Raising the Village Inc.

Financial Statements

For the Year Ended December 31, 2025

RSM

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Raising the Village Inc.

Opinion

We have audited the financial statements of Raising the Village Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants
June 11, 2026
Toronto, Ontario

Raising the Village Inc.
Statement of Financial Position
As at December 31, 2025

	2025	2024
Assets		
Current		
Cash and cash equivalents	**$ 15,179,208**	$ 7,588,152
Donations receivable	**186,096**	1,347,658
Amounts receivable	**343,427**	86,760
HST recoverable	**57,731**	42,063
Prepaid expenses and other current assets	**796,678**	1,381,476
	16,563,140	10,446,109
Tangible capital assets (Note 3)	**1,394,987**	789,056
	$ 17,958,127	$ 11,235,165
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	**$ 989,357**	$ 509,661
Operating loan (Note 4)	**2,737,851**	-
Deferred contributions (Note 6)	**4,041,640**	979,052
	7,768,848	1,488,713
Net Assets		
Unrestricted	**3,441,470**	8,246,452
Cash Reserve Fund - Internally Restricted	**5,427,035**	-
Strategic Initiatives Fund - Internally Restricted	**1,320,774**	1,500,000
	10,189,279	9,746,452
	$ 17,958,127	$ 11,235,165

Approved by the Board

Signed by: Newton, Jim
1BB3800747EA421...
Director

Signed by:
BB9B4848D86344F...
Director

Raising the Village Inc.
Statement of Changes in Net Assets
Year Ended December 31, 2025

	Unrestricted	Cash Reserve Fund - Internally Restricted	Strategic Initiatives Fund - Internally Restricted	**2025**	2024
Net assets, beginning of year	$ 8,246,452	$ -	$ 1,500,000	**$ 9,746,452**	$ 6,493,374
Excess of revenues over expenses	622,053	-	(179,226)	**442,827**	3,253,078
Interfund transfer (Note 11)	(5,427,035)	5,427,035	-	**-**	-
Net assets, end of year	$ 3,441,470	$ 5,427,035	$ 1,320,774	**$ 10,189,279**	$ 9,746,452

Raising the Village Inc.
Statement of Operations
Year Ended December 31, 2025

	2025	2024
Revenues		
Grants (Note 7)	**$ 32,351,365**	$ 21,939,164
Other	**353,581**	145,945
Donations	**139,649**	124,697
	32,844,595	22,209,806
Expenses		
Programs		
International programs (Note 9)	**28,224,022**	17,363,057
Support		
Administration (Note 9)	**1,655,983**	899,511
Fundraising (Note 9)	**1,210,364**	889,728
Amortization	**205,796**	124,024
	31,296,165	19,276,320
Excess of revenues over expenses before the undernoted items	**1,548,430**	2,933,486
Other income (expenses)		
Foreign exchange gain (loss)	**(1,103,780)**	319,592
Loss on disposal of tangible capital assets	**(1,823)**	-
	(1,105,603)	319,592
Excess of revenues over expenses	**$ 442,827**	$ 3,253,078

See accompanying notes

Raising the Village Inc.
Statement of Cash Flows
Year Ended December 31, 2025

	2025	2024
Cash provided by (used in)		
Operations		
Excess of revenues over expenses	**$ 442,827**	$ 3,253,078
Items not affecting cash		
Amortization	**205,796**	124,024
Loss on disposal of tangible capital assets	**1,823**	-
	650,446	3,377,102
Net changes in non-cash working capital		
Donations receivable	**1,161,562**	(1,091,384)
Amounts receivable	**(256,667)**	(16,174)
HST recoverable	**(15,668)**	(29,165)
Prepaid expenses and other current assets	**584,798**	(913,408)
Accounts payable and accrued liabilities	**479,696**	184,377
Project loans receivable	**-**	1,134,429
Operating loan	**2,737,851**	-
Deferred contributions	**3,062,588**	(532,026)
	8,404,606	2,113,751
Investing		
Purchase of tangible capital assets	**(817,472)**	(349,135)
Proceeds on disposal of tangible capital assets	**3,922**	-
	(813,550)	(349,135)
Net change in cash and cash equivalents	**7,591,056**	1,764,616
Cash and cash equivalents, beginning of year	**7,588,152**	5,823,536
Cash and cash equivalents, end of year	**$ 15,179,208**	$ 7,588,152

Cash and cash equivalents is comprised of:

	2025	2024
Cash	**$ 5,544,086**	$ 5,378,766
Term deposits	**9,635,122**	2,209,386
	$ 15,179,208	$ 7,588,152

1. DESCRIPTION OF ORGANIZATION

Raising the Village Inc. ("RTV") is a not-for-profit corporation incorporated on January 1, 2015 under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act (Canada). It is exempt from income taxes and is able to issue donation receipts for income tax purposes.

RTV partners with some of the most remote and impoverished communities in Sub-Saharan Africa. Together, sustainable community-based projects are designed to address a village's most significant challenges in the areas of healthcare, water and sanitation, agriculture and nutrition, and community development.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant for RTV.

Net Assets

Net assets consist of the following:

- unrestricted net assets that can be used for any purposes that are consistent with the objectives of RTV;
- the strategic initiative fund was established by the board to be used for specific purposes in building the organization's capacity and funding longer-term initiatives, as determined by the board; and
- internally restricted net assets are designated by the Board to maintain a cash reserve to protect the organization in adverse circumstances.

Revenue Recognition

RTV follows the deferral method of accounting for contributions, which include donations and grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are recognized. All revenues are recognized only after collectability is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial Instruments

RTV initially measures its financial assets and liabilities at fair value. RTV subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, donations receivable, and amounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and operating loans.

