

RESILIENT RETREAT, INC.

FINANCIAL REPORT

JUNE 30, 2021

RESILIENT RETREAT, INC.

FINANCIAL REPORT JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

**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 statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 Resilient Retreat, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The schedule of volunteer hours is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Bradenton, Florida
October 19, 2021

Mauldin & Jenkins, LLC

RESILIENT RETREAT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30 2021 AND 2020

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 976,998	\$ 1,004,537
Pledge receivables, current	17,167	-
Restricted cash	358,054	37,875
	<u>1,352,219</u>	<u>1,042,412</u>
Pledge receivables, long-term	23,194	-
Property and equipment, net	4,153,081	1,849,702
Other asset, net	2,861	5,769
	<u>4,179,136</u>	<u>1,855,471</u>
Total assets	<u>\$ 5,531,355</u>	<u>\$ 2,897,883</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 485,759	\$ 900
Accrued payroll	28,909	17,729
Note payable	62,745	24,631
	<u>577,413</u>	<u>43,260</u>
NET ASSETS		
Net assets without donor restrictions	2,521,450	908,098
Net assets with donor restrictions - time and purpose	2,432,492	1,946,525
	<u>4,953,942</u>	<u>2,854,623</u>
Total liabilities and net assets	<u>\$ 5,531,355</u>	<u>\$ 2,897,883</u>

See Notes to Financial Statements.

RESILIENT RETREAT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 272,214	\$ 2,422,250	\$ 2,694,464
Investment income	307	-	307
Special event fundraising income	150,443		150,443
Other income	24,631		24,631
Releases from restrictions	1,936,283	(1,936,283)	-
Total support and revenues	<u>2,383,878</u>	<u>485,967</u>	<u>2,869,845</u>
Expenses			
Program services	502,117	-	502,117
Management and general	75,026	-	75,026
Fundraising	193,384	-	193,384
Total expenses	<u>770,526</u>	<u>-</u>	<u>770,526</u>
Change in net assets	1,613,352	485,967	2,099,319
Net assets, beginning of year	<u>908,098</u>	<u>1,946,525</u>	<u>2,854,623</u>
Net assets, end of year	<u>\$ 2,521,450</u>	<u>\$ 2,432,492</u>	<u>\$ 4,953,942</u>

See Notes to Financial Statements.

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

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and revenues			
Contributions and grants	\$ 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>
Expenses			
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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and benefits	\$ 270,908	\$ 41,648	\$ 99,334	\$ 411,890
Payroll taxes	54,291	13,720	19,629	87,640
Program expenses	7,897	877	-	8,774
Repairs and maintenance	4,155	462	-	4,617
Special event expenses	-	-	74,421	74,421
Advertising	15,491	1,721	-	17,212
Travel	1,813	201	-	2,014
Training	3,966	441	-	4,407
Utilities	4,175	464	-	4,639
Office expenses	6,086	676	-	6,762
Professional fees	103,288	11,476	-	114,764
Insurance	4,183	465	-	4,648
Meals and entertainment	424	47	-	471
Depreciation and amortization	4,095	455	-	4,550
Dues and subscriptions	5,867	652	-	6,519
Bank charges	873	97	-	970
Taxes and licenses	822	91	-	913
Occupancy	13,134	1,459	-	14,593
Miscellaneous	650	72	-	722
	<u>502,117</u>	<u>75,026</u>	<u>193,384</u>	<u>770,526</u>
Total expenses	<u>\$ 502,117</u>	<u>\$ 75,026</u>	<u>\$ 193,384</u>	<u>\$ 770,526</u>

See Notes to Financial Statements.

RESILIENT RETREAT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	<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
Total expenses	<u>\$ 237,294</u>	<u>\$ 26,365</u>	<u>\$ 263,659</u>

See Notes to Financial Statements.

RESILIENT RETREAT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,099,319	\$ 1,846,139
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	4,550	4,400
Donated land	-	(1,841,000)
Forgiveness of debt	(24,631)	-
Changes in operating assets and liabilities		
Increase in pledge receivable	(40,361)	-
Decrease in other assets	2,908	-
Increase in accounts payable	484,859	900
Increase accrued payroll	11,180	17,729
Net cash provided by operating activities	<u>2,537,824</u>	<u>28,168</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(9,000)	-
Purchase for construction in progress	(2,298,929)	-
Net cash used in investing activities	<u>(2,307,929)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	62,745	24,631
Net cash provided by investing activities	<u>62,745</u>	<u>24,631</u>
Change in cash	292,640	52,799
Cash, beginning of year	<u>1,042,412</u>	<u>989,613</u>
Cash, end of year	<u>\$ 1,335,052</u>	<u>\$ 1,042,412</u>
Cash	\$ 976,998	\$ 1,004,537
Restricted Cash	358,054	37,875
	<u>\$ 1,335,052</u>	<u>\$ 1,042,412</u>

See Notes to Financial Statements.

RESILIENT RETREAT, INC.

NOTES TO FINANCIAL STATEMENTS

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, 2021, 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

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.

Pledge Receivables

The organization records pledge receivables which represent unconditional promises to give as revenue when the promise is received. Pledge receivables that are expected to be collected in future years are recorded at the present value of their future cash flows. For the year ended June 30, 2021 these amounts were not significant to the account balance, and therefore no discount is recorded. On a periodic basis, the Organization evaluates pledge receivable balances for any pledges that are over 90 days delinquent. Pledge receivables are written off when management has made all collection efforts and has determined the amount is no longer collectible. During the year ended June 30, 2021, there were no pledge receivables written off. The Organization believes all pledge receivables as of June 30, 2021 will be fully collected. Accordingly, no allowance for doubtful accounts is required. There were no pledge receivables as of June 30, 2020.

