LSL
CPAs AND ADVISORS

INDEPENDENT AUDITORS' REPORT

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, 2017, 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, 2017, 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 24, 2018

PrimeGlobal
An Association of Independent Accounting Firms

TOGETHER WE RISE

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

Assets		
Cash and cash equivalents	$	5,127,915
Investments		1,396,234
Interest and dividends receivable		2,599
Inventory		422,163
Other assets		6,430
Property, net		55,563
Total Assets	**$**	**7,010,904**
Liabilities and Net Assets		
Accounts payable	$	6,000
Salaries and benefits payable		3,388
Auto loan payable		17,542
Total Liabilities		**26,930**
Net assets:		
Unrestricted		5,175,821
Temporarily restricted		1,808,153
Total Net Assets		**6,983,974**
Total Liabilities and Net Assets	**$**	**7,010,904**

See Notes to Financial Statements and Independent Auditors' Report

TOGETHER WE RISE

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support:			
Revenues and gains			
Contributions	$ 857,706	$ 3,892,293	$ 4,749,999
Unrealized gain (loss) on investments	-	23,988	23,988
Interest and dividend income	-	23,446	23,446
Total revenues and gains	857,706	3,939,727	4,797,433
Net assets released from restrictions	5,238,112	(5,238,112)	-
Total Revenue, Gains and Other Support	**6,095,818**	**(1,298,385)**	**4,797,433**
Expenses:			
Program services	2,655,052	-	2,655,052
Supporting services			
Management and general	255,585	-	255,585
Fundraising	30,124	-	30,124
Total Expenses	**2,940,761**	**-**	**2,940,761**
Changes in Net Assets	3,155,057	(1,298,385)	1,856,672
Net Assets, Beginning of Year	2,020,764	3,106,538	5,127,302
Net Assets, End of Year	**$ 5,175,821**	**$ 1,808,153**	**$ 6,983,974**

See Notes to Financial Statements and Independent Auditors' Report

TOGETHER WE RISE

SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

		Supporting Services		
	Program Services	Management and General	Fundraising	Total
Expenses:				
Salaries	$ 573,583	$ 26,935	$ 15,075	$ 615,593
Payroll taxes	28,691	43,282	1,631	73,604
Employee benefits	613	8,174	10	8,797
Arts and events supplies	1,440,317	1,143	743	1,442,203
Delivery services	178,494	9,318	481	188,293
Rent	124,782	3,941	3,942	132,665
Outside services	4,388	116,318	-	120,706
Travel	115,426	924	32	116,382
Program expense	16,227	37	37	16,301
Offices expenses	20,783	1,168	896	22,847
Education and outreach	117,749	74	6,501	124,324
Telephone	7,697	404	404	8,505
Depreciation	-	27,437	-	27,437
Insurance	7,324	14,910	68	22,302
Bank charges	-	33	-	33
Printing and stationary	3,583	87	28	3,698
Taxes and licenses	-	210	-	210
Charitable contributions	3,504	-	-	3,504
Repairs and maintenance	5,006	276	276	5,558
Grants	6,885	-	-	6,885
Interest expense	-	914	-	914
	$ 2,655,052	$ 255,585	$ 30,124	$ 2,940,761

TOGETHER WE RISE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows from Operating Activities:	
Change in net assets	**$ 1,856,672**
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	27,437
Investment gain	(23,988)
Changes in assets and liabilities:	
(Increase) decrease in inventory	(177,790)
Increase (decrease) in accounts payable	(42,553)
Increase (decrease) in salaries and benefits payable	(15,876)
Total Adjustments	**(232,770)**
Net Cash Provided by Operating Activities	**1,623,902**
Cash Flows from Investing Activities:	
Purchases of property	(13,500)
Proceeds from sale of investments	1,226,448
Interest and dividends received	650
Net Cash Provided by Investing Activities	**1,213,598**
Cash Flows from Financing Activities:	
Payments on auto loan	(11,086)
Net Cash Used in Financing Activities	**(11,086)**
Net Increase in Cash and Investments	**2,826,414**
Cash and Cash Equivalents at Beginning of Year	2,301,501
Cash and Cash Equivalents at End of Year	**$ 5,127,915**
Supplementary Disclosures	
Income taxes paid	**$ -**
Interest paid	**$ 914**

See Notes to Financial Statements and Independent Auditors' Report

Note 1: Organization and Summary of Significant Accounting Policies

a. Organization

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

The Organization works with hundreds of foster agencies, social workers, CASA advocates, and other partners to bring our programs to foster youth across the nation. Our foundation has allowed us to provide thousands of foster youth across the country with new bicycles, college supplies, and suitcases so that children do not have to travel from home to home with their belongings in a trash bag.

b. Financial Statement Presentation

The financial statements are prepared on the accrual basis of accounting. The Organization recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions and net assets are classified on the existence or absence of donor-imposed restrictions. The net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets
Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Organization. Unrestricted net assets include amounts available to be used at the discretion of the Board of Directors in the Organization’s programs and operations and those resources invested in equipment. All donations are considered available for unrestricted use unless specifically restricted by the donor.

Temporarily restricted net assets
Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or passage of time. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.

Permanently restricted net assets
Net assets that are restricted by the donors for investment in perpetuity. The investment income generated from these funds is available for general support of the Organization’s programs and operations. There were no permanently restricted net assets at December 31, 2017.

It is the policy of the Organization to record restricted support as unrestricted support where the donor-restrictions have been satisfied within the reporting period.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

c. 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 not to be a private foundation within the meaning of Section 509(a) of the Code.

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, 2017. Generally, the Organization‘s information returns remain open for examination for a period of three years (federal) or four years (state of California) from the date of filing.

d. Cash and Cash Equivalents

Cash investments purchased with maturities of less than three months at the date they are acquired are considered cash equivalents. The Organization’s bank balance as of December 31, 2017 was $5,127,915. The total bank balances are insured up to $250,000 by the Federal Deposit Insurance Corporation.

e. Inventory

Inventories consist of items for care packages and are stated at the lower of cost (first-in, first-out method) or market.

f. Property

Property is 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 4-5 years. Individual property items valued at less than $1,000 are expensed when purchased or donated.

g. Functional Expenses

The costs of providing the various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program services and supporting services benefitted.

h. 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.

Note 2: Investments and Fair Value Measurements

Investments are recorded at fair market value, based on independent, third-party valuations. Value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy is categorized into three levels based on the inputs as follows:

Level 1
Quoted market prices in active markets for identical assets or liabilities. Level 1 assets include equity securities and mutual funds valued at the closing price reported on the active market on which the individual securities are traded.

Level 2
Observable market-based inputs, either directly or indirectly, but are other than quoted prices in actively traded markets. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and other observable inputs that can be corroborated by observable market data.

Level 3
Unobservable inputs that are supported by little or no market activity which are significant to the fair value of the asset or liability. Unobservable inputs reflect the best estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination for which category within the fair value hierarchy is appropriate is based on the lowest level input that is significant to the fair value measurement in its entirety. Investments consist of the fixed income securities at December 31, 2017, which are considered to have level 2 inputs.

Investment return for the year ended December 31, 2017 is as follows:

Investment gains, net	$	23,988
Interest and dividend income		23,446
Total Investment Return	$	47,434

Note 3: Inventory

Inventory at December 31, 2017, consists of the following:

Duffels	$	121,469
Hygiene kits		91,591
Art equipment		5,813
Bears		95,714
Blankets		107,576
Total	$	422,163