VISTA MARIA AND SUBSIDIARIES

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

Years ended December 31, 2024 and 2023

VISTA MARIA AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Vista Maria and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Vista Maria (the "Organization", a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, 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, based on our audits and the report of the other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the 2024 and 2023 financial statements of InSight Youth and Family Connections, Inc. ("InSight"), a wholly owned subsidiary, which statements reflect total assets of $42,040,119 and $32,851,487 as of September 30, 2024 and 2023, respectively, and total revenues of $12,388,120 and $11,992,850 for the years then ended. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for InSight as of September 30, 2024 and 2023, and for the years then ended, is based solely on the report of the other auditors.

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 the Organization 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant 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 Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Information Included in the Organization's Annual Report

Management is responsible for the other information included in the Organization's Annual Report. The other information comprises the *2024 Financials* included in the Annual Report, but it does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance on it.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

UHY LLP

Farmington Hills, Michigan
April 21, 2025

VISTA MARIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31, 2024	December 31, 2023
ASSETS		
Cash and Cash Equivalents:		
Undesignated Funds	**$ 7,231,487**	$ 22,551,069
Investments	**33,380,945**	11,609,628
Receivables:		
Programming Fees, Net of Allowance for Credit Losses of $105,421 and $188,173	**7,222,606**	4,955,688
Promise to Give - Net	**726,625**	200,250
Other	**221,689**	272,110
Prepaid Expenses	**638,628**	527,314
Building, Improvements, and Equipment - Net	**17,529,746**	16,343,870
Total Assets	**$ 66,951,726**	$ 56,459,929
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	**$ 510,613**	$ 316,394
Accrued Liabilities	**2,274,312**	1,885,943
Other Liabilities	**8,000**	61,000
Notes Payable	**1,197,333**	1,347,333
Total Liabilities	**3,990,258**	3,610,670
NET ASSETS		
Without Donor Restrictions:		
Undesignated	**43,024,853**	34,391,116
Investment in Capital Assets - Net	**16,332,413**	14,996,537
Board-Designated	**2,448,340**	3,057,034
With Donor Restrictions	**1,155,862**	404,572
Total Net Assets	**62,961,468**	52,849,259
Total Liabilities and Net Assets	**$ 66,951,726**	$ 56,459,929

VISTA MARIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES

	Year ended December 31, 2024			Year ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES						
Direct Care / Programming Fees	**$ 28,144,611**	**$ -**	**$ 28,144,611**	$ 24,159,625	$ -	$ 24,159,625
Care Management Organization Service Revenue	**12,074,172**	**-**	**12,074,172**	11,964,954	-	11,964,954
Contributions and Program Grants	**2,402,694**	**965,629**	**3,368,323**	2,550,127	695,848	3,245,975
Rental Income	**285,386**	**-**	**285,386**	256,571	-	256,571
Other Supportive Services	**68,770**	**-**	**68,770**	73,259	-	73,259
Total Revenues and Other Support	**42,975,633**	**965,629**	**43,941,262**	39,004,536	695,848	39,700,384
EXPENSES						
Direct Care / Programming Expense	**32,739,478**	**-**	**32,739,478**	27,891,560	-	27,891,560
Supporting Services:						
Management and General	**4,678,631**	**-**	**4,678,631**	4,715,073	-	4,715,073
Fundraising	**1,101,734**	**-**	**1,101,734**	1,007,284	-	1,007,284
Total Expenses	**38,519,843**	**-**	**38,519,843**	33,613,917	-	33,613,917
CHANGE IN NET ASSETS FROM OPERATIONS	**4,455,790**	**965,629**	**5,421,419**	5,390,619	695,848	6,086,467
OTHER CHANGES IN NET ASSETS						
Capital Campaign - Net	**-**	**-**	**-**	(10,110)	-	(10,110)
Investment Gain - Net of Fees	**3,872,666**	**-**	**3,872,666**	1,081,703	-	1,081,703
Capital Grants / Donations - Net	**-**	**817,624**	**817,624**	-	-	-
Net Assets Released from Restrictions	**1,031,963**	**(1,031,963)**	**-**	1,214,200	(1,214,200)	-
Gain on Disposal of Assets	**500**	**-**	**500**	-	-	-
CHANGE IN NET ASSETS	**9,360,919**	**751,290**	**10,112,209**	7,676,412	(518,352)	7,158,060
NET ASSETS - Beginning of Year	**52,444,687**	**404,572**	**52,849,259**	44,768,275	922,924	45,691,199
NET ASSETS - End of Year	**$ 61,805,606**	**$ 1,155,862**	**$ 62,961,468**	$ 52,444,687	$ 404,572	$ 52,849,259

