

**VISION LOSS RESOURCES, INC.
AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended December 31, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vision Loss Resources, Inc. and Subsidiaries
Little Canada, Minnesota

Opinion

We have audited the accompanying consolidated financial statements of Vision Loss Resources, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 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 Vision Loss Resources, Inc. and Subsidiaries as of December 31, 2025 and 2024, and the changes in their net assets and their 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 Financial Statements section of our report. We are required to be independent of Vision Loss Resources, Inc. and Subsidiaries 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 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 Vision Loss Resources, Inc. and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Vision Loss Resources, Inc. and Subsidiaries' 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 Vision Loss Resources, Inc. and Subsidiaries' 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 audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information on pages 27 to 32 is presented for the purpose 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, except for the matter described below, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

The accompanying consolidating information on pages 27 to 32 does not include right-to-use lease assets and lease liabilities for material related-party leases that fully eliminate upon consolidation. Management has informed us that they have not determined the effects of not including related-party leases in the consolidating information.

Carlson SV JH

Amery, Wisconsin
March 30, 2026

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

ASSETS		
	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,163,563	\$ 2,558,227
Investments	2,053,490	712,660
Receivables, net of allowance for credit losses of \$5,000 in 2025 and 2024	1,317,402	2,044,265
Inventories	4,272,810	3,396,215
Prepaid expenses and other current assets	117,599	121,604
Income taxes refundable	165,957	-
Total Current Assets	9,090,821	8,832,971
OTHER ASSETS		
Restricted cash	2,458	203,187
Restricted investments	214,418	-
Real estate held for sale	-	266,017
Operating lease right-of-use asset	684,964	1,007,670
Total Other Assets	901,840	1,476,874
PROPERTY AND EQUIPMENT		
Property and equipment	13,780,668	12,546,051
Accumulated depreciation	(2,379,958)	(1,878,406)
Property and Equipment, Net	11,400,710	10,667,645
TOTAL ASSETS	\$ 21,393,371	\$ 20,977,490
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 607,663	\$ 314,407
Accrued expenses	305,670	427,342
Obligations under operating leases	351,164	330,713
Current portion of long-term debt	(41,198)	(14,958)
Income taxes payable	-	9,883
Total Current Liabilities	1,223,299	1,067,387
LONG-TERM LIABILITIES		
Obligations under operating leases	372,406	723,570
Long-term debt	2,084,406	3,230,672
Total Long-term Liabilities	2,456,812	3,954,242
Total Liabilities	3,680,111	5,021,629
NET ASSETS		
Without donor restrictions	17,496,384	15,752,674
With donor restrictions	216,876	203,187
Total Net Assets	17,713,260	15,955,861
TOTAL LIABILITIES AND NET ASSETS	\$ 21,393,371	\$ 20,977,490

(The accompanying notes are an integral part of these financial statements.)

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES						
Revenues, Gains, and Other Support						
Contributions and grants	\$ 237,712	\$ -	\$ 237,712	\$ 760,163	\$ -	\$ 760,163
Government grants	26,279	-	26,279	28,768	-	28,768
Program service revenue	1,223,528	-	1,223,528	1,241,444	-	1,241,444
Investment return, net	282,820	13,689	296,509	231,346	8,435	239,781
Gain on sale of property and equipment	1,171,435	-	1,171,435	-	-	-
Miscellaneous revenue	5,431	-	5,431	20,617	-	20,617
Total Support and Revenue	<u>2,947,205</u>	<u>13,689</u>	<u>2,960,894</u>	<u>2,282,338</u>	<u>8,435</u>	<u>2,290,773</u>
Expenses						
Program Services						
Rehab center	744,709	-	744,709	715,150	-	715,150
Community services	658,720	-	658,720	564,704	-	564,704
Support Services						
Management and general	915,282	-	915,282	899,727	-	899,727
Fundraising	38,524	-	38,524	45,633	-	45,633
Total Expenses	<u>2,357,235</u>	<u>-</u>	<u>2,357,235</u>	<u>2,225,214</u>	<u>-</u>	<u>2,225,214</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	589,970	13,689	603,659	57,124	8,435	65,559
MANUFACTURING ACTIVITIES						
Manufacturing sales	24,891,604	-	24,891,604	19,307,035	-	19,307,035
Cost of goods sold	(21,243,966)	-	(21,243,966)	(15,387,654)	-	(15,387,654)
Net manufacturing sales	3,647,638	-	3,647,638	3,919,381	-	3,919,381
Operating expenses	(2,450,898)	-	(2,450,898)	(2,224,233)	-	(2,224,233)
Loss on sale of assets	-	-	-	(28,811)	-	(28,811)
Income taxes	(43,000)	-	(43,000)	(206,100)	-	(206,100)
Total Manufacturing Activities	<u>1,153,740</u>	<u>-</u>	<u>1,153,740</u>	<u>1,460,237</u>	<u>-</u>	<u>1,460,237</u>
Unrelated business income taxes	-	-	-	(31,200)	-	(31,200)
CHANGE IN NET ASSETS	1,743,710	13,689	1,757,399	1,486,161	8,435	1,494,596
NET ASSETS, BEGINNING OF YEAR	15,752,674	203,187	15,955,861	14,266,513	194,752	14,461,265
NET ASSETS, END OF YEAR	<u>\$ 17,496,384</u>	<u>\$ 216,876</u>	<u>\$ 17,713,260</u>	<u>\$ 15,752,674</u>	<u>\$ 203,187</u>	<u>\$ 15,955,861</u>

