



LOTON L. WILLIAMS *Certified Public Accountant*

6152 MISTY OAKS COURT • SARASOTA, FL 34243 • (941) 321-0394 • lotonl@comcast.net

October 30, 2023

Mason Ayres, Executive Director
Resurrection House, Inc.
507 Kumquat Court
Sarasota, FL 34230-0398

Dear Mr. Ayres:

I am enclosing one emailed copy of the audited financial statements as of June 30, 2023, and for the year then ended for Resurrection House, Inc. I am also e-mailing a copy of the audit report to Becky, Jeff and Penny.

Please let me know if there are any questions.

Sincerely,

Loton L. Williams
(rhouse)
/wn

RESURRECTION HOUSE, INC.

AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

JUNE 30, 2023



CONTENTS

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT	1-3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8





LOTON L. WILLIAMS *Certified Public Accountant*

6152 MISTY OAKS COURT • SARASOTA, FL 34243 • (941) 321-0394 • lotonl@comcast.net

Board of Directors
Resurrection House, Inc.
Sarasota, Florida

INDEPENDENT AUDITOR'S REPORT

Opinion

I have audited the accompanying financial statements of Resurrection House, Inc., which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resurrection House, Inc., as of June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

I conducted my audit in accordance with auditing standards accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the entity and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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.

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 entity'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

My 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 my 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 from 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 judgement made by a reasonable user based on the financial statements.

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

1. Exercise professional judgement and maintain professional skepticism throughout the audit.
2. Identify and assess the risks of material misstatement of the financial statements, 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.
3. Obtain an understanding of the internal control relevant to the audit in order to design 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, no such opinion is expressed.
4. Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management as to evaluate the overall presentation of the financial statements.
5. Conclude whether, in my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

*Auditor's Responsibilities for the Audit of the Financial Statements
(Continued)*

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



Loton L. Williams
Certified Public Accountant

Available to be Issued Date: October 26, 2023

Audit Release Date: October 26, 2023

RESURRECTION HOUSE, INC

STATEMENT OF FINANCIAL POSITION

June 30, 2023

ASSETS

CURRENT ASSETS

Cash	\$	944,577
Investments, at fair market value		3,424,459
Prepaid expenses		10,404
Cash value, life insurance policy		<u>43,357</u>

Total current assets 4,422,797

Property and equipment, net 247,994

TOTAL ASSETS \$ 4,670,791

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable \$ 42,228

Total current liabilities 42,228

NET ASSETS

Without Donor Restriction

Undesignated 1,358,519

Board designated 2,663,175

Total unrestricted 4,021,694

With Donor Restriction 606,869

Total net assets 4,628,563

TOTAL LIABILITIES AND NET ASSETS \$ 4,670,791

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



RESURRECTION HOUSE, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
SUPPORT AND REVENUE			
Contributions	\$ 575,947	\$ 405,000	\$ 980,947
Grants	112,879	-	112,879
Unrealized gain (loss)	28,892	105,665	134,557
Capital gain (loss)	20,255	278	20,533
Realized gain (loss)	-	(3,212)	(3,212)
Investment income	9,344	91,687	101,031
Board designated funds ¹	17,278	-	17,278
Fund raising revenue	<u>104,304</u>	<u>-</u>	<u>104,304</u>
Total support & revenue	868,899	599,418	1,468,317
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Net support and revenue	868,899	599,418	1,468,317
EXPENSES			
Program services	538,325		538,325
Management and general	81,678		81,678
Fund raising	<u>35,304</u>	<u>-</u>	<u>35,304</u>
Total expenses	<u>655,307</u>	<u>-</u>	<u>655,307</u>
INCREASE (DECREASE) IN NET ASSETS	213,592	599,418	813,010
NET ASSETS BEGINNING OF YEAR	2,259,799	1,555,754	3,815,553
TRANSFER OF EQUITY	<u>1,548,203</u>	<u>(1,548,203)</u>	<u>-</u>
NET ASSETS END OF YEAR	<u>\$4,021,694</u>	<u>\$ 606,869</u>	<u>\$ 4,628,563</u>

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



RESURRECTION HOUSE, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

	<u>Supporting Services</u>			
	<u>Program</u>	<u>Management</u>	<u>Fund</u>	<u>Total</u>
	<u>Services</u>	<u>and</u>	<u>Raising</u>	
		<u>General</u>		
Accounting	\$ 4,606	\$ 18,424	\$	\$ 23,030
Casual Labor	15,833	2,262		18,095
Client assistance	61,176	-		61,176
Depreciation	22,746	3,250		25,996
Fund raising for contributions			35,304	35,304
Insurance	33,249	4,750		37,999
Office expenses	18,532	2,647		21,179
Travel & meeting exp	1,625	232		1,857
Real estate tax	2,716	388		3,104
Payroll taxes	16,021	2,289		18,310
Rental Equip	4,431	633		5,064
Repairs and maintenance	20,643	3,643		24,286
Salaries	240,517	34,359		274,876
Telephone	4,763	681		5,444
Utilities	32,272	4,610		36,882
Janitorial	4,375	625		5,000
Security exp	<u>54,820</u>	<u>2,885</u>		<u>57,705</u>
TOTAL EXPENSES	<u>\$ 538,325</u>	<u>\$ 81,678</u>	<u>\$ 35,304</u>	<u>\$ 655,307</u>

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

RESURRECTION HOUSE, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2023

CASH FLOWS FROM

OPERATING ACTIVITIES:

Increase (decrease) in net assets	\$ 813,009
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities	
Depreciation and amortization	25,996
Net unrealized (gains) losses on investments	(134,557)
(Increase) decrease in operating assets	
Prepaid expenses	920
Life insurance policy	(1,090)
Increase (decrease) in operating liabilities	
Accounts payable	<u>38,065</u>
Total adjustments	<u>(70,666)</u>
Net change in operating activities	742,343
CASH FLOWS USED IN INVESTING ACTIVITIES	
Net changes in investments-net of unrealized gains	<u>(327,898)</u>
Net cash used in investing activities	<u>(327,898)</u>
Increase (decrease) in cash	414,445
CASH AT BEGINNING OF YEAR	<u>530,132</u>
CASH AT END OF YEAR	<u>\$ 944,577</u>

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



RESURRECTION HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Resurrection House, Inc. (Organization) is a Florida non-profit corporation. The Organization provides day-time resources such as clothing, showers, laundry, transportation, job counseling and referrals to other aid agencies serving the homeless in the Sarasota area. The Organization is financially supported exclusively by private donations. They accept no funds from federal, state, city, or other government agencies.

Financial Statements

The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. The accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual result could differ from those estimates.

Revenue Recognition

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of donated assets are treated as temporarily restricted net assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Gifts of cash restricted for the purpose of acquiring or construction of long-lived assets are recorded as temporarily restricted net assets until the long-lived asset is acquired or constructed at which time the net assets are released from restricted and reclassified to unrestricted net assets.



RESURRECTION HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONT'D)

Donated Services

Donated services have not been recorded in the financial statements, since no objective basis is available to measure such services; however, a substantial number of volunteers have donated a significant amount of time to the program services of Resurrection House.

Income Taxes

Resurrection House, Inc. is a non-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation.

Cash

Cash and other deposits held at banking institutions are insured by the Federal Deposit Insurance Company up to \$250,000. At any given time, the Organization may have cash balances in excess of the insured amount.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use Of Estimates

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

NOTE 2 - INVESTMENTS

The Organization records all investments at market value. Accordingly, unrealized gains and losses are recorded in the statement of activities. Investments consist of a variety of mutual funds and certificates of deposits. The following summarizes components of investments at June 30, 2023:



RESURRECTION HOUSE, INC.

June 30, 2023

NOTE 2 - INVESTMENTS (CONTINUED)

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain(Loss)</u>
2023 - Investments	<u>\$3,289,902</u>	<u>\$3,424,459</u>	<u>\$ 134,557</u>

NOTE 3 - RESTRICTED NET ASSETS-AT MARKET VALUE

Endowment	\$34,912
Other Donor Restricted	<u>571,957</u>
	<u>\$ 606,869</u>

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023:

Land	\$ 107,408
Building	328,384
Furniture and equipment	<u>60,273</u>
	496,065
Less accumulated depreciation amortization	<u>(248,071)</u>
Total property and equipment, net	<u>\$ 247,994</u>

Property and equipment are recorded at cost if purchased or at fair market value at the time of receipt if donated. Assets with an estimated useful life exceeding one year are capitalized.

Depreciation expense for the year ended June 30, 2023, amounted to \$ 25,996.



RESURRECTION HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE 5 - BOARD DESIGNATED NET ASSETS

For the fiscal year ended June 30, 2023, the Board has designated unrestricted net assets of \$ 2,663,175.

NOTE 6 - SUBSEQUENT EVENTS

Management evaluated subsequent events through October 26, 2023, which was the date the financial statements were available to be issued. Management determined there were no matters which require disclosure.

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board Accounting Standards Codification 820-10 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the counter markets with sufficient volume).
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on organization-specific data.

RESURRECTION HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE 7 - FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for significant assets and liabilities measured at fair value at June 30, 2023:

Money Markets, Certificates of deposit, publicly traded stocks and securities: Resurrection House, Inc. uses quoted market prices of identical assets on active exchanges, or Level 1 measurements. Maturities of money markets and certificates of deposits are less than 18 months.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while Resurrection House, Inc. believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, Resurrection House, Inc.'s assets at fair value as of:

<u>June 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Assets				
Money markets, Certificates of Deposit, publicly traded stocks and securities				
	\$ 3,424,459	\$ -	\$ -	\$ 3,424,459
	<u>\$ 3,424,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,424,459</u>



RESURRECTION HOUSE, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE 8 - ENDOWMENT FUND I

The purpose of the Endowment Fund I (Fund I) is to provide a separate fund for the receipt and management of gifts and bequests made to Resurrection House, Inc., other than funds and property pledged or given for operating expenses or otherwise specifically restricted.

Fund I is administered through the Finance Committee and shall be maintained in perpetuity except as provided by the By-laws of Fund I.

Each year, 5% of the fair market value of Fund I, is determined as of the final day of the Corporation's fiscal year, shall be made available for distribution out of Fund I, for such corporate purposes as the Board of Directors shall determine. Any distribution amount not withdrawn by the final day of the fiscal year shall be added to the principal of Fund I.

Roll Forward for Endowment Fund I

Balance 6/30/22	\$ 2,336,400.
Investment Income	
6/30/23	379,711.
Expenses 6/30/23	<u>(18,024).</u>
Balance 6/30/23	<u>\$ 2,698,087.</u>
Donor restricted	\$ 34,912.
Board Restricted	<u>\$ 2,663,175.</u>
	<u>\$ 2,698,087.</u>