VISTA MARIA AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended December 31, 2024				Year ended December 31, 2023			
	Program Services	Supporting Services			Program Services	Supporting Services		
	Residential and Community Programs	Management and General	Fundraising	Total	Residential and Community Programs	Management and General	Fundraising	Total
PAYROLL								
Salary & Wages	**$ 17,335,650**	**$ 2,501,210**	**$ 576,533**	**$ 20,413,393**	$ 15,779,014	$ 2,612,418	$ 568,385	$ 18,959,817
Payroll Taxes	**1,184,056**	**283,400**	**43,786**	**1,511,242**	1,077,321	287,657	43,767	1,408,745
Employee Benefit Expense	**2,091,932**	**257,754**	**43,893**	**2,393,579**	1,942,756	232,040	51,493	2,226,289
Total Salaries and Related Expenses	**20,611,638**	**3,042,364**	**664,212**	**24,318,214**	18,799,091	3,132,115	663,645	22,594,851
DIRECT CARE								
Direct Care / Specific Assistance	**5,725,311**	**400**	**-**	**5,725,711**	3,060,793	-	-	3,060,793
Food Services	**868,318**	**24,410**	**2,624**	**895,352**	796,896	13,619	881	811,396
Psychiatry, Physicians, Medical	**286,986**	**-**	**-**	**286,986**	200,475	-	-	200,475
Gift in Kind Expense	**182,714**	**-**	**-**	**182,714**	133,879	-	-	133,879
VMA Donation	**-**	**-**	**-**	**-**	37,683	-	-	37,683
FUNDRAISING								
Fundraising Event Expense	**1,057**	**20,936**	**274,806**	**296,799**	15,017	23,826	220,835	259,678
Restricted Grant Expense	**7,500**	**-**	**-**	**7,500**	12,891	-	-	12,891
OTHER AGENCY								
Facilities / Occupancy	**1,712,608**	**309,065**	**12,155**	**2,033,828**	1,624,119	282,595	12,313	1,919,027
Professional Fees and Services	**321,568**	**594,358**	**46,000**	**961,926**	593,477	394,496	1,999	989,972
Service & Maintenance Contracts	**353,095**	**77,548**	**26,328**	**456,971**	277,699	78,948	27,504	384,151
Office Supplies & Equipment	**334,654**	**66,937**	**20,836**	**422,427**	333,605	55,593	25,841	415,039
Transportation & Training	**351,032**	**52,986**	**7,019**	**411,037**	331,165	34,438	3,176	368,779
Miscellaneous Expense	**49,580**	**252,499**	**24,717**	**326,796**	80,464	377,672	29,236	487,372
Telecom Expense	**138,556**	**32,313**	**3,687**	**174,556**	107,482	31,761	3,021	142,264
Membership Dues/Subscriptions	**30,087**	**103,891**	**7,410**	**141,388**	28,585	124,716	7,818	161,119
Bad Debt	**471,730**	**-**	**-**	**471,730**	263,670	-	-	263,670
Depreciation and Amortization	**1,293,044**	**100,924**	**11,940**	**1,405,908**	1,194,569	165,294	11,015	1,370,878
TOTAL EXPENSES	**$ 32,739,478**	**$ 4,678,631**	**$ 1,101,734**	**$ 38,519,843**	$ 27,891,560	$ 4,715,073	$ 1,007,284	$ 33,613,917

VISTA MARIA AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2024	2023
OPERATING ACTIVITIES		
Change in Net Assets from Operations	**$ 5,421,419**	$ 6,086,467
Adjustments to Reconcile Change in Net Assets from Operations to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	**1,405,908**	1,370,878
Bad Debt Expense	**471,730**	263,670
Gain on disposal of assets	**(500)**	-
Debt Amortized to Grant Revenue	**(150,000)**	(150,000)
Changes in Operating Assets and Liabilities:		
Accounts Receivable - Programming Fees	**(2,738,648)**	(628,905)
Accounts Receivable - Grants and Other	**50,421**	(58,613)
Accounts Receivable - Promise to Give and Contribution	**(526,375)**	(190,140)
Prepaid Expenses and Other	**(111,314)**	(145,118)
Accounts Payable	**194,219**	(201,388)
Accrued Liabilities	**388,369**	208,982
Other Liabilities	**(53,000)**	(200)
Net Cash Provided by Operating Activities	**4,352,229**	6,555,633
INVESTING ACTIVITIES		
Purchase of Property and Equipment	**(2,591,605)**	(2,456,449)
Purchases of Investments	**(23,441,801)**	(2,553,386)
Proceeds from Sales and Maturities of Investments	**1,672,743**	539,998
Capital Income - Net	**817,624**	(10,110)
Realized and Unrealized Gain on Investments, Net of Fees	**3,872,666**	1,081,703
Net Cash Used in Investing Activities	**(19,670,373)**	(3,398,244)
FINANCING ACTIVITIES		
Payments on loan interest	**(1,438)**	(6,172)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(15,319,582)**	3,151,217
CASH AND CASH EQUIVALENTS, Beginning of Year	**22,551,069**	19,399,852
CASH AND CASH EQUIVALENTS, End of Year	**$ 7,231,487**	$ 22,551,069
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid for Interest	**$ 1,438**	$ 6,172
NON-CASH ACTIVITY		
In-Kind Contributions	**$ 182,714**	$ 133,879

NOTE 1 – ORGANIZATION

Founded in 1883 by the Sisters of the Good Shepherd, Vista Maria is a Michigan not-for-profit corporation organized on a membership basis. It is Vista Maria's mission to deliver innovative care, treatment, and education focused on restorative relationships so that vulnerable youth believe in their worth, heal and build the skills for success. Vista Maria envisions a world where all children, families and communities achieve success through learning and restorative relationships that promote personal, professional and family wellbeing. The Agency provides a comprehensive continuum of programs promoting trauma-informed care and healing relationships. The Organization's 37-acre campus and facilities are located in Dearborn Heights, Michigan.

