PRO-VISION, INC.

REPORT ON FINANCIAL STATEMENTS
(With Supplemental Material)

YEAR ENDED DECEMBER 31, 2020

BREEDLOVE & CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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JILL A. HENZE, CPA
President

NICOLE BREEDLOVE HUNT, CPA
CEO

INDEPENDENT AUDITORS' REPORT

May 13, 2021

Board of Directors
Pro-Vision, Inc.
Houston, Texas

We have audited the accompanying financial statements of Pro-Vision, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pro-Vision, Inc. as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Breedlove & Co., P.C.

PRO-VISION, INC.

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

ASSETS

Cash and cash equivalents	$	533 217
Restricted cash		657 218
Grants and promises to give receivable, net of discount		961 908
Prepaid expenses		60 327
Due from affilate		130 741
Investments		9 165
Property and equipment, net		15 283 410
Other assets		56 127
Total Assets	$	17 692 113

LIABILITIES AND NET ASSETS

Accounts payable	$	23 189
Accrued expenses		125 898
Note Payable - Paycheck Protection Program		110 100
Notes Payable		4 528 287
Total Liabilities		4 787 474
Net assets without donor restrictions		11 715 874
Net assets with donor restrictions		1 188 765
Total Net Assets		12 904 639
Total Liabilities and Net Assets	$	17 692 113

See the Accompanying Independent Auditors' Report and Notes to Financial Statements.

PRO-VISION, INC.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenues			
Grants and contributions	$ 153 590	$ 317 557	$ 471 147
Rent income	744 000	-	744 000
Investment income	14 230	-	14 230
Other income	1 823	-	1 823
Product sales	21 896	-	21 896
Net assets released from restrictions	2 160 588	(2 160 588)	-
Total Support and Revenues	3 096 127	(1 843 031)	1 253 096
Expenses			
Program Services			
Community outreach	280 933	-	280 933
Urban farm	408 806	-	408 806
Affordable housing	284 141	-	284 141
Character development	645 916	-	645 916
Total Program Services	1 619 796	-	1 619 796
Support Services			
Management and general	119 574	-	119 574
Fundraising	331 489	-	331 489
Total Supporting Services	451 063	-	451 063
Total Expenses	2 070 859	-	2 070 859
Change in Net Assets	1 025 268	(1 843 031)	(817 763)
Net Assets at Beginning of Year	10 690 606	3 031 796	13 722 402
Net Assets at End of Year	$ 11 715 874	$ 1 188 765	$ 12 904 639

PRO-VISION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program					Supporting Services			
	Community Outreach	Urban Farm	Affordable Housing	Character Development	Total Program Services	Management and General	Fundraising	Total Supporting Services	2020 Total
Salaries and Related Expenses									
Employee benefits	$ 9 198	$ 15 091	$ 9 198	$ 18 395	$ 51 882	$ 3 909	$ -	$ 3 909	$ 55 791
Payroll taxes	7 096	11 642	7 096	14 192	40 026	3 016	-	3 016	43 042
Salaries and wages	96 149	157 753	96 149	192 298	542 349	40 864	-	40 864	583 213
Total Salaries and Related Expenses	112 443	184 486	112 443	224 885	634 257	47 789	-	47 789	682 046
Other Expenses									
Advertising and promotion	81	108	83	202	474	34	160	194	668
Banking fees	529	705	539	1 323	3 096	225	1 042	1 267	4 363
Computer and internet	760	1 012	775	1 901	4 448	323	1 496	1 819	6 267
Consultant fees	14 423	19 202	14 698	36 042	84 365	6 130	28 376	34 506	118 871
Contracted services	3 231	4 301	3 292	8 074	18 898	1 373	6 356	7 729	26 627
Depreciation and amortization	44 626	59 413	45 476	111 512	261 027	18 966	87 798	106 764	367 791
Dues and subscriptions	897	1 195	914	2 242	5 248	381	1 766	2 147	7 395
Equipment lease	808	1 076	824	2 019	4 727	344	1 590	1 934	6 661
Insurance expense	10 782	14 354	10 987	26 940	63 063	4 582	21 212	25 794	88 857
Interest expense	23 938	31 870	24 394	59 818	140 020	10 174	47 095	57 269	197 289
Miscellaneous	23 722	31 582	24 173	59 275	138 752	10 082	46 670	56 752	195 504
Office expense	1 145	1 525	1 167	2 862	6 699	487	2 253	2 740	9 439
Postage	197	262	201	493	1 153	84	387	471	1 624
Printing	54	71	55	134	314	23	106	129	443
Professional services	16 338	21 752	16 649	40 827	95 566	6 944	32 144	39 088	134 654
Property taxes	32	42	32	79	185	14	62	76	261
Rent expense	3 943	5 250	4 018	9 853	23 064	1 676	7 757	9 433	32 497
Repairs and maintenance	3 807	5 068	3 879	9 514	22 268	1 618	7 490	9 108	31 376
Scholarship assistance	1 285	1 711	1 310	3 211	7 517	546	2 529	3 075	10 592
Supplies	4 729	6 296	4 819	11 817	27 661	2 010	9 303	11 313	38 974
Transportation	48	64	49	122	283	21	95	116	399
Travel and meetings	1 685	2 244	1 717	4 211	9 857	716	3 316	4 032	13 889
Utilities	11 430	15 217	11 647	28 560	66 854	4 858	22 486	27 344	94 198
Federal income tax	-	-	-	-	-	174	-	174	174
Total Other Expenses	168 490	224 320	171 698	421 031	985 539	71 785	331 489	403 274	1 388 813
Total Expenses	$ 280 933	$ 408 806	$ 284 141	$ 645 916	$ 1 619 796	$ 119 574	$ 331 489	$ 451 063	$ 2 070 859

