

RISE International

Financial Statements

For the Year Ended

December 31, 2016

RISE International

Table of Contents

Independent Auditor's Report	3 - 4
Financial Statements:	
Statement of Financial Position	5
Statement of Activities	6
Statement of Cash Flows	7
Notes to Financial Statements	8 – 10
Supplemental Information	
Schedule of Functional Expenses	11

Lynn C. Genn, CPA

2411 Fox Glove Court Elgin, IL 60124
Phone: (224) 402-4366 Fax: (877) 503-7235
Email: lynn@genn.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors
RISE International

We have audited the accompanying financial statements of RISE International (a nonprofit organization) which comprise the statement of financial position as of December 31, 2016, and the related statements of activities 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.

Auditor's 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.

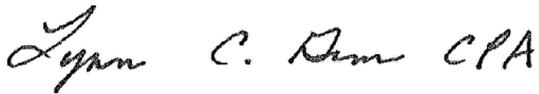
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RISE International as of December 31, 2016, and the changes 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Lynn C. Genn, CPA
May 24, 2017

RISE International
Statement of Financial Position
as of December 31, 2016

Assets			
Current Assets			
Cash & Cash Equivalents	\$199,813		
Investments	<u>14</u>		
		\$199,827	
Fixed Assets			
Computers & Software	5,995		
Accumulated Depreciation	<u>(5,995)</u>		
		0	
Other Assets			
Deposits	<u>1,200</u>		
		<u>1,200</u>	
Total Assets			<u><u>\$201,027</u></u>
Liabilities & Net Assets			
Current Liabilities			
Payroll Liabilities	<u>\$5,055</u>		
		\$5,055	
Net Assets			
Temporarily Purpose Restricted	7,784		
Unrestricted Net Assets	<u>188,188</u>		
		<u>195,972</u>	
Total Liabilities & Net Assets			<u><u>\$201,027</u></u>

RISE International
Statement of Activities
Year Ended December 31, 2016

Changes in Unrestricted Net Assets:

Revenue			
Contributions			
Angolan Schools	\$270,677		
Net Assets Released from Restriction			
(by satisfaction of purpose restriction)	14,414		
General	<u>82,782</u>		
Total Contributions		\$367,873	
Other Revenue			
Fundraising Event Ticket Income	7,220		
Interest & Investment Income	545		
Other Income	<u>470</u>		
		<u>8,235</u>	
Total Revenue			\$376,107
 Expenses			
Program Services			
Angolan Grants	127,218		
Program Expenses	105,985		
Missions Trips	<u>14,414</u>		
Total Program Services		247,617	
Supporting Services			
General & Administrative		65,219	
Fundraising & Development		<u>21,453</u>	
Total Unrestricted Expenses			<u>334,289</u>
Increase (Decrease) in Unrestricted Net Assets			41,818

Changes in Temporarily Purpose Restricted Assets:

Contributions		5,518	
Net Assets Released from Restrictions		<u>(14,414)</u>	
Increase (Decrease) in Temporarily Purpose Restricted Assets			(8,896)
 Net Assets Beginning of Year			<u>163,050</u>
Net Assets End of Year			\$195,972

RISE International
Statement of Cash Flows
Year ended December 31, 2016

Change In:

Unrestricted Net Assets	\$41,818	
Temporarily Restricted Net Assets	<u>(8,896)</u>	
Change in Net Assets		\$32,922

Adjustments to Reconcile Change in Net Assets
to Net Cash Provided by Operating Activities:

Increase in Accumulated Depreciation	35	
Decrease in Accounts Payable	(334)	
Increase in Payroll Liabilities	<u>167</u>	
		<u>(133)</u>

Net Cash Provided by Operating Activities \$32,789

Cash Flows from Investing Activities

Decrease in Investments	<u>1,638</u>	
Net Cash from Investing Activities		<u>1,638</u>

Net Increase in Cash & Cash Equivalents for Year 34,428

Cash Beginning of Year 165,385

Cash End of Year \$199,813

RISE International
Notes to Financial Statements
December 31, 2016

1. Nature of the Organization

RISE builds primary schools in rural Angola to educate children, empower communities and contribute to the rebuilding of the country. Every child should have the chance to go to school, to learn to read and write, and RISE works to give thousands of children the opportunity to receive an education where there is none – one child, one classroom, one school at a time.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of RISE have been prepared on an accrual basis of accounting. Accordingly, income is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Information regarding the financial position and activities of RISE are reported in three classes of net assets as applicable: unrestricted, temporarily restricted and permanently restricted. These classes of net assets are based on the existence or absence of donor imposed restrictions. Accordingly net assets of RISE and changes therein are classified and reported as follows:

Unrestricted Net Assets are not subject to donor imposed stipulations and are currently available at the discretion of the board for use in the ministries of RISE.

