formed 1816 Locust, LLC (Locust), a not-for-profit entity which was treated as a disregarded entity for federal tax purposes. Locust was fully dissolved in 2022. The financial activity for PBA is reported as part of these consolidated financial statements. As of June 30, 2025 and 2024, there was no financial activity for Med-Tec. See Note 14 for further discussion of PBA and Med-Tec.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Corporation's consolidated financial statements are prepared using the accrual basis of accounting. Expenses are recognized in the period incurred. Revenues are recognized in the period in which they are earned.

Basis of Presentation

The Corporation's net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Corporation and changes therein are reported as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of the Corporation pursuant to those stipulations. Also included in this category are net assets subject to donor-imposed stipulations to be maintained in perpetuity by the Corporation.

Auxiliary

The activity of the Auxiliary has been reflected in the consolidated financial statements of the Corporation, as it has been determined that the Auxiliary is legally a part of the Corporation. The majority of the activity relates to unrestricted bequests and contributions received by the Auxiliary on behalf of the Corporation. As of June 30, 2025 and 2024, respectively, cash and investment balances of the Auxiliary were \$1,735,097 and \$1,660,370.

The Auxiliary amounts noted above will be disbursed from the Auxiliary to the Corporation at such time and for such purposes as recommended by the Auxiliary and approved by the Board. The Auxiliary functions as a board-designated endowment, with the dividends and interest accruing thereon to be expended at the Corporation's discretion. Capital gains and losses are designated by the Board for future use. The endowment is further discussed in Note 6.

Inventories

Inventories are stated at the lower of cost or net realizable value.

Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Plant and Equipment

Plant and equipment purchases are recorded at cost for assets greater than \$5,000. Donations of plant and equipment are capitalized at fair value. Depreciation is provided on

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

the straight-line method over each asset's estimated useful life, which ranges from three to forty years.

Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, cash and cash equivalents include all highly liquid instruments with maturities of three months or less when purchased. All amounts included in the consolidated statements of financial position captions of cash and cash equivalents meet these criteria.

Uninsured Cash Balances

Cash and cash equivalents are deposited at local banks. At June 30, 2025 and 2024, the carrying amounts of the Corporation's deposits were \$48,239 and \$13,614, respectively, and the bank balances were \$52,746 and \$51,192 respectively. Of the bank balances for June 30, 2025 and 2024, \$52,746 and \$51,192, respectively, were insured by federal depository insurance. There were no amounts uninsured and uncollateralized. The solvency of the financial institutions is not a concern of management at this time.

Investments

Investments are recorded at fair value. Interest and dividends are reflected as investment income on the consolidated statements of activities.

Accounts Receivable

Accounts receivable consists of amounts due under contracts with third-party governmental payors and insurance agencies. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Organization has elected the practical expedient permitted under Accounting Standards Updates (ASU) 2025-05. Under this expedient, the Organization assumes that current conditions as of the balance sheet date remain unchanged over the remaining life of the applicable financial assets. This expedient applies to current trade receivables and contract assets expected to be collected within one year. In addition, the Organization elected the accounting policy to consider subsequent cash collections when estimating expected credit losses. Specifically, the Organization evaluated cash collections through December 1, 2025, which is the date the financial statements were available to be issued. Amounts collected by this date were excluded from the allowance for credit losses. For remaining balances not collected by

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

December 1, 2025, the Organization has determined that no material credit loss is expected and no allowance for credit loss was recorded.

Contributions and Revenue Recognition

The Corporation recognizes unconditional promises to give in the year that the promise is received. Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of the Corporation's revenue is derived from cost-reimbursable federal and state governmental contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Corporation incurs expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. No amounts have been received in advance under these federal and state contracts and grants.

