

RISE International  
Financial Statements

For the Year Ended  
December 31, 2021

**RISE International**  
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## INDEPENDENT AUDITOR'S REPORT

June 28, 2022

Board of Directors  
RISE International

### Opinion

We have audited the accompanying financial statements of RISE International (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 RISE International as of December 31, 2021, 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.

### Basis for Opinion

We conducted our audit 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 RISE International 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.

### Responsibilities of Management 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, 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 RISE International'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 Responsibility for the Audit of the Financial Statements

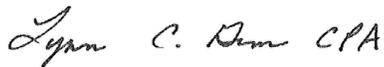
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance 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 RISE International's 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 RISE International'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.



Lynn C. Genn, CPA

Elgin, Illinois

June 28, 2022

**RISE International**  
**Statement of Financial Position**  
**as of December 31, 2021**

Assets

Current Assets

Cash & Cash Equivalents	\$ 314,477	
ERC Receivable	<u>17,241</u>	
		\$ 331,718

Fixed Assets

Computers & Software	4,300	
Accumulated Depreciation	<u>(3,759)</u>	
		541

Other Assets

Deposits	<u>1,200</u>	
		1,200

Total Assets		<u>1,200</u>	<u><u>\$ 333,459</u></u>
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Liabilities & Net Assets

Current Liabilities

Accounts Payable	\$ 464	
Payroll Liabilities	<u>0</u>	
		\$ 464

Non-Current Liabilities

PPP Loan Payable	<u>0</u>	
		0

Net Assets

With Donor Restrictions		
Purpose Restrictions	2,680	
Without Donor Restrictions	<u>330,315</u>	
		332,995

Total Liabilities & Net Assets		<u>332,995</u>	<u><u>\$ 333,459</u></u>
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**RISE International**  
**Statement of Activities**  
**Year Ended December 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenue			
Contributions	\$ 189,558	\$ 461,119	\$ 650,677
Fundraising Event Income	4,200		4,200
Grants	138,689		138,689
Interest & Gain (Loss) on Investment	1,850		1,850
Other Income	139		139
	334,436	461,119	795,555
Net Assets Released from Restriction			
Satisfaction of Program Restrictions	461,119	(461,119)	0
Total Revenue	795,555	0	795,555
Expenses			
Program Services			
Angolan Programs	508,176		508,176
Supporting Services			
General & Administrative	55,923		55,923
Fundraising & Development	23,055		23,055
Total Expenses	587,154	0	587,154
Change in Net Assets	208,401	0	208,401
Net Assets Beginning of Year	121,914	2,680	124,594
Net Assets End of Year	\$ 330,315	\$ 2,680	\$ 332,995

**RISE International  
Schedule of Activities  
Functional Expenses  
Year Ended December 31, 2021**

	<u>Angola</u>	<u>General &amp; Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Grants				
Schools	\$ 307,000	\$ -	\$ -	\$ 307,000
Wages, Tax & Benefits	182,129	25,732	13,514	221,375
Oversight & Development	13,880	-	-	13,880
Professional Fees	5,000	9,605	-	14,605
Office Rental	-	9,888	-	9,888
Bank & Other Fees	-	6,379	-	6,379
Postage & Shipping	-	54	523	577
Office Supplies	-	490	16	505
Missions Trips	-	-	-	-
Telecommunications	-	2,134	-	2,134
Fundraising Expense	-	-	7,603	7,603
Printing & Duplication	-	-	1,399	1,399
Insurance	-	964	-	964
Depreciation	167	478	-	644
Professional Development	-	-	-	-
Other Expense	-	200	-	200
<b>Total Expenses</b>	<b>\$ 508,176</b>	<b>\$ 55,923</b>	<b>\$ 23,055</b>	<b>\$ 587,154</b>

**RISE International**  
**Statement of Cash Flows**  
**Year ended December 31, 2021**

Change In:		
Net Assets Without Donor Restrictions	\$208,401	
Net Assets With Donor Restrictions	<u>0</u>	
Change in Net Assets		\$208,401
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Increase in ERC Receivable	(17,241)	
Increase in Accumulated Depreciation	644	
Decrease in Credit Card Balance	(235)	
Decrease in Payroll Liabilities	<u>(6)</u>	
		<u>(16,838)</u>
Net Cash Provided by Operating Activities		\$191,563
Cash Flows from Investing Activities		
Decrease in Fixed Assets	5,995	
Decrease in Accumulated Depreciation	(5,995)	
Decrease in Investments	<u>2,043</u>	
Net Cash from Investing Activities		2,043
Cash Flows from Financing Activities		
Decrease in PPP Loan	<u>(41,020)</u>	
Net Cash from Financing Activities		<u>(41,020)</u>
Net Increase in Cash & Cash Equivalents for Year		152,586
Cash Beginning of Year		<u>161,891</u>
Cash End of Year		<u><u>\$314,477</u></u>

