

# Rising Star Outreach, Inc.

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FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

*For the Years Ended March 31, 2019 and 2018*



# RISING STAR OUTREACH, INC.

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## Independent Auditor's Report

To the Board of Directors of  
**Rising Star Outreach, Inc.**

We have audited the accompanying financial statements of **Rising Star Outreach, Inc.** (the "Organization") a nonprofit organization, which comprise the statements of financial position as of March 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 **Rising Star Outreach, Inc.** as of March 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Larson & Company PC*

Salt Lake City, UT  
August 30, 2019

# RISING STAR OUTREACH, INC.

## Statement of Activities

For the Year Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 540,245	\$ 629,273
Accounts receivable	553	-
Contributions receivable	2,618	9,469
Note receivable, related party	823,644	841,707
Inventory	721	-
Prepaid expenses	8,896	3,061
<b>Total current assets</b>	<b>1,376,677</b>	<b>1,483,510</b>
<b>Property and equipment, net</b>	<b>3,182</b>	<b>5,489</b>
<b>Total assets</b>	<b><u>\$ 1,379,859</u></b>	<b><u>\$ 1,488,999</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current liabilities</b>		
Accrued expenses	\$ 8,314	\$ 8,227
Deferred revenue	14,000	-
Note payable	-	2,153
<b>Total current liabilities</b>	<b>22,314</b>	<b>10,380</b>
<b>Net assets</b>		
Net assets without donor restrictions	783,325	667,493
Net assets with donor restrictions	574,220	811,126
<b>Total net assets</b>	<b>1,357,545</b>	<b>1,478,619</b>
<b>Total liabilities and net assets</b>	<b><u>\$ 1,379,859</u></b>	<b><u>\$ 1,488,999</u></b>

The accompanying notes to the financial statements  
are an integral part of these statements

# RISING STAR OUTREACH, INC.

Statement of Activities  
For the Year Ended March 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in net assets</b>			
<b>Support and revenues</b>			
Contributions	\$ 727,983	\$ 610,311	\$ 1,338,294
In-kind contributions	74,761	-	74,761
Special events, net of direct expenses of \$33,217	28,924	-	28,924
Interest income, note receivable	80,883	-	80,883
Miscellaneous income	5,217	-	5,217
<b>Total support and revenues</b>	<u>917,768</u>	<u>610,311</u>	<u>1,528,079</u>
Satisfaction of restrictions	<u>847,217</u>	<u>(847,217)</u>	<u>-</u>
<b>Total support, revenues and satisfaction of restrictions</b>	<u>1,764,985</u>	<u>(236,906)</u>	<u>1,528,079</u>
<b>Expenses</b>			
RSOI programs	1,371,567	-	1,371,567
General and administrative	182,619	-	182,619
Fundraising	94,967	-	94,967
<b>Total expenses</b>	<u>1,649,153</u>	<u>-</u>	<u>1,649,153</u>
<b>Total changes in net assets</b>	<u>115,832</u>	<u>(236,906)</u>	<u>(121,074)</u>
<b>Net assets beginning of year</b>	<u>667,493</u>	<u>811,126</u>	<u>1,478,619</u>
<b>Net assets end of year</b>	<u>\$ 783,325</u>	<u>\$ 574,220</u>	<u>\$ 1,357,545</u>

The accompanying notes to the financial statements  
are an integral part of these statements

