

Rise International

Financial Statements

For the Year Ended

December 31, 2009

Rise International

Financial Statement

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Rise International
Board of Directors
Winnetka, Illinois

I have audited the accompanying general-purpose financial statements of Rise International, including the statement of financial position as of December 31, 2009, and the related statement of activities and cash flows for the year then ended. These general-purpose financial statements are the responsibility of Rise International's management. My responsibility is to express an opinion on these general-purpose financial statements based on the audit.

I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.

In my opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Rise International as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Lynn C. Genn, CPA
August 11, 2010

Rise International
Statement of Financial Position
as of December 31, 2009

Assets

Current Assets

Cash & Cash Equivalents	102,623	
Investments	<u>8</u>	102,631

Fixed Assets

Computers & Software	7,462	
Accumulated Depreciation	<u>(5,691)</u>	1,771

Other Assets

Prepaid Overseas Admin. Fees	2,850	
Deposits	<u>1,300</u>	4,150

Total Assets		<u>108,552</u>
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Liabilities & Net Assets

Net Assets

Temporarily Purpose Restricted (note #3)	0	
Unrestricted Net Assets	<u>108,552</u>	108,552

Total Liabilities & Net Assets		<u>108,552</u>
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**Rise International
Statement of Activities
Year Ended December 31, 2009**

Changes in Unrestricted Net Assets:

Revenue		
Contributions		
Angolan Schools	523,590	
Fundraiser (note 5)	<u>100,603</u>	
Total Angolan Schools	624,193	
Mission Trips	77,426	
General	<u>170,572</u>	
		872,191
Program Revenue		
Fundraising Events Income		11,250
Other Revenue		
Interest & Investment Income		<u>1,139</u>
Total Revenue		884,580
Expenses		
Program Services		
Angolan Schools		647,098
Missions Trips		79,241
Supporting Services		
General & Administrative		86,044
Fundraising & Development		<u>53,581</u>
Total Unrestricted Expenses		<u>865,964</u>
Increase (Decrease) in Unrestricted Net Assets		18,616

Changes in Temporarily Purpose Restricted Assets:

Increase (Decrease) in Temporarily Purpose Restricted Assets (note 3)		
Angolan Schools		0
Net Assets Beginning of Year		<u>89,936</u>
Net Assets End of Year		108,552

Rise International
Statement of Cash Flows
Year ended December 31, 2009

Change In:

Unrestricted Net Assets	19,645	
Temporarily Restricted Net Assets	<u>0</u>	
Change in Net Assets		19,645

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

Depreciation	1,416	
Increase in Fixed Assets	<u>(1,436)</u>	
		<u>(20)</u>

Net Cash Provided by Operating Activities 19,626

Cash Flows from Investing Activities

Prepaid Overseas Administration Fees	<u>4,800</u>	
Net Cash from Investing Activities		<u><u>4,800</u></u>

Net Increase in Cash & Cash Equivalents for Year 24,426

Cash Beginning of Year 78,197

Cash End of Year 102,623

**Rise International
Statement of Activities
Functional
Year Ended December 31, 2009**

	<u>Angola</u>	<u>General Fund</u>	<u>Fund Raising</u>	<u>Total</u>
Program				
Angolan Schools				
Buildings	390,159			390,159
Oversight & Development	46,438			46,438
Wells	106,811			106,811
Eduational Programs	4,399			4,399
Missions Trips	79,241			79,241
Wages & Benefits	40,959			40,959
Container Expense	51,681			51,681
Bank & Other Fees	6,151			6,151
Depreciation	500			500
General & Administrative				
Wages & Benefits		53,769		53,769
Office Rental		8,460		8,460
Professional Fees		9,575		9,575
Depreciation		916		916
Telecommunications		2,377		2,377
Office Supplies		3,524		3,524
Postage & Shipping		1,016		1,016
Printing & Duplication		2,210		2,210
Bank & Other Fees		2,636		2,636
Insurance		1,293		1,293
Other		268		268
Fundraising & Development				
Wages & Benefits			16,819	16,819
Fundraising Event Expense			19,737	19,737
Printing & Duplication			2,018	2,018
Bank & Other Fees			6,980	6,980
Donor Education			6,347	6,347
Postage			1,096	1,096
Website			120	120
Other			465	465
Total Expenses	<u>726,339</u>	<u>86,044</u>	<u>53,582</u>	<u>865,965</u>

RISE International
Notes to Financial Statements
December 31, 2009

1. Nature of the Organization

RISE International is an organization dedicated to working together to rebuild lives and communities by reflecting Jesus' charge to love others as we love ourselves. Their mission is to partner with Angolan churches, community leaders and government officials to build primary schools in rural Angola.

