

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

TABLE OF CONTENTS
DECEMBER 31, 2024 AND 2023

		<u>Page Number</u>
Independent Auditors' Report		1
Statements of Financial Position	Exhibit A	2
Statements of Activities	Exhibit B	3
Statements of Functional Expenses	Exhibit C	4
Statements of Cash Flows	Exhibit D	6
Notes to Financial Statements	Exhibit E	7



LEWIS, KAUFMAN, REID, STUKEY, GATTIS & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Christian Ophthalmic Surgery Expedition Network
5407 Nova Scotia Court
Amarillo, TX 79119

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Christian Ophthalmic Surgery Expedition Network (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows 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 Christian Ophthalmic Surgery Expedition Network as of December 31, 2024 and 2023, 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 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 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood



that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 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.

Lewis, Kaufman, Reid, Stukey, Gattis & Co., P.C.

Lewis, Kaufman, Reid, Stukey, Gattis & Co., P.C.
Plainview, Texas
March 21, 2025

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK**STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023**

	ASSETS	
	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Cash	\$ 952,817	731,021
Investments	<u>16,912,233</u>	<u>12,375,746</u>
	<u>17,865,050</u>	<u>13,106,767</u>
Property and Equipment, Net	<u>551,207</u>	<u>599,336</u>
TOTAL ASSETS	<u>\$ 18,416,257</u>	<u>13,706,103</u>
	LIABILITIES AND NET ASSETS	
<u>LIABILITIES</u>		
Accounts Payable	\$ <u>335</u>	<u>166</u>
	<u>335</u>	<u>166</u>
<u>NET ASSETS</u>		
Without Restrictions	<u>18,415,922</u>	<u>13,705,937</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,416,257</u>	<u>13,706,103</u>

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

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK**STATEMENTS OF ACTIVITIES****For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<u>Revenue and other support:</u>		
Contributions	\$ 1,858,758	1,712,365
Non-Cash Contributions	16,097,636	8,525,038
Net Investment Income	326,423	178,086
Net Investment Gains	<u>2,622,505</u>	<u>3,238,265</u>
Total	<u>20,905,322</u>	<u>13,653,754</u>
 <u>Expenses:</u>		
Program expenses	16,153,290	7,899,625
General and administrative	42,047	27,755
Fundraising	<u>-</u>	<u>-</u>
Total	<u>16,195,337</u>	<u>7,927,380</u>
Increase in net assets	4,709,985	5,726,374
Net Assets, Beginning of Year	13,705,937	7,322,247
Prior Period Adjustment	<u>-</u>	<u>657,316</u>
Net Assets, End of Year	\$ <u>18,415,922</u>	<u>13,705,937</u>

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

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK**STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2024 and 2023**

		2024			
		Program Services	<u>Supporting Services</u>		Totals
			Administrative and General	Fundraising	
Depreciation	\$ 108,364	-	-	-	108,364
Grants to Others	632,526	-	-	-	632,526
Legal & Professional	-	6,450	-	-	6,450
Medical Supplies	10,697,275	-	-	-	10,697,275
Occupancy	36,511	-	-	-	36,511
Office Expense	-	3,098	-	-	3,098
Payroll Taxes & Benefits	21,584	7,195	-	-	28,779
Salaries	75,907	25,304	-	-	101,211
Travel	385,137	-	-	-	385,137
Volunteer Labor	<u>4,195,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,195,986</u>
Total Expenses	<u>\$ 16,153,290</u>	<u>42,047</u>	<u>-</u>	<u>-</u>	<u>16,195,337</u>

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

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK**STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2024 and 2023**

	2023			
	Program Services	Supporting Services		Totals
Administrative and General		Fundraising		
Depreciation	\$ 103,955	-	-	103,955
Grants to Others	213,995	-	-	213,995
Legal & Professional	-	7,624	-	7,624
Medical Supplies	5,098,190	-	-	5,098,190
Occupancy	21,569	-	-	21,569
Office Expense	-	1,299	-	1,299
Employee Taxes/Benefits	18,289	6,096	-	24,385
Salaries	38,210	12,736	-	50,946
Travel	305,617	-	-	305,617
Volunteer Labor	<u>2,099,800</u>	<u>-</u>	<u>-</u>	<u>2,099,800</u>
Total Expenses	<u>\$ 7,899,625</u>	<u>27,755</u>	<u>-</u>	<u>7,927,380</u>

