

CORPSAFRICA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020

CORPSAFRICA
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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, 2020, 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 CorpsAfrica as of December 31, 2020, 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, 2020, CorpsAfrica adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), using the modified retrospective method applied to all contracts. Our opinion is not modified with respect to this matter.

Rich and Bander, LLP

New York, NY
October 13, 2021

CORPSAFRICA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

Current assets	
Cash and cash equivalents	\$ 152,320
Contributions receivable	280,053
Prepaid expenses and advances	24,189
Investments	1,144
Security deposit	2,925
Total current assets	<u>\$ 460,631</u>
Property and equipment, net of accumulated depreciation	1,996
TOTAL ASSETS	<u>\$ 462,627</u>
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	\$ 18,671
Grant advance - paycheck protection program	16,667
Loan payable	47,500
Total current liabilities	<u>82,838</u>
Long-term liabilities	
Loan payable, net of current portion	<u>52,500</u>
Total long-term liabilities	<u>52,500</u>
Net assets	
Without donor restrictions	<u>327,289</u>
Total net assets	<u>327,289</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 462,627</u>

CORPSAFRICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants and contributions	\$ 968,419	\$ -	\$ 968,419
In-kind contributions	31,000	-	31,000
Gain on foreign currency exchange	8,686	-	8,686
Miscellaneous income	459	-	459
Net investment return	41	-	41
Total revenue and support	1,008,605	-	1,008,605
Expenses			
Program services			
Malawi	308,403	-	308,403
Senegal	246,719	-	246,719
Morocco	139,515	-	139,515
Rwanda	223,671	-	223,671
United States	84,567	-	84,567
Total program service revenue	1,002,875	-	1,002,875
Supporting services			
Management and general	84,469	-	84,469
Fundraising	22,326	-	22,326
Total expenses	1,109,670	-	1,109,670
Change in net assets	(101,065)	-	(101,065)
Net assets - beginning of year	428,354	-	428,354
Net assets - end of year	\$ 327,289	\$ -	\$ 327,289

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

CORPSAFRICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services					Total Program	Management & General		Fundraising	Total
	Malawi	Senegal	Morocco	Rwanda	United States					
Volunteer expenses	\$ 216,934	\$ 140,080	\$ 69,154	\$ 101,971	\$ -	\$ 528,139	\$ -	\$ -	\$ 528,139	
Salaries	61,192	78,744	51,754	58,876	24,000	274,566	20,507	10,253	305,326	
Rent	1,559	5,186	4,742	1,947	29,557	42,991	8,445	5,715	57,151	
Taxes and licenses	3,657	-	-	30,241	-	33,898	-	-	33,898	
Accounting	-	-	-	-	-	-	27,484	-	27,484	
Professional fees	6,574	-	2,113	3,481	9,734	21,902	3,592	1,931	27,425	
Insurance	1,310	-	1,944	11,526	4,641	19,421	1,326	663	21,410	
Employee benefits	3,678	4,733	3,111	3,539	1,442	16,503	1,233	616	18,352	
Travel	968	7,759	455	4,743	850	14,775	985	657	16,417	
Office supplies	1,263	3,557	3,695	3,078	442	12,035	897	578	13,510	
Consultants	537	-	-	-	10,362	10,899	-	-	10,899	
Information technology	4,605	1,100	-	1,002	2,059	8,766	1,035	592	10,393	
Payroll taxes	1,365	1,756	1,154	1,313	535	6,123	457	229	6,809	
Telephone	1,333	1,201	-	1,954	610	5,098	340	227	5,665	
Training	3,428	-	1,126	-	157	4,711	314	209	5,234	
Bank fees	-	-	-	-	-	-	4,905	-	4,905	
Meetings	-	-	-	-	-	-	3,861	-	3,861	
Utilities	-	2,603	267	-	-	2,870	191	128	3,189	
Payroll processing fees	-	-	-	-	-	-	2,938	-	2,938	
Dues and subscriptions	-	-	-	-	178	178	2,111	254	2,543	
Website	-	-	-	-	-	-	1,265	-	1,265	
Interest	-	-	-	-	-	-	1,017	-	1,017	
Printing	-	-	-	-	-	-	959	-	959	
Postage	-	-	-	-	-	-	357	-	357	
Marketing	-	-	-	-	-	-	-	274	274	
Depreciation	-	-	-	-	-	-	250	-	250	
Total expenses by function	\$ 308,403	\$ 246,719	\$ 139,515	\$ 223,671	\$ 84,567	\$ 1,002,875	\$ 84,469	\$ 22,326	\$ 1,109,670	