(The accompanying notes are an integral part of these financial statements.)

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,757,399	\$ 1,494,596
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and debt issuance costs amortization	567,192	528,338
Realized (gain) loss on investments	(356,548)	61,192
Unrealized (gain) loss on investments	221,239	(168,209)
Loss on disposal of property and equipment	-	28,811
Gain on sale of real estate held for sale	(1,171,435)	-
Net operating changes in		
Receivables, net	726,863	(797,157)
Inventories	(876,595)	485,629
Income taxes refundable	(165,957)	216,888
Prepaid expense	4,005	9,779
Operating lease assets and liabilities	(8,007)	(1,194)
Accounts payable	293,256	(688,942)
Accrued expenses	(121,672)	122,794
Income taxes payable	(9,883)	9,883
Net Cash Provided by Operating Activities	<u>859,857</u>	<u>1,302,408</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,243,366)	(724,336)
Renovation improvement costs to real estate held for sale	(52,641)	-
Proceeds from disposition of property and equipment	-	7,000
Proceeds from sale of real estate held for sale	1,490,093	-
Proceeds from disposition of investments	793,136	525,950
Proceeds from disposition of restricted investments	18,167	192,000
Purchases of investments	(2,005,177)	(87,872)
Purchases of restricted investments	(226,065)	-
Net Cash Used by Investing Activities	<u>(1,225,853)</u>	<u>(87,258)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	<u>(1,229,397)</u>	<u>(32,593)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(1,595,393)	1,182,557
BEGINNING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u>2,761,414</u>	<u>1,578,857</u>
ENDING CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	<u><u>\$ 1,166,021</u></u>	<u><u>\$ 2,761,414</u></u>
SUPPLEMENTAL DISCLOSURE		
Cash payments during the year for		
Income tax	\$ 218,840	\$ 10,529
Interest	127,206	167,200
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	365,055	358,241
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH CONSISTS OF		
Cash and cash equivalents	\$ 1,163,563	\$ 2,558,227
Cash restricted to endowment fund	<u>2,458</u>	<u>203,187</u>
TOTAL	<u><u>\$ 1,166,021</u></u>	<u><u>\$ 2,761,414</u></u>

(The accompanying notes are an integral part of these financial statements.)

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Vision Loss Resources, Inc. (the Organization) was founded in 1914 as a workshop for the blind and was incorporated in March 1955. The Organization provides adjustment to blindness rehabilitation training for working age adults, with the goal of returning to work. Community services provide rehabilitation training, social emotional support, and educational and recreational services for older adults with visual impairments. The mission of Vision Loss Resources is to create a community of services, skills, and support for people with vision loss.

DeafBlind Services Minnesota, LLC is a wholly owned subsidiary of Vision Loss Resources, Inc. DeafBlind Services Minnesota (DBSM) brings one-to-one support to deafblind individuals of all ages, throughout Minnesota. The Organization trained support service providers (SSPs) work with adults, while their interveners teach communication skills to infants, children, and youth.

VLR Foundation was formed in 2022 and is a wholly owned subsidiary of Vision Loss Resources, Inc. The organization holds title to and manages real estate located in Little Canada, Minnesota.

Contract Production Services, LLC is a wholly owned for-profit subsidiary of Vision Loss Resources, Inc. In 2022, the organization was spun-off from Vision Loss Resources, Inc. as a for profit entity. The organization provides packaging and assembly work.

Program Activities

The Organization's program activities include a rehabilitation center and community services. The Rehabilitation Center is a full-service, comprehensive training center providing skills for independent living and vocational endeavors. Community Services is a community-based support network for individuals and their families, providing training, equipment, and support for independent living and enhanced quality of life. These services are provided to blind or visually impaired persons throughout the state of Minnesota but primarily in the nine-county Twin Cities metropolitan area.

Principles of Consolidation

The consolidated financial statements include the accounts of Vision Loss Resources, Inc., DeafBlind Services Minnesota, LLC, VLR Foundation, and Contract Production Services, LLC, which are referred to collectively throughout the notes as the Organization. All significant intercompany balances and transactions have been eliminated in consolidation.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Restricted Cash

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Accounts Receivables and Allowance for Credit Losses

Accounts receivable consist primarily of noninterest-bearing amounts due for customer accounts receivable. Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible.

