



**Financial Statements
As of June 30, 2017 (Audited) and 2016 (Unaudited)
and for the Years Then Ended**



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To the Board of Directors
Ouelessebouyou Alliance

Independent Auditors' Report

We have audited the accompanying financial statements of Ouelessebouyou Alliance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ouelessebouyou Alliance as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The 2016 financial statements were reviewed by us, and our report thereon, dated October 14, 2016, stated we were not aware of any material modifications that should be made to those financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements.

Justin Mellor

Mellor and Associates
Sandy, Utah
October 23, 2017

Ouelessebouyou Alliance
Statements of Financial Position
June 30, 2017 (Audited) and 2016 (Unaudited)

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Cash	\$ 71,570	\$ 94,065
Other assets	-	870
Property and equipment, net	<u>6,548</u>	<u>10,684</u>
Total assets	<u>\$ 78,118</u>	<u>\$ 105,619</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accrued liabilities	\$ 19,262	\$ 22,949
Line of credit	<u>28,923</u>	<u>-</u>
Total liabilities	<u>48,185</u>	<u>22,949</u>
Commitments		
Net assets:		
Unrestricted	(35,836)	9,136
Temporarily restricted	<u>65,769</u>	<u>73,534</u>
Total net assets	<u>29,933</u>	<u>82,670</u>
Total liabilities and net assets	<u>\$ 78,118</u>	<u>\$ 105,619</u>

See notes to financial statements and independent auditors' report.

Ouelessebouyou Alliance
Statements of Activities
Years Ended June 30, 2017 (Audited) and 2016 (Unaudited)

	2017	2016
Change in unrestricted net assets:		
Revenue:		
Private donations	\$ 101,743	\$ 103,512
In-kind donations	85,207	118,823
Special events; excluding restricted donations	151,482	131,423
Less: special event expenses	(49,176)	(45,477)
Interest	26	26
Total net revenue	289,282	308,307
Net assets released from restrictions	54,225	24,348
Total revenue	343,507	332,655
Expenses:		
Program services	328,038	323,555
Supporting services:		
Management and general	29,346	31,944
Fundraising	31,095	35,902
Total expenses	388,479	391,401
Change in unrestricted net assets	(44,972)	(58,746)
Change in temporarily restricted net assets:		
Public support:		
Private donations	46,460	54,791
Net assets released from restrictions:		
Restrictions satisfied	(54,225)	(24,348)
Change in temporarily restricted net assets	(7,765)	30,443
Decrease in net assets	(52,737)	(28,303)
Net assets, beginning of the year	82,670	110,973
Net assets, end of the year	\$ 29,933	\$ 82,670

See notes to financial statements and independent auditors' report.

Ouelessebougou Alliance
Statement of Functional Expenses
Year Ended June 30, 2017 (Audited)

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses				
Salaries, benefits and taxes	\$ 94,145	\$ 20,073	\$ 19,800	\$ 134,018
Other expenses				
Medical services and supplies	83,501	-	-	83,501
Special events	-	-	49,176	49,176
Health training and materials	94,469	-	-	94,469
Rent	12,029	3,129	3,087	18,245
Travel	10,295	371	368	11,034
Accounting	1,851	604	595	3,050
Newsletter and printing	1,176	-	2,352	3,528
Automobile	5,225	-	-	5,225
Telephone	3,404	398	392	4,194
Miscellaneous	7,217	1,908	1,882	11,007
Depreciation	2,509	819	808	4,136
Mosquito netting	3,903	-	-	3,903
Office supplies and postage	630	206	1,349	2,185
Education	4,188	1,046	-	5,234
Community outreach	-	325	-	325
Parking and utilities	1,304	-	-	1,304
Interest	1,438	467	462	2,367
School and library supplies	754	-	-	754
	<u>328,038</u>	<u>29,346</u>	<u>80,271</u>	<u>437,655</u>
Less expenses included in revenues on the statement of activities				
Costs of direct benefits to donors	-	-	(49,176)	(49,176)
Total expenses included in the expense section on the statement of activities	<u>\$ 328,038</u>	<u>\$ 29,346</u>	<u>\$ 31,095</u>	<u>\$ 388,479</u>

See notes to financial statements and independent auditors' report.

