PRISM PROJECT
FINANCIAL STATEMENTS
FOR THE PERIODS JANUARY THROUGH DECEMBER 2025 & 2024

PRISM PROJECT
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INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
of Prism Project

Opinion

We have audited the accompanying financial statements of Prism Project (a nonprofit organization), which comprise the statement of financial position as of December 31, 2025 and 2024, and the related statements of activities, cash flows, and functional expenses for the years 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 Prism Project as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 Prism Project 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, and 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 Prism Project '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 it 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 Prism Project '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 Prism Project'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.

Hunt CPA & Advs LLC

Flint, Michigan

August 31, 2026

Prism Project
Statement of Financial Position
As of December 31, 2025 & 2024

	2025	2024
Assets		
Current Assets		
Cash (See note B)	121,631	119,792
Accounts Receivable		
Accounts Receivable (A/R)	67,680	-
Total for Accounts Receivable	67,680	-
Other Current Assets		
Prepaid Insurance	12,250	-
QuickBooks Tax Holding Account	2,788	-
Gift Cards	118	118
Total Other Current Assets	15,156	118
Total Current Assets	204,466	119,910
Fixed Assets (See note G)		
Gate Entry System	15,689	15,689
Machinery & Equipment	1,836	1,836
Mission Ranch Capital Improvements	171,203	171,203
Mission Ranch Building	1,363,708	1,356,132
Mission Ranch Multi-Purpose Sports Court	27,407	-
2014 Chevrolet Van	20,035	20,035
Mission Ranch Fitness Room	23,490	11,800
Security Camera System	4,261	4,261
Storage Shed - 12x20 Stand-Alone Storage	7,680	-
Accumulated Depreciation	(105,959)	(32,310)
Total Fixed Assets	1,529,350	1,548,646
Total assets	1,733,816	1,668,556

Prism Project
Statement of Financial Position
As of December 31, 2025 & 2024

	2025	2024
Liabilities		
Accounts Payable (A/P)	1,428	1,428
Accrued Liabilities	934	-
Payroll Liabilities		
Taxes Payable	4,453	-
Wages Payable	41,357	-
Other Payroll Liabilities	(14)	(14)
Local Tax	283	12
State Income Tax	2,788	8,139
State Unemployment Tax	219	671
Total Payroll Liabilities	49,086	8,808
Credit Card Liabilities	934	44,911
Total Other Current Liabilities	52,382	55,147
Total Current Liabilities	52,382	55,147
Long-Term Liabilities		
Seller's Note - NGPP LLC	120,598	147,169
ChoiceOne Bank Mortgage - Facility and Property	1,172,605	1,183,784
Total Long-Term Liabilities	1,293,203	1,330,953
Total Liabilities	1,345,585	1,386,100
Equity		
Opening Balance Equity	25	25
Restricted Income	-	2,300
ECO Paint the Light Fundraiser 2022	1,123	1,798
Homecoming & Spirit Week	165	165
Impact 100 Grant 2024 - Health & Wellness Expansion	-	4,449
Sarah's Garden	333	776
Total Restricted Income	1,621	9,488
Retained earnings	272,940	230,143
Net Revenue	113,643	42,798
Total Equity	388,229	282,454
Total Liabilities and Equity	1,733,816	1,668,556

See independent auditors report and accompanying footnotes

Prism Project
Statement of Activity
For the period January through December 31, 2025 & 2024

	2025	2024
Revenues		
Fundraising Income	28,347	58,925
In-Kind Service Income	25,005	64,192
Income Released from Restrictions	58,617	35,138
Income Unrestricted	134,513	76,047
Program Reimbursement Income	1,272,105	991,332
Sales of Product Revenue	10	-
Total Revenue	1,518,598	1,225,634
Gross Profit	1,518,598	1,225,634
Expenditures		
Advertising & Marketing	1,232	768
Background Checks	-	14
Bank Charges & Fees	706	7,957
Client Personal Consumables	1,409	905
Clothing for Clients	2,090	1,317
Communications	4,910	4,455
Contractors	10,999	-
Education Expense	5,522	5,927
Food & Household Supplies	24,779	23,452
Fundraising Expense	10,795	18,310
Grounds Maintenance	2,679	-
Household Items	10,575	4,307
Insurance	27,304	31,566
Interest Paid	9,645	5,822
Medical Supplies & Expense	1,900	1,608
Melio Service Fees	8	-
Legal & Professional Services	10,090	14,200
Miscellaneous Other Adjustment	100	-
Mission Ranch Program Expense	34,226	68,125
Mortgage Interest Expense	87,409	-
Office Expenses	409	192
Other Business Expenses	150	150
Salaries and labor	892,688	743,606
Taxes	79,780	64,235
Payroll Expenses	5,143	1,988
Repairs & Maintenance	38,453	14,295
Reimbursements	-	3,305
Security and Surveillance Expense	4,511	6,417