Vista Affordable Housing, Inc. ("VAH") is a Michigan not-for-profit corporation organized on a membership basis. Vista Maria is the only member of VAH. VAH was established to acquire affordable housing and make that housing available to tenants in conjunction with the charitable, educational and specific purposes of Vista Maria.

InSight Youth and Family Connections, Inc. ("InSight") is a Michigan not-for-profit corporation organized on a membership basis. Vista Maria is the only member of InSight. InSight is part of the juvenile justice care management system for the Wayne County Department of Children and Family Services and is committed to creating solutions through youth and family partnerships. InSight is responsible for providing services to youth and their families residing in northwest Detroit and Dearborn Heights.

On October 29, 2024, Vista Maria and Insight filed a request with the Attorney General of the State of Michigan to merge InSight into Vista Maria. On November 7, 2024, a statement of non-objection was received from the State of Michigan Attorney General. As of April 8, 2025, all employees, assets, and liabilities have transitioned to Vista Maria.

See Note 2 and Note 15 for additional information on consolidation and related party transactions.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of these consolidated financial statements. The policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of these consolidated financial statements.

Principles of Consolidation

The accompanying consolidated financial statements reflect the consolidated assets and liabilities, changes in net assets, and cash flows of Vista Maria, Vista Affordable Housing, Inc., and InSight Youth and Family Connections, Inc. (collectively, the "Organization"). All significant interrelated transactions have been eliminated in consolidation. This consolidation includes the activity and balances for InSight as of and for the years ended September 30, 2024 and 2023.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Basis of Presentation

The Organization follows accounting standards set by the Financial Accounting Standards Board (FASB). The FASB sets generally accepted accounting principles (GAAP) that the Organization follows to ensure they consistently report their financial condition, results of operations and cash flows. References to GAAP issued by the FASB in the following footnotes are the *FASB Accounting Standards Codification* (ASC).

Concentrations

At times, the Organization has balances on deposit with certain institutions that may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk for cash.

The majority of Vista Maria's revenue is earned under contracts or approved rates with the Michigan Department of Health and Human Services (DHHS). During the years ended December 31, 2024 and 2023, operating revenues received from DHHS represented approximately 99.8% and 97.3%, respectively, of programming fees. Accounts receivable from DHHS were $4,557,977 and $3,587,063 as of December 31, 2024 and 2023, respectively.

InSight only provides services to Wayne County, Michigan (the "County"). The current contract is set to expire on September 30, 2025.

Use of Estimates

The preparation of consolidated financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Cash Equivalents

For the purpose of the consolidated statement of cash flows, the Organization considers demand deposits to be cash and money market funds to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable - programming fees primarily consist of amounts due from the State of Michigan, Wayne County, and various other Michigan counties and courts for childcare services provided.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Credit Losses (Continued)

Vista Maria established the allowance for credit losses based on a specific assessment of all invoices that remain unpaid following the normal payment periods, expected losses considering the Organization's historical losses, the existing economic conditions in the childcare service environment, and the financial stability of the Organization's pay sources. All amounts deemed to be uncollectible are charged against the allowance for credit losses in the period that the determination is made.

An accumulated allowance for credit losses of $105,421 and $188,173 has been recorded for receivables included in programming fees receivable for December 31, 2024 and 2023, respectively.

Unconditional Promises to Give and Allowance for Doubtful Promises

The Organization's promises to give are comprised of unrestricted amounts committed from a foundation for use in the general operations of the Organization. The receivables are recorded at the present value of estimated future cash flows. Management reviews all pledges receivable as of December 31st and establishes an allowance for doubtful pledges. There was no allowance for doubtful pledges at December 31, 2024 and 2023.

Investments

The Organization values the investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets as they occur. Investment return is presented net of investment fees.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of financial position.

Building, Improvements, and Equipment

All fixed assets are recorded at cost or, if donated, at fair value at the date of the gift. The Organization provides for depreciation and amortization of these assets using the straight-line method based upon acquisition cost or fair value at the date of the gift and estimated useful lives of the assets, ranging from 3 to 40 years. The Organization capitalizes all items with a cost of $5,000 or more.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Classification of 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. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment account and a board-designated capital project improvement account.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as donor restricted revenue when received, and the related net assets are released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue and Support

Contracts, Grant Funds, and Deferred Revenue

Funds received from reimbursable contracts and grants are recorded as revenue when the Organization either provides services, or monies are received or pledged. A receivable is recognized for any service provided or pledge received if monies have not yet been received by the Organization. Funds received by the Organization in advance of incurring eligible costs are recorded as deferred revenue.

The funds received are subject to review or audit by the funding sources and the Organization must comply with the specific rules and regulations defined in the contracts.

Contributions

All contributions are considered to be for unrestricted use unless specifically restricted by the donor. Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received and measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Donated Goods and Services

A substantial number of volunteers have donated significant amounts of their time in the Organization’s program services and its fundraising campaigns. Donated services were not recognized in the financial statements since they did not meet the criteria for recognition under ASC topic - *Contributions*.

