THE CHOSEN VISION, INC.

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

THE CHOSEN VISION, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Chosen Vision, Inc.
13279 Audrey Lane
Grand Ledge, MI 48837

We have audited the accompanying statement of financial position of The Chosen Vision, Inc. (a non-profit organization) as of December 31, 2006, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of The Chosen Vision, Inc. as of December 31, 2005, were audited by other auditors whose report dated July 21, 2006, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chosen Vision, Inc. as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Randall L. Tepatti, *Registered Representative*
Securities offered through NEXT Financial Group, Inc. Member NASD/SIPC. Cardinal Tepatti & Co., P.C. is not an affiliate of NEXT Financial Group, Inc.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statements of functional expenses on pages 10 and 11 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Cardinal Tepatti & Co., P.C.

Cardinal Tepatti & Co., P.C.
July 23, 2007

THE CHOSEN VISION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005

ASSETS

	2006	2005
CURRENT ASSETS		
Cash - General	$ 32,645	$ 58,768
Accounts Receivable	6,862	6,144
TOTAL CURRENT ASSETS	39,507	64,912
PROPERTY AND EQUIPMENT		
Construction in Progress	-0-	142,887
Chosen Vision Home and Improvements	488,772	310,912
Equipment	7,311	4,820
Vehicles	16,448	16,448
Furniture	11,226	6,801
Less: Accumulated Depreciation	(76,359)	(58,029)
NET PROPERTY AND EQUIPMENT	447,398	423,839
TOTAL ASSETS	$ 486,905	$ 488,751

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	$ 2,519	$ 61,718
Accrued Payroll and Related Expenses	10,919	10,335
Current Portion Long-term Debt	-0-	2,516
TOTAL CURRENT LIABILITIES	13,438	74,569
LONG-TERM LIABILITIES		
Mortgage Payable	-0-	194,468
NET ASSETS		
Unrestricted	473,467	219,714
TOTAL LIABILITIES & NET ASSETS	$ 486,905	$ 488,751

The accompanying notes are an integral part of the financial statements

THE CHOSEN VISION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
REVENUES		
Donations	$ 365,698	$ 175,194
Resident Income	132,337	116,392
Annual Banquet	18,891	13,308
Grants	-0-	80,000
Miscellaneous	3,306	-0-
Investment Income	76	1,114
TOTAL REVENUES	520,307	386,008
EXPENSES		
Program Services	235,120	258,392
Management and General	25,735	24,242
Fund Raising	5,699	5,922
TOTAL EXPENSES	266,554	288,556
CHANGE IN NET ASSETS	253,753	97,452
NET ASSETS, JANUARY 1	219,714	122,262
NET ASSETS, DECEMBER 31	$ 473,467	219,714

The accompanying notes are an integral part of the financial statements

THE CHOSEN VISION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 253,753	$ 97,452
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	18,331	16,406
(Increase) Decrease in Assets		
Accounts Receivable	(718)	2,630
Increase (Decrease) in Liabilities		
Accounts Payable	(59,199)	58,315
Accrued Payroll and Related Expenses	584	3,462
Net Cash Provided by Operating Activities	212,751	178,265
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(41,890)	(142,887)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of Long-Term Debt	(196,984)	(2,598)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(26,123)	32,780
CASH AND CASH EQUIVALENTS, JANUARY 1	58,768	25,988
CASH AND CASH EQUIVALENTS, DECEMBER 31	$ 32,645	$ 58,768
Supplemental Disclosures of Cash Flow Information		
Cash Paid During the Year for:		
Interest	$ 4,204	$ 11,408

The accompanying notes are an integral part of the financial statements.

NOTE 1 - NATURE OF ACTIVITIES

The Chosen Vision, Inc. (the Organization) is a not-for-profit organization incorporated in 1991. 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 Chosen View Home was opened in 2002, and is a barrier-free, six bed home located on two acres of scenic countryside with a view of the Grand River, northeast of Grand Ledge.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-For-Profit Organizations. Under SFAS No 117, The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- Unrestricted net assets represent the resources available for use in carrying on the operations of the Organization. The unrestricted portion is under the discretionary control of the Board of Directors, and it is against this fund that all expenditures for current operations are charged.

- The temporarily restricted net assets represent contributions and other income that has been received, but is temporarily restricted for future activities.

- The permanently restricted net assets represent donor and board stipulated instruments that are to be maintained, with only the income from the instruments expended.

Contributions

The Organization accounts for contributions with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS NO 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence of any donor restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACOCUNTING POLICIES - CONTINUED

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets 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 recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Investments

The Organization follows SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Donated Services

Numerous volunteers have donated significant amounts of time to the Organization in connection with the Annual Dinner, Silent Auction, facility maintenance and other programs. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

Accounts Receivable

The Organization records its receivables at their net realizable value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Concluded

Property and Equipment

Depreciation of equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost.

