

Resurrection Cemetery Association

Financial Statements

June 30, 2023 and 2022



WIPFLI

Independent Auditor's Report

Board Members
Resurrection Cemetery Association
Helena, Montana

Qualified Opinion

We have audited the accompanying financial statements of Resurrection Cemetery Association (the "Association"), a nonprofit organization, which comprise the statements of financial position as of June 30, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of Resurrection Cemetery Association as of June 30, 2023 and 2022, and the results of the changes in net assets and its cash flows for the years ended June 30, 2023 and 2022 in accordance with accounting principles generally accepted in the United States ("GAAP").

Basis for Qualified Opinion

We were unable to obtain supporting details to substantiate Resurrection Cemetery Association's July 1, 2018 beginning balance of property and equipment.

We conducted our audits in accordance with auditing standards generally accepted in the United States ("GAAS"). 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 Resurrection Cemetery Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Correction of Error

As discussed in Note 12 to the financial statements, certain errors resulting in overstatement of amounts previously reported for unsold cemetery plots and net assets as of July 1, 2021, were discovered by management of the Association during the current year. Accordingly, amounts reported for unsold cemetery plots, amortization, and net assets have been restated in the 2022 financial statements now presented, and an adjustment has been made to net assets as of July 1, 2021 to correct the error. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 Resurrection Cemetery Association's ability to continue as a going concern for one year after the date 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 GAAS 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 GAAS, 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 Resurrection Cemetery Association'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 Resurrection Cemetery Association'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.



Wipfli LLP

Helena, Montana
January 10, 2024

Resurrection Cemetery Association

Statements of Financial Position

<i>As of June 30,</i>	2023	(Restated) 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 153,971	\$ 193,436
Accounts receivable, net	47,848	59,005
Prepaid expenses	3,306	-
ERTC receivable	-	121,780
Total current assets	205,125	374,221
Property and equipment, net	416,542	434,250
Other assets:		
Certificates of deposit	134,501	-
Equity investments	29,604	31,987
Investment in Perpetual Care	2,518,600	2,518,600
Unsold cemetery plots, net	168,180	83,147
Total other assets	2,850,885	2,633,734
TOTAL ASSETS	\$ 3,472,552	\$ 3,442,205
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 23,809	\$ 23,566
Credit cards payable	5,734	4,653
Accrued salary and benefits	24,661	26,139
Accrued loan interest	2,257	2,339
Accrued expenses	238	238
Total current liabilities	56,699	56,935
Long term liabilities:		
Long-term debt, related party	48,316	93,579
Deferred revenue - pre-need	885,595	836,010
Total long term liabilities	933,911	929,589
Total liabilities	990,610	986,524
Net assets:		
Without donor restrictions	2,481,942	2,455,681
Total net assets	2,481,942	2,455,681
TOTAL LIABILITIES AND NET ASSETS	\$ 3,472,552	\$ 3,442,205

See accompanying notes to financial statements.

Resurrection Cemetery Association

Statements of Activities

<i>Years Ended June 30,</i>	2023			(Restated) 2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	Support and Revenue:					
Grant revenue	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
Other income	-	-	-	121,780	-	121,780
Program income, net	388,208	-	388,208	500,280	-	500,280
Investment income	15,738	-	15,738	9,976	-	9,976
Realized and unrealized gains (losses) on investments	(2,588)	-	(2,588)	54,892	-	54,892
Miscellaneous income	29,585	-	29,585	25,790	-	25,790
Contributions of nonfinancial assets	88,320	-	88,320	37,675	-	37,675
Contributions	602,795	-	602,795	300,886	-	300,886
Lease income	29,056	-	29,056	10,070	-	10,070
Gain on sale of assets	1,000	-	1,000	-	-	-
Total support and revenue	1,152,114	-	1,152,114	1,066,349	-	1,066,349
Expenses:						
Management and general	205,399	-	205,399	140,947	-	140,947
Program:						
Holy Cross Cemetery of Butte	347,965	-	347,965	330,702	-	330,702
Resurrection Cemetery of Helena	346,985	-	346,985	325,693	-	325,693
St. Mary's Cemetery of Missoula	225,504	-	225,504	227,739	-	227,739
Total expenses	1,125,853	-	1,125,853	1,025,081	-	1,025,081
Change in net assets	26,261	-	26,261	41,268	-	41,268
Net assets, at beginning	2,455,681	-	2,455,681	2,435,322	-	2,435,322
Correction of error - See Note 12	-	-	-	(20,909)	-	(20,909)
Net assets, at ending	\$ 2,481,942	\$ -	\$ 2,481,942	\$ 2,455,681	\$ -	\$ 2,455,681

See accompanying notes to financial statements.