The Organization’s policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The Organization received donated physical goods with an estimated fair market value of $182,714 and $133,879 for the years ended December 31, 2024 and 2023, respectively. The donated goods consist of consumable supplies used in the Organization’s programs.

All in-kind donations received by the Organization for the years ended December 31, 2024 and 2023 were considered without donor restrictions and able to be used by the Organization as determined by the board of directors and management or with donor restrictions and used specifically for auctions and fundraising events by year end.

Revenue Recognition for Contracts with Customers

The Organization’s revenue stream under contracts with customers is comprised of the exchange component of special events revenue transactions in which the donor and the Organization receive something of commensurate value from the special event. The Organization performs an analysis to determine the performance obligations associated with the exchange transaction, and revenue is recognized when the given performance obligation is satisfied.

The revenue is recognized at a given point in time when the control of the goods or service is transferred to the customer and when the customer can direct its use and obtain substantial benefit from the goods. The transaction price is calculated as the amount of consideration to which the Organization expects to be entitled (such as the estimated value of the items received by the donor as part of the special event).

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

ASC guidance regarding accounting for uncertainty in income taxes clarifies the accounting for income taxes by prescribing the minimum recognition threshold income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two-step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement. At December 31, 2024 and 2023, there were no uncertain tax positions that required accrual.

Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. The income derived from the cell tower rental is considered unrelated business income. Any income tax attributable to this activity is included in miscellaneous expense of the consolidated statements of functional expenses.

Current Operations

Current operations include all revenue and expenses that are a part of the ongoing day-to-day activities of the Organization. Revenue and expenses related to the pension activities, capital campaign, endowment, capital grants, as well as investment income designated for these activities, if any, are not considered to be operational activities and have been separately displayed on the consolidated statement of activities.

Functional Expenses

The Organization allocates its expenses on a functional basis between program and support services. Expenses that are specifically attributable to one of the three segments (Programs, Management/General, or Fundraising) are reported under that segment in their natural expenditure classification. Other expenses shared across segments are allocated using various methods. Significant categories include, but are not limited to Salaries/Benefits, Facilities, and Information Technology Services.

Salaries/Benefits and IT Services are allocated based on estimates of time and effort. Facility costs are allocated based on square footage. The methods used are considered reasonable, but other methods could be used that would produce different results.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

December 31, 2024

	Vista Maria	Vista Affordable Housing	InSight	Consolidated Total
Cash and Cash Equivalents	$ 1,027,714	$ 153,626	$ 4,970,006	$ 6,151,346
Operating Investments	1,148,042	124,014	30,757,092	32,029,148
Accounts Receivable-Programming Fees	5,125,303	-	2,097,303	7,222,606
Other Accounts Receivable	47,193	-	2,811	50,004
Promise to Give	175,000	-	-	175,000
	$ 7,523,252	$ 277,640	$ 37,827,212	$ 45,628,104

December 31, 2023

	Vista Maria	Vista Affordable Housing	InSight	Consolidated Total
Cash and Cash Equivalents	$ 3,363,345	$ 44,801	$ 18,739,038	$ 22,147,184
Operating Investments	1,909,290	108,221	8,400,966	10,418,477
Accounts Receivable-Programming Fees	4,121,973	-	833,715	4,955,688
Other Accounts Receivable	98,110	-	-	98,110
Promise to Give	75,000	-	-	75,000
	$ 9,567,718	$ 153,022	$ 27,973,719	$ 37,694,459

NOTE 3 – LIQUIDITY AND AVAILABILITY (Continued)

All entities operate as separate and distinct legal entities. As such all cash, cash equivalents and investments reflected above are for the exclusive purpose of supporting the operation of the entity.

Operating Investments for Vista Maria consist of a Board Designated Endowment Account. Although this account is not intended for general expenditures, the Board could approve an amount for general use. Operating Investments for Vista Affordable Housing and InSight, while not intended for general expenditures, could be approved by their Board for general use.

Accounts Receivable-Programming Fees are predominately amounts due from the State, Counties, and Courts for childcare services provided under contracts or approved rates.

Other Accounts Receivable consists of other amounts due for ancillary services related to childcare services programming including amounts from the National School Lunch Program.

Promise to Give represent amounts that are related to unrestricted funds to be used for general operations.

