

CONSCIOUS IMPACT

FINANCIAL STATEMENTS

WITH INDEPENDENT ACCOUNTANT'S REVIEW REPORT

YEARS ENDED DECEMBER 31, 2017 AND 2016

CONSCIOUS IMPACT
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Conscious Impact
Avondale, Pennsylvania

Management is responsible for the accompanying financial statements of Conscious Impact (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

The supplementary information contained in Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The financial statements of Conscious Impact as of December 31, 2016, were reviewed by other accountants who stated that based on their procedures they are not aware of any material modifications that should be made to the financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America in their report dated December 22, 2017, but they have not performed any procedures in connection with that review engagement since that date.

Bassman, Adelstein & Neim, PC

November 10, 2018

Blue Bell, Pennsylvania

CONSCIOUS IMPACT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

ASSETS

<u>CURRENT ASSETS</u>	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	32,211	\$ 13,868
Accounts Receivable	-	-
<u>TOTAL CURRENT ASSETS</u>	<u>32,211</u>	<u>13,868</u>
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Net of Accumulated Depreciation	2,067	2,867
<u>TOTAL ASSETS</u>	<u>\$ 34,278</u>	<u>\$ 16,735</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses	\$ 2,800	\$ -
Loans from Officer	24,404	29,115
<u>TOTAL LIABILITIES</u>	<u>27,204</u>	<u>29,115</u>
<u>NET ASSETS</u>		
Unrestricted	7,074	(12,380)
Temporarily Restricted	-	-
Permanently Restricted	-	-
	<u>7,074</u>	<u>(12,380)</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 34,278</u>	<u>\$ 16,735</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSCIOUS IMPACT

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<u>UNRESTRICTED NET ASSETS</u>				
Contributions	\$ 165,144	\$ -	\$ -	\$ 165,144
Exchange gain (loss)	-	-	-	-
	<u>165,144</u>	<u>-</u>	<u>-</u>	<u>165,144</u>
<u>NET ASSET RELEASED FROM RESTRICTION</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENSES</u>				
Program	140,808	-	-	140,808
Supporting Services				
General and Administrative	4,637	-	-	4,637
Fundraising	245	-	-	245
	<u>145,690</u>	<u>-</u>	<u>-</u>	<u>145,690</u>
<u>TOTAL EXPENSES</u>				
	<u>19,454</u>	<u>-</u>	<u>-</u>	<u>19,454</u>
<u>INCREASE IN (DECREASE) IN NET ASSETS</u>				
	<u>19,454</u>	<u>-</u>	<u>-</u>	<u>19,454</u>
<u>NET ASSETS (DEFICIT)</u>				
Beginning of Year	<u>(12,380)</u>	<u>-</u>	<u>-</u>	<u>(12,380)</u>
End of Year	<u>\$ 7,074</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,074</u>

The Accompanying Notes are an Integral Part of these Financial Statements.

2016

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
143,032	-	-	143,032
-	-	-	-
<u>143,032</u>	<u>-</u>	<u>-</u>	<u>143,032</u>
-	-	-	-
122,845	-	-	122,845
2,262	-	-	2,262
222	-	-	222
<u>125,329</u>	<u>-</u>	<u>-</u>	<u>125,329</u>
17,703	-	-	17,703
(30,083)	-	-	(30,083)
<u>\$ (12,380)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,380)</u>

CONSCIOUS IMPACT

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	19,454	\$ 17,703
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	800	800
(Increase) Decrease in:		
Accounts Receivable	-	1,250
Prepaid Expenses	-	-
Increase (Decrease) in:		
Accounts Payable	<u>2,800</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>23,054</u>	<u>19,753</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from Officer, net of repayments	<u>(4,711)</u>	<u>(5,885)</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(4,711)</u>	<u>(5,885)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>-</u>	<u>0</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH	18,343	13,868
CASH AND CASH EQUIVALENTS:		
Beginning of Year	<u>13,868</u>	<u>-</u>
End of Year	<u>\$ 32,211</u>	<u>\$ 13,868</u>

The Accompanying Notes are an Integral Part of the Financial Statements

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Organization assists earthquake affect communities in the Sindupalchowk region of Nepal to rebuild long-term, sustainable schools and homes. Its education program provides an interactive learning environment for children ages 3-11 years old. The Agriculture Team focuses on agro-forestry, forest gardening and water management at the village level.

