

COMPEER, INC.

Financial Statements

As of August 31, 2016 and for the
Eight Month Period Then Ended

(Unaudited)

COMPEER, INC.

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The Board of Directors
Compeer, Inc.:

Management is responsible for the accompanying financial statements of Compeer, Inc. (the Organization), which comprise the statement of financial position as of August 31, 2016, and the related statements of activities, functional expenses and cash flows for the eight month period then ended, and the related notes to 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 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. The information was subject to our compilation engagement, however we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

EFPR Group, CPAs, PLLC

Williamsville, New York
July 12, 2017

COMPEER, INC.
Statement of Financial Position
August 31, 2016
(Unaudited)

<u>Assets</u>	
Total assets	\$ <u> -</u>
 <u>Liabilities and Net Assets</u>	
Total liabilities	-
Unrestricted net assets	<u> -</u>
Total liabilities and net assets	\$ <u> -</u>

See accompanying notes to financial statements.

COMPEER, INC.
Statement of Activities
For the eight month period ended August 31, 2016
(Unaudited)

	<u>Unrestricted</u>	Temporarily <u>restricted</u>	<u>Total</u>
Public support and revenue:			
Program services	\$ -	79,723	79,723
Contributions	230	-	230
Grants	-	27,843	27,843
Fundraising	257	-	257
Membership dues	20,810	-	20,810
Net assets released from restrictions	<u>107,566</u>	<u>(107,566)</u>	<u>-</u>
Total public support and revenue	<u>128,863</u>	<u>-</u>	<u>128,863</u>
Expenses:			
Program services	125,049	-	125,049
Management and general	<u>6,954</u>	<u>-</u>	<u>6,954</u>
Total expenses	<u>132,003</u>	<u>-</u>	<u>132,003</u>
Decrease in net assets before transfer to Compeer West, Inc.	(3,140)	-	(3,140)
Transfer to Compeer West, Inc.	<u>(15,477)</u>	<u>-</u>	<u>(15,477)</u>
Decrease in net assets after transfer to Compeer West, Inc.	(18,617)	-	(18,617)
Net assets at beginning of year	<u>18,617</u>	<u>-</u>	<u>18,617</u>
Net assets at end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>

See accompanying notes to financial statements.

COMPEER, INC.

Statement of Functional Expenses

For the eight month period ended August 31, 2016
(Unaudited)

	Program services			Total program services	Support services	Total
	NYS	Livingston County	International			
Salaries	\$ 24,332	13,610	7,074	45,016	1,281	46,297
Payroll taxes and employee benefits	4,500	3,293	1,585	9,378	155	9,533
Total salaries and related benefits	28,832	16,903	8,659	54,394	1,436	55,830
Consultants	-	-	-	-	1,240	1,240
OMH pass through	46,863	-	-	46,863	-	46,863
Client enrichment	-	337	327	664	-	664
Public relations	-	1,142	22	1,164	-	1,164
Supplies	691	193	588	1,472	-	1,472
Telephone and internet	475	1,132	724	2,331	-	2,331
Postage and shipping	146	192	243	581	-	581
Insurance	1,440	1,226	475	3,141	-	3,141
Rent	989	1,800	345	3,134	-	3,134
Meetings and travel	2,138	867	2,686	5,691	-	5,691
Professional fees	-	-	-	-	4,060	4,060
Conferences	1,391	-	5	1,396	-	1,396
Depreciation	-	-	-	-	218	218
Miscellaneous	2,583	232	1,403	4,218	-	4,218
Total expenses	\$ 85,548	24,024	15,477	125,049	6,954	132,003

See accompanying notes to financial statements.

COMPEER, INC.
Statement of Cash Flows
For the eight month period ended August 31, 2016
(Unaudited)

Cash flows from operating activities:	
Decrease in net assets	\$ (3,140)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation	218
Changes in:	
Accounts receivables	(2,289)
Prepaid expenses	775
Accounts payable	(3,817)
Due to Compeer West, Inc.	40,000
Accrued expenses	(9,312)
Deferred revenue	<u>(26,539)</u>
Net cash used in operating activities	(4,104)
Cash flows from investing activities - cash transferred to Compeer West, Inc.	<u>(81,528)</u>
Net decrease in cash and equivalents	(85,632)
Cash and equivalents at beginning of year	<u>85,632</u>
Cash and equivalents at end of year	<u>\$ -</u>
Supplemental schedule of cash flow information:	
Non-cash transactions:	
Transfer of assets and liabilities to Compeer West, Inc.:	
Receivables	<u>\$ (2,955)</u>
Prepaid expenses	<u>\$ (1,017)</u>
Property and equipment	<u>\$ 1,337</u>
Accounts payable and accrued expenses	<u>\$ 2,981</u>
Deferred revenue	<u>\$ 28,179</u>
Due to Compeer West, Inc. forgiveness	<u>\$ 40,000</u>

See accompanying notes to financial statements.

