

GOING FURTHER

RESURRECTION HOUSE, INC.

FINANCIAL REPORT

JUNE 30, 2025

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Independent Auditor's Report

**Board of Directors
Resurrection House, Inc.
Sarasota, Florida**

Opinion

We have audited the accompanying financial statements of Resurrection House, Inc. (a non-profit organization), (the "Organization"), which comprise the statement of financial position as of June 30, 2025, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2025, and the changes in its net assets 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

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 the Organization 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 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.

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 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 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.



Bradenton, Florida
March 18, 2026

Resurrection House, Inc.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

ASSETS	
CURRENT ASSETS	
Cash	\$ 359,453
Prepaid expenses	37,461
Investments	1,628,848
Total current assets	<u>2,025,762</u>
OTHER ASSETS	
Cash surrender value of life insurance	45,492
Investments - endowment	3,290,574
Property and equipment, net	302,148
Total other assets	<u>3,638,214</u>
TOTAL ASSETS	<u>\$ 5,663,976</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$ 14,579
Total current liabilities	<u>14,579</u>
NET ASSETS	
Without donor restrictions	
Undesignated	1,511,169
Board designated for endowment	3,252,232
With donor restrictions - time or purpose	885,996
	<u>5,649,397</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,663,976</u>

See Notes to Financial Statements.

Resurrection House, Inc.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Contributions	\$ 793,005	\$ 136,020	\$ 929,025
Grants	6,640	-	6,640
Investment return, net	489,452	50,597	540,049
Other income	10,702		10,702
Net assets released from restriction	49,147	(49,147)	-
Total revenues, gains and other support	1,348,946	137,470	1,486,416
Program expenses			
Program services	772,865	-	772,865
Total program expenses	772,865	-	772,865
Supporting services			
Management and general	84,361	-	84,361
Fundraising	92,422	-	92,422
Total supporting services	176,783	-	176,783
Total functional expenses	949,648	-	949,648
Change in net assets	399,298	137,470	536,768
Net assets, beginning of year	4,364,103	748,526	5,112,629
Net assets, end of year	<u>\$ 4,763,401</u>	<u>\$ 885,996</u>	<u>\$ 5,649,397</u>

See Notes to Financial Statements.

Resurrection House, Inc.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2025

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries	\$ 355,110	\$ 13,427	\$ 33,761	\$ 402,298
Payroll taxes	27,236	929	2,785	30,950
Professional fees, legal, audit	17,784	33,530	-	51,314
Casual labor	2,595	10,381	-	12,976
Client assistance	63,689	-	-	63,689
Insurance	34,115	2,966	-	37,081
Office expense	34,674	3,002	-	37,676
Advertising	6,208	-	55,876	62,084
Travel and meeting expense	47	4	-	51
Real estate taxes	2,780	242	-	3,022
Repairs and maintenance	19,659	1,709	-	21,368
Rental equipment	3,097	269	-	3,366
Telephone	6,572	572	-	7,144
Utilities	44,126	3,837	-	47,963
Janitorial	19,007	1,653	-	20,660
Security expense	105,093	9,138	-	114,231
Depreciation	31,073	2,702	-	33,775
Total expenses	<u>\$ 772,865</u>	<u>\$ 84,361</u>	<u>\$ 92,422</u>	<u>\$ 949,648</u>

See Notes to Financial Statements.

Resurrection House, Inc.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	536,768
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation		33,775
Realized and unrealized gain on investments		(435,960)
(Increase) decrease in operating assets:		
Accounts receivable		12,985
Prepaid expenses		(15,534)
Cash surrender value of life insurance		(1,055)
Increase in operating liabilities:		
Accrued expenses		1,657
Net cash provided by operating activities		<u>132,636</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment		(5,422)
Proceeds from sale of investments		2,294,707
Purchase of investments		<u>(2,282,393)</u>
Net cash (used in) investing activities		<u>6,892</u>

Net increase in cash		139,528
Cash, beginning of year		<u>219,925</u>
Cash, end of year	\$	<u>359,453</u>

See Notes to Financial Statements.

Notes To Financial Statements

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resurrection House, Inc. (the "Organization") is a not-for-profit organization organized under the laws of the State of Florida in 1989. 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.

Significant accounting policies are as follows:

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.

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following two classes: (1) net assets without donor restrictions, and (2) net assets with donor restrictions.

Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including Board-designated or appropriated amounts, are legally unrestricted and are reported as part of net assets without donor restrictions.

