TOGETHER WE RISE

DECEMBER 31, 2020

FINANCIAL STATEMENTS &
INDEPENDENT AUDITORS' REPORT

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To Management and Members of the Board of Directors
Together We Rise
Brea, California

We have audited the accompanying financial statements of Together We Rise (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes 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.

Auditors' 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 Together We Rise as of December 31, 2020, related statements of activities and changes in net assets, functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Lance, Soll & Lunghard, LLP

Brea, California
August 27, 2021

PrimeGlobal
An Association of Independent Accounting Firms

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STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

Assets	
Current Assets	
Cash and investment	$ 6,588,292
Supplies inventory	504,811
Deposits on inventory	6,400
Property tax receivable	6,284
Total Current Assets	7,105,787
Property, Equipment and Improvements	
Work in process	663,780
Equipment	163,929
Tools	12,747
Leasehold improvements	159,633
Vehicles	20,343
Building	715,490
Land	1,805,208
Software	13,500
Total Property, Equipment and Improvements	3,554,630
Less Accumulated Depreciation	287,162
Property, Equipment and Improvements, net	3,267,468
Other Assets	
Security deposits	15,998
Total Assets	**$ 10,389,253**
Liabilities and Net Assets	
Current Liabilities	
Accounts payable	$ 28,444
Accrued payroll and vacation	60,041
Economic injury disaster loan	2,038
Paycheck protection program loan	293,300
Deferred revenue	257,441
Total Current Liabilities	641,264
Non-Cuirrent Liabilities	
Economic injury disaster loan less current portion	147,962
Total Liabilities	789,226
Net assets	
Without donor restrictions - undesignated	9,053,080
With donor restrictions - purpose restrictions	546,947
Total Net Assets	9,600,027
Total Liabilities and Net Assets	**$ 10,389,253**

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STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenues, Gains and Other Support:			
Revenues and gains			
Contributions	$ 7,915,391	$ 103,244	$ 8,018,635
Contributed services and materials	2,017,697	-	2,017,697
Program fees	38,350	-	38,350
Net investment loss	(8,050)	-	(8,050)
Other income	763	-	763
Economic injury disaster fund	9,900	-	9,900
Net assets released from restrictions	629,919	(629,919)	-
Total revenues, gains and other support	10,603,970	(526,675)	10,077,295
Expenses:			
Program services expense	7,215,482	-	7,215,482
Supporting services expense			
Management and general	300,472	-	300,472
Fundraising and development	263,314	-	263,314
Total functional expenses	7,779,268	-	7,779,268
Changes in Net Assets increase (decrease)	2,824,702	(526,675)	2,298,027
Net Assets, Beginning of Year	6,228,378	1,073,622	7,302,000
Net Assets, End of Year	**$ 9,053,080**	**$ 546,947**	**$ 9,600,027**

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

		Supporting Services		
	Program Services	Management and General	Fundraising and Development	Total
Salaries	$ 1,452,602	$ 102,537	$ 153,805	$ 1,708,943
Payroll taxes	135,610	9,572	14,359	159,541
Employee benefits	74,372	5,250	7,875	87,497
Arts and events costs	829,134	2,546	1,138	832,818
Auto expense	10,615	3,538	-	14,153
Dues and subscriptions	-	144	5,746	5,890
Advertising and marketing	48,048	-	48,048	96,096
Outside services	223,563	6,066	-	229,629
Travel	22,397	4,593	21,795	48,785
Meals	-	94	-	94
Shipping and postage	266,399	17,764	-	284,163
Professional development	31,914	-	-	31,914
Education and outreach	566,349	-	-	566,349
Occupancy (rent and utility)	117,944	15,086	4,114	137,144
Repair and maintenance	-	235	-	235
Property tax	-	6,935	-	6,935
Insurance	26,272	1,854	2,782	30,908
Bank charges	-	4,241	-	4,241
Office supplies and software	114,363	51,380	-	165,743
Taxes and licenses	-	3,524	-	3,524
Donations	519,615	105	68	519,788
Donated goods	1,967,134	-	-	1,967,134
Family Fellowship	574,803	-	1,354	576,157
Telecommunications	5,177	1,726	-	6,902
Depreciation	63,932	8,177	2,230	74,340
Professional services	137,621	45,874	-	183,494
Disposal of sofrware costs	27,620	9,207	-	36,826
Other expense	-	25	-	25
	$ 7,215,482	$ 300,472	$ 263,314	$ 7,779,268

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows from Operating Activities:	
Change in net assets	**$ 2,298,027**
Adjustments to reconcile operating income to net cash provided by operating activities:	
Write off of software	36,826
Depreciation	74,340
Changes in assets and liabilities:	
Supplies inventory	24,830
Deposit on inventory	68,400
Accounts payable	(35,288)
Deferred revenue	257,441
Accrued payroll and vacation	13,899
Total Adjustments	440,448
Net Cash Provided by Operating Activities	2,738,475
Cash Flows from Investing Activities:	
Purchases of property, equipment and improvements	(723,205)
Proceeds from sales of investments	1,160,249
Purchases of investments	(529)
Net Cash provided by Investing Activities	436,515
Cash Flows from Financing Activities:	
Economic injury disaster loan	150,000
Paycheck protection program loan	293,300
Net Cash provided by Financing Activities	443,300
Net Increase in Cash	3,618,290
Cash at Beginning of Year	2,970,002
Cash at End of Year	**$ 6,588,292**
Supplementary Disclosures:	
Income taxes paid	**$ -**
Interest paid	**$ -**

