

# **FINANCIAL STATEMENTS**



**FOR THE YEAR ENDED DECEMBER 31, 2019**

# TOGETHER RISING

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## CPAs & ADVISORS

### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Together Rising  
Falls Church, Virginia

We have audited the accompanying financial statements of Together Rising (the Organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2019, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Gelman Rosenberg &amp; Freedman". The signature is written in a cursive, flowing style.

December 12, 2020

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**TOGETHER RISING**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**

**ASSETS**

Cash and cash equivalents	\$ 1,663,504
Investments	419,793
Contributions and grants receivable	<u>220,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 2,303,297</u></b>

**NET ASSETS**

Without donor restrictions	\$ <u>2,303,297</u>
<b>TOTAL NET ASSETS</b>	<b><u>\$ 2,303,297</u></b>

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STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>
<b>SUPPORT AND REVENUE</b>	
Contributions and grants	\$ 6,622,237
Investment income, net of expenses	<u>44,215</u>
Total support and revenue	<u>6,666,452</u>
<b>EXPENSES</b>	
Program Services	<u>5,258,643</u>
Supporting Services:	
Management and General	190,601
Fundraising	<u>72,321</u>
Total supporting services	<u>262,922</u>
Total expenses	<u>5,521,565</u>
Change in net assets	1,144,887
Net assets at beginning of year	<u>1,158,410</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,303,297</u></b>

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**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Grants	\$ 5,193,650	\$ -	\$ -	\$ -	\$5,193,650
Salaries and benefits	48,229	74,534	23,383	97,917	146,146
Office expenses	-	1,739	-	1,739	1,739
Contract services	16,764	9,144	4,572	13,716	30,480
Credit card processing fees	-	92,014	44,366	136,380	136,380
Other expenses	-	13,170	-	13,170	13,170
<b>TOTAL</b>	<b><u>\$ 5,258,643</u></b>	<b><u>\$ 190,601</u></b>	<b><u>\$ 72,321</u></b>	<b><u>\$ 262,922</u></b>	<b><u>\$5,521,565</u></b>

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 1,144,887
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gain	(39,951)
Donated securities	(28,838)
Increase in:	
Contributions and grants receivable	<u>(220,000)</u>
Net cash provided by operating activities	<u>856,098</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	<u>(4,264)</u>
Net cash used by investing activities	<u>(4,264)</u>
Net increase in cash and cash equivalents	851,834
Cash and cash equivalents at beginning of year	<u>811,670</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,663,504</u></b>

**SCHEDULE OF NONCASH INVESTING AND FINANCING TRANSACTIONS**

<b>Donated Securities</b>	<b><u>\$ 28,838</u></b>
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### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Together Rising (the Organization) is a non-profit organization, incorporated in the State of Virginia. The Organization identifies particular causes around the world and connects the generosity of individual donors, mainly through crowd-sourced online funding, with the people and organizations who are effectively addressing that critical need.

##### Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the 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 and Change in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service. The Organization did not have any net assets with donor restrictions as of December 31, 2019.

##### New accounting pronouncement adopted -

During 2019, the Organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance to better distinguish between conditional and unconditional contributions. The Organization adopted the ASU using a modified prospective basis.

##### Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, and excluding money market funds held by investment managers in the amount of \$254,764 as of December 31, 2019. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.



## TOGETHER RISING

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends and unrealized gains are included in investment income, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets. Investments acquired by gift are recorded at their fair value at the date of the gift.

##### Contributions and grants receivable -

Contributions and grants receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

##### Uncertain tax positions -

For the year ended December 31, 2019, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

##### Contributions and grants -

Contributions and grants received by the Organization are recognized in the appropriate category of net assets in the period received. Revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions and grants that are unconditional and have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

##### Use of estimates -

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

##### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)

Functional allocation of expenses (continued) -

Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort.

Risks and uncertainties -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Fair value measurement -

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

New accounting pronouncement not yet adopted -

FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. The ASU provides a framework for recognizing revenue and is intended to improve comparability of revenue recognition practices across for-profit and non-profit entities. During 2020, the FASB delayed the implementation date under ASU 2020-05 for an additional year. Organizations may elect to adopt the guidance for annual reporting periods beginning after December 15, 2019 and for interim periods within annual reporting periods beginning after December 15, 2020. Early adoption is still permitted.

The Organization plans to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying financial statements.

2. INVESTMENTS

Investments consisted of the following as of December 31, 2019:

	<u>Fair Value</u>
Money market	\$ 254,764
Equities	<u>165,029</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 419,793</u></b>

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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**2. INVESTMENTS (Continued)**

Included in investment income, net, are the following:

Interest and dividends	\$	4,414
Unrealized gain		39,951
Investment expenses provided by external investment advisors		<u>(150)</u>
<b>TOTAL INVESTMENT INCOME, NET OF INVESTMENT EXPENSES</b>	<b>\$</b>	<b><u>44,215</u></b>

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2019. Transfers between levels are recorded at the end of the reporting period, if applicable. There have been no changes in the methodologies used as of December 31, 2019.

- *Money market funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equities* - Valued at the closing price reported on the active market in which the individual securities are traded.

The table below summarizes the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2019.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total December 31, 2019</b>
<b>Investments:</b>				
Money market	\$ 254,764	\$ -	\$ -	\$ 254,764
Equities	<u>165,029</u>	<u>-</u>	<u>-</u>	<u>165,029</u>
<b>TOTAL</b>	<b><u>\$ 419,793</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 419,793</u></b>

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**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**3. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following:

Cash and cash equivalents	\$ 1,663,504
Investments	419,793
Contributions and grants receivable	<u>220,000</u>

**FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS  
FOR GENERAL EXPENDITURES WITHIN ONE YEAR** **\$ 2,303,297**

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of December 31, 2019, the Organization had financial assets equal to approximately five months of operating expenses.

**4. SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 12, 2020, the date the financial statements were issued.

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Organization's operations. The overall potential impact is unknown at this time.