

CHOSEN VISION, INC.
REPORT ON FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Chosen Vision, Inc.

Opinion

We have audited the accompanying financial statements of Chosen Vision, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chosen Vision, Inc., as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended, in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Chosen Vision, Inc.'s 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 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 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 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 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 Chosen Vision, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Chosen Vision, Inc.'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.

Manes Costeiran PC

November 14, 2025

CHOSEN VISION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 637,725
Investments	1,003,260
Accounts receivable	106,639
Prepaid expenses	<u>11,511</u>

Total current assets 1,759,135

Quasi-endowment fund 297,301

Property and equipment, net of accumulated depreciation 2,067,756

TOTAL ASSETS \$ 4,124,192

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable	\$ 18,653
Accrued payroll and related	<u>70,333</u>

TOTAL LIABILITIES 88,986

NET ASSETS

Without donor restrictions

Undesignated	3,737,905
Board designated	<u>297,301</u>

TOTAL NET ASSETS 4,035,206

TOTAL LIABILITIES AND NET ASSETS \$ 4,124,192

CHOSEN VISION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

REVENUE AND OTHER SUPPORT	
Contributions	\$ 315,093
Resident income	1,294,843
Special events	
Golf marathon	90,856
Annual banquet	166,619
Investment return, net	<u>110,659</u>
TOTAL REVENUE AND OTHER SUPPORT	<u>1,978,070</u>
EXPENSES	
Program services	1,635,823
Supporting services	
Management and general	142,087
Fundraising	<u>37,599</u>
TOTAL EXPENSES	<u>1,815,509</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	162,561
NET ASSETS - beginning of year	<u>3,872,645</u>
NET ASSETS - end of year	<u><u>\$ 4,035,206</u></u>

See notes to financial statements.

CHOSEN VISION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Supporting Services			Total
		General and Administrative	Fundraising	Supporting Services	
Salaries and wages	\$ 1,070,797	\$ 56,358	\$ -	\$ 56,358	\$ 1,127,155
Employee benefits and taxes	92,609	4,874	-	4,874	97,483
Professional services	-	23,583	-	23,583	23,583
General office and administrative	527	5,532	352	5,884	6,411
Insurance	32,640	37,637	-	37,637	70,277
Staff development and travel	35,110	4,857	-	4,857	39,967
Food and groceries	151,977	-	-	-	151,977
Repairs and maintenance	82,834	-	-	-	82,834
Utilities	51,343	2,702	-	2,702	54,045
Resident personal allowances	16,964	-	-	-	16,964
Miscellaneous	3,335	176	-	176	3,511
Fundraising and special events	-	-	34,953	34,953	34,953
Postage and printing	7,679	1,097	2,294	3,391	11,070
Dues and subscriptions	-	534	-	534	534
Depreciation	90,008	4,737	-	4,737	94,745
TOTAL EXPENSES	\$ 1,635,823	\$ 142,087	\$ 37,599	\$ 179,686	\$ 1,815,509

See notes to financial statements.

CHOSEN VISION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash flows from operating activities	
Change in net assets	\$ 162,561
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities	
Unrealized (gain)/loss on investments	(110,659)
Depreciation	94,745
Changes in	
Accounts receivable	(46,538)
Prepaid expenses	8,877
Accounts payable	(7,043)
Accrued payroll and related items	21,937
Total adjustments	(38,681)
Net cash provided by operating activities	123,880
Cash flows from investing activities	
Purchase of property and equipment	(56,882)
Purchase of investments	(75,000)
Net cash used by investing activities	(131,882)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,002)
CASH AND CASH EQUIVALENTS, beginning of year	645,727
CASH AND CASH EQUIVALENTS, end of year	\$ 637,725

See notes to financial statements.

CHOSEN VISION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Chosen Vision, Inc. ("Organization") are maintained on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Cash and Cash Equivalents

Cash and cash equivalents include temporary cash deposits and highly liquid investments which have an original maturity date of three months or less. From time to time during the year, the Organization may have cash on deposit in excess of the federally insured limit. At December 31, 2024, uninsured cash balances totaled \$498,405.

Investments

The Organization records its investments in marketable equity securities and certificates of deposit with original maturities greater than three months. Accordingly, investments in marketable securities with readily determinable fair values are valued at their fair values in the statements of financial position. Certificates of deposit are measured at amortized cost. Realized/unrealized gains and losses are included in the statements of activities. Investment income is reported in the statements of activities and consists of interest and dividend income, less investment expenses.

Accounts Receivable

Accounts receivable represent the Organization's unconditional right to consideration in exchange for program services that the Organization has provided to the member based on contracted prices. Accounts receivable are recorded when services are provided and invoices are issued and are presented on the statements of financial position at the amount management expects to collect. Management considers the amounts to be fully collectible, accordingly, no allowance for credit losses has been provided. Uncollectible accounts are written off in the year they are deemed uncollectible.

Property and Equipment

Property and equipment is recorded at cost and are depreciated over the estimated useful life of the assets using the straight-line method. Donated assets are recorded at fair value at date of donation. Cost of maintenance and repairs are charged to expense when incurred.

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 grantor restrictions.

CHOSEN VISION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued)

Net Assets With Donor Restrictions - Net assets subject to donor (or 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 restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose has been accomplished. The organization has no donor restricted net assets for the year ended December 31, 2024.

Revenue Recognition

Resident income

Resident income is recognized as revenue as performance obligations are satisfied, which is ratably over the contract term. As a result, deferred revenue are recorded for any amount for which the Organization has a right to invoice but for which services have not been provided.