Note 1: Nature of Organization

Together We Rise (Organization) is a 501(c)(3) non-profit organization comprised of motivated young adults and former foster youth. The Organization's vision is to improve the lives of foster children in America, who often find themselves forgotten and neglected by the public. The Organization collaborates with community and corporate sponsors to bring resources to foster youth and use service-learning activities to educate volunteers on issues surrounding the foster care system.

The Organization generates funding from donations, contributions and team building events. For team building events, the Organization charges a team sponsor for supplies and a team donates their time to put together items to be donated such as bicycles, school supplies, birthday boxes and suitcases which foster youth use to travel from one home to another home. The Organization works with various foster agencies, social workers, Court Appointed Special Advocates ("CASA"), and other partners to bring the programs to foster youth across the nation.

The Organization's headquarters are located in Brea California.

Note 2: Summary of Significant Accounting Policies

Financial Statement Presentation

The financial statements are prepared on the accrual basis of accounting.

Supplies Inventory

Supplies inventory consists of various program-related supplies to be used at team building events and are stated at the lower of cost or net realizable value by the first-in first-out method.

Property, Equipment and Improvements

Property, equipment and improvements are stated at cost when purchased, or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, ranging from 4-20 years. Individual property items valued at less than $1,000 are expensed when purchased or donated.

Net Assets

The Organization reports contributions restricted by donors 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 as net assets released from restrictions.

Note 2: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contribution Revenue

Contributions are recognized as revenues in the period received. Contributions are considered to be without donor restrictions unless specifically restricted by the donor for time or purpose.

Program Fee Revenue

Program fee revenue represents revenue allocated for facilitation services provided by the Organization for events. The Organization provides various “Team building” events services. The fee for events may include event coordination or facilitation fees. Such fees are agreed upon amounts in their contracts. The Organization allocates the agreed upon facilitation fee in contracts as program revenue and accounts in accordance with ASC 606 *Revenue from Contracts with Customers*. The remainder of the fee is considered contributions. Revenue from program services is recognized in the period when events take place. The Organization defers recognizing revenue for deposits received for the facilitation service until the event takes place and is recorded as deferred revenue in the accompanying balance sheet.

Contributed Services and Materials Revenue

Contributed services are recorded at the respective fair values of the services received in the financial statement for voluntary donations of services when those services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by donors possessing those skills and are services, which would be typically purchased if not provided by donation. Contributed goods are recorded at fair value at the date of donation. The Organization recorded contributed legal services revenue and related expense of $50,563 in 2020.

Contributed materials are recorded at their fair value at the date of the donations. The Organization received $1,967,134 of contributed materials such as computer equipment, new clothes and other supplies in 2020. Those contributed materials were distributed to children in foster program.

Advertising and Marketing

Advertising and marketing expenses are charged to expense as incurred. The advertising and marketing costs for the year ended December 31, 2020 was $96,096.

Income Taxes

The Organization is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (Code). Accordingly, no provision for federal or state income taxes is included in the financial statements. In addition, the Organization has been determined by the Internal Revenue Service (“IRS”) not to be a private foundation within the meaning of Section 509(a) of the Code. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS.

Accounting standards require an organization to evaluate its tax positions and provide for a liability for any positions that would not be considered ‘more likely than not’ to be upheld under a tax authority examination. Management has evaluated its tax positions and has concluded that a provision for a tax liability is not necessary at December 31, 2020.

Note 2: Summary of Significant Accounting Policies (Continued)

Functional Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting services benefitted.

Use of Estimates

The preparation of 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, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Date of Management's Review

The Organization has evaluated subsequent events through August 27, 2021, the date which the financial statements were available to be issued.

Note 3: Adoption of New Accounting Standards

In May 2014, FASB issued ASU No. 2014-09, ASC Topic 606, *Revenue from Contracts with Customers*, ("ASC 606"), a new standard for revenue recognition. The purpose of the ASC 606 is to provide a single comprehensive revenue recognition model for all contracts with customers to improve comparability across industries. The new revenue recognition guidance requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitles in exchange for those goods or services. The Organization adopted ASC 606 on January 1, 2020 utilizing the modified retrospective transition method. The Organization changed the way to recognize event related revenue. Facilitation revenue which is a part of event revenue is carved out from the total fees and recognized under the guidance of ASC 606. There was no carry over event from prior year which should be deferred at January 1, 2020. Thus, there was no impact on beginning net assets.

Note 4: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the balance sheet date, comprise of cash of $6,588,292. As part of the Organization's liquidity management plan, the Organization invests cash in excess of daily requirements in low-risk investments. As of December 31, 2020, there was no deposits in low-risk investments.