NOTE 4 – PROMISES TO GIVE

Vista Maria's Promises to Give consist of the following:

	December 31,	
	2024	2023
Amounts Due in:		
Less Than One Year	$ 475,000	$ 75,000
One to Five Years	300,000	150,000
Less Unamortized Discount, Using a Discount Rate of 4.50% and 5.50%, respectively	(48,375)	(24,750)
Less Allowance for Uncollectibles	-	-
Net Promises to Give	$ 726,625	$ 200,250

NOTE 5 – INVESTMENTS

The Organization's investments are as follows:

	Year Ended December 31,	
	2024	2023
Board Designated Endowment:		
Money Market Fund and Short Term Investment	$ 17,872	$ 36,532
ETF - Fixed Income	75,308	-
Mutual Funds - Equity	1,054,862	1,872,758
Total Board Designated Endowment	1,148,042	1,909,290
Board Designated Capital Project Improvement:		
Money Market Fund and Short Term Investment	19,468	78,799
Common Stock	895,934	732,882
Fixed Income Securities	384,896	336,063
Total Board Designated Capital Project Improvement	1,300,298	1,147,744
Capital Campaign:		
Money Market Fund and Short Term Investment	720	686
Other Investments:		
Investments held by InSight:		
Money Market Fund and Short Term Investment	430,598	225,101
Mutual Funds - Equity	15,435,459	4,121,638
Mutual Funds - Fixed Income	14,891,036	4,054,227
Total Investments held by InSight	30,757,093	8,400,966
Investments held by VAH		
Money Market Fund	3	3
Mutual Funds - Equity	124,011	108,218
Total investments held by VAH	124,014	108,221
Investments held at The CFSEM	50,778	42,721
Total Other Investments	30,931,885	8,551,908
Total Investments	$ 33,380,945	$ 11,609,628

NOTE 5 – INVESTMENTS (Continued)

Net investment income consists of the following:

	Year ended December 31, 2024	Year ended December 31, 2023
Investment Income	$ 663,826	$ 358,887
Realized Gains	188,454	8,875
Unrealized Gains	3,081,720	783,936
Investment Fees	(61,334)	(69,995)
	$ 3,872,666	$ 1,081,703

NOTE 6 – BOARD-DESIGNATED ENDOWMENTS

Vista Maria's endowments include funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization has interpreted the Uniform 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 absent explicit donor stipulations to the contrary. There are no such donor-restricted endowment funds. As a result of this interpretation, the Organization would retain in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts 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 us in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Organization and the donor-restricted endowment fund
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
7. The investment policies of the Organization

NOTE 6 – BOARD-DESIGNATED ENDOWMENTS (Continued)

Changes in Endowment Net Assets

Changes in endowments for the year ended:

December 31, 2024	Board Designated Endowment Account	Board Designated Capital Project Improvement Account
Board Designated Net Assets		
- Beginning	$ 1,909,290	$ 1,147,744
Disbursement	(1,000,000)	-
Net Investment Return (Loss) Gain	238,752	152,554
Board Designated Net Assets - Ending	$ 1,148,042	$ 1,300,298

December 31, 2023	Board Designated Endowment Account	Board Designated Capital Project Improvement Account
Board Designated Net Assets		
- Beginning	$ 1,683,329	$ 956,612
Net Investment Return Gain	225,961	191,132
Board Designated Net Assets - Ending	$ 1,909,290	$ 1,147,744

NOTE 6 – BOARD-DESIGNATED ENDOWMENTS (Continued)

Return Objective and Risk Parameters

The Organization has adopted an investment and spending policy for all investment dollars that incorporates a diversified asset portfolio and a pre-defined rate of return on investment that results in a potential source of income for current operations. Endowment assets include those assets classified as board-designated funds. Under this policy, as approved by the board of directors, the endowment net assets are to be managed with a view toward maximization of total return considering inflation risk, interest rate risk, and business or economic risk, while at all times being prudently diversified. Vista Maria expects its endowment funds to grow (capital appreciation) balancing risk tolerance and investment horizon accordingly.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy establishing a predisposition toward reinvesting income of the endowment fund, subject to the needs of the Organization for additional general operational funds from time to time.

NOTE 7 – FAIR VALUE MEASUREMENTS

ASC topic - *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC topic *Fair Value Measurements* are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

NOTE 7 – FAIR VALUE MEASUREMENTS (Continued)

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets.
- quoted prices for identical or similar assets or liabilities in inactive markets.
- inputs other than quoted prices that are observable for the asset or liability.
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability'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.

The following is a description of the valuation methodologies used for assets measured at fair value:

The Organization currently holds shares in common stocks; fixed income securities; fixed income, balanced, and equity mutual funds; and money market funds. The funds are valued at the quoted prices that are readily available for the shares held by the Organization at year end.

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 fair value or certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 7 – FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value.

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock	$ 895,934	$ -	$ -	$ 895,934
Fixed Income Securities	460,204	-	-	460,204
Mutual Funds	31,505,368	-	-	31,505,368
Money Market Fund and Short Term Investments	468,661	-	-	468,661
Other Holdings - CFSEM	-	-	50,778	50,778
Total	$ 33,330,167	$ -	$ 50,778	$ 33,380,945

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Common Stock	$ 732,882	$ -	$ -	$ 732,882
Fixed Income Securities	336,063	-	-	336,063
Mutual Funds	10,156,841	-	-	10,156,841
Money Market Fund and Short Term Investments	341,121	-	-	341,121
Other Holdings - CFSEM	-	-	42,721	42,721
Total	$ 11,566,907	$ -	$ 42,721	$ 11,609,628

Changes in Level 3 assets measured at fair value on a recurring basis are as follows:

	Year Ended December 31,	
	2024	2023
Other Holdings - CFSEM		
Beginning Balance	$ 42,721	$ 42,101
Total Unrealized Gain Included in Change in Net Assets	8,057	620
Ending Balance	$ 50,778	$ 42,721

NOTE 7 – FAIR VALUE MEASUREMENTS (Continued)

The Organization has processes in place to select the appropriate valuation technique and unobservable inputs to perform Level 3 fair value measurements. The Organization estimates the fair value of this investment based upon reports generated by the CFSEM.

