

**RAPHA HOUSE INTERNATIONAL, INC.  
DBA  
Rapha International and Affiliates**

**Auditor's Report and Financial Statements  
For the year ended  
December 31, 2021**



**W. BENMILLER, CP LLC**

**RAPHA HOUSE INTERNATIONAL, INC.  
DBA  
Rapha International and Affiliates**

**For the Year Ended December 31, 2021**

**Table of Contents**

Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7



W. BEN MILLER, CP, LLC

## INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of  
Rapha House International, Inc.  
DBA Rapha International and Affiliates**

### **Opinion**

We have audited the accompanying financial statements of Rapha House International, Inc. dba Rapha International and Affiliates (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, 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 Rapha House International, Inc. as of December 31, 2021, 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 audits 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 Rapha House International, Inc. 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.

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of ARM Cambodia Organization, Good Life Foundation, and Good Morning Foundation, affiliates, with those statements reflecting total assets of \$2,318,246 as of December 31, 2021. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for ARM Cambodia, Good Life Foundation, and Good Morning Foundation is based solely on the reports of the other auditors.

### **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 Rapha House International, Inc.'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. 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 Rapha House International, Inc. 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 Rapha House International, Inc.'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.



W. Ben Miller, CPA LLC  
Webb City, Missouri

November 15, 2022

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Statement of Financial Position**  
**December 31, 2021**

<b>Current Assets</b>	
Cash and cash equivalents, unrestricted	\$ 394,872
Cash and cash equivalents, restricted	1,315,184
Other receivables	21,561
Inventory	22,541
Prepaid expenses	3,810
<b>Total current assets</b>	<b>1,757,968</b>
 <b>Property and Equipment</b>	
Land	879,028
Building and improvements	5,692,086
Furniture and equipment	467,405
	7,038,519
Accumulated depreciation	(1,121,091)
<b>Total property and equipment</b>	<b>5,917,428</b>
 <b>Other Assets</b>	
Investments, restricted	101,146
<b>Total other assets</b>	<b>101,146</b>
 <b>Total Assets</b>	 <b>\$ 7,776,542</b>
 <b>Current Liabilities</b>	
Current portion of long-term debt	\$ 11,108
Accounts payable	16,293
Payroll liabilities	20,949
<b>Total current liabilities</b>	<b>48,350</b>
 <b>Long-Term Liabilities</b>	
Notes payable	460,062
Less current portion of long-term debt	(11,108)
<b>Total Long-term liabilities</b>	<b>448,954</b>
 <b>Net Assets</b>	
Without donor restrictions	5,862,908
With donor restrictions	1,416,330
<b>Total net assets</b>	<b>7,279,238</b>
 <b>Total Liabilities and Net Assets</b>	 <b>\$ 7,776,542</b>

See independent auditor's report and notes to the financial statements

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and gains</b>			
Grants and contributions	\$2,394,652	\$2,036,246	\$4,430,898
Merchandise sales	43,737	-	43,737
Cost of sales	(43,184)	-	(43,184)
Interest and dividends	4,025	-	4,025
Payroll protection program	130,121	-	130,121
Unrealized gain on investments	-	9,794	9,794
Other income	104,947	-	104,947
Support provided by expiring time and purpose restrictions	1,747,119	(1,747,119)	-
<b>Total unrestricted revenues and gains and other support</b>	<b>4,381,417</b>	<b>298,921</b>	<b>4,680,338</b>
<b>Expenses</b>			
Program services	3,018,787	-	3,018,787
Management and general	345,260	-	345,260
Fundraising	406,539	-	406,539
<b>Total expenses</b>	<b>3,770,586</b>	<b>-</b>	<b>3,770,586</b>
 <b>Change in Net Assets</b>	 610,831	 298,921	 909,752
<b>Net Assets, Beginning of Year</b>	<b>5,252,077</b>	<b>1,117,409</b>	<b>6,369,486</b>
<b>Net Assets, End of Year</b>	<b>\$5,862,908</b>	<b>\$1,416,330</b>	<b>\$7,279,238</b>