Resurrection Cemetery Association

Statement of Functional Expenses

<i>Year Ended June 30, 2023</i>	Management and General	Holy Cross Cemetery of Butte	Resurrection Cemetery of Helena	St. Mary's Cemetery of Missoula	Total
Admin salary and wage expense	\$ 33,448	\$ -	\$ -	\$ -	33,448
Professional service expense	80,283	-	-	109	80,392
Administrative expense	31,722	10,564	3,823	4,584	50,693
Office and IT expense	788	10,078	7,340	5,722	23,928
Operations salary and wage expense	-	236,546	182,320	148,425	567,291
Utilities expense	-	12,603	9,737	11,034	33,374
Repair and maintenance expense	-	15,768	45,276	6,451	67,495
Operations and grounds supplies	-	4,379	31,405	9,672	45,456
Operating expense	-	13,432	11,855	5,613	30,900
Advertising and marketing	-	599	-	-	599
Interest expense	-	4,666	4	-	4,670
Depreciation and amortization expense	-	24,465	25,588	23,937	73,990
Cost of sales	59,158	14,865	29,637	9,957	113,617
Total expenses	\$ 205,399	\$ 347,965	\$ 346,985	\$ 225,504	\$ 1,125,853

See accompanying notes to financial statements.

Resurrection Cemetery Association

Statement of Functional Expenses (Restated)

<i>Year Ended June 30, 2022</i>	Management and General	Holy Cross Cemetery of Butte	Resurrection Cemetery of Helena	St. Mary's Cemetery of Missoula	Total
Admin salary and wage expense	\$ 42,666	\$ 40,679	\$ -	\$ 30,946	\$ 114,291
Professional service expense	57,732	-	-	-	57,732
Administrative expense	25,514	12,250	8,847	4,006	50,617
Office and IT expense	581	4,174	5,706	4,981	15,442
Operations salary and wage expense	13,758	180,787	148,631	95,980	439,156
Utilities expense	-	12,016	9,287	8,309	29,612
Repair and maintenance expense	-	14,558	48,073	11,030	73,661
Operations and grounds supplies	-	312	17,421	1,827	19,560
Operating expense	-	7,244	9,032	4,601	20,877
Advertising and marketing	-	538	-	-	538
Interest expense	696	4,622	-	1,275	6,593
Depreciation and amortization expense	-	16,935	28,365	25,237	70,537
Cost of sales	-	36,587	50,331	39,547	126,465
Total expenses	\$ 140,947	\$ 330,702	\$ 325,693	\$ 227,739	\$ 1,025,081

See accompanying notes to financial statements.

Resurrection Cemetery Association

Statements of Cash Flows

Years Ended June 30,	2023	(Restated) 2022
Cash flow from operating activities		
Change in net assets	\$ 26,261	\$ 41,268
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	73,990	70,537
Gain on donated assets	(88,320)	(37,675)
Realized and unrealized loss (gain) on investments	2,588	(54,892)
Change in assets and liabilities		
Accounts receivable, net	11,157	11,194
Prepaid expenses	(3,306)	-
ERTC receivable	121,780	(121,780)
Unsold cemetery plots	(19,060)	-
Accounts/credit cards payable	1,324	(1,161)
Accrued expenses	(1,560)	16,718
Deferred cemetery revenue	49,585	72,874
Net cash from operating activities	174,439	(2,917)
Cash flows from investing activities		
Purchase of equipment	(33,935)	(34,165)
Purchase of investments	(135,000)	(51,225)
Sale of investments	294	5,530
Net cash from investing activities	(168,641)	(79,860)
Cash flows from financing activities		
Payment on debt	(45,263)	(35,721)
Net cash from financing activities	(45,263)	(35,721)
Net change in cash	(39,465)	(118,498)
Cash balance, beginning of period	193,436	311,934
Cash balance, end of period	\$ 153,971	\$ 193,436
Supplemental disclosure:		
Cash paid for interest	\$ 4,670	\$ 6,593
Donated equipment	88,320	37,675

See accompanying notes to financial statements.

Resurrection Cemetery Association

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Activities

Resurrection Cemetery Association (the "Association") is a non-profit organization that is an affiliate of, and provides cemetery services to, the Roman Catholic Bishop Diocese of Helena Montana through contracts with individuals.