Both observable and unobservable inputs may be used to determine the fair value of positions classified as Level 3 assets. As a result, the unrealized gains and losses for these assets presented in the tables above may include changes in fair value that were attributable to both observable and unobservable inputs.

NOTE 8 – BUILDINGS, IMPROVEMENTS, AND EQUIPMENT

The Organization's buildings, improvements, and equipment consist of the following:

	December 31,	
	2024	2023
Leasehold Improvements	$ 14,037	$ 14,037
Land Improvements	4,629,468	4,092,796
Buildings	19,669,069	19,669,069
Building Improvements	13,719,778	13,110,800
Machinery and Equipment	4,707,380	4,378,073
Vehicles	574,766	510,468
Furniture and Fixtures	2,259,157	2,103,295
Work in Progress	2,522,306	1,654,587
Total Cost	48,095,961	45,533,125
Accumulated Depreciation and Amortization	(30,566,215)	(29,189,255)
Net Carrying Amount	$ 17,529,746	$ 16,343,870

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 was $1,405,908 and $1,370,878, respectively.

NOTE 9 – LONG-TERM DEBT

Notes Payable

The following is summary of Vista Maria's long-term debt:

	December 31, 2024	December 31, 2023
Note Payable FHLBI - DeRoy Hall	$ 166,667	$ 200,000
Note Payable FHLBI - Myriam Hall	213,889	247,222
Note Payable FHLBI - Shepherd Hall	150,000	199,999
Note Payable Wayne County	325,112	325,112
Note Payable FHLBI - Freedom Center	341,665	375,000
Long - Term Portion	$ 1,197,333	$ 1,347,333

A schedule of future maturities of Long-Term Debt has not been included as the four notes payable to FHLBI and the note payable to Wayne County are expected to be forgiven.

VISTA MARIA – FHLBI – DEROY HALL - $500,000

In 2014, Vista Maria received the Certificate of Occupancy for a new residential treatment facility (Deroy Hall). This 16-unit residential housing is where Vista Maria provides mental health treatment and community reintegration services for adolescent survivors of human trafficking. The construction cost was funded through corporate, foundation and individual donations as well as a $500,000 grant awarded by the Federal Home Loan Bank of Indianapolis (FHLBI). The terms of the grant/note require the facility to be maintained as affordable housing for 15 years from the date of occupancy. The note is interest free and, if all obligations/terms are met at the end of the 15-year term, the note will be forgiven during 2029. If at any time the FHLBI determines that Vista Maria is not meeting the terms of the agreement, they can request repayment based on the prorated balance plus interest at a fixed rate. Upon occupancy in 2015, the grant was recognized as grant revenue in operating revenue on a pro-rata basis. Total grant revenue of $33,333 was recognized for each of the years ended December 31, 2024 and 2023.

NOTE 9 – LONG-TERM DEBT (Continued)

VISTA MARIA – FHLBI – MYRIAM HALL - $500,000

In 2016, Vista Maria received the Certificate of Occupancy for a new residential housing building (Myriam Hall). This 8-unit residential housing provides supervised independent living for youth ages 16-18. The construction cost was funded through corporate, foundation and individual donations as well as a $500,000 grant awarded by the Federal Home Loan Bank of Indianapolis (FHLBI). The terms of the grant/note require the facility to be maintained as affordable housing for 15 years from the date of occupancy. The note is interest free and, if all obligations/terms are met at the end of the 15-year term, the note will be forgiven during 2031. If at any time the FHLBI determines that Vista Maria is not meeting the terms of the agreement, they can request repayment based on the prorated balance plus interest at a fixed rate. Upon occupancy in June 2016, the grant was recognized as grant revenue in operating revenue on a pro-rata basis. Total grant revenue of $33,333 was recognized for each of the years ended December 31, 2024 and 2023, respectively.

VISTA AFFORDABLE HOUSING – FHLBI – SHEPHERD HALL - $750,000

At the end of 2012, the Organization received the Certificate of Occupancy after renovating an existing building (Shepherd Hall). This 22-unit dorm-style apartment housing provides transitional/independent living programming for females between the ages of 16-24. The cost of renovation was funded through corporate, foundation and individual donations, a county grant, as well as a $750,000 grant awarded by the Federal Home Loan Bank of Indianapolis (FHLBI). The terms of the grant/note require the facility to be maintained as affordable housing for 15 years from the date of occupancy. The note is interest free and, if all obligations/terms are met at the end of the 15-year term, the note will be forgiven during 2027. If at any time the FHLBI determines that the Organization is not meeting the terms of the agreement, they can request repayment based on the prorated balance plus interest at a fixed rate. Upon occupancy in 2013, the grant was recognized as grant revenue in operating revenue on a pro-rata basis. Total grant revenue of $50,000 was recognized for each of the years ended December 31, 2024 and 2023.

