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**Financial Statements  
As of June 30, 2020 and 2019  
and for the Fiscal Years Then Ended**

**Together with Independent Accountants' Review Report**



**MELLOR & ASSOCIATES PLLC**  
EXPERIENCED, MULTI-TOOLED PROFESSIONALS

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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, 2020 and 2019, the related statements of activities and change in net assets, and cash flows for the fiscal years 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.

**Independent 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.

**Independent Accountants' 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.

*Mellor and Associates PLLC*

*Mellor and Associates, PLLC*  
Murray, Utah  
October 26, 2020

**Ouelessebouyou Alliance**  
**Statements of Financial Position**  
**June 30,**

<u>Assets</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 107,129	\$ 100,612
Other assets	-	46
Property and equipment, net	<u>14,620</u>	<u>17,560</u>
Total assets	<u>\$ 121,749</u>	<u>\$ 118,218</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accrued liabilities	\$ 9,224	\$ 4,387
Paycheck protection loan	<u>25,300</u>	<u>-</u>
Total liabilities	<u>34,524</u>	<u>4,387</u>
Net assets:		
Net assets without donor restrictions	81,504	82,609
Net assets with donor restrictions	<u>5,721</u>	<u>31,222</u>
Total net assets	<u>87,225</u>	<u>113,831</u>
Total liabilities and net assets	<u>\$ 121,749</u>	<u>\$ 118,218</u>

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

**Ouelessebouyou Alliance**  
**Statement of Activities and Change in Net Assets**  
**Fiscal year Ended June 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues, gains, and other support:			
Private donations	\$ 327,502	\$ 460	\$ 327,962
In-kind donations (regular)	446,651	-	446,651
Less: special event expenses	(13,568)	-	(13,568)
Interest income	142	-	142
	760,727	460	761,187
Net assets released from restrictions	25,961	(25,961)	-
Total revenues, gains, and other support	786,688	(25,501)	761,187
Expenses:			
Program services	726,368	-	726,368
Supporting services:			
Management and general	31,163	-	31,163
Fundraising	30,262	-	30,262
Total expenses	787,793	-	787,793
Change in net assets	(1,105)	(25,501)	(26,606)
Net assets, beginning of the year	82,609	31,222	113,831
Net assets, end of the year	\$ 81,504	\$ 5,721	\$ 87,225

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

**Ouelessebouyou Alliance**  
**Statement of Activities and Change in Net Assets**  
**Fiscal year Ended June 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, gains, and other support:			
Private donations	\$ 383,653	\$ 29,029	\$ 412,682
In-kind donations (regular)	450,692	-	450,692
Special events (excluding restricted donations)	140	-	140
Less: special event expenses	(55,143)	-	(55,143)
Interest income	152	-	152
	<u>779,494</u>	<u>29,029</u>	<u>808,523</u>
Net assets released from restrictions	<u>14,552</u>	<u>(14,552)</u>	<u>-</u>
Total revenues, gains, and other support	<u>794,046</u>	<u>14,477</u>	<u>808,523</u>
Expenses:			
Program services	645,239	-	645,239
Supporting services:			
Management and general	42,288	-	42,288
Fundraising	32,412	-	32,412
Total expenses	<u>719,939</u>	<u>-</u>	<u>719,939</u>
Change in net assets	<u>74,107</u>	<u>14,477</u>	<u>88,584</u>
Net assets, beginning of the year	<u>8,502</u>	<u>16,745</u>	<u>25,247</u>
Net assets, end of the year	<u>\$ 82,609</u>	<u>\$ 31,222</u>	<u>\$ 113,831</u>

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

**Ouelessebouyou Alliance**  
**Statements of Cash Flows**  
**Fiscal Years Ended June 30,**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ (26,606)	\$ 88,584
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation	2,940	2,940
Change in assets and liabilities:		
Other assets	46	65
Accrued expenses	4,837	(1,115)
Net cash and cash equivalents provided by (used in) operating activities	(18,783)	90,474
<b>Cash flows from financing activities:</b>		
Proceeds from PPP loan	25,300	-
Net proceeds from line of credit	-	(28,988)
Net cash and cash equivalents provided by (used in) financing activities	25,300	(28,988)
Net change in cash and cash equivalents	6,517	61,486
Cash and cash equivalents at beginning of the year	100,612	39,126
Cash and cash equivalents at end of the year	\$ 107,129	\$ 100,612
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 92	\$ 1,675