See independent auditor's report and notes to the financial statements

**Rapha House International, Inc.  
DBA Rapha International and Affiliates  
Statement of Functional Expenses  
For the Year Ended December 31, 2021**

	<b>Program Services</b>				<b>Supporting Services</b>		<b>Total</b>
	<b>Survivor Care</b>	<b>Prevention</b>	<b>Engagement</b>	<b>Total Program</b>	<b>Mgmt and General</b>	<b>Fundraising</b>	
Survivor Care Program Support	\$ 1,744,040	\$ -	\$ -	\$ 1,744,040	\$ -	\$ -	\$ 1,744,040
Prevention Program Support	-	336,247	-	336,247	-	-	336,247
Engagement Trips	-	-	-	-	-	-	-
Contract Services	-	18,584	-	18,584	16,063	30,456	65,103
US Payroll	315,208	95,129	140,973	551,310	210,871	175,006	937,187
Facility, Equipment, and Office	57,833	19,129	24,991	101,953	26,407	120,768	249,128
Depreciation	166,618	3,540	5,310	175,468	3,540	2,360	181,368
Travel and Representation	26,301	7,827	10,808	44,936	16,168	13,418	74,522
Other expenses	24,056	9,249	12,944	46,249	72,211	64,531	182,991
	<u>\$ 2,334,056</u>	<u>\$ 489,705</u>	<u>\$ 195,026</u>	<u>\$ 3,018,787</u>	<u>\$ 345,260</u>	<u>\$ 406,539</u>	<u>\$ 3,770,586</u>

See independent auditor's report and notes to the financial statements

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2021**

<b>Cash Flows From Operating Activities</b>	
Change in net assets	\$ 909,752
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	181,368
Unrealized (gain) loss on investments	(9,794)
Changes in operating assets and liabilities	
(Increase) decrease in inventory	17,645
(Increase) decrease in prepaid expenses	2,100
(Increase) decrease in other receivables	(1,637)
Increase (decrease) in accounts payable	(5,390)
Increase (decrease) in payroll liabilities	2,953
<b>Net cash flows from operating activities</b>	<u>1,096,997</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of property and equipment	(792,262)
Purchase of investments	(13,021)
<b>Net cash flows from operating activities</b>	<u>(805,283)</u>
<b>Cash Flows From Financing Activities</b>	
Principal payments on notes payable	(12,024)
<b>Net cash flows from operating activities</b>	<u>(12,024)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>279,690</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>1,430,366</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 1,710,056</u></u>
<b>Cash and Cash Equivalents Consist of the Following:</b>	
Unrestricted cash and cash equivalents	\$ 394,872
Restricted cash and cash equivalents	1,315,184
	<u><u>\$ 1,710,056</u></u>

See independent auditor's report and notes to the financial statements



**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 1 – Nature of Activities and Significant Accounting Policies**

Nature of Activities – The Rapha House International, Inc., DBA Rapha International, is a non-profit corporation located in Joplin, Missouri. The Organization's main purpose is to end the trafficking and exploitation of children through aftercare for survivors, prevention for the vulnerable, and engagement for you. The non-profit entity was formed April 20, 2010, and is active in the USA, Haiti, and Southeast Asia (see "Affiliates" note below).

Basis of Accounting - The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Cash and cash equivalents - For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Net Assets - The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

*Net Assets Without Donor Restrictions*

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net Assets With Donor Restrictions*

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the organization must continue to use the resources in accordance with the donor's instructions.

The organization's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the organization, unless the donor provides more specific directions about the period of its use.

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 1 – Nature of Activities and Significant Accounting Policies (continued)**

Classification of Transactions - All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Property and equipment – The Organization capitalizes property and equipment over \$1,000 to \$5,000. Property and equipment acquired by purchase are stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Depreciation of property and equipment is provided using the straight line method for financial reporting purposes at rates based on their estimated useful lives, ranging from 5 to 40 years. Depreciation was \$181,368 for the year ended December 31, 2021. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Inventory – Inventory consists of items produced by the women and children in their programs and vocational training. These items are recorded at cost. The inventory is in Joplin, Missouri, USA.

