

**RESILIENT RETREAT, INC.**

**FINANCIAL REPORT**

**JUNE 30, 2020**

# RESILIENT RETREAT, INC.

## FINANCIAL REPORT JUNE 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors and Management  
Resilient Retreat, Inc.  
Sarasota, Florida**

We have audited the accompanying financial statements of Resilient Retreat, Inc. (a non-profit organization) which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, cash flows, and functional expenses 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.

### **Auditor's 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.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resilient Retreat, Inc. as of June 30, 2020, 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.

*Mauldin & Jenkins, LLC*

Bradenton, Florida  
December 18, 2020

**RESILIENT RETREAT, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2020**

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**ASSETS**

**CURRENT ASSETS**

Cash	\$ 1,004,537
Restricted cash	37,875
	<u>1,042,412</u>

Property and equipment, net	1,849,702
Other asset, net	5,769
	<u>1,855,471</u>

**Total assets** \$ 2,897,883

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 900
Accrued payroll	17,729
Note payable	24,631
	<u>43,260</u>

**NET ASSETS**

Net assets without donor restrictions	908,098
Net assets with donor restrictions - time and purpose	1,946,525
	<u>2,854,623</u>

**Total liabilities and net assets** \$ 2,897,883

**See Notes to Financial Statements.**

**RESILIENT RETREAT, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Support and revenues</b>			
Contributions	\$ 180,919	\$ 1,917,825	\$ 2,098,744
Investment income	11,054	-	11,054
Total support and revenues	<u>191,973</u>	<u>1,917,825</u>	<u>2,109,798</u>
<b>Expenses</b>			
Program services	237,294	-	237,294
Management and general	26,365	-	26,365
Total expenses	<u>263,659</u>	<u>-</u>	<u>263,659</u>
Change in net assets	(71,686)	1,917,825	1,846,139
Net assets, beginning of year	<u>979,784</u>	<u>28,700</u>	<u>1,008,484</u>
Net assets, end of year	<u>\$ 908,098</u>	<u>\$ 1,946,525</u>	<u>\$ 2,854,623</u>

**See Notes to Financial Statements.**

**RESILIENT RETREAT, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 1,846,139
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	4,400
Donated land	(1,841,000)
Changes in operating assets and liabilities	
Increase in accounts payable	900
Increase accrued expenses	17,729
Net cash provided by operating activities	28,168

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from new debt	24,631
Net cash provided by investing activities	24,631
Change in cash	52,799
Cash, beginning of year	989,613
Cash, end of year	\$ 1,042,412
Cash	1,004,537
Restricted Cash	37,875
	\$ 1,042,412

**See Notes to Financial Statements.**

# RESILIENT RETREAT, INC.

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2020

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	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and benefits	\$ 119,429	\$ 13,270	\$ 132,699
Payroll taxes	22,932	2,548	25,480
Program expenses	28,218	3,135	31,353
Repairs and maintenance	7,937	882	8,819
Contract services	3,504	389	3,893
Advertising	226	25	251
Travel	1,367	152	1,519
Training	2,411	268	2,679
Utilities	2,987	332	3,319
Office expenses	15,156	1,684	16,840
Professional fees	13,231	1,470	14,701
Insurance	1,550	172	1,722
Meals and entertainment	37	4	41
Depreciation and amortization	3,960	440	4,400
Dues and subscriptions	1,144	127	1,271
Taxes and licenses	315	35	350
Occupancy	12,660	1,407	14,067
Miscellaneous	230	25	255
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 237,294</u>	<u>\$ 26,365</u>	<u>\$ 263,659</u>

See Notes to Financial Statements.



# RESILIENT RETREAT, INC.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Resilient Retreat, Inc. (the "Organization") is a Florida not-for-profit corporation established to provide a new and innovative approach to help those impacted by trauma and abuse by providing free evidence-based services to heal the mind, body and spirit.

#### **Basis of Presentation**

The Organization's financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant 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:

Net assets without donor restrictions—Net assets that are not subject to donor-imposed stipulations. From time to time the Board designates certain items for use on specific future projects. At June 30, 2020, there were no Board designated net assets.

Net assets with donor restrictions—Net assets subject to donor-imposed stipulations. Some donor-imposed stipulations are temporary in nature, such as those that will be met either by actions of the Organization and/or the passage of time. Other donor-imposed stipulations are perpetual in nature where the donor stipulates that resources be maintained in perpetuity. When a 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.

#### **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 unrestricted cash and other highly liquid investments with initial maturities 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. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

## NOTES TO FINANCIAL STATEMENTS

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

#### Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. When a restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

#### Donated Services

During the year ended June 30, 2020, the value of donated services meeting the requirements for recognition in the financial statements was not material and has not been recorded. Many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these tasks do not meet the requirements for recognition.

