

ASHES TO GLORY FOUNDATION

Years Ended
December 31,
2023 and 2022

Financial
Statements

ASHES TO GLORY FOUNDATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Ashes to Glory Foundation
Livonia, Michigan

Opinion

We have audited the accompanying financial statements of Ashes to Glory Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashes to Glory Foundation as of December 31, 2023 and 2022, 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.

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 Ashes to Glory Foundation 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 these 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 Ashes to Glory Foundation'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 Ashes to Glory Foundation'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 Ashes to Glory Foundation'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.

TEDDER WHITLOCK CONSULTING

TEDDER WHITLOCK CONSULTING
CERTIFIED PUBLIC ACCOUNTANTS
Livonia, Michigan

July 15, 2024

ASHES TO GLORY FOUNDATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 481,272	\$ 591,885
Total assets	<u>\$ 481,272</u>	<u>\$ 591,885</u>
LIABILITIES		
Current liabilities		
Grants payable	\$ 72,500	\$ 65,250
NET ASSETS		
Without donor restrictions	<u>408,772</u>	<u>526,635</u>
Total liabilities and net assets	<u>\$ 481,272</u>	<u>\$ 591,885</u>

See accompanying notes.

ASHES TO GLORY FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Changes in net assets without donor restrictions:		
Revenue and other support		
Contributions	\$ 1,997,127	\$ 1,875,453
Contributed assets:		
Investments	17,725	26,548
Nonfinancial assets	-	135,466
Investment return, net	9,449	1,241
Total revenue and other support	2,024,301	2,038,708
Expenses		
Program services	2,117,925	1,881,108
General and administrative	24,239	16,278
Total expenses	2,142,164	1,897,386
Change in net assets without donor restrictions	(117,863)	141,322
Net assets, beginning of year	526,635	385,313
Net assets, end of year	\$ 408,772	\$ 526,635

See accompanying notes.

ASHES TO GLORY FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>			<u>2022</u>		
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>	<u>Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
Grants	\$ 2,117,925	\$ -	\$ 2,117,925	\$ 1,881,108	\$ -	\$ 1,881,108
Insurance	-	804	804	-	640	640
License and fees	-	20	20	-	20	20
Office expense	-	6,157	6,157	-	5,941	5,941
Payroll and related taxes	-	3,687	3,687	-	1,298	1,298
Professional fees	-	5,140	5,140	-	4,525	4,525
Bank charges	-	457	457	-	308	308
Credit card fees	-	7,522	7,522	-	3,527	3,527
Web hosting	-	452	452	-	19	19
 Total expenses	 <u>\$ 2,117,925</u>	 <u>\$ 24,239</u>	 <u>\$ 2,142,164</u>	 <u>\$ 1,881,108</u>	 <u>\$ 16,278</u>	 <u>\$ 1,897,386</u>

See accompanying notes.

ASHES TO GLORY FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	\$ (117,863)	\$ 141,322
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized net loss(gain) on investments	109	(476)
Donated investments	(17,275)	(26,548)
Increase in grants payable	7,250	30,350
Net cash (used) provided by operating activities	(127,779)	144,648
Cash flows from investing activities:		
Proceeds from sale of investments	17,166	32,212
Net cash provided by investing activities	17,166	32,212
Net (decrease) increase in cash and cash equivalents	(110,613)	176,860
Cash and cash equivalents, beginning of year	591,885	415,025
Cash and cash equivalents, end of year	\$ 481,272	\$ 591,885

See accompanying notes.

ASHES TO GLORY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Ashes to Glory Foundation, a nonprofit organization under the laws of the State of Michigan, provides financial assistance for professional Christian therapy to individuals and families nationwide who are enslaved by various types of addiction and other trauma-related conditions. The Organization exists as a wholly charitable organization, seeking donations to support those who lack the financial resources for the treatment they need.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor contributions if the donor limited their use, as are promised contributions that are not yet due.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

As of December 31, 2023 and 2022, all net assets were without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. It is reasonably possible that changes may occur in the near term that would affect management's estimates with respect to the revenue recognized and accrued expenses.

