CORPSAFRICA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2022

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 AUDITOR'S REPORT

To the Board of Directors of
CorpsAfrica
New York, NY

Opinion

We have audited the accompanying financial statements of CorpsAfrica (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 CorpsAfrica as of June 30, 2022, and the changes in 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 CorpsAfrica 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 the 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 CorpsAfrica's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities 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 CorpsAfrica'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 CorpsAfrica'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.

Rich and Bander, LLP

New York, NY
April 10, 2023

CORPSAFRICA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

Current assets	
Cash and cash equivalents	$ 1,785,888
Accounts receivable	12,620
Prepaid expenses and advances	173,084
Total current assets	**$ 1,971,592**
Property and equipment, net of accumulated depreciation	**53,526**
TOTAL ASSETS	**$ 2,025,118**
Liabilities and Net Assets	
Current liabilities	
Accounts payable and accrued expenses	$ 33,387
Deferred revenue	1,341,267
Total current liabilities	**1,374,654**
Net assets	
Without donor restrictions	650,464
Total net assets	**650,464**
TOTAL LIABILITIES AND NET ASSETS	**$ 2,025,118**

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

CORPSAFRICA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Grants and contributions	$ 2,331,871	$ -	$ 2,331,871
In-kind contributions	30,000	-	30,000
Gain/(loss) on foreign currency exchange	(20,479)	-	(20,479)
Miscellaneous income	105	-	105
Interest income	45	-	45
Total revenue and support	**2,341,542**	**-**	**2,341,542**
Expenses			
Program services			
Malawi	507,051	-	507,051
Senegal	329,583	-	329,583
Morocco	275,331	-	275,331
Rwanda	545,935	-	545,935
United States	137,196	-	137,196
Total program services	**1,795,096**	**-**	**1,795,096**
Supporting services			
Management and general	117,416	-	117,416
Fundraising	58,710	-	58,710
Total expenses	**1,971,222**	**-**	**1,971,222**
Change in net assets	370,320	-	370,320
Net assets - beginning of year	280,144	-	280,144
Net assets - end of year	**$ 650,464**	**$ -**	**$ 650,464**

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

CORPSAFRICA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

	Program Services								
	Malawi	Senegal	Morocco	Rwanda	United States	Total Program Services	Management & General	Fundraising	Total
Salaries	$ 99,086	$ 145,133	$ 107,589	$ 120,411	$ 72,276	$ 544,495	$ 61,859	$ 30,928	$ 637,282
Volunteer expenses	345,662	128,314	135,223	283,395	-	892,594	-	-	892,594
Rent	3,870	8,476	3,904	9,146	8,985	34,381	7,690	3,845	45,916
Professional fees	10,991	1,603	1,603	4,978	6,077	25,252	5,201	2,600	33,053
Taxes and licenses	29	10	10	51,984	37	52,070	32	16	52,118
Consultants	1,929	1,929	1,929	3,116	7,312	16,215	6,258	3,129	25,602
Accounting	2,039	2,039	2,039	2,039	7,729	15,885	6,615	3,308	25,808
Travel	11,058	15,092	6,487	9,619	13,741	55,997	11,760	5,882	73,639
Office supplies	16,192	9,016	4,713	21,852	694	52,467	594	297	53,358
Employee benefits	1,274	2,185	5,357	20,076	4,830	33,722	4,135	2,067	39,924
Insurance	318	362	903	318	1,207	3,108	1,033	516	4,657
Payroll taxes	2,100	2,100	2,100	2,100	7,960	16,360	6,811	3,406	26,577
Information technology	4,833	1,842	224	4,519	850	12,268	727	364	13,359
Telephone	2,772	2,442	1,079	2,359	400	9,052	341	171	9,564
Bank fees	1,219	3,340	1,204	991	1,568	8,322	1,340	670	10,332
Dues and subscriptions	275	275	275	275	1,043	2,143	893	446	3,482
Meetings	2,584	1,370	8	8	32	4,002	27	14	4,043
Utilities	-	2,194	38	19	-	2,251	-	-	2,251
Payroll processing fees	274	274	274	274	1,042	2,138	893	446	3,477
Printing	177	369	3	2,231	11	2,791	9	5	2,805
Website	133	133	133	133	506	1,038	433	217	1,688
Depreciation	64	64	64	2,959	241	3,392	205	103	3,700
Training	-	361	-	2,961	-	3,322	-	-	3,322
Advertising and Marketing	66	66	66	66	252	516	215	108	839
Postage	34	280	34	34	130	512	111	55	678
Event costs	72	314	72	72	273	803	234	117	1,154
Total expenses by function	**$ 507,051**	**$ 329,583**	**$ 275,331**	**$ 545,935**	**$ 137,196**	**$ 1,795,096**	**$ 117,416**	**$ 58,710**	**$ 1,971,222**