Management Estimates

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

Cash and Cash Equivalents

The Organization considers all highly liquid investments without donor restrictions with an initial maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. At June 30, 2025, there were \$119,112 deposits in excess of these limits.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Credit Losses

Accounts receivable is recorded at net realizable value. Accounts receivable is based on services performed prior to year-end, but not collected as of the statement of financial position date.

Under the current expected credit loss model, the allowance for credit losses ("ACL") on account receivables is a valuation allowance estimated at each balance sheet date in accordance with GAAP that is deducted from the amortized cost basis of contract receivables to present the net amount expected to be collected.

The Organization estimates the ACL on account receivables based on the amount billed to customers for services and measures expected credit losses of contract receivables on an individual basis where all or a portion of the balance exceeds 90 days from the invoice date. Based on the assessment of the customer's current creditworthiness, the Organization estimates the portion, if any, of the balance that will not be collected. Receivables are written off as a charge to the allowance for credit losses when, in management's estimation, it is probable that the receivable is worthless.

The Organization does not have a history of losses associated with contract receivables and has not forecasted that future economic conditions may differ from past results; therefore, an allowance for credit losses has not been recorded as of and for the period ended June 30, 2025.

The Organization's methodologies for estimating the ACL consider available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable and supportable forecasts. The methodologies apply historical loss information, adjusted for asset-specific characteristics, economic conditions at the measurement date, and forecasts about future economic conditions over a period that has been determined to be reasonable and supportable.

Investments

Investments are reported at their fair values. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Investments are exposed to various risks, such as interest rate risk and credit conditions. Due to the level of risk associated with investments and the level of uncertainty related to the change in the value of investments, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the statement of financial position.

Notes To Financial Statements

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Revenue Recognition

Contributions received are recorded as net assets without or with donor restrictions depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a time or purpose restriction expires, 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.

Property and Equipment

Property and equipment acquisitions in excess of \$2,500 are recorded at cost, estimated cost, or if donated, at fair value on the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

	<u>Years</u>
Buildings and improvements	10-40
Equipment and furnishings	5-7

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized.

Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of goods and professional services utilized in operations and are recorded at estimated fair value when received by the Organization. The fair value of contributed goods is estimated based on retail prices of similar items. The fair value of contributed professional services is estimated based on current rates for similar services. In addition, many individuals volunteer for their time and perform a variety of tasks that assist the Organization, which is not reflected in the financial statements as these tasks do not meet the requirements for recognition.

For the year ended June 30, 2025, the Organization did not have any non-cash contributions recorded for printing and other professional services.

Income Taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly is exempt from federal income taxes under Internal Revenue Code Section 501(a).

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

It is the Organization's policy to account for any uncertainties in income tax law in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Organization recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more-likely-than-not to be sustained. Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements.

Advertising

The Organization expenses advertising costs in the period incurred. For the year ended June 30, 2025, advertising costs totaled \$62,084.

Functional Allocation of Expenses

The costs of providing various programs and other activities and the administration of the Organization have been summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Administrative and general expenses and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

Subsequent Events

The Organization has evaluated subsequent events through March 18, 2026, the date which the financial statements were available to be issued.

Resurrection House, Inc.

Notes To Financial Statements

NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have seasonal variations during the year attributable to the cash receipts for contributions. The Organization manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via contributions and other sources to cover operating expenditures not covered by donor-restricted resources and regular analysis of actual operating results versus budget.

The following table reflects the Organization's total financial assets as of June 30, 2025 that could be made available within 12 months to meet operating expenditures:

Financial assets at year-end	
Cash	\$ 359,453
Cash value, life insurance policy	45,492
Investments	4,919,422
Total financial assets at year-end	<u>\$ 5,324,367</u>

Financial assets available to meet operating expenditures over the next 12 months:

Cash	\$ 359,453
Investments	826,686
Financial assets available to meet operating expenditures	<u>\$ 1,186,139</u>

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2025:

Land	\$ 107,409
Buildings and Improvements	416,452
Equipment and furnishings	86,287
Construction in progress	3,500
Less accumulated depreciation	(311,500)
Net property and equipment	<u>\$ 302,148</u>

Depreciation expense was \$33,775 for the year ended June 30, 2025.

Resurrection House, Inc.