Staff Training	8,122	2,871
Taxes & Licenses	32,172	176
Therapy Expense	2,463	50,534
Transportation and Vehicle Expense	10,375	5,088
Utilities	18,454	17,819
Vehicle Lease Expense	964	-
Amortization Expense - ROU Asset	-	100,488
Depreciation Expense	66,072	25,174
Total Expenditures	**1,406,134**	**1,225,071**
Net Operating Revenue	112,463	563
Other Revenue		
Other Miscellaneous Revenue	1,179	72
Gain on closing of ROU Asset	-	42,163
Total Other Revenue	1,179	42,235
Net Revenue	113,643	42,798
Total expenditures	1,406,134	1,225,071
Net revenue	$ 113,643	$ 42,798

See independent auditors report and accompanying footnotes

Prism Project
Statement of Cash Flows
For the period January through December 31, 2025 & 2024

	2025	2024
	Total	**Total**
OPERATING ACTIVITIES		
Net Revenue	113,643	42,798
Adjustments to reconcile Net Revenue to Net Cash provided by operations:		
Prepaid Insurance	(12,250)	-
Gift Cards	-	(11)
Accumulated Depreciation & Amortization	73,648	(102,987)
Accounts Payable	-	1,428
Accounts Receivable	(67,680)	-
Accrued Liabilities	934	-
Credit Card Payable	(43,977)	19,718
Payroll Liabilities:Taxes Payable	4,453	-
Payroll Liabilities:Wages Payable	41,357	-
Payroll Liabilities:MI Local Tax	271	-
QuickBooks Tax Holding Account	(2,788)	-
Payroll Liabilities:MI Income Tax	(5,352)	(8,855)
Payroll Liabilities:MI Unemployment Tax	(452)	(97)
Total Adjustments to reconcile Net Revenue to Net Cash provided by operations:	**(11,835)**	**(90,804)**
Net cash provided by operating activities	**101,807**	**(48,006)**
INVESTING ACTIVITIES		
Mission Ranch Building & Property	(7,576)	(1,356,132)
ROU Asset Mission Ranch Lease	-	602,925
Purchase of Property & Equipment	(46,777)	(11,800)
Net cash used by investing activities	**(54,353)**	**(765,007)**
FINANCING ACTIVITIES		
Restricted Income	(2,300)	2,000
Longterm Lease Liability	-	(484,340)
Seller's Note - NGPP LLC	(26,571)	147,169
ChoiceOne Bank Mortgage - Facility and Property	(11,179)	1,183,784
Restricted Income:ECO Paint the Light Fundraiser 2022	(674)	(342)
Restricted Income:Homecoming & Spirit Week	-	165
Restricted Income:Impact 100 Grant 2024 - Health & Wellness Expansion	(4,449)	4,449
Restricted Income:Sarah's Garden	(443)	(2,135)
Net cash (used) / provided by financing activities	**(45,616)**	**850,750**
Net cash increase for period	**1,838**	**37,737**
Cash at beginning of period	**119,792**	**888,487**
Cash at end of period	**121,630**	

See independent auditors report and accompanying footnotes

Prism Project
Statement of Functional Expenses
For the period January through December 31, 2025

	Programs	G&A	Fundraising	Total
Expenses				
Salary	852,139	37,915	2,635	892,688
Payroll taxes	76,156	3,388	235	79,780
Advertising			1,232	1,232
Office expenses	368	41		409
Other business expense		150		150
Depreciation expense		66,072		66,072
Clothing for Clients	2,090			2,090
Communications	4,485	425		4,910
Contractors	340			340
Contracted On-Call Medical Personnel	8,096			8,096
Contracted Program Consulting	2,050	513		2,563
Program Education Expense	5,522			5,522
Food for Clients	24,779			24,779
Grounds Maintenance	2,679			2,679
Insurance expense	25,773	1,531		27,304
Household Items (non-consumable)	7,047			7,047
Household Supplies Consumables	3,352	176		3,528
Personal Consumables for Clients	1,409			1,409
In-Kind Service Cost	17,807			17,807
Volunteer expense	7,189			7,189
Utilities	18,454			18,454
Repairs & maintenance	38,453			38,453
Security and Surveillance Expense	4,511			4,511
Vehicle Lease Expense	964			964
Transportation & vehicle expense	10,375			10,375
Staff Appreciation Expense	896			896
Staff training	7,225			7,225
Legal & professional		10,090		10,090
Fundraising expenses			10,795	10,795
Bank charges & fees		636	71	706
Interest Expense		9,645		9,645
Mortgage Interest Expense	87,409			87,409
Melio Service Fees		8		8
Therapy Expense	2,463			2,463
Program Activity Expense	6,796			6,796
Payroll Administrative Expense	4,629	514		5,143
Client Professional Services	2,058			2,058
Medical supplies	1,900			1,900
Taxes & licenses	28,955	3,217		32,172
Miscellaneous Other Adjustment		100		100
Mission Ranch Other Program Expense	375			375
Total Expenses	**1,256,744**	**134,322**	**14,968**	**$ 1,406,134**