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

CORPSAFRICA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

Cash flows from operating activities:	
Change in net assets	$ 370,320
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation expense	3,700
Forgiveness of paycheck protection program	(19,205)
(Increase) decrease in operating assets:	
Accounts receivable	(10,244)
Prepaid expenses and advances	(146,271)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	(12,256)
Deferred revenue	1,341,267
Total adjustments	1,156,991
Net cash provided by operating activities	1,527,311
Cash flows from investing activities:	
Purchase of property and equipment	(49,800)
Net cash used in investing activities	(49,800)
Net increase in cash and cash equivalents	1,477,511
Cash and cash equivalents, beginning of year	308,377
Cash and cash equivalents, end of year	**$ 1,785,888**
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	$ -
Income taxes	$ -
Supplemental disclosure of non-cash investing activity:	
Forgiveness of paycheck protection program loan	$ 19,205

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 grants and contributions.

Basis of Presentation

The Organization's financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

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.

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. 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:

	Years
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.

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.

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.

Advertising and Marketing Costs

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

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.

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.

Accounts Receivable – Accounts receivable represents program service revenue that has been recognized but not collected as of the financial statement date at amounts expected to be collected. 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 accounts receivable.

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.

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

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 June 30, 2021, December 31, 2020, and 2019 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 June 30, 2022, the Organization does not have any significant uncertain tax positions for which a reserve would be necessary.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU 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.

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

Recent Accounting Pronouncements (Cont'd)

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.

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.

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 statement of financial position date, comprise the following:

Cash and cash equivalents	$ 1,785,888
Accounts receivable	12,620
Total	$ 1,798,508

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) ACCOUNTS RECEIVABLE

Accounts receivable totaled $12,620 at June 30, 2022. These amounts are generally collected within one year. The Organization believes all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

4) 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 June 30, 2022, 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.

Accounting Standards Codification 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1, inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At June 30, 2022, no investments at fair value are noted in the statement of financial position.

5) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation as of June 30, 2022. Depreciation expense for the year then ended was $3,701.

Computer equipment	$ 10,102
Furniture and fixtures	21,657
Vehicle	26,037
Less: accumulated depreciation	4,270
	$ 53,526

6) IN-KIND CONTRIBUTIONS

During the year ended June 30, 2022, the Organization received donated office space in Washington, DC valued at $30,000. This amount is reflected in statement of activities as in-kind contributions revenue and in the statement of functional expenses as rent expense.

7) ADVERTISING AND MARKETING COSTS

For the year ended June 30, 2022, advertising and marketing expense amounted to $839.

8) CONTRACT BALANCES

The Organization does not have any contract assets for the year ended June 30, 2022. The Organization has contract liabilities totaling $1,341,267 for the year then ended, which represent deferred revenue on the statement of financial position.

The following table provides information about significant changes in the contract liabilities for the year ended June 30, 2022:

Deferred revenue, beginning of year	$ -
Increase in deferred revenue due to cash received during the period	3,066,120
Revenue recognized during the period	(1,724,853)
Deferred revenue, end of year	$ 1,341,267

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) GRANT ADVANCE – PAYCHECK PROTECTION PROGRAM

On March 3, 2021 the Organization was approved for second loan proceeds in the amount of $19,205 from Itria Ventures LLC/Biz2Credit Inc pursuant to the Paycheck Protection Program ("PPP"), established as part of the Coronavirus Aid, Relief and Economic Securities Act ("CARES Act") and administered by the Small Business Administration ("SBA"). On October 1, 2021 Biz2Credit notified the Organization that the SBA approved forgiveness of the PPP loan. The Organization is required to maintain PPP documentation for six years and must furnish them to the SBA and/or Biz2Credit upon request.

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 June 30, 2022 the Organization did not make any discretionary matching contributions.

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 June 30, 2022, uninsured bank balances totaled $1,111,654. 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 June 30, 2022, the Organization received approximately 85% 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) 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.

On November 1, 2021, Mastercard Foundation began a three-year commitment to provide funding of $16,835,405 from 2021-2024. On February 24, 2023, Mastercard Foundation agreed to expand the initial commitment to provide a total funding of $59,385,091 from 2021-2026.

Management has evaluated subsequent events through April 10, 2023 which is the date the financial statements were available to be issued.