CORPSAFRICA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

DECEMBER 31, 2019

RB | RICH & BANDER

CERTIFIED PUBLIC ACCOUNTANTS

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RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
CorpsAfrica
New York, NY

We have audited the accompanying financial statements of CorpsAfrica (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CorpsAfrica as of December 31, 2019, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of and for the year ended December 31, 2019, CorpsAfrica adopted Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the financial statements, as of and for the year ended December 31, 2019, CorpsAfrica adopted Accounting Standards Update No. 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments,* and Accounting Standards Update No. 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. Our opinion is not modified with respect to this matter.

As discussed in Note 13 to the financial statements, cash and cash equivalents and nets assets without donor restrictions in the amount of $31,578 were misstated in the Statement of Financial Position and the Statement of Activities as of and for the year ended December 31, 2018. Accordingly, beginning net assets as of January 1, 2019 were restated to reflect the correction of this error. Our opinion is not modified with respect to this matter.

Rich and Bander, LLP

New York, NY
November 9, 2020

CORPSAFRICA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

Current assets		
Cash and cash equivalents	$	59,707
Contributions receivable		381,689
Prepaid expenses and advances		36,367
Security deposit		2,925
Total current assets	**$**	**480,688**
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$	26,360
Grant advances		20,893
Loan payable		5,081
Total current liabilities		**52,334**
Net assets		
Without donor restrictions		428,354
With donor restrictions		-
Total net assets		**428,354**
Total Liabilities and Net Assets	**$**	**480,688**

The accompanying notes are an integral part of these financial statements.

CORPSAFRICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants and contributions	$ 1,461,497	$ -	$ 1,461,497
In-kind contributions	30,000	-	30,000
Interest income	8	-	8
Loss on foreign currency exchange	(4,441)	-	(4,441)
Miscellaneous income	907	-	907
Net assets released from restrictions	81,930	(81,930)	-
Total revenue and support	**1,569,901**	**(81,930)**	**1,487,971**
Expenses			
Program services			
Malawi	446,007	-	446,007
Senegal	250,694	-	250,694
Morocco	196,606	-	196,606
Rwanda	173,745	-	173,745
United States	118,294	-	118,294
Supporting services			
Management and general	121,752	-	121,752
Fundraising	37,215	-	37,215
Total expenses	**1,344,313**	**-**	**1,344,313**
Change in net assets	225,588	(81,930)	143,658
Net assets - beginning of year, as originally reported	234,344	81,930	316,274
Prior period adjustment (see Note 13)	(31,578)	-	(31,578)
Net assets - beginning of year, as adjusted	202,766	81,930	284,696
Net assets - end of year	**$ 428,354**	**$ -**	**$ 428,354**

CORPSAFRICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services								
	Malawi	Senegal	Morocco	Rwanda	United States	Total Program	Management & General	Fundraising	Total
Volunteer expenses	$ 350,321	$ 126,156	$ 113,304	$ 73,107	$ -	$ 662,888	$ -	$ -	$ 662,888
Salaries	72,692	86,593	41,904	61,031	40,442	302,662	28,850	18,035	349,547
Rent	1,256	4,882	1,131	7,708	26,781	41,758	7,652	5,490	54,900
Travel	404	12,795	5,316	1,660	15,091	35,266	5,656	3,052	43,974
Consultants	-	-	20,135	-	19,125	39,260	-	-	39,260
Accounting and audit	-	-	-	-	-	-	31,682	-	31,682
Supplies and miscellaneous	1,639	6,936	8,784	5,044	1,639	24,042	1,962	1,230	27,234
Employee benefits	4,572	5,447	2,636	3,839	2,544	19,038	1,814	1,134	21,986
Taxes and licenses	-	-	-	-	-	-	18,758	-	18,758
Insurance	-	18	-	9,686	5,939	15,643	1,697	848	18,188
Information technology	3,215	2,315	-	3,980	1,930	11,440	1,186	699	13,325
Professional fees	7,988	-	1,889	1,571	14	11,462	767	511	12,740
Payroll taxes	2,188	2,607	1,261	1,838	1,218	9,112	869	543	10,524
Training	-	-	95	4,281	3,394	7,770	1,261	679	9,710
Meetings	-	-	-	-	-	-	7,780	-	7,780
Bank fees	-	-	-	-	-	-	3,782	-	3,782
Event costs	-	-	-	-	-	-	-	3,398	3,398
Telephone	1,732	792	151	-	-	2,675	178	119	2,972
Payroll processing fees	-	-	-	-	-	-	2,897	-	2,897
Dues and subscriptions	-	-	-	-	177	177	2,096	252	2,525
Utilities	-	2,153	-	-	-	2,153	144	96	2,393
Marketing	-	-	-	-	-	-	-	1,129	1,129
Postage	-	-	-	-	-	-	943	-	943
Website	-	-	-	-	-	-	903	-	903
Printing	-	-	-	-	-	-	875	-	875
Total expenses by function	**$ 446,007**	**$ 250,694**	**$ 196,606**	**$ 173,745**	**$ 118,294**	**$ 1,185,346**	**$ 121,752**	**$ 37,215**	**$ 1,344,313**

CORPSAFRICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

Cash flows from operating activities:	
Change in net assets	$ 143,658
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Donated securities	(1,006)
(Increase) decrease in operating assets:	
Accounts receivable, net of allowance	206,112
Contributions receivable	(369,238)
Prepaid expenses and advances	(25,500)
Security deposit	(2,925)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	24,969
Grant advances	20,893
Deferred revenue	(41,461)
Total adjustments	(188,156)
Net cash used in operating activities	(44,498)
Cash flows from investing activities:	
Proceeds from sale of donated securities	1,006
Net cash provided by investing activities	1,006
Cash flows from financing activities:	
Proceeds from loan payable	5,081
Principal payments on note payable	(55,000)
Net cash used in financing activities	(49,919)
Net decrease in cash and cash equivalents	(93,411)
Cash and cash equivalents, beginning of year, as originally reported	184,696
Prior period adjustment (see Note 13)	(31,578)
Cash and cash equivalents, beginning of year, as adjusted	153,118
Cash and cash equivalents, end of year	**$ 59,707**
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -
Supplemental disclosure of non-cash investing activity:	
Marketable securities donated to Organization	$ 1,006

The accompanying notes are an integral part of these financial statements.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

CorpsAfrica (the "Organization") was organized as a not-for-profit organization on May 23, 2011 under the laws of the State of New York. The Organization seeks to build on Peace Corps' success by offering the same transformative volunteer experience to emerging leaders in Africa. The Organization recruits and places ambitious Africans in remote, high poverty communities in their own countries for a year, giving them the chance to be a part of the solution for their own countries. The Organization volunteers initiate sustainable projects that fulfill key needs in their communities and whose impact and success can be carefully measured and monitored. The Organization currently operates in Senegal, Morocco, Rwanda and Malawi.

The Organization's programs are supported primarily by foundation, individual and corporate donor contributions.

Basis of Accounting

Revenues and expenses are recorded on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents. Restricted cash consists of cash or cash equivalents held for endowments, special projects, or other long-term purposes. There was no restricted cash for the year ended December 31, 2019.

Accounts Receivable

Program service revenues earned but not yet received that is expected to be collected within one year is recorded as accounts receivable at net realizable value. The Organization uses the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific receivables.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-kind contributions are reflected as contributions at their fair value at date of donation and are offset by like amounts included in expenses.

Contributed Services

A number of volunteers have donated significant amounts of their time to the Organization in connection with its programs. Directors and officers have made a significant contribution of their time to develop the Organization and its programs. These donated services are not reflected in the financial statements since they do not meet the criteria for recognition as contributed services.

Advertising Costs

The Organization's policy is to expense advertising costs as they are incurred. There was no advertising expense for the year ended December 31, 2019.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Foreign Currency Translations

Substantially all assets and liabilities of the Organization's operations are translated at year-end exchange rates; support and revenue and expenses are translated at the average exchange rates during the year.

Gains and losses from foreign currency translations for the period are included in the statement of activities.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Change in Accounting Principle

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This standard clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in the standard should assist entities in: (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The guidance applicable to resource recipients is effective for fiscal years beginning after June 15, 2018, and the guidance applicable to resource providers is effective for fiscal years beginning after December 15, 2018. On January 1, 2019, the Organization adopted ASU No. 2018-08. There were no material changes to the financial statements upon adoption.

In August 2016, FASB issued ASU No. 2016-15, *Statement of Cash Flows* (Topic 230): *Classification of Certain Cash Receipts and Cash Payments*. This guidance is intended to reduce the diversity in practice in how certain transactions are classified in the statement of cash flows. In addition, in November 2016, FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. This ASU provides additional guidance related to transfers between cash and restricted cash and how entities present, in their statement of cash flows, the cash receipts and cash payments that directly affect the restricted cash accounts. There were no changes for the Organization upon adoption of these provisions in the accompanying financial statements.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recent Accounting Pronouncements

In May 2014, the FASB issued an ASU No. 2014-09 *Revenue from Contracts with Customers* (Topic 606) which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively. The effective date of this standard has been delayed to annual periods beginning after December 15, 2019 and in interim periods in annual periods beginning after December 15, 2020.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new standard establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for most leases with terms longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

The Organization is currently evaluating the effect these updates will have on its financial statements.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Organization has no obligation for any unrelated business income tax.