# RISING STAR OUTREACH, INC.

Statement of Activities  
For the Year Ended March 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Changes in net assets</b>			
<b>Support and revenues</b>			
Contributions	\$ 777,113	\$ 481,250	\$ 1,258,363
In-kind contributions	94,558	-	94,558
Special events, net of direct expenses of \$48,973	22,620	-	22,620
Interest income, note receivable	83,087	-	83,087
<b>Total support and revenues</b>	<u>977,378</u>	<u>481,250</u>	<u>1,458,628</u>
Satisfaction of restrictions	<u>258,207</u>	<u>(258,207)</u>	<u>-</u>
<b>Total support, revenues and satisfaction of restrictions</b>	<u>1,235,585</u>	<u>223,043</u>	<u>1,458,628</u>
<b>Expenses</b>			
RSOI programs	1,176,367	-	1,176,367
General and administrative	179,479	-	179,479
Fundraising	64,109	-	64,109
<b>Total expenses</b>	<u>1,419,955</u>	<u>-</u>	<u>1,419,955</u>
<b>Total changes in net assets</b>	<u>(184,370)</u>	<u>223,043</u>	<u>38,673</u>
<b>Net assets beginning of year</b>	<u>851,863</u>	<u>588,083</u>	<u>1,439,946</u>
<b>Net assets end of year</b>	<u>\$ 667,493</u>	<u>\$ 811,126</u>	<u>\$ 1,478,619</u>

The accompanying notes to the financial statements  
are an integral part of these statements

## RIISING STAR OUTREACH, INC.

Statement of Functional Expenses  
For the Year Ended March 31, 2019

	<u>RSOI Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 141,862	\$ 105,428	\$ 83,534	\$ 330,824
Payroll taxes	9,780	7,563	5,727	23,070
Total personnel costs	151,642	112,991	89,261	353,894
Contracted services	81,688	11,500	-	93,188
Contributions - RSOI	1,042,252	-	-	1,042,252
Occupancy	-	18,699	2,064	20,763
Printing	4,221	2,045	1,800	8,066
Postage and delivery	799	313	288	1,400
Travel	54,713	5,651	-	60,364
Insurance	-	1,049	-	1,049
Professional fees	-	1,955	-	1,955
Bank charges and credit card fees	19,810	1,791	111	21,712
Office expense	-	19,595	1,443	21,038
Advertising	16,442	-	-	16,442
Depreciation	-	2,307	-	2,307
Miscellaneous	-	4,723	-	4,723
Total expenses	<u>\$ 1,371,567</u>	<u>\$ 182,619</u>	<u>\$ 94,967</u>	<u>\$ 1,649,153</u>

The accompanying notes to the financial statements  
are an integral part of these statements

## RIISING STAR OUTREACH, INC.

Statement of Functional Expenses  
For the Year Ended March 31, 2018

	<u>RSOI Programs</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 144,172	\$ 88,744	\$ 59,982	\$ 292,898
Payroll taxes	10,226	6,188	4,127	20,541
Total personnel costs	154,398	94,932	64,109	313,439
Contracted services	36,569	4,842	-	41,411
Contributions - RSOI	863,090	-	-	863,090
Occupancy	-	17,645	-	17,645
Printing	5,037	970	-	6,007
Postage and delivery	2,937	1,002	-	3,939
Travel	69,241	452	-	69,693
Insurance	-	7,970	-	7,970
Professional fees	-	27,607	-	27,607
Bank charges and credit card fees	26,517	3,173	-	29,690
Office expense	-	17,527	-	17,527
Advertising	18,578	-	-	18,578
Depreciation	-	2,834	-	2,834
Miscellaneous	-	525	-	525
Total expenses	<u>\$ 1,176,367</u>	<u>\$ 179,479</u>	<u>\$ 64,109</u>	<u>\$ 1,419,955</u>

The accompanying notes to the financial statements  
are an integral part of these statements



**RISING STAR OUTREACH, INC.**  
 Statements of Cash Flows  
 For the Years Ended March 31, 2019 and 2018

	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ (121,074)	\$ 38,673
<b>Adjustments to reconcile change in net assets to net cash from operating activities</b>		
Depreciation	2,307	2,834
Accrued interest income	(80,525)	(82,694)
<b>Change in operating assets and liabilities</b>		
Accounts receivable	(553)	-
Contributions receivable	6,851	(9,469)
Prepaid expenses	(5,835)	(458)
Inventory	(721)	-
Accrued expenses	87	4,353
Deferred revenue	14,000	-
<b>Net cash from operating activities</b>	<b>(185,463)</b>	<b>(46,761)</b>
<b>Cash flows from investing activities</b>		
Principal payments on note payable	(2,153)	-
Proceeds from notes receivable	100,000	-
Disbursements from notes receivable	(1,412)	(125,000)
<b>Net cash from investing activities</b>	<b>96,435</b>	<b>(125,000)</b>
<b>Net change in cash and cash equivalents</b>	<b>(89,028)</b>	<b>(171,761)</b>
Cash and cash equivalents at beginning of year	<b>629,273</b>	801,034
<b>Cash and cash equivalents at end of year</b>	<b>\$ 540,245</b>	<b>\$ 629,273</b>