Note 5: Concentration of Credit Risk

The Organization may be subject to credit risk on its cash. At December 31, 2020, the Organization maintains its cash balances at one institution. Accounts at the institution are insured by FDIC, which covers up to $250,000 for substantially all depository accounts. At various times throughout the year, the balances in these accounts may be in excess of federally insured limits. Management believes the Organization is not exposed to any significant credit risk on cash.

Note 5: Concentration of Credit Risk (Continued)

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash deposits at a brokerage firm. The accounts at the brokerage firm contain cash and securities. Balances are insured up to $500,000 with a limit of $250,000 for cash, by the Securities Investor Protection Corporation ("SIPC"). At various times throughout the year, the balances in these accounts may be in excess of SIPC insured limits.

Note 6: Supplies Inventory

Supplies inventory consists of the following at December 31, 2020:

Art equipment	$ 214,283
Backpacks	3,455
Bears	70,788
Bikes	1,729
Blankets	84,675
Duffels	106,875
Hygiene Kits	19,549
Skateboards	3,457
Total	$ 504,811

Note 7: Net Assets with Donor Restrictions

Net assets with donor restrictions totaling $546,947 at December 31, 2020 is for specified purposes; consisting of $443,703 for the Fellowship program and $103,244 for the RAPID program. The Fellowship program is a scholarship program to pay college tuitions and living costs for 50 students while students are attending colleges. The RAPID program is the program which helps transition former foster youth to outside of foster care after they reached age of 18.

Note 8: Economic Injury Disaster Loan (EIDL)

In May 2020, the Organization entered into an Economic Injury Disaster Loan ("EIDL") (under Section 7(b) of the Small Business Act, as amended) with the US Small Business Administration ("SBA") in the amount of $150,000. The loan bears interest at an annual fixed rate of 2.75% and accrue from the date when the funds were advanced. The loan requires a monthly principal and interest payment of $641, with the first payment due May 2021 and the balance of principal and interest will be payable over 30 years. The loan is secured by all tangible and intangible assets of the Organization. UCC-1 was filed by SBA in the state of California. The Organization's loan agreement contains certain requirements, which the Organization met at December 31, 2020.

Note 8: Economic Injury Disaster Loan (EIDL) (Continued)

Future principal payments due on the Economic Injury Disaster Loan for years subsequent to December 31, 2020, are as follows:

2021	$	2,038
2022		3,571
2023		3,670
2024		3,772
2025		3,877
Thereafter		133,072
	$	150,000

Note 9: Paycheck Protection Program Loan

On April 14, 2020, the Organization received loan proceeds in the amount of $293,300 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after 8 weeks or 24 weeks, as elected by the Organization, as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period. The unforgiven portion of the PPP loan is payable over 5 years at an interest rate of 1%, with a deferral of payments for the first 6 months. The Organization intends to use the proceeds for purposes consistent with the PPP. The Organization's accounting policy is to record a liability when the PPP funds are initially received, and then to recognize as income once the Organization has received notification from the bank that the PPP loan is forgiven.

Note 10: Contract liabilities

Deferred revenue represents event revenue allocated for facilitation service which the cash payments are received but the event hasn't taken place at December 31, 2020. This is considered contract liabilities. The Organization's obligation is to provide facilitation service when events take place in the future period. The balance at December 31, 2020 was $257,411.

Note 11: Lease Commitments

The Organization has following lease commitments:

In February 2015, the Organization entered into two 39-month leases for office space in Brea, California requiring monthly payments of approximately $3,000 per office. The lease expires in July 2021.

Note 11: Lease Commitments (Continued)

In November 2019, the Organization entered into a lease agreement for the period of January 1, 2020 to December 31, 2021, for additional office space in Brea, California. The monthly payment is $5,360 and $5,628 during 2020 and 2021, respectively.

In May 2018, the Organization entered into a 60-month lease for office space in Austin, Texas beginning in May 2018 to May 2023. The monthly required payments were $7,931 per month, increasing 3% annually in May. The lease was terminated in 2020.

Payments related to these leases (which include rent, storage and utilities) amounted to $137,144 for the year ended December 31, 2020 and included in Occupancy expense in the accompanying statement of functional expenses.

Future minimum lease payments by year, as of December 31, 2020, are as follows:

Year ending December 31,	
2021	$ 110,054
Total	$ 110,054

Note 12: Contingencies

The Organization is subject to various legal claims and proceedings arising in the ordinary course of business. The ultimate disposition of these proceedings is not determinable, in the opinion of management after consultation with legal counsel, as of the report date.

Note 13: COVID-19

As a result of the COVID-19 pandemic, the Organization's activities were limited after March 2020, including cancellations of events. The Organization used more social media to promote their activities to raise funds. Subsequently, the restrictions have been lifted and the nation has been gradually opening up after June 2021. Management believes that more events will be held in 2021 and the financial position will be improved. However, how the Organization recovers from the COVID-19 and the impact on the financial statements is not reasonably estimable at the date of this report.

Note 14: Subsequent Events

The Organization filed a lawsuit in 2019 against the landlord of their Texas office for a breach of contract. The case was settled in 2021 in favor of the Organization.