Fee-for-service governmental revenues are reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing services to consumers. These amounts are generally due from governmental payors. Generally, the organizations bill the third-party payors subsequent to the performance of services. Revenue is recognized as the performance obligations are satisfied when services are provided to consumers. The Corporation does not believe it is required to provide additional services related to revenue being recognized. The Corporation determines the transaction price based on a negotiated rate per unit of service, while other fee-based contracts are State set rates. The Corporation receives funding for several of their programs from the Allegheny County MH/IDD Program (County), Commonwealth of Pennsylvania's Department of Human Services (DHS), and other various government agencies on a contractual basis. The Corporation is reimbursed based on units of service billed to the County and DHS at established payment rates for eligible services. The Commonwealth of Pennsylvania's Bureau of Blindness and Visual Services (Bureau) is the most significant third-

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

party payor for the Corporation's services. The Bureau reimburses based on a rate negotiated between the Commonwealth of Pennsylvania and the Corporation. Trainees are also sponsored by other states or have charges covered by private insurance. Trainees without state support or insurance coverage are supported by donations, income from endowments, or are self-pay. Governmental grants and contracts are entered into annually and could be significantly changed based upon government spending patterns. Beginning of year June 30, 2025 and 2024 receivables, net of reserves, related to the governmental contracts discussed above were \$369,840 and \$228,467, respectively. End of year June 30, 2025 and 2024 receivables, net of reserves, related to the governmental contracts discussed above were \$1,438,317 and \$369,840, respectively. There were no refundable advances related to the governmental contracts for the years ended June 30, 2025 and 2024.

The Industries Division of the Corporation provides employment opportunities for people with visual impairments by producing a variety of products that are sold externally. These sales are recorded as such on the consolidated statements of activities and are recognized as revenue when the performance obligation of transferring the products is met. The largest customer of the Corporation's Industries Division includes Unique Source Products, formerly Pennsylvania Industries for the Blind and Handicapped, which represented \$1,317,768 and \$1,221,781 of the annual sales for the years ended June 30, 2025 and 2024, respectively. Beginning of year June 30, 2025 and 2024 receivables, net of reserves, related to product sales were \$289,711 and \$245,202, respectively. End of year June 30, 2025 and 2024 receivables, net of reserves, related to product sales were \$199,834 and \$289,711, respectively.

There have been no changes in the significant judgements related to the amount or timing of revenue from these transactions, and there are no impairment losses to recognize.

Expense Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such expenses require allocation on a reasonable basis that is consistently applied as reflected on the allocation of admin line. The expenses that are allocated include occupancy, equipment rental, and depreciation, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Income Taxes

As mentioned in Note 1, the Corporation is a tax-exempt charitable organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Corporation qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization other than a private foundation. Further, the Corporation annually files a Form 990.

Liquidity and Availability of Resources

The following reflects the Corporation's financial assets (cash and cash equivalents; investments; accounts receivable and promises to give) as of June 30, 2025 and 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date:

	2025	2024
Financial assets	\$ 12,801,661	\$ 10,893,888
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Purpose and time restrictions	(1,506,458)	(334,199)
Perpetual in nature	(4,789,415)	(4,517,375)
	(6,295,873)	(4,851,574)
Board designations	(1,735,097)	(1,660,370)
Financial assets available to meet cash needs for general expenditures within one year	\$ 4,770,691	\$ 4,381,944

As discussed in Notes 9 and 10, the Corporation's loans payable and lines of credit are secured by the Corporation's investments and other business assets.

The Corporation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Corporation prepares detailed budgets, has been very active in cutting costs, and anticipates collecting sufficient revenue to cover general expenditures.

As discussed in Note 10, the Corporation maintains a revolving line of credit to assist in meeting cash needs.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Adopted Accounting Standards

The provisions of these Standards Updates have been adopted and incorporated into these financial statements:

ASU 2025-05, *“Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets.”* This ASU provides a practical expedient and an optional accounting policy election for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606. The adoption was not considered material to the financial statements and primarily resulted in new disclosures only.

Subsequent Events

Subsequent events have been evaluated through the Independent Auditor's Report date, which is the date the consolidated financial statements were available to be issued.

3. Inventories

A summary of inventories is as follows:

	2025	2024
Workshop:		
Raw materials	\$ 313,695	\$ 417,549
Finished goods	82,759	87,477
	<u>\$ 396,454</u>	<u>\$ 505,026</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

4. Net Assets

Net assets with donor restrictions are restricted for the following purposes and/or time:

	2025	2024
Somerset County	\$ -	\$ 945
Low vision	238,930	238,580
Program expansion	60,576	58,485
General operating (time restricted)	1,000,000	-
Other	200,684	29,921
Endowment	4,789,415	4,517,375
Total net assets with purpose restrictions	<u>\$ 6,295,873</u>	<u>\$ 4,851,574</u>

Net assets with donor restrictions - endowment bear a donor restriction that the donated amount be held in perpetuity, while interest and dividends thereon can be expended at the Corporation's discretion. Realized and unrealized gains have remained with the principal as net assets with donor restrictions to be held in perpetuity. See Note 6 for further details.

VISABILITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

5. Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the following restrictions:

	2025	2024
Somerset County	\$ 34,619	\$ 10,218
Low vision	85,887	49,188
Program expansion	155,785	228,132
Education	-	922
Other	23,453	19,276
Endowment earnings appropriated for expenditure	670,405	221,060
Endowment - miscellaneous expenses	25,547	22,607
Total restrictions released	<u>\$ 995,696</u>	<u>\$ 551,403</u>

6. Endowment

The Corporation's endowments were established for a variety of purposes including support for programs and for operating purposes without donor restrictions. Its endowments include both donor-restricted funds and funds without donor restrictions designated by the Board to function as endowments. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Corporation has interpreted Pennsylvania State Act 141 of 1998 (Act) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Corporation classifies as net assets with donor restrictions held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) net investment return including realized and unrealized appreciation and depreciation of investments and investment income, less withdrawals.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Endowment net asset composition by type of fund as of June 30, 2025 and 2024 are as follows:

	2025	2024
Board-designated without donor restrictions	\$ 1,735,097	\$ 1,660,370
With donor restrictions	4,789,415	4,517,375
Total	<u>\$ 6,524,512</u>	<u>\$ 6,177,745</u>

Changes in endowment net assets for the fiscal year ended June 30, 2025:

	Board-Designated Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	<u>\$ 1,660,370</u>	<u>\$ 4,517,375</u>	<u>\$ 6,177,745</u>
Investment return:			
Investment income	54,375	138,379	192,754
Net appreciation (realized and unrealized)	<u>118,878</u>	<u>379,613</u>	<u>498,491</u>
Total investment return	<u>173,253</u>	<u>517,992</u>	<u>691,245</u>
Contributions	-	450,000	450,000
Deductions:			
Withdrawals	(89,106)	(670,405)	(759,511)
Miscellaneous income (expense)	<u>(9,420)</u>	<u>(25,547)</u>	<u>(34,967)</u>
Total deductions	<u>(98,526)</u>	<u>(695,952)</u>	<u>(794,478)</u>
Endowment Net Assets, End of Year	<u>\$ 1,735,097</u>	<u>\$ 4,789,415</u>	<u>\$ 6,524,512</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Changes in endowment net assets for the fiscal year ended June 30, 2024:

	Board-Designated Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, Beginning of Year	\$ 1,632,441	\$ 4,214,811	\$ 5,847,252
Investment return:			
Investment income	45,183	117,942	163,125
Net appreciation (realized and unrealized)	133,985	378,289	512,274
Total investment return	179,168	496,231	675,399
Contributions	-	50,000	50,000
Deductions:			
Withdrawals	(142,345)	(221,060)	(363,405)
Miscellaneous income (expense)	(8,894)	(22,607)	(31,501)
Total deductions	(151,239)	(243,667)	(394,906)
Endowment Net Assets, End of Year	\$ 1,660,370	\$ 4,517,375	\$ 6,177,745

VISABILITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Return Objectives and Risk Parameters

Endowment assets include those assets of donor-restricted funds that the Corporation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The Corporation has adopted policies and guidelines for endowment and restricted funds.

To satisfy its long-term rate-of-return objectives, the Corporation relies on returns in excess of the rate of inflation. For the majority of the endowment funds, the Corporation targets a diversified asset allocation portfolio with equity based and fixed income investments to achieve its long-term return objectives within prudent risk constraints.

The Corporation has a policy of appropriating for distribution each year, up to 5% of the average market value of the endowment fund balance at the end of the 12 calendar quarters that proceed the budget year. During the year ended June 30, 2021, the policy was revised to allow for a distribution of up to 7%. The presumption is that over the course of multiple years, the average investment returns will equal or exceed 7% per annum and that the endowment will meet the objective of providing ongoing financial support to the Corporation.