Temporarily Purpose Restricted Assets are those subject to donor imposed stipulations that can be removed either through the passage of time (time restrictions) or expenditures by RISE in satisfaction of purpose restrictions.

Permanently Restricted Net Assets are subject to restrictions imposed by donors who require that the principal be invested in perpetuity and only the investment income be expended. RISE does not have any of this type of net assets.

Cash and Cash Equivalents

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

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. All other donor restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Restricted contributions whose restrictions are met in the same reporting period are recorded as unrestricted contributions.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are directly associated with a particular program or supporting service are charged directly to that functional area. Expenses related to more than one function have been allocated among the program and supporting services benefited based on estimates of time or other allocation techniques.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount and disclosures. Accordingly, actual results could differ from the estimates.

Income Taxes

RISE is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code for all business income related to its exempt purpose. RISE is subject to income taxes on unrelated business income after related expenses. There was no unrelated business activity during the year ended December 31, 2016. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization's federal Exempt Organization Business Income Tax Returns (Form 990) for 2013, 2014, 2015 and 2016 are subject to examination by the IRS, generally for three years after they were filed.

Evaluation of Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on technical merits, that the position will be sustained upon examination. As of December 31, 2016, RISE had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent Events

RISE has evaluated subsequent events for potential recognition and/or disclosure through May 24, 2017, the date the financial statements were available to be issued.

3. Angolan Schools

RISE International grants funds to RISE Angola, an independent non-governmental organization. RISE Angola is the implementing partner with direct responsibility and oversight of projects and programs, reporting to RISE International. The Angolan leadership team guides the vision, and manages the building of the schools. Local volunteers participate, establishing a sense of ownership, commitment to the process and to the education of their children. Upon completion, the schools are turned over to the community and the Ministry of Education (hereafter MOE), who hires and pays the teachers and supplies textbooks, chalkboards and desks.

The school building is owned by the community which is responsible along with MOE for the building and operations, once construction is completed. RISE International monitors the use of grants with semi-annual trips to Angola by board members, who also visit the school sites. The stability of the country and government may change.

4. Fundraising Events

Contributions	\$ 114,535
Event Income	8,440
Event Expense	<u>(7,815)</u>
Net Event Income	\$ 115,160

5. Equipment and Depreciation

Equipment is stated at cost if purchased or at fair value at the date of the donation, if donated. Equipment with a cost or fair value of less than \$1,000 is expensed. Equipment in excess of \$1,000 is capitalized at cost or fair market value and depreciated. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

6. Grants

RISE International grants funds to RISE Angola, a non-governmental Angolan organization, to be used for RISE programs, including the construction of schools and installation of wells. Funds are transferred to accounts that are under the control of RISE Angola. Board members and staff of RISE International witness progress and results of construction of schools through photos, written documentation and trips to Angola.

7. Mission Trips

Mission trips provide an opportunity for participants to use their skills and expertise to support the vision and mission of RISE International in Angola, by visiting schools and sites, participating in RISE projects and building relationships.

8. Contributed Materials and Services

A substantial number of volunteers have donated significant amounts of their time to RISE programs and supporting services. These donated services are not reflected in the financial statements, as they do not meet the criteria for recognition as contributed services.

9. Donor Concentration

During 2016 RISE received 58% of its total contributions from 10 donors.

Supplemental Information

RISE International
Schedule of Activities
Functional Expenses
Year Ended December 31, 2016

Program	<u>Angola</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Grants				
Schools	\$127,218	\$ -	\$ -	\$127,218
Oversight & Development	7,117			7,117
Water Project	459			459
Missions Trips	14,414			14,414
Wages & Benefits	98,409			98,409
General & Administrative				
Wages, Tax & Benefits		28,552		28,552
Donor Education		249		249
Office Rental		11,025		11,025
Professional Fees		8,703		8,703
Depreciation		35		35
Telecommunications		6,218		6,218
Office Supplies		1,571		1,571
Postage & Shipping		303		303
Printing & Duplication		249		249
Bank & Other Fees		7,115		7,115
Insurance		1,100		1,100
Professional Development				0
Other		100		100
Fundraising & Development				
Wages, Tax & Benefits			11,777	11,777
Fundraising Event			9,160	9,160
Printing & Duplication				0
Fundraising Activities				0
Postage			517	517
Total Expenses	<u>\$247,617</u>	<u>\$65,219</u>	<u>\$21,453</u>	<u>\$334,289</u>