Basis of Presentation

The financial statements of the Association have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

Basis of Accounting

The Association follows accounting standards set by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). The ASC is the single source of authoritative accounting principles generally accepted in the United States to be applied to nongovernmental entities in the preparation of financial statements in conformity with GAAP.

Property and Equipment

All acquisitions and improvements of property and equipment of \$2,500 or more are capitalized while all expenditures for repairs and maintenance that do not materially prolong the useful lives of assets are expensed. Purchased property and equipment is carried at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets, ranging from 5 to 40 years.

Use of Estimates

The preparation of the accompanying financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates and assumptions made by management include, but are not limited to, the allowance for doubtful accounts. Actual results could differ from these estimates.

Cash Equivalents

The Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Income Taxes

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. A group ruling on this status was received from the Internal Revenue Service in 1946.

Resurrection Cemetery Association

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Donor-restricted contributions that are received and expended in the same year are classified as net assets without donor restrictions. Donor-restricted resources intended for special projects are released and reclassified to net assets without donor restrictions when spent. All expenses are recorded as a reduction to net assets without donor restriction.

Net assets with donor restrictions: Net assets 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, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Association has revenues not included in the scope of ASC 606 and revenue recognition practices do not change under ASC 606 for the following: grant revenues, contributions, in-kind contributions, investment income, and other revenues.

The Association has the following revenue streams that are key revenue sources in promoting the purpose and overall mission of the Association, and have been evaluated as having revenue streams in the scope of ASC 606: program income - at-need and pre-need income.

The Association provides cemetery services through contracts with individuals, recognizing revenues as program income. Performance obligations include the Association providing plots of land (space), vaults, monuments, engravings, vases, open/closed caskets, and second rite of committal services at the time of death.

All transactions are linked to the performance obligation to provide the specified service at the time of death. Revenue is recognized at a point in time either immediately upon death or a later date.

Resurrection Cemetery Association

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

The transaction price for each performance obligation is variable and dependent on the service provided. Revenues for space and 2nd rite of committal are recognized at the signing of the contract. Revenues for vaults, monuments, engravings, vases, and open/closed caskets are recognized as a liability until the performance obligation is satisfied.

Grant Revenues

Grant awards are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

- *Grant awards that are contributions* - Grant awards that are contributions are evaluated for conditions and recognized as revenue when conditions in the award are satisfied. Unconditional awards are recognized as revenue when the award is received. Amounts received in which conditions have not been met are reported as a refundable advance liability.
- *Grant awards that are exchange transactions* - Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. There were no grant awards that were considered exchange transactions during the years ended June 30, 2023 and 2022.

Contribution Revenue

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Resurrection Cemetery Association

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Contribution Revenue (Continued)

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. 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.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Association. The Association did not have any donated services in 2023 or 2022.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The Association allocates expenses to management and general, Holy Cross Cemetery of Butte, Resurrection Cemetery of Helena, and St. Mary's Cemetery of Missoula based on location of services performed and location benefited from service.

Unsold Cemetery Plots

Unsold cemetery plots are stated at the lower of cost or net realizable value. The balance at June 30, 2023 and 2022 represents the Association's cost of the development of the cemetery, which were \$263,242 and \$155,862, net of accumulated amortization of \$95,062 and \$72,715, respectively.

New Accounting Pronouncements

Accounting Standards Update (ASU) No. 2016-13, Measurement of Credit Losses on Financial Instruments, will require the Association to present financial assets measured at amortized cost (including trade receivables) at the net amount expected to be collected over their remaining contractual lives. Estimated credit losses will be based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amounts. This accounting standard will be effective for financial statements issued for interim and annual periods beginning after December 15, 2022. The Association is evaluating what impact this new standard will have on its fiscal year 2024 financial statements.

Resurrection Cemetery Association

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the balance sheet. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Association adopted this guidance for the fiscal year ended June 30, 2023 with modified retrospective application to July 1, 2022. The Association has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Association accounted for its existing operating leases as operating leases under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether the classification of the leases would be different in accordance with ASC Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in ASU Topic 842 at lease commencement. Similarly, the Association did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842. The Association does not have any significant leases to apply this guidance to for the fiscal year ended June 20, 2023 and, as such, this did not have a material impact on the financial statements of the Association.