The Organization's Forms 990, *Return of Organizations Exempt from Income Tax*, for the years ended December 31, 2018, 2017 and 2016 are subject to examination by the Internal Revenue Service ("IRS"), generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2019, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Organization to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2) FAIR VALUE MEASUREMENTS

The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2019, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

3) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	$ 59,707
Contributions receivable	381,689
Total	$ 441,396

The Organization is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

4) CONTRIBUTIONS RECEIVABLE

Contributions receivable totaled $381,689 at December 31, 2019. These amounts are generally collected within one year. The Organization believes all contributions receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

5) NOTE PAYABLE

On February 10, 2017, the Organization signed a note with Silicon Valley Community Foundation via Open Road Alliance. The principal amount of $100,000 was originally scheduled to be paid in full in May 2017. The due date was extended to December 2019. The note is non-interest bearing. Principal monthly payments under the note total $5,000, effective May 2018 through November 2019. As of December 31, 2019, the note was repaid in full.

6) LOAN PAYABLE

During the year ended December 31, 2019, the Organization received a $5,081 interest-free short-term cash flow loan from African Carbon Commodities. The loan was repaid in January 2020.

7) NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2019:

Expiration of time restrictions	$ 10,000
Satisfaction of purpose and time restrictions:	
Volunteers and teacher housing projects	42,000
Basketball court	29,930
	71,930
Total restrictions released	$ 81,930

8) IN-KIND CONTRIBUTIONS

During the year ended December 31, 2019, the Organization received donated office space in Washington, DC valued at $30,000 which are reflected in the statement of activities as in-kind contributions revenue and rent expense.

9) FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, employee benefits, dues and subscriptions, insurance, training, information technology, rent, utilities, telephone, travel, professional fees, and supplies and miscellaneous, which are allocated on the basis of estimates of time and effort.

10) RETIREMENT PLAN

The Organization has a 401(k) Profit Sharing Plan and Trust that is open to all employees after three consecutive months of service. An employee must be 21 years of age or older to receive matching or profit-sharing employer contributions. Eligible employees can defer up to the maximum allowance amount imposed by the Internal Revenue Code. During the year ended December 31, 2019, the Organization did not make a discretionary matching contribution.

11) LEASING ARRANGEMENTS

The Organization leases its office space at 300 Park Avenue in New York City on a month-to-month basis through a membership agreement. The membership term is automatically renewed for successive periods of one month each unless terminated by either party. Rent expense paid under this arrangement for the year ended December 31, 2019 amounted to $11,184. The Organization also rented country office spaces on an as needed basis.

12) CONCENTRATIONS OF RISK

The Organization maintains its cash balances at several major financial institutions. The balances, at times, may exceed federally insured limits. As of December 31, 2019, there were no uninsured balances. The Organization has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

During the year ended December 31, 2019, the Organization received approximately 79% of its total grants and contributions from one grantor. A significant reduction in funding from this grantor, if it were to occur, could have a significant effect on the Organization's programs and activities.

13) PRIOR PERIOD ADJUSTMENT

The Organization has restated the results of its previously issued audited financial statements for the year ended December 31, 2018. The Organization had an overstatement of cash and contribution revenue due to a misclassification of funds that were due to a third party and in error included in Morocco's operating cash account. The correction has no effect on the results of the current year's activities or operations; however, the cumulative effect of these changes decreases opening cash and cash equivalents and net assets without donor restrictions by $31,578. In addition, the change in net assets decreased by $31,578 for the year ended December 31, 2018.

14) SUBSEQUENT EVENTS

In March 2020, the World Health Organization recognized the novel strain of coronavirus COVID-19, as a pandemic. The coronavirus outbreak has severely impacted economic activity across the world. The Organization's Board of Directors and Executive Director are in discussion to identify and limit the negative long-term implications of this pandemic to the Organization. Given the uncertainty of the spread and long-term impacts of the coronavirus, the related financial impact to the Organization, if any, cannot be determined at this time.

In May 2020, the Organization received approximately $17,000 of COVID-19 related funding through the Paycheck Protection Program. In July 2020, the Organization received approximately $257,000 of COVID-19 related grant contributions from the Mastercard Foundation. The Organization believes that this combination of funding and contributions will help alleviate effects of the pandemic on potential short-term cash requirements.

In June 2020, the Organization obtained a $100,000 loan from Open Road Ventures, LLC bearing interest at 2% per annum. The loan requires monthly principal and interest payments starting in January 2021. The loan matures on June 30, 2022 and contains an option to exercise a refinancing cure to implement a new principal payment schedule with written consent from the lender. Certain loan covenants are included in the loan agreement including, but not limited to, the limited ability to incur new debt obligations other than debt incurred through any COVID-19 Relief Program.

Management has evaluated subsequent events through November 9, 2020 which is the date the financial statements were available to be issued.