7. Investments

Investments are carried at fair value. The fair values are based on price quotations or published mutual fund fair values per unit as reported on related trust statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Fair values of assets measured on a recurring basis at June 30, 2025 and 2024 are as follows:

Description	2025	2024
Mutual funds:		
Equity	\$ 3,081,339	\$ 3,003,483
Fixed income	2,581,385	2,249,213
Alternative	358,173	344,586
Total mutual funds	6,020,897	5,597,282
Exchange traded funds:		
Equity	3,787,676	3,517,175
Total exchange traded funds	3,787,676	3,517,175
Common stock:		
Industrial	33,886	99,375
Consumer discretionary	12,717	31,719
Consumer staples	26,884	73,431
Energy	7,182	14,463
Financial	59,892	83,536
Materials	18,387	25,941
Information technology	38,079	84,927
Real estate	-	3,146
Utilities	-	33,166
Health care	31,826	98,830
Telecommunication services	13,005	8,810
Total common stock	241,858	557,344
Corporate bonds	113,682	-
Money market funds	701,336	287,599
Totals	\$ 10,865,449	\$ 9,959,400

Fair values for Level 1 financial instruments are determined by quoted prices in the active market for identical financial instruments. Fair values for Level 2 financial instruments are determined by other significant observable inputs (quoted prices for similar financial instruments, interest rates, prepayment speeds, credit risk, etc.). Fair values for Level 3 financial instruments are determined by significant unobservable inputs, including the Corporation's own assumptions in determining the fair value of financial instruments. All of the Corporation's investments have been classified as Level 1.

VISABILITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Financial instruments, which potentially expose the Corporation to concentrations of credit risk, include investments in marketable securities. Concentrations of credit risk for investments in marketable securities is mitigated by the overall diversification of managed investment portfolios. Investment securities are also exposed to various other risks such as interest rate and market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in values of investment securities will occur in the near-term and that such changes could materially affect the amount reported on the consolidated statements of financial position.

8. Plant and Equipment

Plant and equipment balances at June 30, 2025 and 2024 are as follows:

	2025	2024
Buildings and improvements	\$ 17,922,309	\$ 17,873,137
Equipment and furniture	1,690,203	1,621,803
Total fixed assets	19,612,512	19,494,940
Less accumulated depreciation	6,000,478	5,245,104
Net Fixed Assets	<u>\$ 13,612,034</u>	<u>\$ 14,249,836</u>

9. Loans Payable

In connection with the New Market Tax Credits unwound in 2022, the Corporation entered into a loan with PNC Bank for the amount of \$6,500,000 to finance the required leverage loan. This loan was set to mature on October 15, 2030. In December 2021, the Corporation refinanced the loan for the amount of \$4,316,666. The loan has a variable interest rate based on the Adjusted Index Replacement-Daily Simple SOFR plus 1.20% and matures in October 2041. The loan is secured by the Corporation's investments and other business assets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Future debt principal payments are as follows as of June 30, 2025:

2026	\$	215,833
2027		215,833
2028		215,833
2029		215,833
2030		215,833
Thereafter		<u>2,462,817</u>
Total	\$	<u>3,541,982</u>

In December 2020, a \$150,000 SBA loan was received through the SBA's Economic Injury Disaster Loan (EIDL) program. This is a 30-year loan, with a 2.75% interest rate. Payment begins one year after the loan origination date, and the interest is accrued during the deferment period. The loan is a working capital loan to pay fixed debts, payroll, accounts payable, and other bills. There was a deferment period which extended the commencement of required payments for 30 months from the date of the note. Principal payments are expected to begin in May 2026. Monthly payments of \$641 will be applied to the accrued interest balance from the deferment period before being applied to principal. Future payments related to the EIDL loan are as follows:

Year Ending June 30		
2026	\$	3,986
2027		4,097
2028		4,211
2029		4,328
2030		4,449
Thereafter		<u>136,506</u>
Total	\$	<u>157,577</u>

Interest Rate Swap

During 2014, the Corporation entered into a pay fixed receive variable interest rate swap agreement to mitigate the risk of changes in interest rates associated with the variable interest rate on the note issued in relation to the leverage loan. Under the arrangement, the

VISABILITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

Corporation would make interest payments at a fixed rate of 3.69% and receive the variable rate payments based on the Adjusted Index Replacement – Daily Simple SOFR plus 1.00%. The intention of the interest rate swap is to effectively change the Corporation's variable interest rate on the note to a synthetic fixed rate of 3.69%. The agreement was amended on March 16, 2020 and the fixed rate was adjusted to 2.972%.

