



**Financial Statements
As of June 30, 2016
and for the Year Then Ended**

Together with Independent Accountants' Review Report



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To the Board of Directors
Ouelessebougou Alliance

Independent Accountants' Review Report

We have reviewed the accompanying financial statements of Ouelessebougou Alliance (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to 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.

Accountants' 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.

Justin Mellor

Mellor and Associates

Sandy, Utah
October 14, 2016

Ouelessebouyou Alliance
Statement of Financial Position
June 30, 2016

Assets

| | |
|-----------------------------|-------------------|
| Cash | \$ 94,065 |
| Other assets | 870 |
| Property and equipment, net | <u>10,684</u> |
| Total assets | <u>\$ 105,619</u> |

Liabilities and Net Assets

| | |
|----------------------------------|-------------------|
| Liabilities: | |
| Accrued liabilities | \$ 22,949 |
| Commitments | |
| Net assets: | |
| Unrestricted | 9,136 |
| Temporarily restricted | <u>73,534</u> |
| Total net assets | <u>82,670</u> |
| Total liabilities and net assets | <u>\$ 105,619</u> |

See accompanying notes to financial statements and independent accountant's review report.

Ouelessebouyou Alliance
Statement of Activities
For the Year Ended June 30, 2016

Change in unrestricted net assets:

| | | |
|--|----|----------------|
| Revenue: | | |
| Private donations | \$ | 103,512 |
| In-kind donations | | 118,823 |
| Special events; excluding restricted donations | | 131,423 |
| Less: cost of direct benefits to donors | | (45,477) |
| Interest | | 26 |
| | | <hr/> |
| Total net revenue | | 308,307 |
| Net assets released from restrictions | | <hr/> 24,348 |
| Total revenue and reclassifications | | <hr/> 332,655 |
| Expenses: | | |
| Program services | | 323,555 |
| Supporting services: | | |
| Management and general | | 31,944 |
| Fund-raising | | 35,902 |
| | | <hr/> |
| Total expenses | | 391,401 |
| Change in unrestricted net assets | | <hr/> (58,746) |

Change in temporarily restricted net assets:

| | | |
|---|----|--------------------|
| Public support: | | |
| Private donations | | 54,791 |
| Net assets released from restrictions: | | |
| Restrictions satisfied | | <hr/> (24,348) |
| Change in temporarily restricted net assets | | <hr/> 30,443 |
| Decrease in net assets | | (28,303) |
| Net assets, beginning of the year | | <hr/> 110,973 |
| Net assets, end of the year | \$ | <hr/> <hr/> 82,670 |

See accompanying notes to financial statements and independent accountant's review report.

Ouelessebouyou Alliance
Statement of Functional Expenses
For the Year Ended June 30, 2016

| | Program Services | Supporting Services | | Total |
|---|---------------------|---------------------------|------------------|-------------------|
| | | Management and General | Fundraising | |
| Salaries and related expenses | | | | |
| Salaries, benefits and taxes | \$ 108,243 | \$ 23,079 | \$ 22,765 | \$ 154,087 |
| 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 | 8,338 | 301 | 298 | 8,937 |
| 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> |

Ouelessebouyou Alliance
Statement of Cash Flows
For the Years Ended June 30, 2016

| | |
|---|------------------|
| Cash flows from operating activities: | |
| Decrease in net assets | \$ (28,303) |
| Adjustments to reconcile decrease in net assets to net cash used in operating activities: | |
| Depreciation | 4,136 |
| Increase in: | |
| Other receivables | (565) |
| Increase in: | |
| Accrued expenses | <u>15,727</u> |
| Net cash used in operating activities | <u>(9,005)</u> |
| Cash flows from financing activities: | |
| Proceeds from line of credit | 46,112 |
| Payments on line of credit | <u>(46,263)</u> |
| Net cash used in financing activities | <u>(151)</u> |
| Net change in cash | (9,156) |
| Cash at beginning of the year | <u>103,221</u> |
| Cash at end of the year | <u>\$ 94,065</u> |
| Supplemental disclosure of cash flow information: | |
| Cash paid interest | \$ 546 |

See accompanying notes to financial statements and independent accountant's review report.

Ouelessebouyou Alliance Notes to Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

Organization - Ouelessebouyou Alliance (the Organization) (organized on August 5, 2000) 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 community development 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. In conjunction with the residence of the Ouelessebouyou region, the Organization also helps employ over forty teachers.

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.

Ouelessebougou Alliance
Notes to Financial Statements (continued)

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

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 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 8).

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 14, 2016, the date the accompanying financial statements were available to be issued.

Ouelessebougou Alliance
Notes to Financial Statements (continued)

Note 2- Property and equipment

Property and equipment consisted of the following at June 30, 2016:

| | | |
|--------------------------------|----|----------|
| Vehicles | \$ | 41,357 |
| Equipment | | 3,005 |
| Property and equipment, gross | | 44,362 |
| Less: accumulated depreciation | | (33,678) |
| Property and equipment, net | \$ | 10,684 |

Note 3- Accrued liabilities

Accrued liabilities consisted of the following at June 30, 2016:

| | | |
|-------------------------|----|--------|
| Accrued compensation | \$ | 15,920 |
| Payroll tax liabilities | | 5,217 |
| Other accrued expenses | | 1,812 |
| Total | \$ | 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, 2016, the interest rate was 5.5 percent. At June 30, 2016, the amount due under this bank line-of-credit agreement was \$0.

Note 5 - Restricted Assets

Temporarily restricted net assets as of June 30, 2016 consisted of:

| | | 2016 |
|---------------------------------|----|-------------|
| School Construction | \$ | 31,000 |
| Health - Nutrition | | 16,175 |
| Economic Development | | 9,509 |
| Health - General | | 5,044 |
| Health - Village Health Workers | | 4,200 |
| Expeditions - Medical | | 3,163 |
| Expeditions - Staff | | 3,000 |
| Health - Mosquito Netting | | 1,243 |
| Other | | 200 |
| | \$ | 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 year ended June 30, 2016 was approximately \$8,043. Future minimum lease payments under non-cancellable operating leases, with initial terms of one year or more are as follows as of June 30, 2016:

Future maturities of long-term debt are approximately as follows as of June 30:

| | Year | Amount |
|--|------|-----------|
| | 2017 | \$ 7,980 |
| | 2018 | 2,205 |
| | 2019 | 1,680 |
| | 2020 | 420 |
| | | \$ 12,285 |

Ouelessebougou Alliance
Notes to Financial Statements (continued)

**Note 7 -
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 8- Donated
Professional
Services and
Materials**

The Organization has received donated professional services and materials as follows during the year ended June 30, 2016:

| | Program Services | Supporting Services | | Total |
|-----------------------------------|---------------------|---------------------------|------------------|-------------------|
| | | Management and General | Fundraising | |
| <u>June 30, 2016</u> | | | | |
| Physician services and Medical | \$ 100,756 | \$ - | \$ - | \$ 100,756 |
| Rent | 3,225 | 1,051 | 1,036 | 5,312 |
| Special events | - | - | 9,180 | 9,180 |
| Professional | 1,907 | 609 | 609 | 3,125 |
| Community Outreach | - | 450 | - | 450 |
| | <u>\$ 105,888</u> | <u>\$ 2,110</u> | <u>\$ 10,825</u> | <u>\$ 118,823</u> |