See the Accompanying Independent Auditors' Report and Notes to Financial Statements.

PRO-VISION, INC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Operating Activities	
Decrease in Net Assets	$ (817 763)
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities	
Amortization and depreciation	367 791
Unrealized loss on investments	310
Decrease in grants and promises to give receivable, net of discount	396 418
Decrease in prepaid expenses and other current assets	139 145
Derease in accounts payable	(16 356)
Increase in accrued expenses	52 679
Net Cash Provided by Operating Activities	122 224
Investing Activities	
Purchase of property and equipment	(191 848)
Sale of investments	760
Net Cash Used for Investing Activities	(191 088)
Financing Activities	
Proceeds from notes payable	260 000
Increase in accrued interest payable	8 250
Payments on notes payable	(268 950)
Net Cash Used for Financing Activites	(700)
Net Decrease in Cash and Cash Equivalents	(69 564)
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	1 259 999
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 1 190 435
Supplemental Disclosures	
Interest Paid	$ 197 289
Income Tax Paid	$ 174

See the Accompanying Independent Auditors' Report and Notes to Financial Statements.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES

Pro-Vision, Inc. (the Organization) is a non-profit organization established in 1991. The Organization has provided educational and counseling services to adults and youth of Houston, Texas since that date. The Organization is primarily supported through donor contributions and rental income from property and buildings it leases to a related party, which are utilized for the various programs. The Organization also provides other programs that teach moral and ethical living and critical job skills.

A. BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

B. BASIS OF PRESENTATION

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: with and without donor restrictions.

C. PROMISES TO GIVE

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. Promises that remain uncollected more than one year after their due dates are written off unless the donors indicate that payment is merely postponed.

D. NET ASSETS

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Net assets without donor restrictions are available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are 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 that resources be maintained in perpetuity.

E. USE OF 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.

F. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all monies in banks and highly-liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. PROPERTY AND EQUIPMENT

Acquisitions of property and equipment in excess of $1,000 are capitalized. Property and equipment are carried at cost or, if donated, at fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Buildings and improvements	10-40 years
Furniture and equipment	5-20 years
Vehicles	5 years
Construction in progress	NA
Land	NA

H. CONTRIBUTIONS

Gifts of cash and other assets received without donor stipulations are reported as support and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as support and net assets with donor restrictions. When a donor-stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as support and net assets without donor restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment, and other long-lived assets are reported as support and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as support and net assets with donor restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions to net assets without donor restrictions are reported when the long-lived assets are placed in service.

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

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

I. CONTRIBUTED SERVICES

The Organization receives a substantial amount of services donated by volunteers in carrying out the Organization's programs. Contributions of services are recognized as support at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No amounts have been reflected in the financial statements for those services because they do not meet the criteria for recognition.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. DONATED ASSETS

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

K. INCOME TAXES

The Organization is a nonprofit corporation that is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code ("Code") and comparable State law, and contributions to it are tax deductible within the limitations prescribed by the Code. The Organization conducted unrelated business activities in the current fiscal year. The Organization has made no provision for federal income taxes in the accompanying financial statements as the tax burden is considered immaterial.