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

CORPSAFRICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

Cash flows from operating activities:	
Change in net assets	\$ (101,065)
<i>Adjustments to reconcile change in net assets to net cash used in operating activities:</i>	
Depreciation expense	250
Donated securities	(1,121)
Unrealized gain on donated securities	(23)
(Increase) decrease in operating assets:	
Contributions receivable	101,636
Prepaid expenses and advances	12,178
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(7,689)
Grant advances	16,667
Deferred revenue	(20,893)
Total adjustments	101,005
Net cash used in operating activities	(60)
Cash flows from investing activities:	
Purchase of property and equipment	(2,246)
Net cash used in investing activities	(2,246)
Cash flows from financing activities:	
Proceeds from loan payable	100,000
Principal payments on loan payable	(5,081)
Net cash provided by financing activities	94,919
Net increase in cash and cash equivalents	92,613
Cash and cash equivalents, beginning of year	59,707
Cash and cash equivalents, end of year	\$ 152,320
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	\$ 1,121

CORPSAFRICA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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, 2020.

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Contract Balances

Contract assets are recognized when the Organization has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment. Contract liabilities are recognized when the Organization has an obligation to transfer goods or service to a customer for which the Organization has received consideration from the customer (or payment is due), but the transfer has not yet been completed. As of December 31, 2020, there are no contract assets or liabilities.

CORPSAFRICA
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2020

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

Property and Equipment

Property and equipment are recorded at cost or, if donated, the fair market value at the date of donation. The Organization's policy is to capitalize expenditures for these items in excess of \$1,000. Lesser amounts are expensed. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>Years</u>
Computer equipment	3

Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is reported. Expenditures for major renewals and improvements that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

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.

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.

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

Revenue, Revenue Recognition, and Receivables

Grants and Contributions – Grants and contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. A portion of grant revenue is derived from cost-reimbursable government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as grant advance in the statement of financial position. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of release/return, are not recognized until the conditions on which they depend have been substantially met.

Contributions Receivable – Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts 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 promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

In-Kind Contributions and Contributed Services – The value of services, facilities, and non-capitalized equipment donated is recorded as contributions with or without donor restrictions and expensed in the year donated. These contributions are valued at the estimated fair value of similar services and materials. Donated assets are capitalized at fair value at the date of donation and recorded as in-kind contributions with or without donor restrictions, depending on the wishes of the donor. 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.

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.

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.

CORPSAFRICA
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2020

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

Advertising Costs

The Organization's policy is to expense advertising costs as they are incurred.

Nonprofit Approach - Paycheck Protection Program

The Organization has elected to account for the Paycheck Protection Program ("PPP") loan under ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958) based on management's continued belief from loan inception to date that forgiveness is probable. In accordance with the standard, the Organization records the cash inflow of the PPP loan as a grant advance liability. The Organization reduces the liability by recognizing other grant income once the conditions for the grant are substantially met. The Organization has elected to recognize other grant income when the conditions for the grant are explicitly waived by the Small Business Administration ("SBA"). Loan proceeds expected and not expected to be forgiven are reported on the statement of cash flows as operating activities and financing activities, respectively. No interest or accrued interest expense is recognized.

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, 2019, 2018 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

The Organization has evaluated its current tax positions and has concluded that as of December 31, 2020, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Adoption of Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers* (Topic 606). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Organization adopted the new standard effective January 1, 2020, the first day of the Organization's fiscal year using the modified retrospective applied to all contracts. There were no material changes to the timing of recognition of revenue and therefore no material impact to the statement of financial position upon adoption.

CORPSAFRICA
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2020

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

Recent Accounting Pronouncements

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.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) which requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for annual periods beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted.

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

2) 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	\$ 153,464
Contributions receivable	<u>280,053</u>
Total	<u>\$ 433,517</u>

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.

3) FAIR VALUE MEASUREMENTS

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures of investments that are classified as available-for-sale on a recurring basis. The Fair Value Measurements Topic of the FASB Accounting Standards Codification defines fair value, establishes a consistent framework for measuring fair value and expands disclosure requirements for fair value measurements. The disclosures required under this Topic have been included in this note.

Fair Value Hierarchy

The Fair Value Measurements Topic of the FASB Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

Determination of Fair Value

Under the Fair Value Measurements Topic of the FASB Accounting Standards Codification, the Organization bases its fair value on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is the Organization's policy to maximize the use of observable inputs and minimize the use of unobservable inputs when developing fair value measurements, in accordance with the fair value hierarchy.