Contribution Revenue

Contributions 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 statement of activities as net assets released from restrictions.

Unconditional contributions expected to be collected within one year are reported at their net realizable value. Unconditional contributions expected to be collected in future years are initially reported at their fair value determined using the discounted present value of estimated future cash flows technique. The resulting discount is amortized using the level-yield method and is reported as contribution revenue.

Conditional contributions depend on the occurrence of a specified future and uncertain event to bind the donor and are recognized as assets and revenue when the conditions are substantially met, and the gift becomes unconditional.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of expenses that are allocated to program or supporting functions of the Organization. Allocated expenses primarily consist of payroll and related, professional fees, and general expenses based on salary and wage analysis and management's estimated use of resources.

CHOSEN VISION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 - ORGANIZATION, RISKS, AND UNCERTAINTIES

Chosen Vision, Inc. (the "Organization") is a Michigan non-profit corporation. Its stated purpose is to provide housing, care, and related services for persons with disabilities. The founders of the Organization were interested in establishing a group home for developmentally disabled adults that would meet their social and emotional needs and be distinctively Christian. The original Chosen Vision Home was opened in 2002, and is a barrier-free, multi-bed home located northeast of Grand Ledge for young women. The Organization opened two additional facilities in DeWitt, a second facility for young women in 2013 and a facility for young men in 2015. An additional facility, Joshua's Place, located in DeWitt opened in 2018 and Austin's House, located in Westphalia, was donated to the Organization in 2022.

The Organization is required to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of temporary cash investments and accounts receivable. The Organization places its temporary cash investments with FDIC insured financial institutions. Although such investments and cash balances may exceed the federally insured limits at certain times during the year, they are, in the opinion of management, subject to minimal risk.

In addition, the Organization recognizes an allowance for credit losses at the time a receivable is recorded based on management's estimate of expected credit losses, historical write-off experience, and current account knowledge, and adjusts this estimate over the life of the receivable as needed. The Organization evaluates the aggregation and risk characteristics of a receivable pool and develops loss rates that reflect historical collections, current forecasts of future economic conditions over the time horizon the Organization is exposed to credit risk, and payment terms or conditions that may materially affect future forecasts.

The Organization performs ongoing credit evaluations of its third-parties' financial condition whenever deemed necessary. The Organization evaluates and maintains, if necessary, an allowance for credit losses based on the expected collectability of all accounts receivable, which takes into consideration an analysis of historical credit losses, specific third-parties creditworthiness and current economic trends. Management believes that the Organization's concentration of credit risk is limited due to establishing policies for extending credit based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Concentration of credit risk with respect to receivables is limited by the Organization which has established policies for extending credit based upon factors surrounding the credit risk of specific customers, historical trends and other information.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

The Organization evaluates events and transactions that occur after year end for potential recognition or disclosure in the financial statements. These subsequent events have been considered through November 14, 2025, which is the date the financial statements were available to be issued.

CHOSEN VISION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program service activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The following reflects the Organization's financial assets as of December 31, 2024, which are deemed available for general expenditures within one year of the date of the statement of financial position. Amounts not available include donor restricted net assets.

Cash and cash equivalents	\$ 637,725
Investments	1,003,260
Accounts receivable, net of allowance	<u>106,639</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,450,323</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

NOTE 4 - INVESTMENTS/FAIR VALUE MEASUREMENTS

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques giving the highest priority to readily available unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) when market prices are not readily available or reliable. The 3 levels of the fair value hierarchy are described as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants may use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.
- Level 3: Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or deemed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Conference's own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available.

From time to time, changes in valuation techniques may result in reclassification of an investment's assigned level within the hierarchy.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

CHOSEN VISION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 - INVESTMENTS/FAIR VALUE MEASUREMENTS (continued)

Following is a description of the valuation methodologies used to determine how an asset is measured at fair value. There have been no changes in the methodologies used at December 31, 2024.

Mutual Funds: Valued at the closing price reported in the active market on which the individual securities are traded.

Equities: Valued at the closing price reported in the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following is a market value summary of the Organization's investments carried at fair value at December 31, 2024:

	Level 1	Total
Mutual funds	\$ 463,401	\$ 463,401
Equities	386,031	386,031
Total investments at fair value	\$ 849,432	849,432
Certificates of deposit, valued at amortized cost		451,129
Total investments		\$ 1,300,561

Investment return, net at December 31, 2024 consists of the following:

Interest and dividends, net	\$ 46,419
Net unrealized gain	64,240
Total investment return, net	\$ 110,659

CHOSEN VISION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	Useful Lives in Years		
Land		\$	142,998
Chosen Vision Home	30		549,779
Joshua's Place Buildings	30		564,784
Dewitt Buildings	30		898,259
Austin's House	30		659,206
Equipment	5		68,542
Vehicles	4		92,216
Furniture	8		85,756
			3,061,540
Less accumulated depreciation			(993,784)
		\$	2,067,756

NOTE 6 - CONCENTRATIONS

Concentrations of revenue include resident revenue from one source, which made up approximately 62% of the total resident income for the year ended December 31, 2024.

NOTE 7 - QUASI-ENDOWMENT FUND

The Board of Directors elected to designate a portion of the Organization's net assets without donor restrictions into an endowment fund held with Captrust. Endowment funds changed during the year ended December 31, 2024, as follows:

Endowment fund net assets at beginning of year		\$	271,697
Unrealized gains			25,604
Endowment fund net assets at end of year		\$	297,301