VISTA AFFORDABLE HOUSING – WAYNE COUNTY HOME GRANT – SHEPHERD HALL - $325,112

The note payable to Wayne County is through the HOME program of the U.S. Department of Housing and Urban Development for an amount up to $330,000. This loan is also for Shepherd Hall construction and requires that seven of the 22 units be low or below-low-income occupancy for the same 15-year duration as identified above. Based on the terms of the agreement, the loan is interest free and will be forgiven by the County during 2027 if all obligations/terms are met at the end of the 15-year term. If the apartment is not maintained as an affordable housing complex at any point during the 15-year term, the entire portion of the loan is to be repaid.

NOTE 9 – LONG-TERM DEBT (Continued)

VISTA MARIA – FHLBI – FREEDOM CENTER- $500,000

During 2017, the Organization was awarded a $500,000 grant, subject to certain administrative requirements, through the Federal Home Loan Bank of Indianapolis to be used for the construction of a new building used to support the Human Trafficking Treatment program. The funds were received in January 2020. In 2020, Vista Maria received the Certificate of Occupancy for a new residential treatment facility. The construction cost was funded through corporate, foundation and individual donations as well as a $500,000 grant awarded by the Federal Home Loan Bank of Indianapolis (FHLBI). The terms of the grant/note require the facility to be maintained as affordable housing for 15 years from the date of occupancy. The note is interest free and, if all obligations/terms are met at the end of the 15-year term, the note will be forgiven during 2035. If at any time the FHLBI determines that Vista Maria is not meeting the terms of the agreement, they can request repayment based on the prorated balance plus interest at a fixed rate. Upon occupancy in April 2020, the grant was recognized as grant revenue in operating revenue on a pro-rata basis. Total grant revenue of $33,333 was recognized for each of the years ended December 31, 2024 and 2023.

NOTE 10 – DEFINED CONTRIBUTION PLAN AND DEFINED BENEFIT PLAN

On January 1, 2009, Vista Maria introduced a 403(b)-retirement plan (the “Plan”). Eligible employees can elect to defer a portion of their compensation. Effective October 1, 2024, Vista Maria transitioned recordkeeping and custodial responsibilities to OneAmerica Financial Partners, Inc. In addition, Vista Maria updated its Plan to provide an employer match on a participant’s contribution up to 4%. This match is provided each payroll period and vests over four years. For the year ending December 31, 2024, Vista Maria had matched $49,765 for 129 participants. There were no contributions made for the year ended December 31, 2023.

Vista Maria had a defined benefit plan, which was a continuation of the pension plan it had as part of the multi-employer plan of United Way for Southeastern Michigan. This Plan was frozen effective February 28, 2009. Prior to freezing the Plan, the Plan covered substantially all of its employees. The benefits were based on years of service and an employee's highest three consecutive years of compensation during the last 10 years of employment. The funding policy was, at a minimum, to contribute annually as required by IRS minimum funding requirements.

Effective October 28, 2019, the Executive Committee of Vista Maria made the determination to terminate the defined benefit plan and has performed certain operational steps as part of the plan termination since that time. During 2022 and 2021, the plan assets were distributed to participants.

NOTE 10 – DEFINED CONTRIBUTION PLAN AND DEFINED BENEFIT PLAN (Continued)

As part of the termination, the Plan is subject to potential audit by the PBGC and the IRS. Vista Maria has not been notified of a potential audit by the IRS. However, in August 2022 the PBGC began their audit process with a preliminary document request list. On April 3, 2024, Vista Maria was notified by the PBGC that it has selected 25 participants to review for accuracy. Management is unaware of any potential material contingency related to plan termination.

InSight has a 401(k)-retirement plan. Under the Plan, eligible employees can elect to defer a portion of their compensation. InSight made matching contributions of $30,392 and $29,026, respectively, to the Plan for the years ended September 30, 2024 and 2023. The matching contributions are set annually.

NOTE 11 – SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Vista Maria has a supplemental executive retirement plan (SERP) providing supplemental retirement benefits for designated executives. Under the program, the Board of Directors approves an annual amount to be credited to the designated executives' accounts. That amount vests over 5 years from the date of the Board approval. Amounts that are 100% vested must be disbursed pursuant to the appropriate disbursement date requirements.

Compensation expense for the SERP for the years ended December 31, 2024 and 2023 was $32,333 and $67,881, respectively. In addition, $1,854 and $89,977 of benefits previously accrued were forfeited during 2024 and 2023, respectively. Vista Maria has accrued the vested balance of the SERP in the amount of $112,794 and $127,115 for the years ended December 31, 2024 and 2023, respectively.

NOTE 12 – DONOR RESTRICTED NET ASSETS

Vista Maria's and Vista Affordable Housing's donor restricted net assets are available for the following purposes:

	December 31, 2024	December 31, 2023
Pool Renovation	$ 637,000	$ -
General Operating Support	150,000	-
Expressive and Alternative Therapies	131,335	70,522
Residential Mental Health Programs	69,500	50,000
Residential Human Trafficking Treatment Programs	49,754	51,661
Other	23,549	17,704
Transitional Living Programs	21,852	33,750
Family Engagement Programs	17,223	34,914
Vista Maria Scholarship Programs	14,168	11,569
Wraparound Programming and Support	13,710	21,084
Vista Maria Reads (Literacy and Lending Liberty) Program	13,317	17,576
Grotto Restoration	10,000	-
VAH Building and Support	4,454	90,792
Clinical Capacity & Health Support	-	5,000
Total	$ 1,155,862	$ 404,572

During the years ended December 31, 2024 and 2023, net assets released from restrictions totaled $1,031,963 and $1,214,200, respectively.