**Supplemental Disclosures:**

No interest or taxes were paid for the years ending March 31, 2019 and 2018.

The accompanying notes to the financial statements are an integral part of these statements

**RISING STAR OUTREACH, INC.**  
Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

Rising Star Outreach, Inc. (the "Organization") is a not-for-profit corporation formed in 2001 in Atlanta, Georgia. In 2011, the Organization moved its corporate offices from Atlanta to Provo, Utah where they currently operate. The Organization empowers individuals and families to rise above the stigma associated with leprosy, and to live healthy, productive lives through quality education, medical care and community development. The Organization is accomplishing its mission through four major initiatives:

- To provide a quality education to children of leprosy affected families and surrounding villages
- To provide colonies with colony projects to ensure each has access to clean water, toilets, and opportunities through micro-grants
- To address the unique health challenges of the colonies with mobile medical units, and
- To create lifelong humanitarians by providing service opportunities for sponsors and volunteers.

The Organization accomplishes its mission through contributions to Rising Star Outreach of India ("RSOI"). In 2004 the Organization assisted with the formation of RSOI, which is a not-for-profit entity incorporated and registered under the laws and regulations for SCRA Charities in India. There are two owners representatives of RSOI. One must be Indian and represents the RSOI board of directors. This owner also sits as the vice chair of the board of directors and is a voting member. The second owner representative represents the RSO board and the Organization as a whole. However, this member does not sit as a member of the board of directors of RSOI as Indian law prohibits foreigners from being board members of SCRA Charities. Accordingly, the Organization does not exercise control over RSOI.

However, the Organization has a clear economic interest in RSOI as they provide a substantial part of its operating funds and, in accordance with Indian law, RSOI is legally required to spend the funds in line with Organization's stipulations. Due to the economic interest, the relationship, related transactions, and financial information of RSOI require disclosure in the notes to the financial statements. Refer to Note 5 for the related disclosures.

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958); Presentation of Financial Statement for Not-for-Profit Entities*, which was adopted for the year ended March 31, 2018. The standard requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

# **RISING STAR OUTREACH, INC.**

Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Basis of Presentation (Continued)**

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or through the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### **Cash and Cash Equivalents**

The Organization considers all cash and highly liquid investments with maturities of three months or less to be cash equivalents.

### **Contributions Receivable**

Contributions receivable are recorded at their estimated fair value. Amounts due later than one year, if any, are recorded at the present value of estimated future cash flows. The Organization estimates the allowance based on analysis of specific donors, taking into consideration the age of past due pledges and an assessment of the donor's ability to pay. As of March 31, 2019 and 2018, all uncollected contributions receivable are expected to be collected; therefore, no allowance has been recorded. The Organization recorded bad debt expense of **\$0** and **\$0** during the years ended March 31, 2019 and 2018, respectively. Conditional contributions are not included as support until the conditions are substantially met. The Organization has conditional contributions receivable of **\$90,000** and **\$135,000** as of March 31, 2019 and 2018.

### **Property and Equipment**

Property and equipment are stated at either cost or, for donated property, the fair market value at the time of donation. Depreciation is recorded using the straight-line method over estimated useful lives of three years for computer equipment. The Organization generally capitalizes fixed asset expenditures over **\$1,000**.

# **RISING STAR OUTREACH, INC.**

Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Contributions**

Unconditional promises to give are recognized as contributions when promised at the net present value of the amounts expected to be collected. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction expires, net asset with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same year the contribution is received are reported as net assets without donor restrictions.