Income Tax Status

The Choose Vision is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). It is not classified as a private foundation by the Internal Revenue Service.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The costs of the Organization's programs and supporting services have been reported on a functional basis. Certain costs have been allocated among the various programs and supporting services based on estimates made by management.

Advertising

Advertising costs are expensed as incurred.

NOTE 3: PROPERTY AND EQUIPMENT

Major classes of property and equipment as of December 31 as follows:

	USEFUL LIFE	2006	2005
Construction in progress	N/A	$ -0-	$ 142,887
Chosen View Home and improvements	30 years	488,772	310,912
Equipment	5 years	7,311	4,820
Vehicle	4 years	16,448	16,448
Furniture	8 years	11,226	6,801
		523,757	481,868
Less accumulated depreciation		(76,359)	(58,029)
Net property and equipment		$ 447,398	$ 423,839

Depreciation expense for the years ended December 31, 2006 and 2005 was $18,331 and $16,406, respectively.

NOTE 4 - COMMITMENTS AND CONTINGENCIES

The Chosen Vision, Inc. receives a substantial amount of its support from independent funding sources. A significant reduction in the level of this support, if this were to occur, could have an effect on the Organization's ability to continue its programs.

NOTE 5 - CASH AND CASH EQUIVALENTS

Deposit with financial institutions are detailed as follows:

ACCOUNT TYPE	BOOK BALANCE	BANK BALANCE	FDIC/SPIC INSURED
December 31, 2006			
Checking	$ 32,547	$ 39,099	$ 39,099
Petty Cash	98		
	$ 32,645	$ 39,099	$ 39,099
December 31, 2005			
Checking	$ 17,007	28,517	28,517
Money Market	41,614	41,614	41,614
Petty Cash	$ 147		
	$ 58,768	$ 70,131	$ 70,131

NOTE 6 - LONG-TERM DEBT

The details of long-term debt are as follows:

	2006	2005
Mortgage payable, due in 360 monthly installments of $1,167.15, including interest at 5.75% secured by the Chosen View Home.	$ -0-	$ 196,984
Less current maturities	-0-	2,156
Long-term debt	$ -0-	$ 194,468

On May 22, 2006, an individual donor made a contribution in kind by paying the full outstanding balance of the mortgage payable on The Chosen View Home. This payment of the mortgage in the amount of $196,742 was a contribution, not an extension of credit to be repaid.

THE CHOSEN VISION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006			
	PROGRAM SERVICES CHOSEN VIEW HOME	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL EXPENSES
Advertising	$	$ 372	$	$ 372
Agency Van	4,886			4,886
Bank and Investment Fees		176		176
Depreciation and Amortization	17,414	917		18,331
Employee Benefits	9,767	514		10,281
Food ands Groceries	8,683			8,683
Fundraising Banquet and Auction			4,764	4,764
Household Supplies	2,353			2,353
Insurance	14,522	764		15,286
Interest Expense	4,204			4,204
License Fees	195			195
Memberships	484			484
Miscellaneous		1,797		1,797
Office Supplies		1,999	222	2,221
Payroll Taxes	14,763	777		15,540
Postage and Printing	2,497	357	713	3,567
Professional Services		8,463		8,463
Program Supplies	219			219
Repairs and Maintenance	5,065			5,065
Resident Meals Out	841			841
Resident Personal Allowances	3,208			3,208
Salaries and Wages	132,312	6,964		139,276
Special Outings and Trips	1,248			1,248
Staff Development and Recognition	1,301	1,951		3,252
Travel	158	105		263
Utilities	11,000	579		11,579
	$ 235,120	$ 25,735	$ 5,699	$ 266,554

The accompanying notes are an intergral part of this statement

	2005			
	PROGRAM SERVICES CHOSEN VIEW HOME	MANAGEMENT AND GENERAL	FUND RAISING	TOTAL EXPENSES
Advertising	$	$ 996	$	$ 996
Agency Van	5,988			5,988
Bank and Investment Fees		1,254		1,254
Depreciation and Amortization	15,586	820		16,406
Employee Benefits	16,100	847		16,947
Food ands Groceries	8,615			8,615
Fundraising Banquet and Auction			4,579	4,579
Household Supplies	1,813			1,813
Insurance	19,368	1,019		20,387
Interest Expense	11,408			11,408
License Fees	26			26
Memberships	544			544
Miscellaneous		21		21
Office Supplies		1,229	137	1,366
Payroll Taxes	14,954	787		15,741
Postage and Printing	4,223	603	1,206	6,032
Professional Services		6,428		6,428
Program Supplies	368			368
Repairs and Maintenance	4,132			4,132
Resident Meals Out	1,999			1,999
Resident Personal Allowances	2,816			2,816
Salaries and Wages	137,491	7,236		144,727
Special Outings and Trips	1,029			1,029
Staff Development and Recognition	1,395	2,092		3,487
Travel	579	386		965
Utilities	9,958	524		10,482
	$ 258,392	$ 24,242	$ 5,922	$ 288,556

The accompanying notes are an intergral part of this statement