Contributed Services – The Organization receives a significant amount of donated services from unpaid volunteers who assist in fundraising and special projects. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

Accounting for Contributions - Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Income Tax Status - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 1 – Nature of Activities and Significant Accounting Policies (continued)**

Expense Recognition and Allocation - The cost of providing the organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Other costs are allocated based on tracking by management and consistent use of general ledger coding.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the organization.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The organization generally does not conduct its fundraising activities in conjunction with its other activities. In the few cases in which it does, such as when the annual report or donor acknowledgements contain requests for contributions, joint costs have been allocated between fundraising and general and administrative expenses in accordance with standards for accounting for costs of activities that include fundraising.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles 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.

Affiliates – Pursuant to FASB ASC 958-810, Rapha International is permitted to present consolidated financial statements with affiliated entities in cases where economic interest and control are present. Accordingly, the financial statements of ARM Cambodia in Cambodia, GMF in Thailand, GLF in Thailand, and Rapha Haiti in Haiti are consolidated herein. The individual financial statements of ARM in Cambodia, GMF in Thailand, and GLF in Thailand have been audited by other auditors, and the audits are available upon request.

**Note 2 – Significant Concentrations of Credit Risk**

Concentration of Credit Risk - The Organization maintains its cash balances at financial institutions located in Southwest Missouri. Accounts held by the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization had \$1,041,651 in cash and cash equivalents over the insured level at December 31, 2021.

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2021:

<b>Financial assets</b>	
Cash and cash equivalents	\$ 1,710,056
Grants receivable	21,561
Total financial assets	<u>1,731,617</u>
<b>Less financial assets held to meet donor-</b>	
Net asset with donor restrictions	<u>(1,416,330)</u>
<b>Amount available for general expenditures</b>	<u><u>315,287</u></u>

The Organization also maintains a \$60,000 line of credit, see Note 8.

**Note 4 – Investments**

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value. Investment return is reflected in the statement of activities as with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Investments at December 31, 2021 consisted of the following:

Cash and cash equivalents	\$ 1,733
Mutual funds - fixed income	23,457
Mutual Funds - large blend equity	24,123
Mutual Funds - foreign equity	16,084
Mutual Funds - emerging markets equity	9,523
Mutual Funds - mid-cap equity	8,572
Mutual Funds - small-cap equity	6,904
Mutual Funds - other equity	10,750
	<u>\$ 101,146</u>

Investment return is reflected in the statement of activities as unrestricted, temporarily restricted or permanently restricted based upon the existence and nature of any donor or legally imposed restrictions. Investments at December 31, 2021 consisted primarily of mutual funds and common stock. Realized and unrealized gains and losses included in change in net assets for 2021 are included in total investment return. Total investment return as reported in the statement of activities is comprised of:

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 4 – Investments (continued)**

Interest and dividends	\$ 4,025
Unrealized gain on investments	9,794
	<u>\$ 13,819</u>

**Note 5 – Disclosures About Fair Value of Assets and Liabilities**

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. The Organization's investments are classified within Level 1 of the hierarchy.

The following tables summarize the levels in the fair value hierarchy of the Organization's investments at December 31, 2021:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and cash equivalents	\$ 1,733	\$ 1,733	\$ -	\$ -
Mutual funds - fixed income	23,457	23,457	-	-
Mutual Funds - large blend equity	24,123	24,123	-	-
Mutual Funds - foreign equity	16,084	16,084	-	-
Mutual Funds - emerging markets equity	9,523	9,523	-	-
Mutual Funds - mid-cap equity	8,572	8,572	-	-
Mutual Funds - small-cap equity	6,904	6,904	-	-
Mutual Funds - other equity	10,750	10,750	-	-
	<u>\$ 101,146</u>	<u>\$ 101,146</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 6 - Endowment**

In 2019 the Freedom Forever Endowment was established. Funds are invested according to a board-approved investment policy statement. Initial contributions are donor restricted per UPMIFA guidelines. For the first three calendar years of existence, the endowment plans to make no spending distributions in order to accumulate value. Absent explicit donor stipulations or law to the contrary, investment gains on permanently restricted endowment funds are classified as restricted net assets until appropriated for expenditure by the organization.