### **Donated Services and In-kind Contributions**

The Organization records gifts of property and equipment as support without donor restriction unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, as well as gifts of cash or other assets that must be used to acquire long-lived assets, are reported as net assets with donor restriction. Absent explicit donor stipulations regarding the duration that the long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or purchased long-lived assets are placed in service.

Donated services are recognized at fair value if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. As discussed in Note 5, the Organization received various donated services, facilities and office expenses from board members. Volunteers provide a significant amount of services to the Organization throughout the year that are not recognized as contributions since the criteria under U.S. GAAP was not met.

### **Income Taxes**

The Organization is exempt from federal income tax under the provisions of Section 501(c)(3) of the Internal Revenue Code, and classified by the Internal Revenue Service as an organization other than a private foundation. Accordingly, no provisions for federal and state income taxes have been recorded in the accompanying financial statements. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. Currently, the Organization engages in no activities that would be taxed as unrelated business income. The Organization believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

**RISING STAR OUTREACH, INC.**  
Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities are summarized on a functional basis in the statements of activities as well as in the statements of functional expenses. Salaries and related costs are allocated to functional areas based on the time and effort expended by employees in the functional areas. Indirect costs are charged to programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. General and administrative costs include those expenses that are not directly identifiable with any other specific function but provide for the overall support of the Organization.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Concentration of Credit Risk**

Cash and cash equivalents consist primarily of demand deposits with several financial institutions. The balances in the Organization's bank accounts, as reflected in the bank's records, are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. The aggregate bank balances at various institutions exceeded this insured limit by \$290,137 and \$374,827 at March 31, 2019 and 2018 respectively.

**Reclassifications**

Certain amounts in prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Total changes in net assets were not affected by the reclassifications.

**Recent Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, an update to FASB ASC 606, *Revenue from Contracts with Customers*. This update revises previous revenue recognition standards to improve guidance on revenue recognition requirements. Under the new standard, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. This new guidance is effective for fiscal years beginning after December 15, 2018. The adoption of this standard is not expected to have a material impact on the financial statements of the Organization.

**RISING STAR OUTREACH, INC.**  
Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Recent Accounting Pronouncements (Continued)**

In March of 2016, the FASB issued ASU 2016-02, *Leases*, which requires all leases that have a term of more than 12 months to be recognized as assets and liabilities on the balance sheet at inception. A lessee would recognize a lease liability to make lease payments owed to a lessor (liability) and a benefit for the right to use the leased asset (asset) for the lease term. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee would depend on whether the lessee is expected to consume more than an insignificant portion of the economic benefits embedded in the underlying asset. This new guidance is effective for fiscal years beginning after December 15, 2019. The Organization does not anticipate a significant impact on the Organization's results of operations, financial position, or cash flows as a result of this new standard.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230)*. This update require that a statement of cash flows explain the change during the period to also include restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. This new guidance is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. The Organization does not anticipate a significant impact on the results of operations, financial position, or cash flows as a result of this new standard.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This update was made in response to ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The purpose of this update is to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The amendments in this update should be applied on a modified prospective basis. Retrospective application is permitted. The Organization is currently in the process of determining the impact the adoption of this guidance will have on its results of operations, financial position, and cash flows.

**RISING STAR OUTREACH, INC.**  
Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

**2. LIQUIDITY AND AVAILABILITY**

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

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 540,245	\$ 629,273
Accounts receivable	553	-
Contributions receivable	2,618	-
Note receivable	<u>823,644</u>	<u>841,707</u>
	1,367,060	1,470,980
Less amounts restricted by donors	<u>(574,220)</u>	<u>(811,126)</u>
Available for general expenditure	<u>\$ 792,840</u>	<u>\$ 659,854</u>

**3. NOTE RECEIVABLE, RELATED PARTY**

The Organization has a note receivable with a company whose principal is also a member of the board of directors of the Organization. The amounts loaned consist of funds which will be expended on future projects by RSOI in India.