Liquidity

Assets are presented in the accompanying statement of financial position according to their nearness of conversion to cash and liabilities according to the nearness of their maturity and resulting use of cash. As part of the Organization's liquidity management, it maintains a sufficient level of operating cash and cash equivalents to be available as its general expenditures, liabilities, and other obligations become due.

ASHES TO GLORY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits in financial institutions and cash on hand. Management considers all highly liquid investments with short-term maturities to be cash equivalents. Realized and unrealized gains and losses are included in the statement of activities as changes in net assets.

Fair Value of Financial Instruments and Investments

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- *Level 1.* Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Church has the ability to access.
- *Level 2.* Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- *Level 3.* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

During the years ended December 31, 2023 and 2022, the Organization did not have financial assets considered held in investment accounts.

Grants Payable

Grants payable represents all unconditional grants that have been authorized prior to year-end, but remain unpaid as of the statement of financial position date. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. There were no conditional grants at December 31, 2023 or 2022.

Contributions

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

ASHES TO GLORY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, which are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization recognized no donated services for the years ended December 31, 2023 and 2022.

Donated Assets

Donated assets consist of investments and nonfinancial assets recorded as contributions at the fair value at the date of donation. During year ended December 31, 2022, the Organization received bushels of grains and corn. The Organization immediately sold the grain and corn for \$135,466 and reported the proceeds on the Statement of Activities as nonfinancial contributions.

Functional Allocation of Expenses

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

Exempt Status

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and exempt from similar state and local taxes. Although the Organization was granted an income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income". Such income, pursuant to the Internal Revenue Code and related regulations, includes investment income such as interest received from sources other than directly from contributors. Tax years remaining open for examination by the appropriate taxing authorities as of December 31, 2023 are 2023, 2022, 2021, and 2020, generally three years from the date the return was filed.

The Organization analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions. The Organization treats interest and penalties attributable to income taxes and continues to reflect charges for such, to the extent they arise, as a component of its general and administrative expenses.

NOTE B - CONCENTRATION OF CREDIT RISK

The Organization's cash and cash equivalents consisted of the following as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Bank - Checking and savings	\$ 124,034	\$ 284,323
Bank - Money markets accounts	17	303,009
Brokerage account -		
Cash account-insured	160,483	4,553
US Treasury money market fund-uninsured	<u>196,738</u>	<u>-</u>
Total	<u>\$ 481,272</u>	<u>\$ 591,885</u>

ASHES TO GLORY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE B - CONCENTRATION OF CREDIT RISK (continued)

The amounts held in the checking, savings and money market accounts, are covered up to \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC) and amounts in excess of \$250,000 bear a risk of loss. The amount at-risk changes daily, depending upon the actual account balances on deposit. The amounts held in the US Treasury money market fund are not covered by the FDIC. As of December 31, 2023 and 2022, the Organization's uninsured cash balance was \$196,738 and \$40,981, respectively. The Organization has not experienced any losses on these funds.

NOTE C - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of December 31, 2023 and 2022, because of contractual or internal designations. Amounts not available include amounts set aside by the Board for grants payable.

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 481,272	\$ 591,885
Less: amount unavailable for general expenditures within one year, due to internal designations	<u>(72,500)</u>	<u>(65,250)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 408,772</u>	<u>\$ 526,635</u>

NOTE D - INVESTMENTS AND FAIR VALUE MEASUREMENTS

As discussed in Note A, the Organization is required to report its fair value measurements based on the ability to observe marketplace inputs to the valuation techniques. During the year ended December 31, 2023, the Organization sold the investments donated in 2023 and 2022. The Organization did not hold financial assets that were considered investments as of December 31, 2023 and 2022.

Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

NOTE E - TRANSACTIONS WITH RELATED PARTIES

The Organization received contributions of \$272,253 and \$272,455 from donors that are related by family to certain board members of the Organization for the years ended December 31, 2023 and 2022, respectively.

NOTE F - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for potential recognition or disclosure through July 15, 2024, the date on which the financial statements were available to be issued.