The Organization applies the provisions of FASB ASC Topic 740, Income Taxes, (formerly FASB Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109), which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosures and transition. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

L. INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Accounting principles generally accepted in the United States of America establish 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 are described below:

i. 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.

ii. 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 by other means.

iii. 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.

NOTE (1) SIGNIFICANT ACCOUNTING POLICIES (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value, on a recurring basis. There have been no changes to the methodologies used at December 31, 2020.

i. Equities and mutual funds: Valued at the net asset value (NAV) of shares on the last trading day of the fiscal year, which is the basis for transactions at that date.

At December 31, 2020, the Organizations investments consisted of mutual funds and equities totaling $9,165. Investments are reported at fair value using a Level 1 measure.

M. ADVERTISING

Advertising costs are expensed as incurred. Advertising expenses for the year ended December 31, 2020 were $668.

N. FUNCTIONAL ALLOCATION OF EXPENSE

Expenses are categorized in the Statement of Activities as program services, fundraising and management and general. The Organization's expenses are allocated on a functional basis among these benefited categories.

Program service expenses include direct and indirect (allocated) expenses for the various programs offered by the Organization. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses, that are common to several functions, are allocated to program services on the basis of time and effort.

NOTE (2) CONCENTRATION OF CREDIT RISKS

All of a depositor's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the Federal Deposit Insurance Corporation (FDIC) up to the standard maximum deposit insurance amount ($250,000), for each deposit insurance ownership category. The Organization maintains cash balances at a financial institution located in Texas. At December 31, 2020, the Organization had approximately $939,000, of cash balances that were not insured by the FDIC.

NOTE (3) RESTRICTED CASH

Cash balances totaling $657,218 for the year ended December 31, 2020 are restricted for the building campaign related to construction costs of building and improvements.

NOTE (4) GRANTS AND PROMISES TO GIVE RECEIVABLE

The promises to give as of December 31, 2020, are unconditional with $961,908 due in 2020. Promises to give that are due after 2020 are discounted at 5.0%. The unamortized discount on promises to give is $24,092 as of December 31, 2020. There were no amounts recorded for allowance for uncollectible promises to give receivable for the year ended December 31, 2020.

NOTE (4) GRANTS AND PROMISES TO GIVE RECEIVABLE (Continued)

Grants and promises to give receivable are summarized as follows:

Capital Campaign	$ 986 000
Receivable in less than one year	611 000
Receivable in more than one year	375 000
Total unconditional promises to give	986 000
Less discounts to net present value	(24 092)
Net unconditional promises to give	$ 961 908

Certain promises to give receivable are from board members, see *Note 14 – Related Party Transactions*.

NOTE (5) PROPERTY AND EQUIPMENT

As of December 31, 2020, property and equipment consisted of the following:

Land	$ 4 499 450
Buildings and improvements	13 564 678
Furniture and fixtures	270 070
Equipment	435 667
Vehicles	74 964
Subtotal property and equipment	18 844 829
Less: accumulated depreciation and amortization	(3 561 419)
Total property and equipment, net	$ 15 283 410

Depreciation and amortization expense charged to operations for the year ended December 31, 2020 was $367,791.

NOTE (6) NOTES PAYABLE

The Organization has a secured promissory note with Amegy Bank that had a maximum available draw of $1,452,177. The note matured on November 14, 2015. Interest at 5.75% and principal based on a 20-year amortization payable monthly from November 15, 2012 through November 14, 2015. In October 14, 2015, the Organization signed an amendment to the note which reduced the maximum available draw to $1,300,000 and extended the maturity date to October 14, 2021.

Additionally, the interest rate was reduced to 4.85%. The security consists of land and improvements at 4590 Wilmington, plus grants and pledges receivable. As of December 31, 2020, the balance of the note payable was $872,227.

NOTE (6) NOTES PAYABLE (Continued)

On February 22, 2018, the Organization entered into a construction loan agreement with Amegy Bank. The construction loan agreement is in the form of an advancing term loan for construction of improvements in a principal amount of up to $4,000,000. Interest is a fixed rate per annum equal to four and one-half percent (4.5%) with a maturity date of February 22, 2028.