Donated Services

During the year ended June 30, 2021, 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, fixtures, and equipment	5 - 7

NOTES TO FINANCIAL STATEMENTS

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

Property and Equipment (Continued)

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

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

Recently Issued and Adopted Accounting Pronouncements (Continued)

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.

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, 2021 and 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:

	2021	2020
Cash	\$ 976,998	\$ 1,004,537
Pledge receivables	17,167	-
Less net assets with donor restrictions	(591,492)	(105,525)
Financial assets available to meet operating expenditures	\$ 402,673	\$ 899,012

NOTE 3. PLEDGE RECEIVABLES

Pledge receivables are due to be collected as follows at June 30, 2021:

	2021	2020
Gross amounts due in		
One year	\$ 17,167	\$ -
Two to three years	23,194	-
Total pledge receivables	\$ 40,361	\$ -

NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2021 and 2020 consist of the following:

	2021	2020
Land donation	\$ 1,841,000	\$ 1,841,000
Trainer support and other program funds	97,050	67,600
Project funds	76,625	37,875
Capital campaign	417,817	50
	\$ 2,432,492	\$ 1,946,525

Net assets with donor restrictions for time and purpose are included in the statement of financial position for the years ended June 30, 2021 and 2020, as follows:

	2021	2020
Cash	\$ 233,438	\$ 67,650
Restricted cash	358,054	37,875
Land	1,841,000	1,841,000
	\$ 2,432,492	\$ 1,946,525

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.

Net assets released from donor restrictions during fiscal year 2021 and 2020, by incurring expenses satisfying the restricted purpose specified by the donors.

	2021	2020
Capital campaign	\$ 1,815,243	\$ -
Trainer support and other program funds	67,000	-
Project funds	54,040	-
	\$ 1,936,283	\$ -

NOTE 5. CONSTRUCTION IN PROGRESS

The Organization has created a capital campaign, also known as Road to Resilience Campaign. The funds raised for this campaign will be for the construction of an 18,000 square foot retreat center and a 5,000 square foot community center, called The Gathering Place. As of June 30, 2021, a total of \$2,233,060 has been raised for the capital campaign in addition to the \$1,841,000 land donation.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CONSTRUCTION IN PROGRESS (CONTINUED)

In December 2020, the Organization entered into a construction contract for the construction of the retreat and community centers. The original guaranteed maximum price of the contract was \$4,564,413. As of June 30, 2021, there has been a total of net change orders of \$1,229,272 making the total adjusted contract sum to date \$5,793,685. The construction started in December 2020, and will be completed no later than 390 calendar days from the date of commencement of the project. As of June 30, 2021, the construction company has completed and billed \$1,984,295. The retainage payable amount at year-end is approximately \$81,103, and is included in accounts payable. The total amount of the construction in progress at June 30, 2021 is \$2,298,929.

NOTE 6. PROPERTY AND EQUIPMENT

Property and equipment for the years ended June 30, 2021 and 2020, consists of the following:

	<u>2021</u>	<u>2020</u>
Land	\$ 1,841,000	\$ 1,841,000
Furniture, fixtures and equipment	16,535	10,443
Construction in progress	<u>2,298,929</u>	<u>-</u>
	4,156,464	1,851,443
Less accumulated depreciation	<u>(3,383)</u>	<u>(1,741)</u>
Total	<u>\$ 4,153,081</u>	<u>\$ 1,849,702</u>

Depreciation expense was \$1,642 and \$1,492, for the years ended June 30, 2021 and 2020.

NOTE 7. NOTES PAYABLE (PPP LOANS)

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. This loan was forgiven in April of 2021.

In February of 2021, the Organization obtained a second loan through the Paycheck Protection Program – Small Business Administration for \$62,745. The loan is administered through a local financial institution with a fixed interest rate of 1% per year. The loan will mature in February 2026, five years from date of first disbursement and management anticipates with the 24 week forgiveness period the entire amount of the loan will be forgiven.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 held by a related party and matures in March 2025. There is no outstanding balance on the line of credit as of June 30, 2021.

NOTE 9. 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 years ended June 30, 2021 and 2020, was \$14,593 and \$14,067, respectively. The future minimum lease payment for 2022 is \$15,200.

NOTE 10. RISKS AND UNCERTAINTIES

The COVID-19 pandemic continues to have an unprecedented impact on global and North American economic conditions. 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 COVID-19 on the Organization's financial position and results of operations is dependent upon future developments, including the duration of the pandemic and the associated length of its impact on the global economy, which cannot be predicted at this time.

NOTE 11. RELATED PARTIES

The Organization recorded pledges from members of the Board of Trustees and employees of the Organization of approximately \$21,000 as of June 30, 2021, which are included in contributions receivable in the accompanying statements of financial position. As of June 30, 2021, \$5,635 has been paid to date.

NOTE 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through October 19, 2021, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

RESILIENT RETREAT, INC.
SCHEDULE OF VOLUNTEER HOURS
FOR THE YEAR ENDED JUNE 30, 2021

The Organization receives donated services from many volunteers that are not recognized in the statement of activities. These services do not involve specialized skills, and therefore, do not meet the requirements for recognition. The below table shows the total hours that were volunteered during the year.

<u>Board of Directors</u>	<u>Other Volunteers</u>	<u>Total Hours</u>
2,672	1,232	3,904