Management estimates the allowance balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made to management's expectations about current and future economic conditions. Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. At December 31, 2025 and 2024, the allowance was \$5,000, respectively.

Inventories

Inventories consist of raw materials and work-in-process and are stated at the lower of cost or net realizable value. Cost is determined by the weighted average cost method. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statement of activities in the period in which it occurs.

Property and Equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 39 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

The carrying values of property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended December 31, 2025 and 2024.

Real Estate Held for Sale

Real estate held for sale consists of properties acquired through purchase with the intent to sell. These properties are recorded at the lower of its carrying value or fair value less cost to sell. Upon sale, the difference between the sales proceeds and the carrying value is recognized as a gain or loss in the statements of activities.

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method.

Investments

Investments are reported at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) imposed restrictions. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue is recognized from sales of packaged and assembled products at the time they are shipped. The Organization classifies freight billed to customers as sales revenue and related freight costs as cost of sales. The Organization recognizes revenue from exchange transactions, primarily rehabilitation and community service program service revenue, as the services are provided to the customer. All goods and services are transferred at a point in time.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. 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.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue and Revenue Recognition (Continued)

A portion of the Organization's revenue is derived from cost-reimbursable state 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 Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditure are reported as refundable advances in the consolidated statements of financial position. At December 31, 2025 and 2024, conditional contributions approximating \$12,000 and \$38,000, respectively, have not been recognized in the accompanying consolidated financial statements because qualifying expenditures have not been incurred. No amounts have been received in advance under state contracts and grants.

In-Kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. No significant contributions of such goods or services were received during the years ended December 31, 2025 and 2024, respectively.

Advertising

The Organization expenses advertising costs as they are incurred.

Functional Allocation of Expenses

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. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, which are allocated on the basis of estimates of time and effort, as well as fees for services, advertising and promotion, office expenses, information technology, occupancy, travel and transportation, conferences, conventions and meetings, depreciation, insurance, and other expenses, which are allocated on the basis of estimates of use and purpose.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

Vision Loss Resources, Inc. and VLR Foundation are organized as Minnesota nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under Section 501(a) as organizations described in IRC Section 501(c)(3). Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Each entity files an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS to report its unrelated business taxable income. Contract Production Services, LLC is organized as a Minnesota limited liability company and is subject to federal and state income taxes. DeafBlind Services Minnesota, LLC, a wholly owned subsidiary of Vision Loss Resources, Inc., is treated as a disregarded entity for income tax purposes.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and savings accounts with financial institution believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each ownership category. As of December 31, 2025 and 2024, the Organization had approximately \$1,369,000 and \$2,048,000, respectively, in excess of FDIC insurance limits. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from customer receivables, governmental agencies, and organizations supportive of the Organization's mission. Investments are made by an investment manager whose performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 1 – PRINCIPAL ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events Consideration

Management has evaluated subsequent events through March 30, 2026, the date on which the financial statements were available to be issued. Management has determined that there were no material events that would require recognition or disclosure in the Organization’s financial statements through this date.

NOTE 2 – AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position consists of the following at December 31:

	2025	2024
Financial assets at year end		
Cash, cash equivalents, and restricted cash	\$ 1,166,021	\$ 2,761,414
Investments	2,267,908	712,660
Receivables, net	1,317,402	2,044,265
Total financial assets	4,751,331	5,518,339
Less amounts not available to be used within one year		
Net assets with donor restrictions	216,876	203,187
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS	\$ 4,534,455	\$ 5,315,152

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations become due. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts, savings accounts, mutual funds, bonds and common stock. Vision Loss Resources, Inc. has a \$250,000 line of credit and Contract Production Services, LLC has a \$750,000 line of credit available to meet cash flow needs.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 3 – RECEIVABLES, NET

Receivables as of December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Trade and other receivables	\$ 1,289,992	\$ 2,016,855
Deposits and other receivables	32,410	32,410
	1,322,402	2,049,265
Allowance for credit losses	(5,000)	(5,000)
TOTAL	<u>\$ 1,317,402</u>	<u>\$ 2,044,265</u>

NOTE 4 – INVENTORIES

Major classifications of inventories as of December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Raw materials	\$ 4,226,813	\$ 3,357,909
Work-in-process	45,997	38,306
TOTAL	<u>\$ 4,272,810</u>	<u>\$ 3,396,215</u>

NOTE 5 – INVESTMENTS

Cost, fair value, and gross unrealized gains and losses of investments as of December 31 are summarized as follows:

2025	Mutual Funds	Bonds	Common Stock	Total
Cost	\$ 1,262,758	\$ 185,136	\$ 787,893	\$ 2,235,787
Gross unrealized gains	8,315	96	52,597	61,008
Gross unrealized losses	(2,435)	(710)	(25,742)	(28,887)
TOTAL	<u>\$ 1,268,638</u>	<u>\$ 184,522</u>	<u>\$ 814,748</u>	<u>\$ 2,267,908</u>

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 5 – INVESTMENTS (Continued)

	Common Stock
2024	
Cost	\$ 459,213
Gross unrealized gains	260,798
Gross unrealized losses	(7,351)
TOTAL	\$ 712,660

Net investment return for the years ended December 31, 2025 and 2024 is summarized as follows:

	2025	2024
Realized gains (losses), net	\$ 356,548	\$ (61,192)
Change in unrealized gains (losses), net	(221,239)	168,209
Interest and dividend income	100,985	67,605
Interest income from leverage loan	65,529	65,529
Investment fees	(5,314)	(370)
TOTAL	\$ 296,509	\$ 239,781

NOTE 6 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

The Organization reports certain assets at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk, or liquidity profile of the asset or liability.

The Organization's investments are classified within Level 1 because they comprise mutual funds, bonds, and common stock with readily determinable fair values based on daily redemption values.

There has been no change in the valuation methodologies used for the years presented and there have been no transfers between levels.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 6 – FAIR VALUE MEASUREMENTS AND DISCLOSURES (Continued)

The following table presents assets and liabilities measured at fair value on a recurring basis at December 31:

	Total Carrying Value	Fair Value Measurements Using:		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2025				
Mutual funds	\$1,268,638	\$1,268,638	\$ -	\$ -
Bonds	184,522	184,522	-	-
Common stock	814,748	814,748	-	-
COMMON STOCK	<u>\$2,267,908</u>	<u>\$2,267,908</u>	<u>\$ -</u>	<u>\$ -</u>
2024				
COMMON STOCK	<u>\$ 712,660</u>	<u>\$ 712,660</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 7 – TRUST FUNDS

The Organization is the recipient of income from funds held in trust by others in legal trust instruments created by the donors. The amounts of income received from each trust during 2025 and 2024 are reported in the consolidated statements of activities within contributions and grants.

NOTE 8 – PROPERTY AND EQUIPMENT

Cost of property and equipment as of December 31 consists of the following:

	2025	2024
Land and land improvements	\$ 1,174,615	\$ 1,174,615
Buildings and improvements	10,067,343	8,943,912
Equipment	2,538,710	2,035,693
Construction in progress	-	391,831
TOTAL	<u>\$ 13,780,668</u>	<u>\$ 12,546,051</u>

Depreciation expense on property and equipment amounted to \$510,301 and \$478,580 for the years ended December 31, 2025 and 2024, respectively.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 9 – REAL ESTATE HELD FOR SALE

Real estate held for sale consists of a property in Saint Paul, Minnesota. The property was recorded at its carrying amount of \$266,017 at December 31, 2024, representing historical cost of \$1,104,270 less accumulated depreciation of \$838,253. In 2025, the property was sold resulting in a gain on sale of assets on the consolidated statements of activities for \$1,171,435.

NOTE 10 – LINE OF CREDIT

Vision Loss Resources, Inc. facilitated a \$250,000 line of credit with Bank of America which is secured by essentially all the assets of the Organization. The line of credit has a variable interest rate of the bank’s prime rate plus .75%. The line of credit matures October 31, 2026. There was no balance outstanding on the line of credit at December 31, 2025.

Contract Production Services, LLC facilitated a \$750,000 line of credit with Bank of America which is secured by essentially all the assets of the Organization. The line of credit has a variable interest rate of the bank’s prime rate plus 1.00%. The line of credit matures October 31, 2026. There was no balance outstanding on the line of credit at December 31, 2025.

NOTE 11 – LONG-TERM DEBT

Long-term indebtedness as of December 31 is as follows:

	<u>2025</u>	<u>2024</u>
Sunrise Banks - Little Canada loan A	\$ 6,552,900	\$ 6,552,900
Sunrise Banks - Little Canada loan B	2,177,100	2,177,100
Sunrise Banks - Wabasha building loan	-	1,229,397
Leverage lender agreement on Little Canada loan A	(6,552,900)	(6,552,900)
Unamortized debt issuance costs	(133,892)	(190,783)
Total Long-Term Debt, Net	<u>2,043,208</u>	<u>3,215,714</u>
Current portion	<u>41,198</u>	<u>14,958</u>
TOTAL	<u><u>\$ 2,084,406</u></u>	<u><u>\$ 3,230,672</u></u>

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 11 – LONG-TERM DEBT (Continued)

The Sunrise Banks Little Canada loan A is secured by the real estate at 3230 Spruce Street, Little Canada, Minnesota. The loan was done through a New Market Tax Credit structure. The Organization is required to maintain specific financial covenants. At December 31, 2025 the Organization was in compliance with these covenants. The fixed rate of interest on the loan is 1.3691%. The maturity date is May 18, 2029. Quarterly interest only payments of \$22,429 are due through the maturity date of the loan. Vision Loss Resources, Inc. is the leverage lender on the full amount of this loan for VLR Foundation so this loan has been eliminated on the consolidated statements of financial position. Vision Loss Resources, Inc. receives interest of 1.00% paid in quarterly installments for being the leverage lender from an outside investor.

