

# ASHES TO GLORY FOUNDATION

Years Ended  
December 31,  
2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 Auditors' 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.

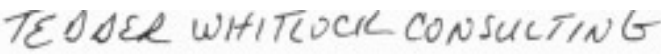
## **Auditors' Responsibilities for the Audit of the Financial Statements**

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 Auditors' 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  
CERTIFIED PUBLIC ACCOUNTANTS  
Livonia, Michigan

June 30, 2025

**ASHES TO GLORY FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 713,868	\$ 481,272
Accrued dividend receivable	<u>888</u>	<u>-</u>
<b>Total current assets</b>	<b>\$ 714,756</b>	<b>\$ 481,272</b>
<b>Other assets</b>		
Right of use asset - operating lease	15,978	-
Security deposit	895	-
Website development (net of \$900 allowance)	<u>8,100</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 739,729</u></b>	<b><u>\$ 481,272</u></b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Grants payable	\$ 330,200	\$ 72,500
Lease liability - operating lease	<u>10,513</u>	<u>-</u>
<b>Total current liabilities</b>	<b>340,713</b>	<b>\$ 72,500</b>
Lease liability - operating lease (net of current portion)	\$ 5,615	\$ -
<b>NET ASSETS</b>		
Without donor restrictions	<u>393,401</u>	<u>408,772</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 739,729</u></b>	<b><u>\$ 481,272</u></b>

See accompanying notes.

**ASHES TO GLORY FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Changes in net assets without donor restrictions:</b>		
<b>Revenue and other support</b>		
Contributions	\$ 1,950,975	\$ 1,997,127
Contributed assets:		
Investments	11,377	17,725
Investment return, net	<u>18,007</u>	<u>9,449</u>
<b>Total revenue and other support</b>	<u>1,980,359</u>	<u>2,024,301</u>
<b>Expenses</b>		
Program services	1,965,993	2,117,925
General and administrative	<u>29,737</u>	<u>24,239</u>
<b>Total expenses</b>	<u>1,995,730</u>	<u>2,142,164</u>
<b>Change in net assets without donor restrictions</b>	(15,371)	(117,863)
<b>Net assets, beginning of year</b>	<u>408,772</u>	<u>526,635</u>
<b>Net assets, end of year</b>	<u><u>\$ 393,401</u></u>	<u><u>\$ 408,772</u></u>

See accompanying notes.

**ASHES TO GLORY FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>			<b>2023</b>		
	<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	\$ 1,841,227	\$ -	\$ 1,841,227	\$ 2,117,925	\$ -	\$ 2,117,925
Amortization	900	-	900	-	-	-
Bank charges	160	160	320	-	457	457
Consulting	7,000	-	7,000	-	-	-
Credit card fees	5,038	-	5,038	-	7,522	7,522
Dues & subscriptions	230	58	288	-	-	-
Equipment/supplies	1,933	-	1,933	-	-	-
Insurance	1,408	352	1,760	-	804	804
IT support	5,150	-	5,150	-	-	-
License and fees	-	-	-	-	20	20
Marketing	2,175	-	2,175	-	-	-
Meetings/conferences	899	225	1,124	-	-	-
Office expense	6,084	5,727	11,811	-	6,157	6,157
Payroll and related taxes	81,441	20,360	101,801	-	3,687	3,687
Professional development	722	180	902	-	-	-
Professional fees	6,064	1,516	7,580	-	5,140	5,140
Rent	4,636	1,159	5,795	-	-	-
Travel	416	-	416	-	-	-
Web hosting	510	-	510	-	452	452
Total expenses	<u>\$ 1,965,993</u>	<u>\$ 29,737</u>	<u>\$ 1,995,730</u>	<u>\$ 2,117,925</u>	<u>\$ 24,239</u>	<u>\$ 2,142,164</u>

See accompanying notes.

**ASHES TO GLORY FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (15,371)	\$ (117,863)
Adjustments to reconcile change in net assets to net cash provided by (used) operating activities:		
Changes in operating assets and liabilities:		
Accrued dividend receivable	(888)	-
Right of use asset - operating lease	(15,978)	-
Realized net loss (gain) on investments	152	109
Donated investments	(11,377)	(17,275)
Security deposit	(895)	-
Web design	(9,000)	-
Grants payable	257,700	7,250
Lease liability - operating lease	16,128	-
Amortization	<u>900</u>	<u>-</u>
<b>Net cash provided (used) by operating activities</b>	<u>221,371</u>	<u>(127,779)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of donated investments	<u>11,225</u>	<u>17,166</u>
<b>Net cash provided by investing activities</b>	<u>11,225</u>	<u>17,166</u>
Net increase (decrease) in cash and cash equivalents	232,596	(110,613)
<b>Cash and cash equivalents, beginning of year</b>	<u>481,272</u>	<u>591,885</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 713,868</u></u>	<u><u>\$ 481,272</u></u>

See accompanying notes.

# ASHES TO GLORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### December 31, 2024 and 2023

#### 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 resources be maintained in perpetuity.

The Organization's unspent contributions are reported in net assets with donor restrictions 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, 2024 and 2023, 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, 2024 and 2023

### 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, US Treasury money market funds 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 Organization 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.

#### Website Development Costs

The Organization accounts for website development costs in accordance with ASC (Accounting Standards Code) 350-50, "Intangibles—Website Development Costs." Costs incurred in the planning and preliminary project stage of developing a website are expensed as incurred. Costs incurred during the application and infrastructure development stage, graphical design stage, and content development stage (to the extent the content is developed for purposes other than advertising) are capitalized, and are amortized over five years. Ongoing maintenance and training costs are expensed as incurred. Website development costs of \$9,000 were incurred and capitalized during the year December 31, 2024.

