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Kopernik Solutions

Accountant's Compilation Report

Management is responsible for the accompanying financial statements of Kopernik Solution (a nonprofit organization), which comprise of statement of financial position as of December 31, 2020 and the related statement of activities, functional expenses 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 compilation engagements 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.

Chunyee W Miot CPA
Garden City NY
12/20/2021

Kopernik Solutions
Statement of Financial Position
As of December 31, 2020

ASSETS

Current Assets

Cash	976,638.75
Investment	9,915.46
Accounts Receivable	20,770.15
Prepaid expenses and other assets	500.00

Total Current Assets	1,007,824.36
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TOTAL ASSETS	1,007,824.36
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LIABILITIES AND NET ASSETS

Liabilities

Current Liabilities

Accounts Payable and accrued expenses	85,654.27
Total Current Liabilities	85,654.27

Total net assets	922,170.09
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TOTAL LIABILITIES AND NET ASSETS	1,007,824.36
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Kopernik Solutions
Statement of Activities
For the Year Ended December 31, 2020

	Without Donor Restriction	With Donor Restriction	Total
Revenue			
General contributions	88,717.39	-	88,717.39
Interest & dividend income	511.04	-	511.04
Total Revenue	<u>89,228.43</u>		<u>89,228.43</u>
Expenses			
Program services	127,489.39	-	127,489.39
Supporting services			
Management and general	778,635.40	-	778,635.40
Fundraising	3,102.28	-	3,102.28
Total supporting services	<u>781,737.68</u>		<u>781,737.68</u>
Total expenses	909,227.07	-	909,227.07
Change in net assets from operation	(819,998.64)	-	(819,998.64)
Other Income			
Net investment return	<u>(12,570.67)</u>	-	<u>(12,570.67)</u>
Change in net assets	(832,569.31)	-	(832,569.31)
Net assets - beginning of the yare	<u>1,754,739.40</u>	-	<u>1,754,739.40</u>
Net assets - end of the year	<u><u>922,170.09</u></u>	-	<u><u>922,170.09</u></u>

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Kopernik Solutions
Statement of Functional Expenses
For the Year Ended December 31, 2020

	Supporting Services				
Program Services	Program Service	Management and General	Fundraising	Total Supporting Services	Total
Grants	82,545.59	750,000.00		750,000.00	832,545.59
Advertising	188.17		1,678.75	1,678.75	1,866.92
Conference and travel	575.00			-	575.00
Depreciation				-	-
License, dues and fees		447.01		447.01	447.01
Information technology		3,253.82	1,130.64	4,384.46	4,384.46
Office expenses	4,871.49	1,230.91	292.89	1,523.80	6,395.29
Officers' compensation and benefits		7,732.00		7,732.00	7,732.00
Professional fees	537.14	10,466.16		10,466.16	11,003.30
Salaries and wages	38,772.00			-	38,772.00
Staff training & development		3,406.50		3,406.50	3,406.50
Insurance expenses		2,099.00		2,099.00	2,099.00
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	127,489.39	778,635.40	3,102.28	781,737.68	909,227.07

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Kopernik Solutions
Statement of Cash Flows
For the Year Ended December 31, 2020

Cash flows from operating activities	
Change in net assets	(832,569.31)
Adjustments to reconcile change in net assets to net cash provided by (used in) operationing activities:	
Accounts Receivable	(80.56)
Grants Payable	82,545.59
Others Payable and accrued expenses	(4,556.67)
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Total Adjustments to reconcile Net Income to Net Cash provided by operations:	77,908.36
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Net cash provided by operating activities	(754,660.95)
INVESTING ACTIVITIES	
Proceeds from sales of investments	1,662,442.12
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Net cash provided by investing activities	1,662,442.12
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Net increase in cash, cash equivalents	907,781.17
Cash, cash equivalents at beginning of year	68,857.58
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Cash, cash equivalents at end of year	976,638.75
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Note to Financial Statement

Nature of Organization

Kopernik Solutions (the "Organization") is a not-for-profit organization incorporated on September 18, 2009 in New York State. The Organization was formed for the charitable purpose of providing developmental assistance to poor and disadvantaged communities in the world through the use of technology or innovative products, services and solutions designed to improve the quality of their lives. Support for the Organization's programs is derived from foundation grants and general contributions. The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Organization within Internal Revenue Code requirements.

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations on an accrual basis.

Net Assets

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be used for any purpose in performing the main objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to terms imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has specified the funds be maintained in perpetuity.

Contributions and grants received with donor restrictions whose restrictions are met in the same reporting period they are received are generally reported as support without donor restrictions in the same reporting year.

Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

The Organization maintains all of its cash, aside from petty cash, in a financial institution.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are initially recorded at fair value upon the performance of services and are stated net of allowances for uncollectible accounts which represent estimated losses resulting from the inability of customers to make the required payments. Accounts receivable are charged off against allowances after a designated period of collection efforts. Subsequent cash recoveries are recognized as income in the period when they occur. The Organization considers the full amount of receivables to be collectible and has not established an allowance for uncollectibility.

Property and Equipment

Land, buildings, property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of \$3,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue

Revenue is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, 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 as release from restrictions in the statement of activities. Gains or losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

Income Taxes

The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At December 31, 2019, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Use of Estimates

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

AFFILIATED ORGANIZATIONS:

Kopernik Solutions works with affiliated organizations in Indonesia and Japan, which are governed by separate boards of directors in those countries. These affiliates, although not commonly controlled, share an overall mission to reduce poverty through the distribution of simple technology to people in need in developing countries.

Yayasan Kopernik is registered as an Indonesian Foundation (Yayasan) with the Indonesian Ministry of Law and Human Rights. Kopernik Japan is registered as a General Incorporated Association in Japan. Neither affiliate is controlled by, or in control of, the Organization and therefore, the accompanying financial statements do not include the accounts of Yayasan Kopernik or Kopernik Japan. Transactions with Yayasan Kopernik and Kopernik Japan are included in program services on the statement of activities.

RELATED PARTY TRANSACTIONS:

The Organization's Indonesian affiliate, Yayasan Kopernik, is a legally separate entity and not under common control. The Organization has made grants to Yayasan to further the Organization's mission. Grants in the amount of \$750,000 were made to Yayasan during the year ending December 31, 2020.