The Sunrise Banks Little Canada loan B is secured by the real estate at 3230 Spruce Street, Little Canada, Minnesota. The loan was done through a New Market Tax Credit structure. The Organization is required to maintain specific financial covenants. At December 31, 2025 the Organization was in compliance with these covenants. The fixed rate of interest on the loan is 1.3691%. The maturity date is May 18, 2029. Quarterly interest only payments of \$7,452 are due through the maturity date of the loan. With the New Market Tax Credit structure, at maturity date the Organization can purchase back the building for \$1,000 resulting in no additional amounts due on this loan.

Debt issuance costs are amortized over the terms of the Sunrise Banks loan using the straight-line method. Amortization of debt issuance costs is reported as interest expense in the statements of functional expenses.

Principal amounts due on long-term debt in each of the next four years are as follows: 2026 \$0; 2027 \$0; 2028 \$0; and 2029 \$1,000.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 12 – RELATED PARTY TRANSACTIONS

The following is a summary of related party transactions that have been eliminated in the consolidated statements of activities at December 31:

<u>Received from/ Description</u>	<u>Paid from</u>	<u>2025</u>	<u>2024</u>
Vision Loss Resources, Inc.			
Office rent	Contract Production Services, LLC	\$ 544,724	\$ 670,312
Management fees	Contract Production Services, LLC	197,292	132,732
Management fees	Deafblind Services Minnesota, LLC	80,071	84,000
VLR Foundation			
Office rent	Vision Loss Resources	498,119	488,352

NOTE 13 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows for the years ended December 31:

	<u>2025</u>	<u>2024</u>
ENDOWMENT FUND	<u>\$ 216,876</u>	<u>\$ 203,187</u>

NOTE 14 – ENDOWMENT FUND

The Organization’s endowment consists of one donor-restricted endowment fund. The Organization has interpreted the Minnesota Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At December 31, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Organization retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 14 – ENDOWMENT FUND (Continued)

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization and (7) the Organization's investment policies.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted UPMIFA to permit spending from underwater investments in accordance with prudent measures required under law.

Investment and Spending Policies

Investment and spending policies were adopted to attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of the endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Organization has a policy of appropriating for distribution each year the investment earnings in the fund.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 14 – ENDOWMENT FUND (Continued)

Changes in endowment net assets for the years ended December 31 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
2025			
Endowment net assets, beginning of year	\$ -	\$ 203,187	\$ 203,187
Investment return			
Investment income	-	7,813	7,813
Unrealized gain	-	6,519	6,519
Investment fees	-	(643)	(643)
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 216,876</u>	<u>\$ 216,876</u>
2024			
Endowment net assets, beginning of year	\$ -	\$ 194,752	\$ 194,752
Investment return			
Investment income	-	9,512	9,512
Unrealized loss	-	(927)	(927)
Investment fees	-	(150)	(150)
ENDOWMENT NET ASSETS, END OF YEAR	<u>\$ -</u>	<u>\$ 203,187</u>	<u>\$ 203,187</u>

NOTE 15 – DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution 401(k) plan covering all employees who are at least 21 years of age. The Organization contributes a safe harbor match of 100% of the participants' match up to 5% of the participants' plan compensation. Total expense was \$81,708 and \$66,913 for the years ended December 31, 2025 and 2024, respectively.

NOTE 16 – ECONOMIC DEPENDENCY

The Organization receives substantially all of its fees-for-service funding from the Minnesota Department of Employment & Economic Development and the Minnesota Department of Human Services. The ability to provide these services would be adversely affected if the Organization was not contracted for services from these governmental agencies.

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 16 – ECONOMIC DEPENDENCY (Continued)

A substantial majority of the Organization’s sales from manufacturing operations are to one major customer. Sales to the customer represent 88% and 87% of total sales for the years ended December 31, 2025 and 2024, respectively. Accounts receivable from this same customer represent approximately 84% and 83% of total receivables at December 31, 2025 and 2024, respectively. The ability to generate cash flow and operate at the same level would be jeopardized in the event this customer was to decrease its orders or cease contracting with the Organization.

