

RISE International
Financial Statements

For the Year Ended
December 31, 2018

RISE International
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INDEPENDENT AUDITOR'S REPORT

June 21, 2019

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, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

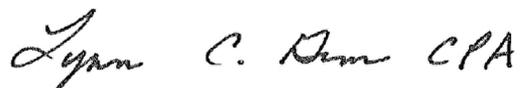
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2018, 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.



Lynn C. Genn, CPA

RISE International
Statement of Financial Position
as of December 31, 2018

Assets

Current Assets

Cash & Cash Equivalents	\$ 644,553		
Investments	6,760		
			\$ 651,313

Fixed Assets

Computers & Software	8,795		
Accumulated Depreciation	(6,784)		
			2,011

Other Assets

Deposits	1,200		
			1,200

Total Assets

\$ 654,524

Liabilities & Net Assets

Current Liabilities

Accounts Payable	\$ -		
Payroll Liabilities	7,769		
			\$ 7,769

Net Assets

With Donor Restrictions			
Purpose Restrictions	132,453		
Without Donor Restrictions	514,302		
			646,755

Total Liabilities & Net Assets

\$ 654,524

RISE International
Statement of Activities
Year Ended December 31, 2018

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenue			
Contributions	\$ 306,110	\$ 606,790	\$ 912,900
Fundraising Event Income	9,807		9,807
Interest & Investment Income	(58)		(58)
	<u>315,858</u>	<u>606,790</u>	<u>922,649</u>
Net Assets Released from Restriction			
Satisfaction of Program Restrictions	<u>1,134,740</u>	<u>(1,134,740)</u>	<u>0</u>
Total Revenue	<u>1,450,599</u>	<u>(527,950)</u>	<u>922,649</u>
Expenses			
Program Services			
Angolan Programs	1,134,740		1,134,740
Supporting Services			
General & Administrative	76,003		76,003
Fundraising & Development	25,901		25,901
Total Expenses	<u>1,236,644</u>	<u>0</u>	<u>1,236,644</u>
Change in Net Assets	213,955	(527,950)	(313,995)
Net Assets Beginning of Year	<u>300,347</u>	<u>660,403</u>	<u>960,750</u>
Net Assets End of Year	<u>\$ 514,302</u>	<u>\$ 132,453</u>	<u>\$ 646,755</u>

**RISE International
Schedule of Activities
Functional Expenses
Year Ended December 31, 2018**

	<u>Angola</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Grants				
Schools	\$ 934,345	\$ -	\$ -	\$ 934,345
Wages, Tax & Benefits	170,920	29,238	13,096	213,254
Oversight & Development	21,325			21,325
Professional Fees	300	19,190		19,490
Office Rental		11,284		11,284
Fundraising Event			8,438	8,438
Bank & Other Fees	160	5,817		5,977
Postage & Shipping	3,599	155	586	4,340
Office Supplies	349	3,774	99	4,222
Missions Trips	2,489			2,489
Telecommunications		2,301		2,301
Fundraising Activities	754	89	2,580	3,424
Printing & Duplication		548	1,101	1,649
Donor Education		1,250		1,250
Insurance		1,100		1,100
Depreciation	500	289		789
Professional Development		767		767
Other Expense		200		200
Total Expenses	<u>\$ 1,134,740</u>	<u>\$ 76,003</u>	<u>\$ 25,901</u>	<u>\$ 1,236,644</u>

RISE International
Statement of Cash Flows
Year ended December 31, 2018

Change In:

Unrestricted Net Assets	\$213,955	
Restricted Net Assets	<u>(527,949)</u>	
Change in Net Assets		(\$313,994)

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

Increase in Accumulated Depreciation	789	
Decrease in Accounts Payable	(1,019)	
Increase in Payroll Liabilities	<u>225</u>	
		<u>(5)</u>

Net Cash Provided by Operating Activities (\$313,999)

Cash Flows from Investing Activities

Increase in Investments	(4,237)	
Increase in Fixed Assets	<u>(2,800)</u>	

Net Cash from Investing Activities (7,037)

Net Increase in Cash & Cash Equivalents for Year (321,035)

Cash Beginning of Year 965,589

Cash End of Year \$644,554

RISE International
Notes to Financial Statements
December 31, 2018

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 two classes of net assets as applicable: unrestricted and 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.

Restricted Net Assets are those subject to donor imposed stipulations, including temporarily restricted and permanently restricted.

Temporarily restricted net 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. As of year end the Organization held cash in excess of the FDIC insured limits in one bank account, due to an unusually large grant. The Organization does not believe that their deposits are at risk.

Contributions

Contributions received are recorded as unrestricted or restricted (temporarily restricted or permanently restricted), 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 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. Temporarily 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, 2018. 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 2015, 2016, 2017 and 2018 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, 2018, 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 June 21, 2018, 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 communities, country and government may change.

4. Fundraising Events

Contributions	\$ 148,192
Event Income	9,047
Event Expense	<u>(8,438)</u>
Net Event Income	\$ 148,801

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 2018 RISE received 21.5% of its total contributions from 9 donors, excluding the unusual grant of \$500,000 from a single grantor.