#### 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>
Furniture and fixtures	7

The Organization maintains a website, which is recorded at cost and amortized over three years.

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

#### 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 programs are charged directly to programs. Management and general expenses and other expenses are allocated to the programs based on the relative benefit provided.

## NOTES TO FINANCIAL STATEMENTS

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

#### Income Taxes

The Organization is a not-for-profit organization exempt from federal income tax under provisions of Internal Revenue Code Section 501(c)(3). However, the Organization remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption.

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.

The Organization files a 990 Return of Organization Exempt from Income Tax and a 990-T Exempt Organization Business Income Tax Return to the U.S. Federal Government and an F-1120 Florida Corporate Income/Franchise Tax Return to the State of Florida.

#### Recently Issued and Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which provides guidance for revenue recognition. This ASU's core principle is that an organization will recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods or services.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which establishes standards for characterizing grants and similar contracts with resource providers as either exchange transactions or contributions.

The Organization adopted the new guidance in ASU No. 2014-09 and ASU No. 2018-08 as of July 1, 2019. The adoption of these standards did not have a significant impact on the way the Organization recognizes revenue.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have variations during the year attributable to the timing of grants, contributions and special events. The Organization manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via grants, contributions and special events 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 financial assets as of June 30, 2020, which could be made available within 12 months to meet operating expenditures:

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

Cash	\$ 1,004,537
Less net assets with donor restrictions	<u>(105,525)</u>
Financial assets available to meet operating expenditures	<u>\$ 899,012</u>

### NOTE 3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2020, consist of the following:

Land donation	\$ 1,841,000
Trainer support and other program funds	67,600
Project funds	37,875
Capital campaign	50
	<u>\$ 1,946,525</u>

Net assets with donor restrictions for time and purpose are included in the statement of financial position for the year ended June 30, 2020, as follows:

Cash	\$ 67,650
Restricted Cash	37,875
Land	1,841,000
	<u>\$ 1,946,525</u>

The Organization was gifted 83 acres of land east of Sarasota, on which it will build an open but secure retreat space to provide program services. Only 1% of the land will be developed, with the remainder kept in conservation with its natural setting utilized for therapeutic purposes.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment for the year ended June 30, 2020, consists of the following:

Land	\$	1,841,000
Furniture and fixtures		<u>10,443</u>
		1,851,443
Less accumulated depreciation		<u>(1,741)</u>
Total	\$	<u><u>1,849,702</u></u>

Depreciation expense was \$1,492 for the year ended June 30, 2020

### NOTE 5. NOTES PAYABLE

In May of 2020, the Organization obtained a loan through the Paycheck Protection Program – Small Business Administration for \$24,631 due to COVID-19. The loan is administered through a local financial institution with a fixed interest rate of 1% per year. The loan will mature in May 2022, two years from date of first disbursement and management anticipates with the 24 week forgiveness period the entire amount of the loan will be forgiven.

### NOTE 6. LINE OF CREDIT

The Organization has a non-revolving line of credit with a financial institution for \$5,000,000, which will be used for the construction project. The line bears interest at a variable rate that shall be equal to the one month LIBOR Index Rate plus 1.25% per annum and will adjust monthly. The line of credit will be secured by an investment account of the Organization and matures in March 2025. There is no outstanding balance on the line of credit as of June 30, 2020.

### NOTE 7. OPERATING LEASE AGREEMENT

The Organization has a lease agreement for office space in Sarasota. The lease automatically renews annually unless terminated. The lease has a 4% rent escalation and will increase annually at that rate. This lease agreement includes all expenses and there are no additional common area maintenance fees. Total rent expense for the year ended June 30, 2020, was \$14,067. The future minimum lease payment for 2021 is \$14,600.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 8. RISKS AND UNCERTAINTIES**

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As the economy continues to open throughout its geographic region, management anticipates revenue to increase as donor giving will increase.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, adversely impacted in the near-term as a result of these conditions, including collectability of receivables. The ultimate impact of the pandemic on the Organization's results of operations, financial position, and liquidity or capital resources cannot be reasonably estimated at this time.

### **NOTE 9. SUBSEQUENT EVENTS**

Management has evaluated subsequent events occurring through December 18, 2020, the date on which the financial statements were available to be issued.

On August 13, 2020, the Organization signed an agreement with a consulting company to develop and execute a plan to secure \$7 million to build, furnish and launch on-site programming. The agreement will conclude on April 15, 2021, with total fees of \$58,000.

In December 2020, the Organization entered into a construction contract for the construction of the retreat and community centers. The Guaranteed Maximum Price of the contract is \$4,564,400. The construction will commence in December 2020 and will be completed no later than 390 calendar days from the date of commencement of the project.