COMMUNITAS AMERICA, INC.

FINANCIAL STATEMENTS
FOR THE PERIOD
MARCH 16, 2018 (INCEPTION)
THROUGH DECEMBER 31, 2018

COMMUNITAS AMERICA, INC.
FINANCIAL STATEMENTS
For the period March 16, 2018 (Inception) through December 31, 2018

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Wayne P. Naegele
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Communitas America, Inc.

We have reviewed the accompanying financial statements of Communitas America, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the period March 16, 2018 (Inception) through December 31, 2018, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Wayne P. Naegele, CPA
New York, New York
July 17, 2019

COMMUNITAS AMERICA, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS		
Cash and cash equivalents	$	372,765
Security deposit		9,900
TOTAL ASSETS	$	382,665
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$	7,500
Credit card payable		4,261
TOTAL LIABILITIES		11,761
NET ASSETS		370,904
TOTAL LIABILITIES AND NET ASSETS	$	382,665

COMMUNITAS AMERICA, INC.
STATEMENT OF ACTIVITIES
For the period March 16, 2018 (Inception) through December 31, 2018

UNRESTRICTED REVENUE		
Corporate contributions	$	610,100
Interest income		87
TOTAL UNRESTRICTED REVENUE		610,187
EXPENSES		
Program services		203,259
Management and general		36,024
TOTAL EXPENSES		239,283
INCREASE IN NET ASSETS		370,904
NET ASSETS, BEGINNING OF YEAR		-
NET ASSETS, END OF YEAR	$	370,904

COMMUNITAS AMERICA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the period March 16, 2018 (Inception) through December 31, 2018

	Program Services	Management and General	Fundraising	Total
Bank fees	$ 30	$ -	$ -	$ 30
Accounting	7,676	-	-	7,676
Dues and subscriptions	400	-	-	400
Conferences	1,450	-	-	1,450
Advertising and marketing	4,390	-	-	4,390
Grants	97,000	-	-	97,000
Insurance	30	-	-	30
Legal fees	14,474	-	-	14,474
Meals and entertainment	6,786	-	-	6,786
Office operation expenses	2,825	-	-	2,825
Payroll taxes	5,521	340	-	5,861
Payroll processing fees	1,295	-	-	1,295
Rent	8,497	-	-	8,497
Salaries	25,353	35,000	-	60,353
Employee benefits	9,504	614	-	10,118
Pension expense	630	70	-	700
Subsidies	12,951	-	-	12,951
Telephone and internet	777	-	-	777
Travel and meetings	3,670	-	-	3,670
Total functional expenses	$ 203,259	$ 36,024	$ -	$ 239,283

COMMUNITAS AMERICA, INC.
STATEMENT OF CASH FLOWS
For the period March 16, 2018 (Inception) through December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	$	370,904
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Security deposit		(9,900)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses		7,500
Credit card payable		4,261
NET CASH PROVIDED BY OPERATING ACTIVITIES		372,765
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$	372,765

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

No taxes or interest were paid by the Organization for the period March 16, 2018 through December 31, 2018.

COMMUNITAS AMERICA, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 - NATURE OF ORGANIZATION

Communitas America, Inc. (the "Organization") was incorporated in the State of Delaware on March 16, 2018. The Organization is a social impact firm and was organized to support individuals and businesses tackling social and economic issues. The Organization builds sustainable communities by supporting local Changemakers who create innovative solutions to solve social problems in under-resourced communities in the Tri-state area.

The Organization works to build an 'Impact Ecosystem' for more Changemakers and social entrepreneurs to further their mission, solve pressing issues, and sustain their growth. In doing so, the Organization is providing a Changemaker-friendly environment such as co-living residences, co-working spaces, and learning opportunities.

The Organization was previously a fiscal sponsorship project of Rockefeller Philanthropy Advisors ("RPA"). After that project, the Organization has been privately funded through a family foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting generally accepted in the United States of America ("US GAAP"). Accordingly, revenues are recognized when earned rather than received and expenses are recognized when incurred rather than paid.