COMPEER, INC.
Notes to Financial Statements
August 31, 2016 (Unaudited)

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

Compeer, Inc. (the Organization) was incorporated on November 30, 2006 as a not-for-profit corporation to develop, deliver and support model programs that inspire and engage communities through the power of volunteer friends and mentors of Compeer affiliate programs to improve the quality of life for adults, children and families who strive for good health. The Organization provides support to a network of over 50 affiliate organizations with national locations and international locations.

On August 31, 2016, the Organization merged with Compeer West, Inc. Under the corporate realignment, Compeer West, Inc. is the surviving entity. The merger is expected to provide improved efficiencies within common areas of both organizations.

(b) Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Organization reported 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. The Organization had no net assets as of August 31, 2016.

(d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

(e) Cash and Equivalents

For purposes of the statement of cash flows, the Organization considered all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(f) Receivables

Receivables were stated at the amount management expects to collect from outstanding balances. Management provided for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that were still outstanding after management had used reasonable collection efforts were written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

COMPEER, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Capitalization and Depreciation

Equipment was recorded at cost or fair market value at the date of the gift in the case of donated equipment. If donors stipulate how long the assets must be used, the contributions were recorded as restricted support. In the absence of such stipulations, contributions of equipment were recorded as unrestricted support. Depreciation was provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements were capitalized, while expenditures for maintenance and repairs were charged to expense as incurred. Upon disposal of depreciable equipment, the appropriate accounts were reduced by the related costs and accumulated depreciation. The resulting gains and losses were reflected in the statement of activities.

(h) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions were recorded as revenue when expenditures had been incurred in compliance with the grant restrictions. Amounts unspent were recorded in the statement of financial position as deferred revenue.

(i) Contributions

Contributions were recognized when the donor made an unconditional promise to give to the Organization. Contributions that were restricted by the donor were reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions had been recognized. All other donor-restricted contributions have been reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expired, temporarily restricted net assets were reclassified to unrestricted net assets.

(j) Expense Allocation

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.

(k) Subsequent Events

The Organization has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

COMPEER, INC.
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization presently discloses or recognizes income tax position based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Organization are subject to examination by taxing authorities.

(2) Office Equipment

Office equipment, which consisted of the following at August 31, 2016 was transferred to Compeer West, Inc.:

Office equipment	\$ 3,465
Less accumulated depreciation	<u>(2,128)</u>
	\$ <u>1,337</u>

(3) Related Party Transactions

During the period ended August 31, 2016, Compeer West, Inc. made an operating loan to Compeer, Inc. in the amount of \$40,000 to fund the short-term operations of Compeer, Inc. while the merger was accomplished.

COMPEER, INC.
Supplemental Information
Changes in Unrestricted Net Assets
August 31, 2016
(Unaudited)

	NYS <u>program</u>	Livingston County <u>program</u>	International <u>program</u>	Management and <u>general</u>	<u>Total</u>
Public support and revenue:					
Program services	\$ 46,326	33,397	-	-	79,723
Contributions	-	-	230	-	230
Grants	24,843	-	3,000	-	27,843
Fundraising	-	257	-	-	257
Membership dues	-	-	20,810	-	20,810
	<u>71,169</u>	<u>33,654</u>	<u>24,040</u>	<u>-</u>	<u>128,863</u>
Total public support and revenue					
Expenses:					
Salaries	24,332	13,610	7,074	1,281	46,297
Payroll taxes and employee benefits	4,500	3,293	1,585	155	9,533
Consultants	-	-	-	1,240	1,240
OMH pass through	46,863	-	-	-	46,863
Client enrichment	-	337	327	-	664
Public relations	-	1,142	22	-	1,164
Supplies	691	193	588	-	1,472
Telephone and internet	475	1,132	724	-	2,331
Postage and shipping	146	192	243	-	581
Insurance	1,440	1,226	475	-	3,141
Rent	989	1,800	345	-	3,134
Meetings and travel	2,138	867	2,686	-	5,691
Professional fees	-	-	-	4,060	4,060
Conferences	1,391	-	5	-	1,396
Depreciation	-	-	-	218	218
Miscellaneous	2,583	232	1,403	-	4,218
Overhead allocation	765	487	5,702	(6,954)	-
	<u>86,313</u>	<u>24,511</u>	<u>21,179</u>	<u>-</u>	<u>132,003</u>
Total expenses					
Increase (decrease) in net assets before transfer to Compeer West, Inc.	(15,144)	9,143	2,861	-	(3,140)
Transfer to Compeer West, Inc.	37,943	8,125	(61,545)	-	(15,477)
Increase (decrease) in net assets after transfer to Compeer West, Inc.					
	22,799	17,268	(58,684)	-	(18,617)
Net assets (deficit) at beginning of year	(22,799)	(17,268)	58,684	-	18,617
Net assets at end of year	\$ -	-	-	-	-