

CONSCIOUS IMPACT

FINANCIAL STATEMENTS

WITH INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

YEARS ENDED DECEMBER 31, 2018 AND 2017

CONSCIOUS IMPACT
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017

CONTENTS

<u>Financial Statements</u>	<u>Page</u>
Independent Accountant's Compilation Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8
<u>Supplementary Information</u>	
Schedules of Functional Expenses	9

BASSMAN, ADELMAN WEISS, PC

Certified Public Accountants

Alan G. Bassman, CPA, ABV, CFF
Arnold M. Weiss, CPA
Michael D. Adelman, CPA
Robert E. Sternberg, CPA

Perry Weisbein, CPA
Craig J. Firestone, CPA, MBA
Stuart J. Lechtman, CPA
Kenneth R. Frascella, CPA
David L. Gittes, CPA, MBA, CGMA

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.

As discussed in Note 7, the Organization has adopted ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*, which is now effective for annual reporting periods beginning after December 15, 2017. The financial statements for the years ended December 31, 2018 and 2017 have been restated for to reflect the new standard for comparative purposes. Our opinion is not modified with respect to that matter.



November 1, 2019

Blue Bell, Pennsylvania

CONSCIOUS IMPACT

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

(See Independent Accountant's Compilation Report)

ASSETS

<u>CURRENT ASSETS</u>	<u>2018</u>	<u>2017</u>
Cash and Cash Equivalents	<u>11,186</u>	<u>\$ 32,211</u>
<u>TOTAL CURRENT ASSETS</u>	<u>11,186</u>	<u>32,211</u>
<u>PROPERTY, PLANT AND EQUIPMENT</u>		
Net of Accumulated Depreciation	<u>1,267</u>	<u>2,067</u>
<u>TOTAL ASSETS</u>	<u>\$ 12,453</u>	<u>\$ 34,278</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES</u>		
Accounts Payable and Accrued Expenses	<u>\$ 2,500</u>	<u>\$ 2,800</u>
Loans from Officer	<u>16,904</u>	<u>24,404</u>
<u>TOTAL LIABILITIES</u>	<u>19,404</u>	<u>27,204</u>
<u>NET ASSETS</u>		
Without Donor Restrictions	<u>(6,951)</u>	<u>7,074</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 12,453</u>	<u>\$ 34,278</u>

The Accompanying Notes are an Integral Part of these Financial Statements

CONSCIOUS IMPACT

STATEMENT OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2018 AND 2017

(See Independent Accountant's Compilation Report)

	2018	
	<u>Without Donor Restrictions</u>	<u>Total</u>
<u>UNRESTRICTED NET ASSETS</u>		
Contributions	\$ 116,441	\$ 116,441
Exchange gain (loss)	-	-
	<u>116,441</u>	<u>116,441</u>
<u>NET ASSET RELEASED FROM RESTRICTION</u>	-	-
<u>EXPENSES</u>		
Program	122,367	122,367
Supporting Services		
General and Administrative	7,898	7,898
Fundraising	201	201
	<u>130,466</u>	<u>130,466</u>
<u>TOTAL EXPENSES</u>	<u>130,466</u>	<u>130,466</u>
<u>INCREASE IN (DECREASE) IN NET ASSETS</u>	<u>(14,025)</u>	<u>(14,025)</u>
<u>NET ASSETS (DEFICIT)</u>		
Beginning of Year	<u>7,074</u>	<u>7,074</u>
End of Year	<u>\$ (6,951)</u>	<u>\$ (6,951)</u>

The Accompanying Notes are an Integral Part of these Financial

2017

<u>Without Donor Restrictions</u>	<u>Total</u>
165,144	165,144
<u>-</u>	<u>-</u>
165,144	165,144
<u>-</u>	<u>-</u>
140,808	140,808
4,637	4,637
<u>245</u>	<u>245</u>
145,690	145,690
<u>19,454</u>	<u>19,454</u>
<u>(12,380)</u>	<u>(12,380)</u>
<u>\$ 7,074</u>	<u>\$ 7,074</u>

CONSCIOUS IMPACT

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2018 AND 2017

(See Independent Accountant's Compilation Report)

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	(14,025)	\$ 19,454
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	800	800
(Increase) Decrease in:		
Accounts Receivable	-	0
Prepaid Expenses	-	-
Increase (Decrease) in:		
Accounts Payable	<u>(300)</u>	<u>2,800</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(13,525)</u>	<u>23,054</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans from Officer, net of repayments	<u>(7,500)</u>	<u>(4,711)</u>
NET CASH (USED) PROVIDED BY FINANCING ACTIVITIES	<u>(7,500)</u>	<u>(4,711)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	<u>-</u>	<u>-</u>
NET CASH (USED) BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(21,025)	18,343
CASH AND CASH EQUIVALENTS:		
Beginning of Year	<u>32,211</u>	<u>13,868.00</u>
End of Year	<u>\$ 11,186</u>	<u>\$ 32,211</u>

The Accompanying Notes are an Integral Part of the Financial Statements

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

(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 inneractive 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 two classes of net assets: Without donor Restrictions and With Donor Restrictions.

Net Assets Without Donor Restrictions 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.

Net Assets With Donor Restrictions 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 Net Assets With Donor Restrictiond as of December 31, 2018 and 2017.

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

(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, 2018 and 2017 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 1, 2019, the date on which the financial statements were available to be issued.

CONSCIOUS IMPACT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

(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, 2018 AND 2017

(See Independent Accountant's Compilation Report)

(6) PROPERTY, PLANT AND EQUIPMENT

Property, Property and Equipment Consist of the Following:

Automobile	4,000	4,000
Less: Accumulated Depreciation	<u>(2,733)</u>	<u>(1,933)</u>
	<u>\$ 1,267</u>	<u>\$ 2,067</u>

Depreciation expense was \$800 for the years ended December 31, 2018 and 2017 respectively.

(7) ADVERTISING COSTS

The Organization expenses advertising and promotion costs as they are incurred. Advertising and promotion expense was \$13 and \$20 for the years ended December 31, 2018 and 2017 respectively.

(8) ADOPTION OF ASU 2016-14

The Organization has adopted ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities*. The financial statements for the year ended June 30, 2018 have been restated to reflect the adoption of the new standard for comparative purposes.

SUPPLEMENTARY INFORMATION

CONSCIOUS IMPACT

SCHEDULE OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2018 AND 2017

(See Independent Accountant's Compilation Report)

	<u>2018</u>			
	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ -	\$ -	\$ 13	\$ 13
Bank Charges	-	1,022	-	1,022
Depreciation and Amortization	600	160	40	800
Grants	105,098	-	-	105,098
Insurance	-	-	-	-
Professional Fees	-	2,500	-	2,500
Office Supplies	1,123	2,175	-	3,298
Postage	338	90	22	450
Taxes & Licenses		1,450		1,450
Transportation and Travel	6,428	-	-	6,428
Volunteer Expenses:				
Food	6,900	-	-	6,900
Website	1,880	501	126	2,507
	<u>\$ 122,367</u>	<u>\$ 7,898</u>	<u>\$ 201</u>	<u>\$ 130,466</u>

2017

Program	General and Administrative	Fundraising	Total
\$ -	\$ -	\$ 20	\$ 20
-	935	-	935
600	160	40	800
124,520	-	-	124,520
-	-	-	-
-	2,800	-	2,800
503	-	-	503
6,972	-	-	6,972
5,430	-	-	5,430
2,783	742	185	3,710
<u>\$ 140,808</u>	<u>\$ 4,637</u>	<u>\$ 245</u>	<u>\$ 145,690</u>