Adopted Accounting Standards Update

In 2018, the Organization adopted ASU No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 required significant changes to the financial statement reporting model for not-for-profit organizations. The changes include reducing the classes of net assets from three classes to two classes. ASU 2016-14 also will require changes to the way certain information is aggregated and reported by the Organization, including requiring disclosures about liquidity and availability of resources and increased disclosures about functional expenses. ASU 2016-14 must be applied on a retroactive basis. The adoption of ASU 2016-14 did not result in any reclassifications or restatements of net assets or changes in net assets.

Financial Statement Presentation

Under the requirements of ASU 2016- 14, the Organization reports its activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- Net Assets without Donor Restrictions—These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

- Net Assets with Donor Restrictions—These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished, the net assets are restricted. There were no net assets with donor restrictions as of December 31, 2018.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Payroll and related expenses are primarily allocated to program expenses, with the exception of one individual, which is allocated as a 90 to 10 ratio between program and management and general, respectively. Grants and all other expenses are allocated 100% to program expenses. There were no fundraising expenses for the period March 16, 2018 through December 31, 2018.

Program Services are the activities that result in goods and services being distributed to beneficiaries pursuant to the Organization's mission.

Management and General includes all management and administrative functions, such as oversight, business management, general recordkeeping, budgeting and financing, but excludes direct conduct of program services and fundraising services.

Fundraising includes solicitation of contributions from individuals, organizations, and others. The Organization currently does not have any fundraising activities.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingencies, if any, at the date of the financial statements, and the revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the 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.

Contributions Receivable

Contributions received are recorded as increases in net assets without donor restrictions or net asset with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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. As of December 31, 2018, the Organization did not have contributions receivable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The Organization uses the allowance method to determine uncollectible contributions receivable. The allowance is based on management's analysis of specific promises made. There is no allowance that is deemed necessary as of December 31, 2018.

Revenue and Expenses

Revenue is recognized when it is promised by the donor. All other revenue is recognized when it is earned. Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Income Taxes

The Organization was formed as a not-for-profit corporation under the provisions of New York State law. The Organization is exempt from federal, state, and local income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. The Organization is also registered with the New York State Charities Bureau.

US GAAP require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and state or local municipalities. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2018 , there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) in the financial statements.

In general, the Organization’s tax returns remain open for federal and state tax examinations up to three years after the date of filing.

NOTE 3 - DONATED GOODS AND SERVICES

The Organization received services from people who contribute their time. The Organization pays for most services requiring specific expertise. However, at times, individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs.

NOTE 4 - RISK AND UNCERTAINTIES

Cash

The Organization maintains its cash-in-bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization evaluates the financial strength and stability of the financial institution and it believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 5 - COMMITMENTS

In October 2018, the Organization entered into a sublease for monthly office space. Payments are $1,224 per month. The agreement will terminate on September 30, 2019 unless it renews at the discretion of the landlord. Any payments for the office space have been charged to rent in the financial statements. There were no balances due under the agreement as of December 31, 2018.

NOTE 6 – PENSION EXPENSE

As part of the Organization's Professional Employer Organization (the "PEO"), the Organization sponsors a Safe Harbor 401K Plan (the "Plan") which permits employee contributions. The Plan covers substantially all full-time employees over 21 years of age. Benefits under this Plan are based on the employees' years of service and compensation. The Plan provides for voluntary salary deferrals for eligible employees. Employer contributions under the Plan are at the discretion of the Organization and are provided by the Plan agreement. The amount contributed cannot be in excess of the maximum amounts allowed under the Internal Revenue Code. For the period March 16, 2018 through December 31, 2018, the Organization's contribution to participants was $700. There were no amounts due for Plan contributions as of December 31, 2018.

NOTE 7 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's primary sources of support are contributions. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. As of December 31, 2018, there were no purpose restrictions imposed by the donors. The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Organization has the following financial assets that are readily available within one year of the balance sheet to fund expenses without limitations:

Financial assets available within one year and free of donor restrictions:	
Cash and cash equilvalents	$ 372,765

NOTE 8 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 17, 2019, the date in which the financial statements are available to be issued, and it has been determined that there were no subsequent events that need to be reported.