RISE International  
Notes to Financial Statements  
December 31, 2021

**1. Nature of the Organization**

RISE (the Organization) 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.

RISE is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and comparable state law. The organization is not a private foundation under section 509 (a)(1) of the Code.

**2. Summary of Significant Accounting Policies**

Basis of Accounting

The financial statements of RISE have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from these estimates. The more significant accounting policies are summarized below.

Cash and Cash Equivalents

RISE considers all cash and highly liquid investments with initial maturities of three months or less to be cash equivalents. At times during the year the Organization may have held cash in excess of the FDIC insured limits in one bank account for short periods of time, due to unusually large donations. The Organization does not believe that their deposits are at risk.

Classes of Net Assets

Net assets are classified in the financial statements as follows:

*Net assets without donor restrictions* are those currently available at the discretion of the Board for use in the Organizations operations.

*Net assets with donor restrictions* are those stipulated by donors for specific purposes, or with timing restrictions, or amounts contributed with donor restrictions requiring that they be held in perpetuity.

Contributions

All contributions are considered available for use, unless specifically restricted by the donor. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a donor restriction expires (that is when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets release from restrictions.

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.

RISE International  
Notes to Financial Statements  
December 31, 2021

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, 2021. 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 2019, 2020 and 2021 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, 2021, RISE had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

**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	\$ 365,157
Event Income	4,200
Event Expense	<u>( 7,321)</u>
Net Event Income	\$ 362,036

**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 confirm progress and results of the construction of all 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.

RISE International  
Notes to Financial Statements  
December 31, 2021

**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 2021 RISE received 41% of its total contributions from 3 donors. During the prior year 39% of total contributions were received from 5 donors.

**10. Employee Retention Credit Receivable**

The CARES Act provides an employee retention credit (ERC), which is a refundable tax credit against certain employment taxes of up to \$7,000 per employee per quarter for eligible employers. The tax credit is equal to a percentage of qualified wages paid to employees during a quarter with an annual cap. RISE qualified for ERCs during 2021 of \$56,634, some of which will be settled after year end. As of year end RISE has a receivable balance of \$17,241, which will be collected during the first four months of 2022.

**11. PPP Loan Payable**

As part of the response to the impact of COVID-19, RISE applied for a Paycheck Protection Program Loan, administered by the Small Business Administration (SBA) under the CARES Act. RISE was approved for a loan in the amount of \$41,020 and received the proceeds on May 1, 2020. The PPP loan program provides for the potential loan forgiveness up to the full amount of the loan provided that RISE meets certain loan stipulations. The SBA did approve forgiveness of this loan in full on March 24, 2021.

RISE also applied for a second PPP loan, was approved for a loan in the amount of \$41,035 and received the proceeds on February 2, 2021. This loan was also approved for forgiveness in full on November 8, 2021. The amount due on these two loans as of year end was \$0.

**12. Liquidity and Availability of Resources**

The following table reflects RISE financial assets as of December 31, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year because of contractual or donor-imposed restrictions.

	<u>December 31, 2021</u>
Financials Assets:	
Cash	\$ 314,477
Less those unavailable for general expenditure within one year due to:	
Net assets with donor restrictions	<u>( 2,680)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 311,797</u>

**13. Risks and Uncertainties**

March of 2020, the World Health Organization declared the outbreak of coronavirus as a pandemic which continues to spread throughout the United States. Coronavirus has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the Coronavirus pandemic, as well as the effectiveness of government and central bank responses remains unclear at this time. It is not possible to reliably estimate the impact on the financial position and results of RISE for future fiscal years. Management is monitoring the situation, evaluating its options, and implementing new strategies, if possible, as circumstances evolve.

**14. Subsequent Events**

RISE has evaluated subsequent events for potential recognition and/or disclosure through June 28, 2022, the date the financial statements were available to be issued.