See independent auditors report and accompanying footnotes

Prism Project
Statement of Functional Expenses
For the period January through December 31, 2024

	Programs	G&A	Fundraising	Total
Expenses				
Salary	-	743,606	-	743,606
Payroll taxes	-	64,235	-	64,235
Advertising	-	-	768	768
Background Checks	14	-	-	14
Office expenses	-	192	-	192
Other business expense	-	150	-	150
Depreciation expense	-	25,174	-	25,174
Amortization Expense - ROU Asset	-	100,488	-	100,488
Equipment		-	-	-
Fuel Expense		-	-	-
Rent Expense		-	-	-
Insurance expense	31,566	-	-	31,566
Household items	4,307	-	-	4,307
Client personal expense	2,222	-	-	2,222
Material & supplies	23,452	-	-	23,452
Volunteer expense		-	-	-
Utilities	17,819	-	-	17,819
Repairs & maintenance	14,295	-	-	14,295
Security expense	6,417	-	-	6,417
Service Costs		-	-	-
Transportation & vehicle expense	5,088	-	-	5,088
Staff training	2,871	-	-	2,871
Legal & professional	-	14,200	-	14,200
Fundraising expenses	-	-	18,310	18,310
Bank charges & fees	-	7,957	-	7,957
Interest Expense	-	5,822	-	5,822
Communication expense	4,455	-	-	4,455
Therapy Expense	50,534	-	-	50,534
Education & Activity Expense	5,927	-	-	5,927
Payroll software fees	-	1,988	-	1,988
Processing fees		-	-	-
Reimbursable Expenses	3,305	-	-	3,305
Medical supplies	1,608	-	-	1,608
Taxes & licenses	-	176	-	176
Mission Ranch Program Expense	68,125			68,125
Total Expenses	**242,005**	**963,988**	**19,078**	**$ 1,225,071**

See independent auditors report and accompanying footnotes

PRISM PROJECT

NOTES TO FINANCIAL STATEMENTS

NOTE A-NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Prism Project (the Organization) brings education and awareness about human trafficking to the general public and provides a long-term safe house for minors who have been sex trafficked where they can receive the comprehensive care necessary to heal and thrive in life after rescue.

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

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash Equivalents Restricted to Purchase Property and Equipment

Cash equivalents restricted to purchase property and equipment have been restricted by donors and are not available for operating purposes.

Property and Equipment

The Organization capitalizes property and equipment over $1,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are capitalized at their estimated fair value at the date contributed. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five years for furniture and vehicles to thirty years for buildings.

Contributions

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B-CASH AND CASH EQUIVALENTS

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the amounts shown in the statement of cash flows:

	2025	2024
Cash and cash equivalents – Unrestricted	$120,010	$110,304
Cash equivalents – Restricted	$ 1,621	$9,488
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	$121,631	$119,792

NOTE C-RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions are available for the following purposes or periods:

Subject to expenditure for specified purposes:	2025	2024
Purchase of art therapy supplies	$1,123	$1,798
Purchase of medical equipment	$ -	$4,449
Purchase of birthday & girls items	$165	$2,465
Purchase of supplies for Sarah's Garden project	$333	$776
Total restricted net assets	$ 1,621	$ 9,488

Subject to expenditure for specified purposes:

NOTE D-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	2025	2024
Financial assets at year-end	$121,631	$119,792
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted to purchase of art therapy supplies	$1,123	$1,798
Donor-restricted to purchase of birthday & girls items	$165	$2,465
Donor-restricted to purchase of medical equipment	$ -	$4,449

Donor-restricted to purchase of supplies for Sarah's garden project	$000	$776
Financial assets available to meet cash needs for general expenditure within one year	$1н0,лмл	$110,304

NOTE E-PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2025	2024
Gate Entry System	$15,689	$15,689
2014 Chevrolet Van	$20,035	$20,035
Security Camera System	$4,261	$4,261
Machinery & Equipment	$1,836	$1,836
Mission Ranch Fitness Room	$23,490	$11,800
Mission Ranch Building	$1,363,708	$1,356,132
Mission Ranch Capital Improvements	$171,203	$171,203
Storage Shed	$7,680	$ -
Fixed Assets	$1,635,309	$1,580,956
Accumulated depreciation	$105,959	$32,310
Total Fixed Assets	$1,529,350	$1,548,646

NOTE F-DEBT

The organization's long-term debt consists of the following:

Mortgage note payable in fixed monthly installments plus interest at 7.25%	$1,172,605
Note payable with seller for purchase of facility	$120,598

The $1,172,605 note is secured by substantially all of the Organization's assets and contains no restrictive covenants covering the Organization's financial position.

NOTE G-EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 31, 2026, the date which the financial statements were available to be issued.