The interest payments on the interest rate swap are calculated based on the notional amount, which reduces monthly by \$18,056 beginning November 15, 2015, so that the notional amount on the interest rate swap approximates the principal outstanding on the note. The interest rate swap expires November 15, 2041. The notional amount under the interest rate swap agreement totaled \$3,541,982 and \$3,759,097 at June 30, 2025 and 2024, respectively. At the transaction's effective date, October 15, 2014, interest payments will be exchanged monthly and continue through the transaction's termination date, October 15, 2030. The fair value of the interest rate swap agreement was \$501,682 and \$620,007 as of June 30, 2025 and 2024, respectively. The fair value is an estimation of the expected net cash flows calculated based on the assumption of no unusual market conditions or forced liquidation. The fair value of the swap is not significant and has not been recorded on the consolidated financial statements.

The Corporation and the local financial institution are parties to an International Swap Dealers Association, Inc. (ISDA) master agreement that sets forth the general terms and conditions applicable to the loan and interest rate swap. Through the use of derivative instruments such as this interest rate swap, the Corporation is exposed to a variety of risks, including credit risk, interest rate risk, termination risk, basis risk, and rollover risk.

10. Lines of Credit

The Corporation maintains a \$2,500,000 revolving line of credit with a local financial institution. At June 30, 2025 and 2024, the outstanding balances were \$887,248 and \$231,143, respectively. The line matures on January 31, 2025 and is secured by the Corporation's investments at that financial institution. The line bears interest at the Daily Simple SOFR rate plus 1.00%. The interest rate as of June 30, 2025 and 2024, respectively, was 5.42% and 6.44%.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

11. Retirement Plans

The Corporation offers to all qualified employees a defined contribution retirement plan (plan) under the applicable provisions of the Internal Revenue Code. Eligible employees are permitted to make salary deferrals to the plan upon hire and those who have completed 1,000 hours of service within one calendar year at the Corporation are eligible to receive a profit-sharing contribution. Effective January 1, 2014, the Plan was amended to include all employees of the Company except for those who are Highly Compensated Employees. Employees of PBA Products & Services, Inc. and vocational rehabilitation department client participants of the Company are excluded from receiving employer contributions under the new amendment. The plan was further amended, effective July 1, 2015, to include all employees of Somerset County Blind Association. The Corporation's contribution percentage was 4% from July 1, 2019 through April 30, 2020. Effective May 1, 2020, the Plan was amended to change the profit-sharing contribution to a discretionary contribution. Total contributions by the Corporation into the plan for the years ended June 30, 2025 and 2024 amounted to \$67,678 and \$56,996, respectively.

On January 1, 2014, the Corporation established a 403(b) tax-deferred annuity plan for employees who are not eligible to participate in the defined contribution retirement plan. This plan does not provide for employer contributions.

12. Risk Management

The Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

The Corporation does not carry unemployment compensation insurance. Liabilities or current claims outstanding were not significant to the consolidated financial statements at June 30, 2025 or 2024.

13. Economic Dependency

A significant portion of the Corporation's grants and contributions are from organizations and individuals within the Allegheny County area. In addition, its employees, volunteers, clients, and vendors primarily reside in the Allegheny County area and, therefore, economic and demographic influences on this area impact the Corporation's operations.

VISABILITY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024

14. Subsidiaries

Med-Tec was formed as a corporation on September 19, 2008 and is a separate legal entity from the Corporation. The Corporation is the sole shareholder of Med-Tec. The formation of Med-Tec was established to allow the Corporation to expand its preparation of textiles and related activities. Med-Tec is on the accrual method of accounting with a June 30 fiscal year. As of June 30, 2025 and 2024, there was no financial activity for Med-Tec. Financial transactions for Med-Tec are not expected for fiscal year 2026.

PBA Products and Services, Inc. was formed as a non-profit corporation on December 1, 2008 and is a separate legal entity from the Corporation. The formation of PBA Products and Services, Inc. was established to provide employment opportunities to those with a broad spectrum of disabilities. PBA Products and Services, Inc. is on the accrual method of accounting with a June 30 fiscal year. PBA Products and Services, Inc. files a separate Form 990 for federal income tax purposes.