NOTE 17 – LEASES

The Organization leases warehouse space under a long-term non-cancelable operating lease agreement. The lease expires December 2027. The Organization includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised. The Organization’s operating lease provides for increases in future minimum annual rental payments. Additionally, the operating lease agreement requires the Organization to pay expenses and taxes based off the Organization’s proportionate share of the leased warehouse space.

The operating lease weighted-average discount rate is based on the discount rate that the Organization would be able to obtain on similar length debt.

The Organization has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis. The Organization elected the practical expedient to not separate lease and non-lease components for all leases that apply.

Total right-of-use assets and lease liabilities at December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Lease assets - classification in statement of financial position		
Operating lease right-of-use assets - other assets	\$ 684,964	\$ 1,007,670
Lease liabilities - classification in statement of financial position		
Operating lease liabilities - obligations under operating leases	\$ 723,570	\$ 1,054,283

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 17 – LEASES (Continued)

Total lease costs for the years ended December 31 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 401,124	\$ 399,879
Short-term lease cost	105,249	-

The following summarizes the weighted-average remaining lease term and weighted average discount rate:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term in years		
Operating leases	2.00	3.00
Weighted-average discount rate		
Operating leases	3.80%	3.80%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2025:

	<u>Operating</u>
December 31, 2026	\$ 372,586
December 31, 2027	<u>380,116</u>
Total lease payments	752,702
Less interest	<u>(29,132)</u>
PRESENT VALUE OF LEASE LIABILITIES	<u>\$ 723,570</u>

NOTE 18 – INCOME TAXES

The federal and state income tax provision is summarized as follows:

	<u>2025</u>	<u>2024</u>
Current provision		
Federal	\$ 24,700	\$ 153,416
State	<u>18,300</u>	<u>83,884</u>
TOTAL	<u>\$ 43,000</u>	<u>\$ 237,300</u>

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

NOTE 18 – INCOME TAXES

The Organization’s effective income tax rate is lower than what would be expected if the federal statutory rate were applied to income before income taxes primarily because of certain expenses. The Organization’s manufacturing and packaging operations are subject to business income tax.

At December 31, 2025 the Organization has net operating loss carryforwards of approximately \$70,000 (\$90,000 - 2024). These loss carryforwards do not expire.

NOTE 19 – CONTINGENCIES

Stored Goods

The Organization provides warehouse space to its most significant customer to store finished goods that are owned by that customer. The amount of goods stored is significant; however, the value of those goods cannot be reasonably estimated based on information available to the Organization. The Organization is required to have adequate insurance on stored goods.

NOTE 20 – REVENUE FROM CONTRACTS WITH CUSTOMERS

Receivables from contracts with customers are reported as receivables, net in the accompanying consolidated statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying consolidated statements of financial position. The beginning and ending balances for receivables, net were as follows for the years ended December 31, 2025 and 2024:

	2025	
	January 1	December 31
Receivables, net	\$ 2,044,265	\$ 1,317,402
	2024	
	January 1	December 31
Receivables, net	\$ 1,247,108	\$ 2,044,265