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

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 4,709,985	5,726,374
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	108,364	103,955
Net Investment Gains	(2,622,505)	(3,238,265)
Changes in Assets and Liabilities:		
Prepaid Expenses	-	13,600
Accounts Payable	<u>169</u>	<u>(1,856)</u>
Net Cash Provided by Operating Activities:	<u>2,196,013</u>	<u>2,603,808</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property & Equipment	(60,234)	(45,976)
Sale of Investments	15,004,963	14,391,295
Purchase of Investments	<u>(16,918,946)</u>	<u>(16,694,883)</u>
Net Cash Used by Investing Activities:	<u>(1,974,217)</u>	<u>(2,349,564)</u>
Net Increase in Cash	221,796	254,244
Cash, Beginning of Year	<u>731,021</u>	<u>476,777</u>
Cash, End of Year	\$ <u>952,817</u>	\$ <u>731,021</u>
Non-Cash Operating Activity:		
Medical Supplies Contributed for Surgeries	\$10,495,953	4,999,736
Volunteer Labor Contributed for Surgeries	<u>4,195,986</u>	<u>2,099,800</u>
	<u>\$14,691,939</u>	<u>7,099,536</u>
Non-Cash Investing Activity:		
Stock Contributed to Investment Account	\$ <u>1,405,698</u>	\$ <u>1,425,502</u>

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

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES***Nature of Organization:***

Christian Ophthalmic Surgery Expedition Network (ChOSEN), a nonprofit organization, was founded in 2014 by ophthalmologists in Amarillo, Texas, and was incorporated and chartered under the laws of the State of Texas. The purpose of ChOSEN is to share the Gospel of Jesus Christ through compassion and healing and providing ophthalmic surgeries consistent with the highest standards of the profession for impoverished individuals, particularly those residing in developing nations, including Mexico, Nicaragua and the Congo. ChOSEN's purpose also includes recruiting healthcare professionals interested in ChOSEN's mission and training them to assist in these ophthalmic surgeries. ChOSEN is supported primarily through contributions from healthcare professionals and by non-cash donations as detailed below.

Basis of Accounting:

The financial statements have been prepared utilizing the accrual basis of accounting in which revenues are recognized when earned and expenses when incurred, in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations.

Net Assets and Financial Statement Presentation:

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 based on Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities issued August 18, 2016:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed restrictions. Some 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-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

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)*****Net Assets and Financial Statement Presentation (Continued):***

restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition:

Revenue is recognized when earned in accordance with Accounting Standards Update (ASU) No. 2014-09 - *Revenue from Contracts with Customers (Topic 606)*. Program service fees are recognized in the applicable period in which the related services are performed. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

***Contributed Services and Medical Supplies:
Services:***

ChOSEN received a substantial number of services donated by healthcare professionals in carrying out ChOSEN's purpose. The professionals include cataract, retina and laser surgeons, surgical technicians and nurses. The value of the surgeries is based on the Medicare rate in the United States and was \$544 per cataract surgery, \$1,750 per retina surgery and \$340 per laser surgery. There is also a consultation fee for patient assessments valued at \$126 per consultation. The value of the surgical technicians and nurses is based on \$30 per hour for their estimated volunteer hours during the year. ChOSEN's volunteers performed 2,015 cataract, 551 retina, 98 laser surgeries and 15,256 consultations in 2024 and 1,908 cataract and 443 retina surgeries in 2023. The total value of these contributed services for the years ended December 31, 2024 and 2023 was \$4,195,986 and \$2,099,800, respectively, and are included in program expenses on the Statements of Activities.

Medical Supplies:

ChOSEN received a substantial quantity of medical supplies donated primarily by the Alcon Medical Missions Program and Americares Foundation, Inc. in carrying out ChOSEN's purpose. These ophthalmic supplies are valued at the invoice amount received from each company, which approximates the cost for an ophthalmic clinic. The total value of these contributed supplies for the years ended December 31, 2024 and 2023 was \$10,495,953 and \$5,144,165,

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)*****Medical Supplies (Continued):***

respectively, and are included in program expenses on the Statements of Activities.

Inventory:

Inventory consists of donated medical supplies as detailed above and is valued at the invoice amount for those supplies received in one year and used for a surgical mission expedition the next year. Inventory for the years ended December 31, 2024 and 2023 was \$0 since all supplies were used in the year they were donated.

Investments:

ChOSEN accounts for its investments based on the guidance of ASC No. 958. Investments in marketable securities with readily determinable fair values are recorded at their fair values on the Statement of Financial Position. Net investment return is included in the change in net assets in the accompanying Statement of Activities.

The following methods and assumptions were followed as of December 31, 2024:

- Fair value is based on quoted market prices as of the valuation date.
- ChOSEN did not hold investments in any of the following:
 - Items required to be reported at amortized cost.
 - Items required to be reported at other than fair value.

Fair Value Measurement:

ASC No. 820 defines fair value, establishes a framework for using fair value to measure assets and liabilities, and expands disclosures about fair value measurements. The guidance in this statement establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)*****Fair Value Measurement (Continued):***

Level 2 Inputs: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs: Significant unobservable inputs that reflect the Organization's own assumptions that market participants would use in pricing the assets or liabilities.