The organization is exempt from income tax under Sections 501 (c)(3) of the Internal Revenue Code and comparable state law. Contributions to it are tax deductible within the limitations prescribed by the code. The organization has been classified as a publicly supported organization which is not a private foundation under section 509(a) of the code.

2. Significant Accounting Policies

The financial statements of RISE International have been prepared on an accrual basis. 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. Actual results could differ from the estimates. The fair value of financial instruments approximates their carrying value. The significant accounting policies following are described to enhance the usefulness of the financial statements to the reader.

A. Classes of Net Assets

1.) Unrestricted

Unrestricted Net Assets are those currently available at the discretion of the board for use in the organization's ministries, and those resources invested in equipment.

2.) Temporarily Purpose Restricted

Temporarily purpose restricted assets are those where the donor has stated a preference that the donation be used for specific ministry purposes, or the circumstances surrounding the receipt of the donation make clear the donor's implicit purpose restriction.

B. Cash & Cash Equivalents

Cash and cash equivalents consist of cash held in interest-bearing accounts and short-term investments in money market accounts and certificates of deposit with original maturities of less than 1 year.

C. Fixed Assets

Expenditures for equipment in excess of \$1,000 are capitalized at cost. Depreciation is calculated on the straight-line method over the estimated useful life of the equipment. One fifth of these assets are currently held overseas by personnel who are contracted for their services. The stability of the region and government may change, therefore the assets may or may not be secure.

D. Revenue

1.) Unrestricted Contributions

Unrestricted contributions are recognized when cash or ownership of donated assets is unconditionally transferred to the organization.

2.) Temporarily Purpose Restricted Contributions

Temporarily purpose restricted contributions are recognized as contributions income in the statement of activities when cash or ownership of donated assets is unconditionally promised to the organization and subsequently released to the unrestricted fund when expenses have been incurred in satisfaction of those restrictions.

3.) Faith Promises

"Faith Promises" are treated as conditional promises to give. As these promises to donate are contingent upon God's continued provision (i.e. givers financial position at a future date), the donation is not recorded until received.

4.) Other Income

Other income is recognized when earned.

E. Expenses

Expenses are recognized when incurred in accordance with the accrual method of accounting.

Mission Trips

Mission trips provide an opportunity for participants to use their skills and expertise to support the vision and mission of RISE in Angola by conducting workshops, helping construct schools and building relationships.

3. Temporarily Purpose Restricted Assets

RISE International has received donations to be used in construction of Angolan schools. The project of constructing schools may require several months to more than one year, due to seasonal building limitations.

Therefore the balance of the funds that have not been expended in accordance with their purpose restriction, are classified on the Statement of Financial Position as "Temporarily Purpose Restricted", until such time as Angolan schools are built that expend these purpose restricted funds.

As the funds from prior years are expended they are recognized on the Statement of Activities as a "Decrease in Temporarily Purpose Restricted Asset".

4. Angolan Schools

RISE partners with another non-governmental organization located in Angola to build schools. Funds are transferred to accounts under the control of that organization.

The local church, congregation and community supply the land and contribute labor for the school building. RISE funds the purchase of building materials and provides building plans and oversight. The Ministry of Education (MOE) provides and pays the teachers, supplies desks, blackboards and textbooks.

The school building and land are not owned by RISE. Through the execution of a "RISE/Partner Covenant Agreement for a Village School" the ownership of the school building is effectively given to the local church, congregation and community, which is responsible along with the MOE for that building and operations.

Board members and mission teams monitor the construction of the schools. Hand written receipts are submitted to RISE for the purchase of the construction materials, as any other form of receipts are normally unavailable in rural Angola. Consequently, there is some risk inherent to this ministry. RISE has also put controls in place to monitor the appropriate use of ministry funds. The stability of the country and its government may change.

5. Fundraising Events

Contributions	\$ 100,603
Event Income	11,250
Event Expense	<u>(19,737)</u>
Net Event Income	\$ 92,116