Reclassifications

Certain amounts as previously reported in the 2022 financial statements have been reclassified to conform to the 2023 presentation. Such reclassifications have no effect on reported amounts of net assets or change in net assets.

Subsequent Events

The Association has evaluated subsequent events through January 10, 2024, which is the date the financial statements were available to be issued, to determine the need for any adjustments and/or disclosure within the financial statements for the year ended June 30, 2023.

The loan payable to Holy Cross Cemetery was subsequently paid off after the year end June 30, 2023.

Note 2: Concentration of Credit Risk

The Association maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Association has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash. There were no uninsured amounts at June 30, 2023 and 2022. Any uninsured amounts are fully collateralized by a repurchase agreement backed by U.S. Government securities.

Resurrection Cemetery Association

Notes to Financial Statements

Note 3: Property and Equipment

A summary of property and equipment is as follows:

<i>As of June 30,</i>	2023	2022
Missoula land	\$ 1	\$ 1
Butte land	1	1
Helena land	1	1
Irrigation improvements	34,004	34,004
Buildings and improvements	38,053	19,293
Monuments and statues	14,596	14,596
St. Mary's office building	257,766	257,766
Paving	72,000	72,000
Storage containers	11,450	11,450
Landscaping equipment	197,875	182,699
Furniture and equipment	37,109	37,109
	662,856	628,920
Less: accumulated depreciation	(246,314)	(194,670)
Property and equipment, net	\$ 416,542	\$ 434,250

The depreciation expense was \$51,640 and \$48,535 (restated) for the years ended June 30, 2023 and 2022.

Note 4: Investments

Investments consisted of the following:

<i>As of June 30,</i>	2023	2022
Preferred debt investment in Perpetual Care	\$ 2,518,600	\$ 2,518,600
Marketable equity securities	29,604	31,987
Totals	\$ 2,548,204	\$ 2,550,587

The following is investment return for the years ended June 30:

	2023	2022
Realized and unrealized gains (losses) on investments	\$ (2,588)	\$ 54,892
Interest income	15,738	9,976
Totals	\$ 13,150	\$ 64,868

Resurrection Cemetery Association

Notes to Financial Statements

Note 4: Investments (Continued)

Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with various investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported on the financial statements.

In February 2016, an agreement was made between the Association and Perpetual Care LLC in which the Association exchanged \$750,000 cash with Perpetual Care for an investment to be held in a non-voting convertible preferred interest in Perpetual Care. The Association shall receive a fixed cash dividend 4.5% per annum. The Perpetual Care investment was held through June 30, 2020. Effective January 1, 2021, it converted to a preferred debt investment of 49% ownership of a storage facility at an appraised value of \$2,450,000. The valuation methods used to determine the market value is the market value approach (sales comparison) and income approach.

The Perpetual Care investment was adjusted during 2022 and is now being reported on a nonrecurring basis.

Note 5: Fair Value Measurements

The Association measures the fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to significant unobservable inputs (Level 3 measurements). The Association determines fair value by:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access, and where transactions occur within.

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 reflect management's assumptions about significant unobservable inputs that market participants would use in pricing the asset or liability.

Resurrection Cemetery Association

Notes to Financial Statements

Note 5: Fair Value Measurements (Continued)

The asset's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Marketable equity Securities: Valued at fair value based on quoted market prices.

The following tables present the balances of assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy at June 30, 2023 and 2022:

<i>As of June 30, 2023</i>	Total Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable equity securities	\$ 29,604	\$ 29,604	\$ -	\$ -
Total investments	\$ 29,604	\$ 29,604	\$ -	\$ -

<i>As of June 30, 2022</i>	Total Assets at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Marketable equity securities	\$ 31,987	\$ 31,987	\$ -	\$ -
Total investments	\$ 31,987	\$ 31,987	\$ -	\$ -

For the years ended June 30, 2023 and 2022, there were no significant transfers between levels.

Note 6: Certificates of Deposit

Certificates of deposit totaled \$134,501 and \$0 at June 30, 2023 and 2022, respectively. The certificate bears interest of 4.65% and has a maturity of one year, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

Resurrection Cemetery Association

Notes to Financial Statements

Note 7: Related Parties

All related party transactions are due to outstanding loans/debt made up of related parties due to operational transactions between the Resurrection Cemetery Association and the Roman Catholic Bishop Diocese of Helena Montana (RCB).