SUPPLEMENTARY INFORMATION

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
December 31, 2025

ASSETS						
	Vision Loss Resources, Inc.	DeafBlind Services Minnesota, LLC	VLR Foundation	Contract Production Services, LLC	Eliminations	Total
CURRENT ASSETS						
Cash and cash equivalents	\$ 880,628	\$ 73,926	\$ 13,867	\$ 195,142	\$ -	\$ 1,163,563
Investments	9,331,369	-	-	-	(7,277,879)	2,053,490
Receivables, net	106,198	63,228	-	1,157,632	(9,656)	1,317,402
Inventories	-	-	-	4,272,810	-	4,272,810
Prepaid expense and other current assets	347,606	5,000	-	23,483	(258,490)	117,599
Income taxes refundable	48,749	-	4,208	113,000	-	165,957
Total Current Assets	<u>10,714,550</u>	<u>142,154</u>	<u>18,075</u>	<u>5,762,067</u>	<u>(7,546,025)</u>	<u>9,090,821</u>
OTHER ASSETS						
Restricted cash	2,458	-	-	-	-	2,458
Restricted investments	214,418	-	-	-	-	214,418
Operating lease right-of-use asset	-	-	-	684,964	-	684,964
Long-term portion of notes receivable	6,552,900	-	-	-	(6,552,900)	-
Total Other Assets	<u>6,769,776</u>	<u>-</u>	<u>-</u>	<u>684,964</u>	<u>(6,552,900)</u>	<u>901,840</u>
PROPERTY AND EQUIPMENT						
Property and equipment	292,437	-	11,182,854	2,305,377	-	13,780,668
Accumulated depreciation	(118,217)	-	(852,212)	(1,409,529)	-	(2,379,958)
Property and Equipment, Net	<u>174,220</u>	<u>-</u>	<u>10,330,642</u>	<u>895,848</u>	<u>-</u>	<u>11,400,710</u>
TOTAL ASSETS	<u>\$ 17,658,546</u>	<u>\$ 142,154</u>	<u>\$ 10,348,717</u>	<u>\$ 7,342,879</u>	<u>\$ (14,098,925)</u>	<u>\$ 21,393,371</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts payable	\$ 4,615	\$ 1,080	\$ -	\$ 611,624	(9,656)	\$ 607,663
Accrued expenses	63,420	18,325	-	223,925	-	305,670
Deferred revenue	-	-	258,490	-	(258,490)	-
Obligations under operating leases	-	-	-	351,164	-	351,164
Current portion of long-term debt	-	-	(41,198)	-	-	(41,198)
Total Current Liabilities	<u>68,035</u>	<u>19,405</u>	<u>217,292</u>	<u>1,186,713</u>	<u>(268,146)</u>	<u>1,223,299</u>
LONG-TERM LIABILITIES						
Obligations under operating leases	-	-	-	372,406	-	372,406
Long-term debt	-	-	8,637,306	-	(6,552,900)	2,084,406
Total Long-term Liabilities	<u>-</u>	<u>-</u>	<u>8,637,306</u>	<u>372,406</u>	<u>(6,552,900)</u>	<u>2,456,812</u>
Total Liabilities	<u>68,035</u>	<u>19,405</u>	<u>8,854,598</u>	<u>1,559,119</u>	<u>(6,821,046)</u>	<u>3,680,111</u>
NET ASSETS						
Without donor restrictions	17,373,635	122,749	1,494,119	5,783,760	(7,277,879)	17,496,384
With donor restrictions	216,876	-	-	-	-	216,876
Total Net Assets	<u>17,590,511</u>	<u>122,749</u>	<u>1,494,119</u>	<u>5,783,760</u>	<u>(7,277,879)</u>	<u>17,713,260</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,658,546</u>	<u>\$ 142,154</u>	<u>\$ 10,348,717</u>	<u>\$ 7,342,879</u>	<u>\$ (14,098,925)</u>	<u>\$ 21,393,371</u>

VISION LOSS RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2025

	Vison Loss Resources, Inc.	DeafBlind Services Minnesota, LLC	VLR Foundation	Contract Production Services, LLC	Eliminations	Total
OPERATING ACTIVITIES						
Revenues, Gains, and Other Support						
Contributions and grants	\$ 237,712	\$ -	\$ -	\$ -	\$ -	\$ 237,712
Government grants	26,279	-	-	-	-	26,279
Program service revenue	482,859	740,669	-	-	-	1,223,528
Rental income	544,724	-	498,119	-	(1,042,843)	-
Investment return, net	296,509	-	-	-	-	296,509
Gain on sale of assets	1,171,435	-	-	-	-	1,171,435
Miscellaneous revenue	282,794	-	-	-	(277,363)	5,431
Total Support and Revenue	<u>3,042,312</u>	<u>740,669</u>	<u>498,119</u>	<u>-</u>	<u>(1,320,206)</u>	<u>2,960,894</u>
Expenses						
Program Services						
Rehab center	764,634	-	-	-	(19,925)	744,709
Community services	-	658,720	-	-	-	658,720
Support Services						
Management and general	928,236	80,251	465,060	-	(558,265)	915,282
Fundraising	38,524	-	-	-	-	38,524
Total Expenses	<u>1,731,394</u>	<u>738,971</u>	<u>465,060</u>	<u>-</u>	<u>(578,190)</u>	<u>2,357,235</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	1,310,918	1,698	33,059	-	(742,016)	603,659
MANUFACTURING ACTIVITIES						
Manufacturing sales	-	-	-	24,891,604	-	24,891,604
Cost of goods sold	-	-	-	(21,243,966)	-	(21,243,966)
Net manufacturing sales	-	-	-	3,647,638	-	3,647,638
Operating expenses	-	-	-	(3,192,914)	742,016	(2,450,898)
Income taxes	-	-	-	(43,000)	-	(43,000)
Total Manufacturing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>411,724</u>	<u>742,016</u>	<u>1,153,740</u>
INCOME OF CONSOLIDATED SUBSIDIARIES	<u>444,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(444,783)</u>	<u>-</u>
CHANGE IN NET ASSETS	1,755,701	1,698	33,059	411,724	(444,783)	1,757,399
NET ASSETS, BEGINNING OF YEAR	<u>15,834,810</u>	<u>121,051</u>	<u>1,461,060</u>	<u>5,372,036</u>	<u>(6,833,096)</u>	<u>15,955,861</u>
NET ASSETS, END OF YEAR	<u><u>\$ 17,590,511</u></u>	<u><u>\$ 122,749</u></u>	<u><u>\$ 1,494,119</u></u>	<u><u>\$ 5,783,760</u></u>	<u><u>\$ (7,277,879)</u></u>	<u><u>\$ 17,713,260</u></u>