#### 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, 2024 or 2023.

# ASHES TO GLORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### December 31, 2024 and 2023

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

##### 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.

##### 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, 2024 and 2023.

##### Donated Assets

Donated assets consist of investments and nonfinancial assets recorded as contributions at the fair value at the date of donation

##### Functional 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. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Payroll, related taxes and benefits	Time and effort
Consultants, IT support, marketing	Time and effort
Rent expense	Space utilization
Office, technology, fees, etc.	Usage

##### 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, 2024 are 2024, 2023, 2022, and 2021, 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 did not identify any uncertain tax positions during the years ended December 31, 2024 and 2023. 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.

# ASHES TO GLORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### December 31, 2024 and 2023

#### NOTE B - ACCOUNTING PRONOUNCEMENTS

##### Recently Adopted Pronouncement

During the year ended December 31, 2024, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This standard requires lessees to recognize a lease liability and a corresponding right-of-use (ROU) asset for most lease arrangements. The Organization had no lease agreements in prior years and therefore had not previously adopted ASC 842. The standard was adopted July 1, 2024 upon entering into a lease agreement that falls within the scope of Topic 842. Upon adoption, the Organization recognized a right-of-use asset and a lease liability in the amount of \$21,141 related to the new lease.

#### NOTE C - CONCENTRATION OF CREDIT RISK

The Organization's cash and cash equivalents consisted of the following as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Bank -		
Checking and savings	\$ 458,673	\$ 124,034
Money markets accounts	-	17
Brokerage account -		
Cash account-insured	4,427	160,483
US Treasury money market fund-	<u>250,768</u>	<u>196,738</u>
Total	<u>\$ 713,868</u>	<u>\$ 481,272</u>

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, 2024 and 2023, the Organization's uninsured cash balance was \$458,219 and \$196,738, respectively. The Organization has not experienced any losses on these funds.

#### NOTE D - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Organization's financial assets as of the Statements of Financial Position date, reduced by amounts not available for general use within one year of December 31, 2024 and 2023, because of contractual or internal designations. Amounts not available include amounts set aside by the Board for grants payable. Management actively monitors cash flows and liquidity on a monthly basis to ensure that sufficient resources are available to fund grant obligations and general expenditures for a period of at least three months.

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

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 713,868	\$ 481,272
Accrued dividend receivable	888	-
Less: amount unavailable for general expenditures		
within one year, due to internal designations	<u>(330,200)</u>	<u>(72,500)</u>
Total financial assets available to meet cash needs		
for general expenditures within one year	<u>\$ 384,556</u>	<u>\$ 408,772</u>

**ASHES TO GLORY FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2024 and 2023**

**NOTE E - 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 years ended December 31, 2024 and 2023, the Organization received donated stock in the amounts of \$11,377 and \$17,275, respectively. The donated stock was immediately sold and the proceeds were used for operations and not held as investments at year-end. Therefore, the Organization had no balance of Level 1, Level 2 and Level 3 financial asset investments as of December 31, 2024 and 2023.

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 F - TRANSACTIONS WITH RELATED PARTIES**

Contributions

The Organization received contributions of \$285,552 and \$272,253 from donors that are related by family to certain board members of the Organization for the years ended December 31, 2024 and 2023, respectively.

Compensation

In July of 2024, the Organization employed an Executive Director who was related to each of the Board of Directors. The Executive Director received total compensation of \$72,950 during the year ended December 31, 2024. By the end of the year, three of the five board members were independent of the Executive Director and will be responsible for determining compensation each year.

**NOTE G - SIMPLE IRA RETIREMENT PLAN**

The Organization sponsors a SIMPLE IRA retirement plan covering all eligible employees. Employees may elect to contribute a portion of their compensation, subject to Internal Revenue Code limitations. The Organization is required to match employee contributions up to 3% of each participating employee's compensation. For the year ended December 31, 2024, the Organization contributed \$1,950 to the SIMPLE IRA plan and employer contributions are fully vested when made.

**NOTE H - LEASE**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the Statements of Financial Position as of December 31, 2024. The ROU asset represents the right to use an underlying asset for the lease term and lease liability represents the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the lease does not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The lease term may include options to extend when it is reasonably certain that the option will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Total operating lease expense was \$5,520, not including other fees, for the year ended December 31, 2024. Total cash paid for amounts included in the measurement of operating lease liabilities was \$5,370 for the year ended December 31, 2024.

# ASHES TO GLORY FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

### December 31, 2024 and 2023

#### NOTE H - LEASE (continued)

As of December 31, 2024, the weighted-average remaining lease term for the operating leases was 18 months. The weighted average discount rate associated with the operating leases as of December 31, 2024 was 4.61%.

Future minimum lease payments and reconciliation to the Statements of Activities at December 31, 2024, are as follows:

<u>For Years Ending December 31,</u>	<u>Operating Leases</u>
2025	\$ 11,040
2026	<u>5,670</u>
Total future undiscounted lease payments	16,710
Less present value discount	<u>(582)</u>
Lease liability	<u><u>\$ 16,128</u></u>

#### NOTE I - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events for potential recognition or disclosure through June 30, 2025, the date on which the financial statements were available to be issued.

In April 2025, the Organization received an automatic renewal letter related to the lease in Note H that extends terms of the lease through June 2026 with a new monthly lease payment of \$945.