The balance accrues interest monthly at a rate of 10%. The current agreement includes a repayment clause for the principle and interest due as of December 31, 2018. The note can be requested to be repaid at any time with 30 days notice from the Organization.

The balance of principle and interest as of March 31, 2019 and 2018 totaled **\$823,644** and **\$841,707**, respectively. Interest income related to the note receivable totaled **\$80,525** and **\$82,694** for the years ended March 31, 2019 and 2018, respectively.

**4. PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at March 31:

	<u>2019</u>	<u>2018</u>
Computer equipment	\$ 19,584	\$ 19,584
Furniture and fixtures	6,284	6,284
Less: accumulated depreciation	<u>(22,686)</u>	<u>(20,379)</u>
Total property and equipment, net	<u>\$ 3,182</u>	<u>\$ 5,489</u>

Depreciation expense for the years ended March 31, 2019 and 2018 totaled **\$2,307** and **\$2,834** respectively.

# RISING STAR OUTREACH, INC.

Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

## 5. RELATED PARTY TRANSACTIONS

As discussed in Note 1, the Organization accomplishes its mission primarily through contributions to RSOI. During the years ended March 31, 2019 and 2018, the Organization provided direct support of **\$1,042,252** and \$863,090 respectively to RSOI as reflected in the accompanying financial statements. These contributions provide funding for various programs including colony building projects, education, medical, colony development, and “sponsor a child” program. Unaudited assets, liabilities and net assets for RSOI as of March 31, 2019 and 2018 were as follows:

	<b>2019</b>	<b>2018</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Current assets		
Cash and cash equivalents	\$ 693,729	\$ 421,144
Loans	10,111	14,101
Other	28,170	19,393
Total current assets	732,010	454,638
Property and equipment	1,785,227	1,671,610
Total assets	<b>\$ 2,517,237</b>	<b>\$ 2,126,248</b>
Current liabilities	<b>\$ 10,217</b>	\$ 11,740
Net assets		
With donor restrictions	285,167	-
Without donor restrictions	2,221,853	-
Unclassified	-	2,114,508 *
	<b>2,507,020</b>	2,114,508
Total liabilities and net assets	<b>\$ 2,517,237</b>	<b>\$ 2,126,248</b>

\*Balance sheet provided by RSOI for 2018 did not provide net asset classes.

The Organization received contributions and donated goods from various board members as follows for the years ended March 31, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
Cash contributions	\$ 280,786	\$ 347,264
Expenses paid for the benefit of the Organization	63,992	31,021
Total support from board members	<b>\$ 344,778</b>	<b>\$ 378,285</b>

The Organization has a note receivable with a company whose principal is a member of the board of directors (Note 3).



# RISING STAR OUTREACH, INC.

Notes to Financial Statements  
For the Years Ended March 31, 2019 and 2018

## 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of contributions the Organization has received that are subject to donor-imposed restrictions that have not been met prior to the end of the fiscal year. Net assets with donor restrictions consist of the following at March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Purpose restricted		
Southern medical	\$ 48,944	\$ 56,595
Southern education	75,859	190,965
Southern colony development	-	181
Southern capital development	3,500	-
Northern capital development	410,000	397,385
Time restrictions	<u>35,916</u>	<u>166,000</u>
Total net assets with donor restrictions	<u>\$ 574,219</u>	<u>\$ 811,126</u>

## 7. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenditures satisfying the restricted purposes as follows during the years ended March 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Program purpose restriction accomplished		
Southern medical	\$ 125,652	\$ 42,000
Southern education	118,186	194,033
Southern colony development	910	10,559
Northern medical	20,000	-
Northern education	20,000	-
Northern capital development	82,385	2,615
Time restrictions	<u>480,084</u>	<u>9,000</u>
Total program purpose restriction accomplished	<u>\$ 847,217</u>	<u>\$ 258,207</u>

## 8. SUBSEQUENT EVENTS

Management has evaluated events and transactions through the date of the audit report, which is the date the financial statements were available to be issued. Based on the evaluation, management determined there were no events or transactions that would require disclosure in the financial statements.