VISION LOSS RESOURCES, INC.
UNCONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

	2025			
	Program Services	Supporting Services		
	Rehab Center	Management and General	Fundraising	Total
Salaries and benefits	\$ 648,159	\$ 301,531	\$ 29,449	\$ 979,139
Fees for services	2,255	43,312	-	45,567
Advertising and promotion	161	-	-	161
Office expenses	25,517	23,146	4,259	52,922
Information technology	29,860	5,970	271	36,101
Occupancy	24,709	486,019	-	510,728
Travel and transportation	6,925	-	-	6,925
Conferences, conventions, and meetings	5,874	-	-	5,874
Interest expense	-	19,535	-	19,535
Depreciation	9,105	27,313	-	36,418
Insurance	9,486	19,036	169	28,691
Other	2,583	2,374	4,376	9,333
TOTAL	\$ 764,634	\$ 928,236	\$ 38,524	\$ 1,731,394

	2024			
	Program Services	Supporting Services		
	Rehab Center	Management and General	Fundraising	Total
Salaries and benefits	\$ 591,748	\$ 309,769	\$ 37,344	\$ 938,861
Fees for services	6,917	38,820	-	45,737
Office expenses	31,056	5,477	1,756	38,289
Information technology	36,537	2,732	2,732	42,001
Occupancy	26,511	477,669	-	504,180
Travel and transportation	6,969	13	12	6,994
Conferences, conventions, and meetings	8,752	-	-	8,752
Interest expense	-	56,004	-	56,004
Depreciation	12,393	37,180	-	49,573
Insurance	9,854	18,956	269	29,079
Other	3,947	1,377	3,520	8,844
TOTAL	\$ 734,684	\$ 947,997	\$ 45,633	\$ 1,728,314

DEAFBLIND SERVICES MINNESOTA, LLC
UNCONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

	2025		
	Program Services	Supporting Services	Total
	Community Services	Management and General	
Salaries and benefits	\$ 500,196	\$ -	\$ 500,196
Fees for services	5,741	-	5,741
Office expenses	1,286	180	1,466
Information technology	2,565	-	2,565
Travel and transportation	91,030	-	91,030
Conferences, conventions, and meetings	20,574	-	20,574
Client and program expense	13,875	-	13,875
Insurance	2,592	-	2,592
Other	20,861	-	20,861
Administrative charges	-	80,071	80,071
TOTAL	\$ 658,720	\$ 80,251	\$ 738,971

	2024		
	Program Services	Supporting Services	Total
	Community Services	Management and General	
Salaries and benefits	\$ 440,070	\$ -	\$ 440,070
Fees for services	1,006	-	1,006
Office expenses	1,713	180	1,893
Information technology	4,668	-	4,668
Travel and transportation	68,898	-	68,898
Conferences, conventions, and meetings	10,495	-	10,495
Client and program expense	11,332	-	11,332
Insurance	1,520	-	1,520
Other	25,002	-	25,002
Administrative charges	-	84,000	84,000
TOTAL	\$ 564,704	\$ 84,180	\$ 648,884

VLR FOUNDATION
UNCONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Supporting Services</u>	<u>Supporting Services</u>
	<u>Management and General</u>	<u>Management and General</u>
Fees for services	\$ 7,800	\$ 7,882
Office expenses	-	140
Occupancy	3,943	1,585
Interest expense	160,720	160,720
Depreciation	292,597	250,041
TOTAL	<u>\$ 465,060</u>	<u>\$ 420,368</u>

CONTRACT PRODUCTION SERVICES, LLC
UNCONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
	<u>Manufacturing</u>	<u>Manufacturing</u>
Cost of Sales		
Direct labor	\$ 2,027,200	\$ 1,168,309
Contract labor	4,137,623	2,994,972
Materials and freight	14,350,494	10,604,742
Benefits and other	728,649	619,631
Total Cost of Sales	<u>21,243,966</u>	<u>15,387,654</u>
Operating expenses		
Salaries and benefits	1,439,131	1,266,578
Fees for services	30,779	35,572
Advertising and promotion	7,329	47,188
Office expenses	320,639	185,293
Information technology	88,209	93,433
Occupancy	853,604	1,010,320
Travel and transportation	7,503	13,079
Conferences, conventions, and meetings	401	6,591
Depreciation	181,286	178,966
Insurance	45,507	39,013
Other	218,526	151,244
Total Operating Expenses	<u>3,192,914</u>	<u>3,027,277</u>
TOTAL EXPENSES	<u><u>\$ 24,436,880</u></u>	<u><u>\$ 18,414,931</u></u>