Repayment of principal and interest are as follows:

a. Accrued and unpaid interest on the Note is due and payable monthly commencing on April 1, 2018 until and including February 1, 2021.
b. Installments of principal in an amount sufficient to reduce the outstanding aggregate principal amount of all advances to an amount not to exceed
    i. $3,500,000 due and payable on February 22, 2020;
    ii. $3,250,000 due and payable on February 22, 2021;
c. Monthly installments of principal and interest, each in an amount sufficient to amortize the principal amount of all advances outstanding on the February 22, 2021, over a period of twenty (20) years at an interest rate equal to four and one-half percent (4.5%) due and payable commencing March 1, 2021, until February 22, 2028.
d. Final installment in the amount of all outstanding principal, plus accrued and unpaid interest due and payable on the maturity date of February 22, 2028.

At December 31, 2020 the balance of the note was $3,497,910.

On June 3, 2020, the Organization entered into a 30-year loan agreement with Small Business Administration. The loan was in the amount of $150,000. Interest at 2.75%. Repayments are deferred for two-years and will commence June 2022. Interest will accrue from the date the loan proceeds were received. At December 31, 2020 the balance of the note was $158,150. Included in the amount is $8,250 of accrued interest.

As of December 31, 2020, the balance of the notes payable was $4,528,287.

The future maturities of long-term debt are as follows:

2021	$	1 185 083
2022		128 554
2023		114 892
2024		120 106
2025		125 559
Thereafter		2 854 093
Total	$	4 528 287

Interest expense for the year ended December 31, 2020 $197,289.

NOTE (7) NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM

On April 30, 2020, the Organization applied for Paycheck Protection Program funding to assist the Organization to continue to meet its payroll and lease obligations following mandated shutdowns due to the coronavirus pandemic. The Organization was awarded $110,000 in program funds that were required to be used to cover payroll expenses, lease payments and utility expenses.

Subsequent to year end, the Organization submitted the required documentation to the Small Business Administration, and the funding was fully forgiven.

NOTE (8) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 are restricted for the following purposes or periods:

Character Development	$ 459 324
Affordable Housing	876 396
Capital Campaign	1 559 583
Total Net Assets with Donor Restrictions	$2 895 303

NOTE (9) NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

The following amounts were released from restrictions for the year ended December 31, 2020:

Urban Farm	$ 159 324
Character Development	30 453
Affordable Housing	110 845
Capital Campaign	153 428
Total Net Assets Released from Restrictions	$ 454 050

NOTE (10) LIQUIDITY AND AVAILABILITY

The Organization's operations are dependent on private and public donations from individuals, foundations, and corporations as well as contractual lease income. The Organization has $1,320,358 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of $533,217, grants and promises to give receivable of $586,908, prepaid expenses of $60,327, investments of $9,165 and due from affiliate of $130,741. The financial assets of the Organization reduced by amounts not available for general use of $1,188,766 results in the Organization having sufficient financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. On January 30, 2020, the World Health Organization ("the WHO") announced the COVID-19 outbreak and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

NOTE (10) LIQUIDITY AND AVAILABILITY (Continued)

The Organization sets a goal of having financial assets on hand to meet 60 days of normal cash operating expenses, which are, on average, around $285,000. As part of its liquidity management, The Organization has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. The Organization also intends to transfer excess operating funds, in excess of its 60-day operating needs, to a short-term savings account which, should an unforeseen liquidity need arise, the Organization could draw upon to meet cash requirements.

The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the state and local situations on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the current responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial position, or liquidity for fiscal 2021.

NOTE (11) PROGRAMS AND SUPPORTING SERVICES

The costs of providing the various programs and other activities are shown in the accompanying statement of functional expenses. The following programs and supporting services are included in the accompanying financial statements:

Community Outreach – This program encompasses various initiatives to engage and connect with residents of the immediate community that Pro-Vision seeks to serve. This includes supporting community-oriented events sponsored by faith-based organizations, attendance and representation at community town halls, and meeting with local elected officials to ensure the needs of the community are being served by local government.

Urban Farm – The Urban Farm started as a community garden effort to help the residents to learn and understand the importance of healthy eating habits. This led to the construction of greenhouses and the establishment of an advanced aquaponic farming system to grow healthy leafy vegetables for donation to local food banks and sale to local commercial food establishments. The goal of the commercial sales is to generate funds which can be used to support the remaining program services and lower the need for outside financial support.