RCB and the Association are established as two separate legal entities by the state of Montana. At the same time, under Canon Law (the law governing the operation of the Roman Catholic Church), RCB is ultimately responsible for the care, maintenance, and financial sustainability of the diocesan cemeteries included within the Association. Consequently, the Association's operations are subsidized through funding support for staff, equipment, and capital improvements.

- Related Party Loans

The Association had an outstanding loan payable to Holy Cross Cemetery as of June 30, 2023 and 2022, respectively, for \$48,316 and \$93,579.

- Related Party Contributions

The Association had contributions from RCB of \$540,926 for the year ended June 30, 2023. The Association had contributions from RCB of \$254,549 for the year ended June 30, 2022. The contribution funds were received and restrictions were released during the same year.

- Related Party Grants

The Association had no restricted grants from the Annual Catholic Appeal as of June 30, 2023. The Association had restricted grants from the Annual Catholic Appeal for \$5,000 as of June 30, 2022. The grant funds were received and restrictions were released during the fiscal year 2022.

Note 8: Long-Term Debt

Long-term debt consisted of the following at June 30:

	2023	2022
Deposit & loan funds - Holy Cross Cemetery, bears a 5% interest rate	\$ 48,316	\$ 93,579
Totals	\$ 48,316	\$ 93,579

The Association's principal amount for each loan increases each year by the amount of interest incurred during the year. The Association subsequently paid off the Holy Cross Cemetery loan after the year end June 30, 2023.

Resurrection Cemetery Association

Notes to Financial Statements

Note 9: Contributed Nonfinancial Assets

Contributed nonfinancial assets consist of the following:

<i>Years Ended June 30,</i>	2023	2022
Vehicles	\$ -	\$ 30,000
Equipment	-	7,675
Columbaria	88,320	-
Total contributed nonfinancial assets	\$ 88,320	\$ 37,675

The Association recognizes contributed nonfinancial assets within revenue, including a vehicle and equipment. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

It is the Association's policy to capitalize all contributed vehicles upon receipt and use in daily operations. No vehicles received during the period were restricted for use. The Association estimates the fair value based on the estimated sale price.

The contributed equipment will also be capitalized and used in daily operations. In valuing the contributed equipment, the Association estimates the fair value on the basis of estimates of wholesale values that would be received for selling similar equipment in the United States.

The Association received a contributed asset for a Columbaria. The Association recorded this as unsold cemetery plots on the statement of financial position, and at the value of the purchase price of the asset which is considered to be fair value.

Note 10: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>As of June 30,</i>	2023	2022
Cash and cash equivalents	\$ 153,971	\$ 193,436
Certificates of deposit	134,501	-
Accounts receivable, net	47,848	59,005
ERTC receivable	-	121,780
Equity investments	29,604	31,987
Totals	\$ 365,924	\$ 406,208

Resurrection Cemetery Association

Notes to Financial Statements

Note 11: Employee Retention Tax Credit (ERTC)

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act created and funded the Employee Retention Tax Credit (ERTC) to aid employers that were negatively impacted by the COVID-19 pandemic. The ERTC was designed to provide an incentive to retain employees throughout the pandemic. The Association qualified for the credit in various quarters of 2020 and 2021 through a significant decline in revenue.

The Association applied for the ERTC in 2022 and received payment in the amount of \$121,780 in 2023. The Association has accounted for the ERTC proceeds as grant income. The Association has recognized \$121,780 as other income in the accompanying 2022 statement of activities.

Laws and regulations concerning government programs, including the ERTC established by the CARES Act, are complex and subject to varying interpretations. Claims made under the CARES Act may also be subject to retroactive audit and review. There can be no assurance that regulatory authorities will not challenge the Association's claim to the ERTC, and it is not possible to determine the impact (if any) this would have upon the Association.

Note 12: Restatement of Previously Issued Financial Statement (Prior Period Adjustment)

The financial statements as of and for the year ended June 30, 2022 have been restated to correct an error that was detected during the audit for the year ended June 30, 2023. During a previous year, the Association had depreciated cemetery improvement assets over a 20 year useful life. The assets were later deemed to require amortization on a cost per unit sold basis.

To correct this error, the Association recalculated amortization, increasing it by \$20,909 and decreasing net assets by \$20,909 from \$2,435,322 to \$2,414,413 as of June 30, 2021. Amortization expense increased by \$12,209 and net assets decreased by \$12,209 from \$2,467,890 to \$2,455,681 for the year ended June 30, 2022. The June 30, 2022 financial statements have been restated to reflect this change.