

RISE International Financial Statements

For the Year Ended
December 31, 2022

RISE International
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INDEPENDENT AUDITOR'S REPORT

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, 2022, 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, 2022, 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.

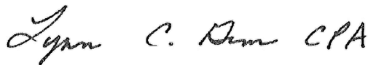
Auditor's Responsibility for the Audit of the Financial Statements

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

September 4, 2023

RISE International
Statement of Financial Position
as of December 31, 2022

Assets			
Current Assets			
Cash & Cash Equivalents	\$ 168,725		
	<u> </u>	\$ 168,725	
Long Term Assets			
Investments	9,008		
	<u> </u>	9,008	
Fixed Assets			
Computers & Software	3,450		
Accumulated Depreciation	<u>(1,527)</u>		
		1,923	
Other Assets			
Deposits	1,200		
	<u> </u>	1,200	
Total Assets		<u> </u>	<u><u>\$ 180,856</u></u>
Liabilities & Net Assets			
Current Liabilities			
Accounts Payable	\$ 1,450		
	<u> </u>	\$ 1,450	
Net Assets			
Without Donor Restrictions	179,406		
	<u> </u>	179,406	
Total Liabilities & Net Assets		<u> </u>	<u><u>\$ 180,856</u></u>

RISE International
Statement of Activities
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions	\$ 224,290	\$ 187,840	\$ 412,131
Fundraising Event Income	4,950		4,950
Interest & Gain (Loss) on Investment	55		55
Other Income			0
	229,295	187,840	417,136
Net Assets Released from Restriction			
Satisfaction of Program Restrictions	187,840	(187,840)	0
Total Revenue	417,136	0	417,136
Expenses			
Program Services			
Angolan Programs	487,151		487,151
Supporting Services			
General & Administrative	56,403		56,403
Fundraising & Development	27,171		27,171
Total Expenses	570,725	0	570,725
Change in Net Assets	(153,589)	0	(153,589)
Net Assets Beginning of Year	330,315	2,680	332,995
Net Assets End of Year	\$ 176,726	\$ 2,680	\$ 179,406

**RISE International
Schedule of Activities
Functional Expenses
Year Ended December 31, 2022**

	<u>Angola</u>	<u>General & Admin</u>	<u>Fund Raising</u>	<u>Total</u>
Grants				
Schools	\$ 287,536	\$ -	\$ -	\$ 287,536
Wages, Tax & Benefits	189,169	26,879	13,897	229,944
Oversight & Development	10,446	-	-	10,446
Professional Fees	-	9,690	-	9,690
Office Rental	-	7,488	-	7,488
Bank & Other Fees	-	7,061	-	7,061
Postage & Shipping	-	31	-	31
Office Supplies	-	901	-	901
Missions Trips	-	-	-	-
Telecommunications	-	2,521	-	2,521
Fundraising Expense	-	-	10,803	10,803
Printing & Duplication	-	-	2,202	2,202
Insurance	-	964	-	964
Depreciation	-	769	-	769
Professional Development	-	-	269	269
Other Expense	-	100	-	100
Total Expenses	\$ 487,151	\$ 56,403	\$ 27,171	\$ 570,725

RISE International
Statement of Cash Flows
Year ended December 31, 2022

Change In:		
Net Assets Without Donor Restrictions	(\$153,589)	
Net Assets With Donor Restrictions	<u>0</u>	
Change in Net Assets		(\$153,589)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Decrease in ERC Receivable	17,241	
Increase in Accumulated Depreciation	768	
Increase in Credit Card Balance	<u>986</u>	
		<u>18,995</u>
Net Cash Provided by Operating Activities		(\$134,594)
Cash Flows from Investing Activities		
Decrease in Fixed Assets	3,000	
Decrease in Accumulated Depreciation	(3,000)	
Increase in Fixed Assets	(2,150)	
Increase in Investments	<u>(9,008)</u>	
		<u>(11,158)</u>
Net Cash from Investing Activities		<u>(11,158)</u>
Net Increase in Cash & Cash Equivalents for Year		(145,752)
Cash Beginning of Year		<u>314,477</u>
Cash End of Year		<u><u>\$168,725</u></u>

RISE International
Notes to Financial Statements
December 31, 2022

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, 2022

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, 2022. 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 2020, 2021 and 2022 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, 2022, 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 MED), who hires and pays the teachers and supplies textbooks, chalk boards and desks.

The school building is turned over to the community and MED upon completion of construction. The community and MED own the building, and are responsible for ongoing maintenance and operations. 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	\$ 144,546
Event Income	4,950
Event Expense	<u>(9,027)</u>
Net Event Income	\$ 140,469

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. Trips to Angola

Small teams periodically travel to Angola with RISE leadership to implement projects, visit school and sites, and to document the work.

RISE International
Notes to Financial Statements
December 31, 2022

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 2022 RISE received 33% of its total contributions from 4 donors. During the prior year 41% of total contributions were received from 3 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 had an ERC receivable of \$17,241 as of 1/1/22 that was collected during the first four months of 2022.

11. Liquidity and Availability of Resources

The following table reflects RISE financial assets as of December 31, 2022, 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, 2022</u>
Financials Assets:	
Cash	\$ 168,725
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>\$ 166,045</u>

12. Subsequent Events

RISE has evaluated subsequent events for potential recognition and/or disclosure through September 4, 2023, the date the financial statements were available to be issued.