Transaction costs and financing fees are capitalized for financial instruments that are subsequently measured at cost or amortized cost.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the statement of operations. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of a reversal is recognized in the statement of operations.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and term deposits having original maturity dates less than three months.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets less estimated disposal value as follows:

Office furniture and equipment	4 years
Vehicles	3-5 years
Computers	4 years

When conditions indicate the carrying value of a capital asset is impaired, it will be written down to the asset's fair value or replacement cost, with the write-down recorded as an expense in the statement of operations and changes in net assets. Write-downs will not be reversed.

Cloud Computing Implementation Costs

The Organization applies the simplification approach and software service fees and other expenses related to cloud computing arrangements are expensed as incurred.

Allocation of Expenditures

RTV management spends a significant amount of time managing and monitoring its international programs. RTV allocates a portion of its Canadian salary and benefits and office rent from administration to international programs at the year end based on estimated time spent to support the international programs. The percentage allocated is reviewed annually.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using year-end exchange rates. Revenues and expenses are translated throughout the year at the average monthly exchange rate for the month in which the transaction occurred. Exchange gains and losses are recorded in the statement of operations.

Donated Materials and Services

RTV receives assistance from volunteers in the carrying out if its activities. Because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Donations in-kind are recorded in the financial statements at fair market value when the fair market value can be reasonably estimated and they would otherwise have been purchased.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 amount of revenue and expenses during the year. Actual results could differ from those estimates. There were no significant estimates identified during the year.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	2025	2024
Vehicles	**$ 1,898,267**	**$ 570,098**	**$ 1,328,169**	$ 743,811
Computers	**44,537**	**11,508**	**33,029**	25,202
Office furniture and equipment	**46,220**	**12,431**	**33,789**	20,043
	$ 1,989,024	**$ 594,037**	**$ 1,394,987**	$ 789,056

During the year RTV expensed furniture, equipment and computer equipment totaling $381,308 (2024 - $366,012). These expenses were included in international programs on the statement of operations and changes in net assets.

4. OPERATING LOAN

During the year, the Organization received an unsecured, interest-free loan in the amount of $2,000,000 USD from a donor to assist with short-term cash flow requirements. The loan is repayable on March 31, 2026, upon receipt of a corresponding $2,200,000 USD grant. The loan has not yet been repaid as of the signing of these financial statements.

5. GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are amounts payable to the Canadian and Ugandan governments with respect to salary and Ugandan purchase tax withholdings of $540,829 (2024 - $323,693).

6. DEFERRED CONTRIBUTIONS

During the year RTV received restricted contributions and grants related to its international programs as follows:

	2025	2024
Balance, beginning of year	**$ 979,052**	$ 1,511,078
Restricted contributions received	**5,321,779**	2,393,546
Amounts recognized in revenue	**(2,259,191)**	(2,925,572)
Balance, end of year	**$ 4,041,640**	$ 979,052

7. GRANTS

	2025	2024
Total grants received in the year	**$ 35,413,953**	$ 21,407,138
Deferred revenue from previous years brought into income	**979,052**	1,511,078
Revenues for future periods included in deferred contributions	**(4,041,640)**	(979,052)
Recognized grants	**$ 32,351,365**	$ 21,939,164

8. SOFTWARE SERVICE FEES

During the year, the Organization incurred $79,199 (2024 - $129,503) of software service fees which are included in administration costs, including $21,352 (2024 - $72,319) of implementation costs.

9. ALLOCATION OF EXPENSES

During the year, Canadian salary and benefits and rent expenses totaling $2,681,164 (2024 - $2,087,177) were allocated amongst various activities as follows:

	Rent	Salary and Benefits	2025	2024
International programs	$ **61,164**	$ **641,677**	$ **702,841**	$ 683,549
Fundraising	**71,987**	**1,055,856**	**1,127,843**	794,088
Administration	**48,706**	**801,774**	**850,480**	609,540
	$ **181,857**	$ **2,499,307**	$ **2,681,164**	$ 2,087,177

10. FINANCIAL RISK MANAGEMENT

There is no change to the Organization’s risk exposure for the current year.

Credit Risk

Financial instruments that potentially subject RTV to concentration of credit risk consist primarily of cash, donations receivable, and amounts receivable. These instruments contain a risk of counterparties failing to discharge their responsibilities. RTV deposits its cash with high credit quality financial institutions in Canada and Uganda. RTV manages risk related to donations receivable through proactive collection policies. The carrying amounts of financial assets on the statement of financial position represent the organization's maximum credit exposure at year end.

Liquidity Risk

Liquidity risk is the risk that RTV may encounter difficulty in raising donations to meet commitments associated with financial instruments and its obligations. RTV manages its liquidity risk by monitoring its operating requirements. RTV continues to prepare budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations. In addition, the Board has approved the establishment of a cash reserve to protect the organization in adverse circumstances.

Interest Rate Risk

RTV's exposure to interest rate risk is limited to fluctuations in the interest rate related to their investments in term deposits within cash equivalents.

10. FINANCIAL RISK MANAGEMENT (Cont'd)

Foreign Currency Risk

RTV undertakes transactions in foreign currencies and therefore is subject to gains and losses due to fluctuations in foreign currency exchange rates. RTV has not entered into any hedging instruments to mitigate this foreign currency risk. RTV monitors exchange rates and prioritizes the use of funds subject to exchange risk before using other funds. Included in cash balances at year end is approximately $2,001,413 (2024 - $1,110,066) held in African banks.

11. INTER-FUND TRANSFERS

At year-end, the board approved the creation of an internally restricted Cash Reserve Fund, to be used as directed by the board. The board approved a transfer in the amount of $5,427,035 from unrestricted net assets to the Cash Reserve Fund.