SUPPLEMENTARY INFORMATION

VISABILITY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2025

	VisAbility	PBA Products and Services	Subtotal	Eliminations	Total
Assets					
Cash and cash equivalents	\$ -	\$ 48,239	\$ 48,239	\$ -	\$ 48,239
Investments	10,865,449	-	10,865,449	-	10,865,449
Third-party tuition, fees, and other receivables	669,379	210,770	880,149	-	880,149
Grant receivable	1,001,137	-	1,001,137	-	1,001,137
Intercompany receivable	20,410	2,077	22,487	(22,487)	-
Promises to give	6,687	-	6,687	-	6,687
Inventories	396,454	-	396,454	-	396,454
Other assets	96,496	3,557	100,053	-	100,053
Plant and equipment, net of accumulated depreciation	13,607,022	5,012	13,612,034	-	13,612,034
Total Assets	\$ 26,663,034	\$ 269,655	\$ 26,932,689	\$ (22,487)	\$ 26,910,202
Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ 203,881	\$ 19,740	\$ 223,621	\$ (22,487)	\$ 201,134
Accrued liabilities	285,487	19,083	304,570	-	304,570
Deferred revenue	80,377	-	80,377	-	80,377
Line of credit	887,248	-	887,248	-	887,248
Loans payable	3,699,559	-	3,699,559	-	3,699,559
Total Liabilities	5,156,552	38,823	5,195,375	(22,487)	5,172,888
Net Assets:					
Without donor restrictions:					
Undesignated	3,568,049	225,820	3,793,869	-	3,793,869
Invested in plant and equipment, net of related debt	9,907,463	5,012	9,912,475	-	9,912,475
Board-designated	1,735,097	-	1,735,097	-	1,735,097
Total net assets without donor restrictions	15,210,609	230,832	15,441,441	-	15,441,441
Net assets with donor restrictions	6,295,873	-	6,295,873	-	6,295,873
Total Net Assets	21,506,482	230,832	21,737,314	-	21,737,314
Total Liabilities and Net Assets	\$ 26,663,034	\$ 269,655	\$ 26,932,689	\$ (22,487)	\$ 26,910,202

VISABILITY

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

	VisAbility	PBA Products and Services	Subtotal	Eliminations	Total
Net Assets Without Donor Restrictions:					
Support and revenues:					
Service income	\$ 1,499,545	\$ 1,460,418	\$ 2,959,963	\$ -	\$ 2,959,963
Sales	2,096,103	-	2,096,103	-	2,096,103
Donations and grants	1,189,762	-	1,189,762	(112,500)	1,077,262
Investment income, net	152,853	-	152,853	-	152,853
Income from trusts	176,238	-	176,238	-	176,238
Realized/unrealized gains (losses)	441,651	-	441,651	-	441,651
Other revenues	231,113	-	231,113	(36,000)	195,113
Net assets released from restrictions	995,696	-	995,696	-	995,696
Total support and revenues	6,782,961	1,460,418	8,243,379	(148,500)	8,094,879
Expenses:					
Program services:					
Industries	2,619,924	-	2,619,924	-	2,619,924
Rehabilitation	1,762,105	-	1,762,105	-	1,762,105
Vocational services	1,188,515	-	1,188,515	-	1,188,515
Community and support	364,998	-	364,998	-	364,998
PBA Products and Services	-	1,437,819	1,437,819	(148,500)	1,289,319
Total program services	5,935,542	1,437,819	7,373,361	(148,500)	7,224,861
Management and general	1,086,736	-	1,086,736	-	1,086,736
Development	438,394	-	438,394	-	438,394
Total expenses	7,460,672	1,437,819	8,898,491	(148,500)	8,749,991
Change in Net Assets Without Donor Restrictions	(677,711)	22,599	(655,112)	-	(655,112)
Net Assets With Donor Restrictions:					
Donations and grants	1,922,003	-	1,922,003	-	1,922,003
Investment income, net	138,379	-	138,379	-	138,379
Realized/unrealized gains (losses)	379,613	-	379,613	-	379,613
Net assets released from restriction	(995,696)	-	(995,696)	-	(995,696)
Change in Net Assets With Donor Restrictions	1,444,299	-	1,444,299	-	1,444,299
Change in Net Assets	766,588	22,599	789,187	-	789,187
Net Assets:					
Beginning of year	20,739,894	208,233	20,948,127	-	20,948,127
End of year	\$ 21,506,482	\$ 230,832	\$ 21,737,314	\$ -	\$ 21,737,314