Affordable Housing – The affordable housing program has been a long-term goal of the organization to assist residents in securing comfortable housing at a cost they can afford as a way to improve the quality of life in the community. The organization has accumulated 57 acres in the community with the goal to secure additional acreage which will allow the construction of affordable housing units in a mixed income community. The community will include units intended for senior citizens to provide a pool of wisdom that can be shared with the youth of the community.

Character Development – The development of character in the youth of the community is the signature program on which the organization was first founded as an after-school care program for disadvantaged youth. This is a critical need in a community surrounded by poverty and hopelessness and provides an opportunity for the youth to begin the process of overcoming their obstacles to a satisfying and productive life. The youth are provided life coaches who provide instruction and practical application of life skills which can be applied to help them succeed in life. They are given the opportunity to participate in camps, job enterprise employment, and leadership positions to help develop discipline, self-esteem, and confidence in their own ability to be successful in life.

NOTE (12) CONCENTRATIONS

For the year ended December 31, 2020, approximately sixty-two percent (62%) of the Organization's contribution revenue came from one (1) donor. At December 31, 2020, approximately seventy-eight percent (78%) of the Organization's promises to give came from one (1) donor.

NOTE (13) PENSION PLAN

The Organization does not offer a pension plan to its employee and therefore, has no present, past or future pension obligations.

NOTE (14) RELATED PARTY TRANSACTIONS

The Organization received approximately $84,000 from various board members for board dues and capital campaign pledges.

NOTE (15) RENTAL INCOME

The Organization has a ten (10) year operating lease agreement with Pro-Vision Educational Services, Inc. (the School) that began September 1, 2019 and expires August 31, 2029. The terms of the lease require monthly rental payments of $62,000 for thirty-six (36) months, $66,000 for the next thirty-six (36) months and $70,000 for the final forty-eight (48). The Organization had a sixty (60) month operating lease agreement with the School that began September 1, 2014 and expired August 31, 2019. The terms of the lease required monthly rental payments of $35,000 each month for twenty-four (24) months and $40,000 each month for the next thirty-six (36) months. Total payments from the School to the Organization under the lease agreement amounted to $744,000 for the year ended December 31, 2020.

The Organization received approximately $78,000 from various board members for board dues and capital campaign pledges.

NOTE (16) OPERATING LEASE

The Organization conducts its operations from facilities that are leased under a 3-year non-cancelable operating lease expiring June 30, 2021. The lease agreement is a joint lease agreement with the School, and the cost is shared equally with each tenant paying the landlord directly for their share. Under the lease, base rent expense is $5,405 per month, and increases each year. The lease expense for the year ended December 31, 2020 was $32,497. The following is a schedule of future minimum rental payments required under the above operating lease as of December 31, 2020:

Year Ending December 31,	Amount
2021	$ 17 529
Total	$ 17 529

NOTE (17) SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 13, 2021, the date the financial statements were available to be issued and noted that the coronavirus pandemic was still ongoing subsequent to year end. As discussed in Note 7, the Paycheck Protection Program funding was fully forgiven subsequent to year end. No other subsequent events have occurred that would require recognition in the financial statements or disclosure in the financial statements.

BREEDLOVE & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

17014 Seven Pines Drive
Spring, Texas 77379
(281) 379-1065
(281) 379-6322 (fax)

JILL A. HENZE, CPA
President

NICOLE BREEDLOVE HUNT, CPA
CEO

May 13, 2021

To the Board of Directors
Pro-Vision, Inc.
2656 South Loop West, Ste. 650
Houston, Texas 77054

We have audited the financial statements of Pro-Vision, Inc. for the year ended December 31, 2020, and have issued our report thereon dated May 13, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 5, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Pro-Vision, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements for the year ended December 31, 2020.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 13, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Pro-Vision, Inc.'s policy is to utilize well respected regional and national banks. At times, its deposits may exceed the U.S. Federal Deposit Insurance Corporation limit. Pro-Vision, Inc. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash. Pro-Vision, Inc. monitors the credit ratings of its banks and Pro-Vision, Inc.'s financial institutions are all investment grade.

Other Matters

This information is intended solely for the use of the Board of Directors and management of Pro-Vision, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Breedlove & Co., P.C.