Notes To Financial Statements

NOTE 4. INVESTMENTS

Investments for the year ended June 30, 2025, consisted of the following:

Cash and short-term investments	\$	166,012
Certificates of deposit		25,149
Equity securities		3,188,515
Fixed income mutual funds		1,183,715
Real estate mutual funds		270,155
Commodities mutual funds		85,876
	\$	<u>4,919,422</u>

For the year ended June 30, 2025, net investment income consisted of the following:

Interest and dividends	\$	131,748
Net realized and unrealized gains		435,960
Fees		(27,659)
	\$	<u>540,049</u>

NOTE 5. FAIR VALUE MEASUREMENTS

The Organization adopted the *Fair Value Measurements and Disclosures Topic* of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1** Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2** Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3** Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Notes To Financial Statements

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

The level within the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following represents assets carried at fair value as of June 30, 2025, by ASC 820 valuation hierarchy (as described above):

Description	Level 1	Level 2	Level 3	Total
Cash and short-term investments	\$ 166,012	\$ -	\$ -	\$ 166,012
Certificates of deposit	25,149	-	-	25,149
Equity securities	3,188,515	-	-	3,188,515
Fixed income mutual funds	1,183,715	-	-	1,183,715
Real estate mutual funds	270,155	-	-	270,155
Commodities mutual funds	85,876	-	-	85,876
	\$ 4,919,422	\$ -	\$ -	\$ 4,919,422

NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS – TIME OR PURPOSE

Net assets with donor restrictions for time or purpose for the year ended June 30, 2025, are available for the following programs or uses:

Endowment	\$ 38,341
Food programs	754,214
Capital project	43,441
Client services	50,000
	\$ 885,996

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2025:

Food programs	\$ 28,251
Client services	10,896
Health and hygiene programs	10,000
	\$ 49,147

Notes To Financial Statements

NOTE 7. ENDOWMENT

The Organization has an endowment fund 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. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The endowment is managed by the finance committee, which is a subcommittee of the Board of Directors.

Each year, 5% of the fair market value of the endowment fund, as determined as of the final day of the Organization's fiscal year, shall be made available for distribution for such 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 the endowment fund.

Interpretation of Relevant Law

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the perpetual corpus to be maintained at fair value. Any portion of the endowment, including investment income, which is not classified as with donor restrictions – perpetual, is to be classified as with donor restrictions – time or purpose until it is appropriated for expenditure.

As a result of this interpretation, the Organization classifies with donor-restrictions-perpetuity: (1) the original value of the gift donated to the permanent endowment, (2) the original value of subsequent gifts to permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions-perpetual is classified as net assets without donor restrictions-time or purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA. These funds are maintained in an investment account.

Endowment net asset composition as of June 30, 2025, consists of the following:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Time or Purpose</u>	<u>Perpetuity</u>	
Donor-restricted endowment funds	\$ -	\$ 38,341	\$ -	\$ 38,341
Board designated endowment funds	3,252,233	-	-	3,252,233
	<u>\$ 3,252,233</u>	<u>\$ 38,341</u>	<u>\$ -</u>	<u>\$ 3,290,574</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of June 30, 2025.

Notes To Financial Statements

NOTE 7. ENDOWMENT (CONTINUED)

Changes in the endowment by net asset class for the year ended June 30, 2025, is as follows:

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or Purpose	Perpetuity	
Endowment net assets, beginning of year	\$ 3,008,972	\$ 38,341	\$ -	\$ 3,047,313
Investment return				
Interest and dividend income	90,323	-	-	90,323
Realized and unrealized gains	314,775	-	-	314,775
Total investment return	405,098	-	-	405,098
Contributions and other income	2,183,789	-	-	2,183,789
Disbursements	(2,322,184)	-	-	(2,322,184)
Administrative fees	(23,442)	-	-	(23,442)
	<u>\$ 3,252,233</u>	<u>\$ 38,341</u>	<u>\$ -</u>	<u>\$ 3,290,574</u>

Return Objective and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period as well as Board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to meet or exceed the following objectives: (1) exceed the compound annual return of a "risk-free" portfolio, (2) achieve competitive investment results that meet or exceed a market index agreed upon by the finance committee, and (3) provide consistent investment returns.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity or equity-like investments to achieve its long-term objectives within prudent risk constraints. Other asset classes may be added to enhance returns, reduce volatility through diversification and offer broader investment opportunity set. These may include but not be limited to domestic equity, domestic fixed income, international equity, international fixed income, alternative assets, and cash.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Policy establishes a percentage rate payout of the various funds total return without distinction between income and capital gains. The Board of Directors shall consider the percentage of the market value of the investment accounts in the funds to be allocated to expenses for the upcoming fiscal year. This is subject to annual review and is set so as to reasonably ensure the funds do not diminish in real value. Minimum and maximum asset allocation limits and strategic ranges for each asset class have been established to control risk and allow funds to grow.