On December 31, 2024 and 2023, the Organization's investments were valued using Level 1 inputs as follows:

Investments on December 31, 2024 consisted of Exchange Traded Funds (ETF) valued at \$1,091,861, stocks valued at \$7,501,487, and investment cash of \$8,318,885. Investments on December 31, 2023 consisted of ETF's valued at \$1,171,425, stocks valued at \$6,432,408 and investment cash of \$4,771,912.

Property and Equipment:

Property and equipment are valued at purchase cost or the current fair value for donated assets. Expenses which improve the value or extend the useful life of assets are capitalized and added to purchase cost. A capitalization threshold of \$1,000 is applied. Depreciation is computed on the accelerated basis over estimated useful lives as described in Note 3.

Donations of Long-lived Assets – Implying Time Restrictions:

ChOSEN has adopted a policy whereby it does not imply time restrictions on donor-restricted property and equipment donations and records these assets as increases in net assets without restrictions.

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(Continued)*****Income Taxes:***

ChOSEN is exempt from income taxes under Internal Revenue Code Section 501(c)(3). Therefore, no provision for income taxes has been made in the financial statements. There are also no uncertain tax positions that must be disclosed in accordance with ASC No. 740. With few exceptions, ChOSEN is no longer subject to U.S. federal income tax examinations for years prior to 2021.

Cash Flow Information:

ChOSEN considers cash equivalents to be unrestricted cash and cash items that mature in 90 days or less. ChOSEN had no payments for interest or income taxes for the years ended December 31, 2024 and 2023.

Use of Estimates:

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

Functional Allocation of Expenses:

The costs of the program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification of detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses allocated include salaries, payroll taxes and benefits, which are allocated on the basis of estimated time and effort.

NOTE 2: LIQUIDITY AND AVAILABILITY

Management prepares operating budgets for each surgical mission with estimated expenses, submits the budgets to potential contributors and volunteers, then procures donations for the estimated expenses before proceeding with the trip. Management also invests excess cash in short term investments from time to time to maximize return on those funds. Fund raising efforts includes advertisements in trade periodicals to search for surgeons interested in supporting the mission of ChOSEN.

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2: LIQUIDITY AND AVAILABILITY (Continued)

Financial assets without limitations on use available for general expenditure on December 31, 2024 and 2023 comprise:

	<u>2024</u>	<u>2023</u>
Cash	\$ 952,817	731,021
Investments	<u>16,912,233</u>	<u>12,375,745</u>
	<u>\$17,865,050</u>	<u>13,106,766</u>

NOTE 3: PROPERTY AND EQUIPMENT

Major categories of assets for the years ended December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>	<u>Estimated Lives</u>
Medical Equipment	\$1,043,086	983,851	5-7 Years
Accumulated Depreciation	<u>(491,879)</u>	<u>(383,515)</u>	
Net Value	<u>\$ 551,207</u>	<u>599,336</u>	

Depreciation expense for the years ending December 31, 2024 and 2023 was \$108,364 and \$103,955, respectively.

NOTE 4: PRIOR PERIOD ADJUSTMENT

ChOSEN purchased medical equipment in prior years that was not recognized and capitalized in those prior years. Depreciation of this equipment was also not recognized in prior years. Total unrecognized equipment purchases prior to 2023 totaled \$918,148 and unrecognized depreciation expense prior to 2023 totaled \$260,832. The property and equipment purchases net of total accumulated depreciation at the beginning of 2023 is \$657,316, which is reported as a prior period adjustment on the accompanying Statements of Activities.

NOTE 5: RELATED PARTY TRANSACTIONS

ChOSEN has transacted business with Amarillo Cataract & Eye Surgery Center, which is owned by a member of the board of directors. ChOSEN purchased certain medical supplies from this entity at costs that could not be purchased directly by ChOSEN. Total purchases for the years ended December 31, 2024 and 2023 were \$2,131 and \$2,606, respectively.

CHRISTIAN OPHTHALMIC SURGERY EXPEDITION NETWORK

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 5: RELATED PARTY TRANSACTIONS (Continued)

ChOSEN also received cash and stock contributions from board members and persons or entities related to those board members. Total contributions received by these related parties for the year ending December 31, 2024 were \$1,412,000 in cash and \$1,405,698 in stock. This represents approximately 76% of the cash contributions and 100% of the stock contributions received in 2024. Total contributions received by the same related parties for the year ending December 31, 2023 were \$1,457,000 in cash and \$1,375,430 in stock. This represents approximately 85% of the cash contributions and 96% of the stock contributions received in 2023.

NOTE 6: CONCENTRATIONS OF CREDIT RISK

ChOSEN maintained its cash balance in a financial institution located in Amarillo, Texas. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 for all accounts. The amount of cash held in excess of FDIC insured coverage on December 31, 2024 and 2023 was \$702,817 and \$481,021, respectively. ChOSEN has not experienced any losses from this excess and represents that it is not exposed to any significant credit risk on cash balances due to the stability of the financial institution.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events were evaluated through March 21, 2025, which is the date the financial statements were available to be issued. There were no events required to be disclosed.