Donor restricted net assets released are subject to purpose restrictions and will be released when the amounts are spent for the designated purpose.

NOTE 13 – SPECIAL EVENTS

The special events held by Vista Maria are detailed below. The gross revenue has been included in contributions.

	Gross Revenue	Expenses	Net Revenue
2024			
Fearless Heart Gala	$ 305,603	$ (100,294)	$ 205,309
Golf Outing-High Hopes	135,681	(55,109)	80,572
Golf Outing-Ford	130,252	(46,109)	84,143
Women Fore Women	52,890	(22,517)	30,373
Empowerment Lunch	64,680	(21,868)	42,812
Dolly Drive	58,087	(22,848)	35,239
Total	$ 747,193	$ (268,745)	$ 478,448
2023			
Fearless Heart Gala	$ 336,796	$ (61,755)	$ 275,041
Golf Outing-High Hopes	164,587	(52,424)	112,163
Golf Outing-Ford	163,456	(45,476)	117,980
Women Fore Women	46,721	(22,400)	24,321
Empowerment Lunch	55,674	(16,411)	39,263
Dolly Drive	72,596	(16,602)	55,994
Total	$ 839,830	$ (215,068)	$ 624,762

NOTE 14 – OPERATING LEASES

The Organization leases various office equipment through a combination of month-to-month and long-term lease agreements. The long-term leases expire through 2026. Total lease expense under all lease agreements for each of the years ended December 31, 2024 and 2023 was $2,166.

Future minimum lease payments under the operating lease commitments are as follows:

Years Ended December 31,	Future Lease Obligations
2025	$ 2,166
2026	1,624
	$ 3,790

NOTE 15 – RELATED PARTY TRANSACTIONS

Vista Affordable Housing, Inc. (VAH)

Formed in 2008, Vista Affordable Housing, Inc. (VAH) objective is to operate and acquire affordable housing for the benefit of or to carry out the specific purposes of the Organization. VAH is a 509(a)(3) entity (supporting organization) with the Organization named as the sole member. The Organization makes contributions and provides management and facilities services to support VAH's day-to-day operations.

The Organization provided contributions to VAH of $212,000 and $129,000 for the years ended December 31, 2024 and 2023, respectively. The Organization provided management and facilities services to VAH totaling $181,482 and $195,556 for the years ended December 31, 2024 and 2023, respectively.

InSight Youth and Family Connections, Inc.

The Organization is the sole owning member of InSight Youth and Family Connections, Inc., a nonprofit care management organization that coordinates services for Wayne County youth under a juvenile justice service agreement with Wayne County. Highlights of this entity include:

- InSight receives revenue via a capitated agreement with Wayne County which provides monthly installment payments.

The Organization provided management and consulting services to InSight totaling $86,025 and $72,000 for the years ended December 31, 2024 and 2023, respectively. The accounts receivable related to these services at December 31, 2024 and 2023 were $9,413 and $6,000, respectively.

During the years ended December 31, 2024 and 2023, the Organization recognized $-0- and $66,073, respectively, in revenue for services provided to youth placed in service by InSight.

InSight Youth and Family Connections, Inc. Donations

During the years ended December 31, 2024 and 2023, InSight provided the Organization with general donation and event sponsorships of $5,500 and $5,840, respectively.

NOTE 16 – CONTINGENCIES

Grants

Grants often require the fulfillment of certain conditions as set forth in the grant instrument. As grant revenue continues to grow for the Organization, the sophistication and expectations of grantors has also grown. The grant application processes for the Organization include a leadership review to ensure that grant promises can be filled; and once a grant is awarded, the Organization's grants compliance team monitors progress and reporting with program leaders to ensure that grant obligations are fulfilled. In addition, regular communications with grantors occurs during the grant period to ensure that any difficulties are identified early, to address any concerns and adjust as necessary to mitigate the need to return funds to a grantor. Therefore, it is highly unlikely that the Organization would need to return funds to a grantor.

Unemployment Claims

The Organization is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries. The Organization has purchased commercial insurance for coverage of all claims except employee unemployment benefits. The Organization pays unemployment claims on a reimbursement basis.

Litigation

In the normal course of business, there are various unresolved legal actions. As of April 21, 2025, the outcome of these legal actions was not determinable. Management believes the resolution of these lawsuits will not have a material effect on the financial statements; therefore, a provision for a loss was not included in the financial statements.

Long-Term Debt

As noted in Note 9, the Organization is subject to certain requirements as part of the FHLBI and Wayne County Home Grant agreements.

NOTE 17 – SUBSEQUENT EVENTS

The consolidated financial statements and related disclosures include evaluation of events up through and including April 21, 2025, which is the date the consolidated financial statements were issued.

See Note 1 for subsequent event information related to Vista Maria and InSight.