Ouelessebouyou Alliance
Statement of Functional Expenses
Year Ended June 30, 2016 (Unaudited)

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses				
Salaries, benefits and taxes	\$ 108,244	\$ 23,079	\$ 22,765	\$ 154,088
Other expenses				
Medical services and supplies	112,322	-	-	112,322
Special events	-	-	45,477	45,477
Health training and materials	35,760	-	-	35,760
Rent	12,021	3,127	3,085	18,233
Economic Development	15,191	-	-	15,191
Travel	8,337	301	298	8,936
Accounting	4,400	1,435	1,415	7,250
Newsletter and printing	2,196	-	4,391	6,587
Automobile	4,688	-	-	4,688
Telephone	3,423	400	394	4,217
Miscellaneous	4,029	1,065	1,051	6,145
Depreciation	2,509	819	808	4,136
Mosquito netting	2,098	-	-	2,098
Office supplies and postage	2,102	686	677	3,465
Professional	1,820	593	586	2,999
Community outreach	1,013	331	326	1,670
Parking and utilities	1,322	-	-	1,322
Interest	332	108	106	546
School and library supplies	1,748	-	-	1,748
	<u>323,555</u>	<u>31,944</u>	<u>81,379</u>	<u>436,878</u>
Less expenses included in revenues on the statement of activities				
Costs of direct benefits to donors	-	-	(45,477)	(45,477)
Total expenses included in the expense section on the statement of activities	<u>\$ 323,555</u>	<u>\$ 31,944</u>	<u>\$ 35,902</u>	<u>\$ 391,401</u>

See notes to financial statements and independent auditors' report.

Ouelessebouyou Alliance
Statements of Cash Flows
Years Ended June 30, 2017 (Audited) and 2016 (Unaudited)

	2017	2016
Cash flows from operating activities:		
Decrease in net assets	\$ (52,737)	\$ (28,303)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	4,136	4,136
Increase in:		
Other assets	870	(565)
Increase in:		
Accrued expenses	(3,687)	15,727
	(51,418)	(9,005)
Net cash used in operating activities		
Cash flows from financing activities:		
Proceeds from line of credit	28,923	46,112
Payments on line of credit	-	(46,263)
	28,923	(151)
Net cash used in financing activities		
Net change in cash	(22,495)	(9,156)
Cash at beginning of the year	94,065	103,221
Cash at end of the year	\$ 71,570	\$ 94,065
Supplemental disclosure of cash flow information:		
Cash paid interest	\$ 2,367	\$ 546

See notes to financial statements and independent auditors' report.

Ouelessebouyou Alliance

Notes to Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization - Ouelessebouyou Alliance (the Organization) (organized in 1986) is a nonprofit organization organized to assist the people of the Ouelessebouyou region in Mali, West Africa through a long-term development relationship. The Organization's purpose is two-fold: 1) to work in partnership with village citizens to achieve their economic, health care, and education objectives, and 2) to provide the opportunity for both cultures to learn from other's family and social relationships.

The Organization's activities are located primarily in the Ouelessebouyou region of Mali, West Africa. The Organization has employees in both Salt Lake City, Utah and employees in Mali, West Africa.

Cash Equivalents - The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to building project, permanent endowment, or other long-term purposes are excluded from this definition.

Property and Equipment - Property and equipment purchased by the Organization are capitalized at cost. The fair value of donated furniture and equipment is similarly capitalized. Depreciation expense is computed on the straight-line basis over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statement of activities for the period. Expenditures for maintenance and repairs are charged to expense as incurred.

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

Unrestricted Net Assets – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and board-designated endowment.

Temporarily Restricted Net Assets – Net assets subject to donor restrictions that may or will be met by expenditures or our actions and/or the passage of time, and certain income earned on permanently restricted net assets that has not yet been appropriated for expenditures by our Board of Directors.

The Organization reports contributions as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions

Permanently Restricted Net Assets – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled otherwise removed by our actions. The restrictions that stipulate that resources be maintained permanently, but permit us to expend the income generated in accordance with the provisions of the agreements.