The endowment funds are included in net assets with donor restrictions at December 31, 2021.

Changes in endowment net assets for the year ended December 31, 2021 were:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets January 1, 2020	\$ -	\$ 78,331	\$ 78,331
Investment return	-	11,669	11,669
Contributions	-	12,000	12,000
Appropriation of assets for investment expenses	-	(854)	(854)
	<u>\$ -</u>	<u>\$ 101,146</u>	<u>\$ 101,146</u>

**Note 7 – Long-term Debt**

Long-term debt consisted of the following at December 31, 2021:

Note payable to People's Bank of Seneca, due 3/6/2025, with monthly principal and interest payments of \$2,800, with interest at 4.75%. Secured by property.	460,062
	<u>460,062</u>
Less current maturities of long-term debt	(11,108)
	<u>\$ 448,954</u>

Annual maturities of long-term debt at December 31, 2021 are:

2022	\$11,655
2023	12,229
2024	12,772
2025	423,406
	<u>\$ 460,062</u>

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 8 – Line of Credit**

The Organization has secured a revolving line of credit totaling \$60,000, under which the Organization may borrow at no less than 6.5%, based on the prime rate. The line of credit matures on April 19, 2024 and is secured by assets of the Organization. There were no amounts outstanding under this line of credit at December 31, 2021.

**Note 9 – Net Assets With Donor Restrictions**

Net assets with donor restrictions at December 31, 2021 were as follows:

Programming	\$	813,603
Capital expenditures		501,581
Endowment		101,146
	\$	<u>1,416,330</u>

**Note 10 – Retirement Plan**

Rapha International has established a 401k and a Section 125 Flexible Spending Account for the benefit of the US employees. The 401k plan is administered through Paychex Retirement Services, and fiduciary services are delegated to 401k Generation Inc. Paychex, Inc. is the recordkeeper for the Flexible Spending Account. Since these plans are established for the benefit of employees, their contributions are not reflected as assets on the statement of financial position.

**Note 11 – Risks and Uncertainties**

Rapha has operations in many countries throughout the world, many of which have volatile political and economic environments. As a result, Rapha may have financial risks associated with these operations. No assessments or provisions for these risks have been made.

During the early part of 2020, the spread of the coronavirus (COVID-19) in the United States began to impact the Organization's operations. Government recommendations and mandates have caused the Organization to modify normal operations and program activities, and individuals were strongly urged to avoid public contact to control the spread of COVID-19, causing temporary disruptions to the Organization's activities. These events will likely have a financial impact on the revenues and expenses of the Organization; an estimate of the financial effects of these events can't be made at this time due to the uncertainties of the duration of these effects, and the uncertainty related to sources of revenue.

See independent auditor's report

**Rapha House International, Inc.**  
**DBA Rapha International and Affiliates**  
**Notes to the Financial Statements**  
**December 31, 2021**

**Note 12 – Paycheck Protection Program**

A loan through the Paycheck Protection Program was received and forgiven in the fiscal year 2021. The corresponding revenue of \$130,120.63 is included in the Statement of Activity as all requirements for the loan to be forgiven were met during the year.

**Note 13 – Evaluation of Subsequent Events**

The Organization has evaluated subsequent events through November 15, 2022, the date which the financial statements were available to be issued.

In October 2022, the Organization purchased real estate for \$750,000, with approximately \$430,000 in planned renovations, with a note payable for \$744,515 (remaining funds available for draw for future construction costs) that matures in April 2024, interest at 6.25% payable monthly until the maturity of the note payable.

In May 2022, the Organization signed a Small Business Administration note payable for \$1,000,000, with interest at 2.75%. Monthly payments are \$4,598, beginning 24 months from the original date of the note, and the note matures 30 years from the date of the note.

See independent auditor's report