Investments in Equity Securities

Investments in equity securities that are classified as available-for-sale are recorded at fair value on a recurring basis using quoted market prices. If quoted market prices are not available, fair values are based on quoted market prices of comparable securities. If quoted market prices are not available for comparable securities, fair value is based on quoted bids for the security or comparable securities.

CORPSAFRICA
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2020

3) FAIR VALUE MEASUREMENTS (CONT'D)

Cash and Cash Equivalents, Contributions Receivable, Prepaid Expenses and Advances, Security Deposit, and Accounts Payable and Accrued Expenses

The carrying amounts approximate fair value because of the short maturity of these instruments.

Assets Measured and Recognized at Fair Value on a Recurring Basis

The table below presents the amounts of assets measured at fair value on a recurring basis as of December 31, 2020:

<u>Security Type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 1,144	\$ 1,144	\$ -	\$ -
Total	<u>\$ 1,144</u>	<u>\$ 1,144</u>	<u>\$ -</u>	<u>\$ -</u>

4) INVESTMENTS

As of December 31, 2020, the Organization held \$1,144 in equity securities that are classified as investments on the statement of financial position. Investments are summarized as follows at December 31, 2020:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ 1,121	\$ 1,144
Total	<u>\$ 1,121</u>	<u>\$ 1,144</u>

5) CONTRIBUTIONS RECEIVABLE

Contributions receivable totaled \$280,053 at December 31, 2020. 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.

6) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation as of December 31, 2020. Depreciation expense for the year then ended was \$449.

Computer equipment	\$ 2,246
Less: accumulated depreciation	<u>250</u>
	<u>\$ 1,996</u>

7) LOAN PAYABLE

On June 29, 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.

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.

8) GRANT ADVANCE

Paycheck Protection Program

On May 1, 2020 the Organization was approved for loan proceeds in the amount of \$16,667 from Bank of America (“BoA”) pursuant to the PPP, established as part of the Coronavirus Aid, Relief and Economic Securities Act (“CARES Act”) and administered by the SBA. The PPP provides loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying organization.

The original terms of the loan included maturity on May 4, 2022 and bore interest at a rate of 1% per annum, payable monthly commencing six months after funding date of the loan. As described in the CARES Act, the PPP loan and accrued interest are forgivable if they are used for qualifying expenses such as payroll, benefits, rent and utilities, and maintains its payroll levels.

On March 10, 2021, BoA notified the Organization that the SBA approved forgiveness of the entire PPP loan. The Organization is required to maintain PPP documentation for six years and must furnish them to the SBA and/or BoA upon request.

9) IN-KIND CONTRIBUTIONS

During the year ended December 31, 2020, 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.

10) 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.

11) 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, 2020, the Organization did not make a discretionary matching contribution.

12) 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, 2020 amounted to \$12,224. The Organization also rented country office spaces on an as needed basis.

13) 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, 2020, 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, 2020, the Organization received approximately 40% 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.

14) COVID-19 AND SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization recognized the novel strain of coronavirus COVID-19, as a pandemic. In direct response, on March 22, 2020, the Governor of New York State issued executive order *New York State on PAUSE*, which closed all non-essential businesses state-wide. The coronavirus outbreak has severely impacted economic activity across the world. The Organization's Board of Directors and Management are in discussion to identify and limit the negative long-term implications of this pandemic to the Organization.

Since the start of the pandemic, the Organization has implemented a host of protocols in order to provide a safe working environment including remote working for the staff, plus specific health & safety protocols for any person on site including, but not limited to mandatory mask wearing and social distancing at their performance and office space, when either space was accessible.

CORPSAFRICA
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2020

14) COVID-19 AND SUBSEQUENT EVENTS (CONT'D)

To date, the Organization was able to secure a total of \$35,872 in federal COVID-19 related relief, which includes a PPP loan totaling \$16,667 (see Note 8) and a second PPP loan totaling \$19,205 (approved on March 3, 2021). As of March 10, 2021 forgiveness of the first PPP loan was approved. The Organization intends to apply for loan forgiveness of the second PPP loan as soon as it is eligible to do so and believe that it will receive full forgiveness. The Organization believes that this money will help alleviate effects of the pandemic on potential short-term cash requirements. Given the uncertainty of the spread and long-term impacts of COVID-19, the related financial impact to the Organization, if any, cannot be determined at this time.

Management has evaluated subsequent events through October 13, 2021 which is the date the financial statements were available to be issued.