Revenue and Revenue Recognition - Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions - Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Organization records donated professional services at the respective fair values of the services received (Note 7).

Ouelessebouyou Alliance
Notes to Financial Statements

**Note 1 -
Organization and
Summary of
Significant
Accounting
Policies
(continued)**

Functional Allocation of Expenses - The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes - The Organization is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifying for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined not to be a private foundation under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes they have appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Subsequent Events - The Organization has evaluated events and transactions for potential recognition or disclosure through October 23, 2017, the date the accompanying financial statements were available to be issued.

**Note 2- Property
and equipment**

Property and equipment consisted of the following at June 30,:

	2017	2016
Vehicles	\$ 41,357	\$ 41,357
Equipment	3,005	3,005
Property and equipment, gross	44,362	44,362
Less: accumulated depreciation	(37,814)	(33,678)
Property and equipment, net	\$ 6,548	\$ 10,684

Depreciation expense for the fiscal years ended June 30, 2017 and 2016 was \$4,136 and \$4,136, respectively.

**Note 3- Accrued
liabilities**

Accrued liabilities consisted of the following at June 30,:

	2017	2016
Accrued compensation	\$ 15,920	\$ 15,920
Payroll tax liabilities	1,320	5,217
Other accrued expenses	2,022	1,812
Total	\$ 19,262	\$ 22,949

**Note 4- Line of
Credit**

The Organization has an unsecured revolving line of credit with total available borrowings of \$75,000 with a variable interest rate of prime plus two percent. As of June 30, 2017 and 2016, the interest rate was 6.25 and 5.5 percent, respectively. At June 30, 2017 and 2016, the amount due under this bank line of credit agreement was \$28,923 and \$0, respectively.

Ouelessebouyou Alliance
Notes to Financial Statements

Note 5 - Restricted Assets Temporarily restricted net assets consisted of the following as of June 30,:

	2017	2016
Documentary	\$ 31,000	\$ -
Health - General	12,209	5,044
Economic Development	9,509	9,509
Health - Mosquito Netting	9,312	1,243
Expeditions - Medical	3,163	3,163
Other	226	200
Education - General	200	-
Health - Nutrition	150	16,175
School Construction	-	31,000
Health - Village Health Workers	-	4,200
Expeditions - Staff	-	3,000
	\$ 65,769	\$ 73,534

Note 6 - Operating Leases The Organization is obligated under certain operating leases for office space. Total lease expense for these operating leases for the years ended June 30, 2017 and 2016 were approximately \$9,064 and \$8,043, respectively. As of June 30, 2017 the Organization had no non-cancellable operating leases, with initial terms of one year or more.

Note 7- Donated Professional Services and Materials The Organization received donated professional services and materials as follows during the fiscal years ended June 30, 2017 and 2016:

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<u>June 30, 2017</u>				
Physician services and medical	\$ 59,490	\$ -	\$ -	\$ 59,490
Special events	-	-	9,180	9,180
Education	11,914	-	-	11,914
Community outreach	-	300	-	300
Rent	2,624	856	843	4,323
	\$ 74,028	\$ 1,156	\$ 10,023	\$ 85,207
<u>June 30, 2016</u>				
Physician services and medical	\$ 100,756	\$ -	\$ -	\$ 100,756
Special events	-	-	9,180	9,180
Rent	3,225	1,051	1,036	5,312
Professional	1,907	609	609	3,125
Community outreach	-	450	-	450
	\$ 105,888	\$ 2,110	\$ 10,825	\$ 118,823

Ouelessebougou Alliance

Notes to Financial Statements

**Note 8 -
Concentration**

The majority of the Organization's operations are carried out in Mali. The foreign operations of the Organization are regulated and subject to the administrative directives, rules and regulations of the local and national governmental authorities of Mali. Such administrative directives, rules, and regulations are subject to change by the same governmental authorities and such changes may occur with little or no notice and could have a significant impact on the Organization.

**Note 9 - Board
Member
Donations**

During fiscal years ending June 30, 2017 and 2016 members of the Organization's Board of Directors collectively contributed \$49,996 and \$53,261, respectively, in monetary donations to the Organization.