Basis of Accounting

The Organization has adopted Accounting Standards Codification (ASC) 958 for Not-for-Profit Entities.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent revenues and expenses related to the operation and management of the Organization's primary programs and supporting services. If funds are raised and set aside by the Board for future use, these are considered unrestricted. Temporarily restricted contributions that are expended for their restricted purpose in the same reporting period as received may be recorded as unrestricted.

Temporarily restricted net assets represent resources available for use, but expendable only for the purposes specifically stated by the donor.

Permanently restricted net assets are assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

There were no Temporarily or Permanently Restricted Net Assets as of December 31, 2017 and 2016.

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When

Contributed Services

During the years ended December 31, 2017 and 2016 the value of contributed services did not meet the requirement for recognition in the financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Date of Management Review

Management has evaluated subsequent events through November 10, 2018, the date on which the financial statements were available to be issued.

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash. The Organization places its cash and temporary investments with high quality credit institutions. As times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Income Tax Status

The Organization is a not-for-profit organization that has a pending application with the Internal Revenue Service for exemption from income taxes under Section 501 (c) (3) of the Internal Revenue Code and to be classified by the Internal Revenue Service as other than a private foundation.

Property, Plant and Equipment

It is the Organization's policy to capitalize property, plant and equipment over \$1,000. Lesser amounts are expensed. Purchased property, plant and equipment is capitalized at cost. Donations of property, plant and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property, plant and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets must be placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives between 5 to 27.5 years.

(2) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the Organization's program and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

(6) PROPERTY, PLANT AND EQUIPMENT

	<u>2017</u>	<u>2016</u>
Property, Property and Equipment Consist of the Following:		
Automobile	4,000	4,000
Less: Accumulated Depreciation	<u>(1,933)</u>	<u>(1,133)</u>
	<u>\$ 2,067</u>	<u>\$ 2,867</u>

Depreciation expense was \$800 for the years ended December 31, 2017 and 2016 respectively.

(7) ADVERTISING COSTS

The Organization expenses advertising and promotion costs as they are incurred. Advertising and promotion expense was \$20 and \$165 for the years ended December 31, 2017 and 2016 respectively.

SUPPLEMENTARY INFORMATION

CONSCIOUS IMPACT

SCHEDULE OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2017 AND 2016

(See Independent Accountant's Compilation Report)

	<u>2017</u>			
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ 20	\$ 20
Bank Charges	-	935	-	935
Depreciation and Amortization	600	160	40	800
Grants	124,520	-	-	124,520
Insurance	-	-	-	-
Professional Fees	-	2,800	-	2,800
Supplies	503	-	-	503
Transportation and Travel	6,972	-	-	6,972
Volunteer Expenses:				
Food	5,430	-	-	5,430
Website	2,783	742	185	3,710
	<u>\$ 140,808</u>	<u>\$ 4,637</u>	<u>\$ 245</u>	<u>\$ 145,690</u>

2016

Program	General and Administrative	Fundraising	Total
\$ -	\$ -	\$ 165	\$ 165
-	857	-	857
600	160	40	800
110,213	-	-	110,213
260	69	17	346
-	1,176	-	1,176
2,304	-	-	2,304
5,093	-	-	5,093
4,375	-	-	4,375
-	-	-	-
<u>\$ 122,845</u>	<u>\$ 2,262</u>	<u>\$ 222</u>	<u>\$ 125,329</u>