

FINANCIAL STATEMENTS

**TOGETHER
RISiNG**

**FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2022**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Together Rising
Falls Church, Virginia

Opinion

We have audited the accompanying financial statements of Together Rising (the Organization), which comprise the statement of financial position as of December 31, 2023, 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.

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, 2023, 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.

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 the Organization 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 the 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 the Organization'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.

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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, including omissions, 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 the Organization'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 the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 3, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 10, 2024

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STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,113,564	\$ 1,977,974
Investments	1,729,538	1,511,388
Grants and contributions receivable	<u>205,295</u>	<u>276,341</u>
Total current assets	<u>4,048,397</u>	<u>3,765,703</u>
NONCURRENT ASSETS		
Grants and contributions receivable, net of current portion	<u>100,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 4,148,397</u>	<u>\$ 3,765,703</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ <u>28,475</u>	\$ <u>16,041</u>
NET ASSETS		
Without donor restrictions	3,969,922	3,749,662
With donor restrictions	<u>150,000</u>	<u>-</u>
Total net assets	<u>4,119,922</u>	<u>3,749,662</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,148,397</u>	<u>\$ 3,765,703</u>

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**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 6,047,661	\$ 200,000	\$ 6,247,661	\$ 10,325,092
Investment return (loss), net	155,673	-	155,673	(184,445)
Sales, net of cost of goods sold of \$41,046 in 2023	9,004	-	9,004	-
Net assets released from donor restrictions	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>6,262,338</u>	<u>150,000</u>	<u>6,412,338</u>	<u>10,140,647</u>
EXPENSES				
Program Services	<u>5,479,534</u>	<u>-</u>	<u>5,479,534</u>	<u>8,877,446</u>
Supporting Services:				
Management and General	447,795	-	447,795	516,002
Fundraising	<u>114,749</u>	<u>-</u>	<u>114,749</u>	<u>108,262</u>
Total supporting services	<u>562,544</u>	<u>-</u>	<u>562,544</u>	<u>624,264</u>
Total expenses	<u>6,042,078</u>	<u>-</u>	<u>6,042,078</u>	<u>9,501,710</u>
Change in net assets	220,260	150,000	370,260	638,937
Net assets at beginning of year	<u>3,749,662</u>	<u>-</u>	<u>3,749,662</u>	<u>3,110,725</u>
NET ASSETS AT END OF YEAR	<u>\$ 3,969,922</u>	<u>\$ 150,000</u>	<u>\$ 4,119,922</u>	<u>\$ 3,749,662</u>

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**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022		
	Supporting Services			Total Expenses	Total Expenses	
	Program Services	Management and General	Fundraising			Total Supporting Services
Grants	\$ 5,194,222	\$ -	\$ -	\$ -	\$ 5,194,222	\$ 8,691,283
Salaries and benefits	285,312	118,880	71,328	190,208	475,520	310,272
Merchant bank fees	-	124,835	43,421	168,256	168,256	233,186
Contract services	-	104,233	-	104,233	104,233	217,427
Cost of goods sold	-	-	41,046	41,046	41,046	-
Office expenses	-	53,654	-	53,654	53,654	4,221
Other expenses	-	46,193	-	46,193	46,193	45,321
Subtotal	5,479,534	447,795	155,795	603,590	6,083,124	9,501,710
Less: Cost of goods sold	-	-	(41,046)	(41,046)	(41,046)	-
TOTAL	\$ 5,479,534	\$ 447,795	\$ 114,749	\$ 562,544	\$ 6,042,078	\$ 9,501,710

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 370,260	\$ 638,937
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	(83,305)	222,305
(Increase) decrease in:		
Grants and contributions receivable	(28,954)	190,675
Increase (decrease) in:		
Accounts payable and accrued liabilities	<u>12,434</u>	<u>(15,106)</u>
Net cash provided by operating activities	<u>270,435</u>	<u>1,036,811</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net transfers (to) from investments	<u>(134,845)</u>	<u>208,791</u>
Net cash (used) provided by investing activities	<u>(134,845)</u>	<u>208,791</u>
Net increase in cash and cash equivalents	135,590	1,245,602
Cash and cash equivalents at beginning of year	<u>1,977,974</u>	<u>732,372</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,113,564</u>	<u>\$ 1,977,974</u>
SCHEDULE OF NONCASH INVESTING TRANSACTIONS		
Donated Securities	<u>\$ 62,333</u>	<u>\$ 196,349</u>

TOGETHER RISING

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Together Rising (the Organization) is a non-profit organization, incorporated in the Commonwealth 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 accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit 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". Net assets set aside 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** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the 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. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less, which are not part of the investment portfolio, to be cash equivalents. Money market funds held by investment managers totaled \$196,798 as of December 31, 2023. 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.

Investments -

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

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NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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

Investments (continued) -

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift.

Grants and contributions receivable -

Grants and contributions receivable include unconditional promises to give that are expected to be collected in future years. Grants and contributions receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discounts on long-term grants and contributions receivable are computed using risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions revenue and is only recorded when it is deemed material to the financial statements (not material as of December 31, 2023). All grants and contributions receivable are considered by management to be fully collectable. 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.

Support from grants and contributions -

Grants and contributions are recognized in the appropriate category of net assets in the period received. The Organization performs an analysis of the individual grants or contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from grants and contributions 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. Grants and contributions qualifying as contributions, that are unconditional but 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.

Grants and contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional grants and contributions contain a right of return and a measurable barrier. Grants and contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. The Organization had no refundable advances as of December 31, 2023.

In addition, the Organization may obtain funding source agreements related to conditional contributions, which will be received in future years. However, the Organization had no conditional contributions to be received in futures years as of December 31, 2023.

TOGETHER RISING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

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. 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.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consisted of the following as of December 31, 2023:

	<u>Fair Value</u>
Money market funds	\$ 196,798
Equities	39,709
Mutual funds	<u>1,493,031</u>
TOTAL INVESTMENTS	\$ <u>1,729,538</u>

Net investment return consisted of the following for the year ended December 31, 2023:

Interest and dividends	\$ 84,474
Unrealized gain	83,305
Investment expenses paid to external investment advisors	<u>(12,106)</u>
NET INVESTMENT RETURN	\$ <u>155,673</u>

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**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, 2023. 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, 2023.

- *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.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Organization are deemed to be actively 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, 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market funds	\$ 196,798	\$ -	\$ -	\$ 196,798
Equities	39,709	-	-	39,709
Mutual funds	<u>1,493,031</u>	<u>-</u>	<u>-</u>	<u>1,493,031</u>
TOTAL	<u>\$ 1,729,538</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,729,538</u>

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

3. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at December 31, 2023:

Subject to Passage of Time	\$ <u>150,000</u>
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The following net assets with donor restrictions were released from donor restrictions through the passage of time which satisfied the restricted purposes specified by the donors during the year ended December 31, 2023:

Timing Restrictions Accomplished	\$ <u>50,000</u>
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4. 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	\$ 2,113,564
Investments	1,729,538
Grants and contributions receivable, current	<u>205,295</u>

FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ <u>4,048,397</u>
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The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due.

5. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 10, 2024, the date the financial statements were issued.