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

## Ouelessebougou Alliance

### Notes to Financial Statements

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**Note 1 -  
Organization and  
Summary of  
Significant  
Accounting  
Policies**

**Organization** - Ouelessebougou Alliance (the Organization) (organized in 1986) is a nonprofit organization organized to assist the people of the Ouelessebougou 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 Ouelessebougou region of Mali, West Africa. The Organization has employees in both Salt Lake City, Utah and employees in Mali, West Africa.

**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.

**Cash and Cash Equivalents** - The Organization considers all highly liquid investments with original maturities to the Organization of three months or less to be cash equivalents. As of June 30, 2020 and 2019, these cash equivalents consisted of money market funds.

**Basis of Accounting and Financial Statement Presentation**

The Organization prepares its financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States of America (US GAAP) for not-for-profit organizations. The Organization reports information regarding its financial position according to the following net asset classifications, as applicable:

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

**Net assets with donor restrictions:** Net assets subject to restrictions imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor stipulates the funds be maintained in perpetuity. The Organization has elected to classify donations received with donor restrictions for which the restriction was met in the same fiscal years as being "without donor restrictions" given that the purpose restriction was satisfied in the same fiscal year.

As of June 30, 2020 and 2019, the Organization had \$5,721 and \$31,222, respectively, of net assets with donor restrictions (Note 8).

**Net Assets, Without Donor Restrictions** – 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.

**Recent Accounting Pronouncements** - The Company adopted ASU 2014-09 as of January 1, 2019 using the modified retrospective application. The adoption of this standard did not have a material impact on how we recognize revenue or to our financial position, results of operations or cash flows. In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers" (Topic 606). This ASU supersedes the previous revenue recognition requirements in Accounting Standards Codification Topic 605 – Revenue Recognition. The guidance provides a five-step analysis to determine when and how revenue is recognized and further enhances disclosure requirements. Transition methods under ASU 2014-09 must be through (i) retrospective application to each prior reporting period presented, or (ii) modified retrospective application with a cumulative effect adjustment at the date of the initial application.

# Ouelessebougou Alliance

## Notes to Financial Statements

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

**Net Assets, With Donor Restrictions** – 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 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 restriction ends or purpose restriction is accomplished, net assets, with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

**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 the Organization's 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 9).

**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 the date the accompanying financial statements were available to be issued.

**Note 2- Liquidity  
and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position comprise the following as of June 30, 2020:

Cash and cash equivalents	\$	107,129
Less donor restricted cash and cash equivalents		(5,721)
	\$	<u>101,408</u>



## Ouelessebougou Alliance

### Notes to Financial Statements

**Note 2- Liquidity and Availability (continued)**

The Organization primarily relies on donations and secondarily on other revenue sources to fund its operations. The Organization's management monitors its liquidity and cash flow needs through the use of a budget and projections to help ensure that cash inflows are sufficient to cover projected cash outflows. The accompanying statement of cash flows identifies the sources and uses of the Organization's cash and the positive cash flows generated from operating activities during the year ended June 30, 2020, totaling \$14,129.

**Note 3- Property and Equipment**

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

	2020	2019
Vehicles	\$ 20,500	\$ 20,500
Equipment	3,005	3,005
Property and equipment, gross	23,505	23,505
Less: accumulated depreciation	(8,885)	(5,945)
Property and equipment, net	\$ 14,620	\$ 17,560

Depreciation expense for the fiscal years ended June 30, 2020 and 2019 was \$2,940 and \$2,940, respectively.

**Note 4- Accrued Liabilities**

Accrued liabilities consisted of the following at June 30,:

	2020	2019
Accrued compensation	\$ 6,150	\$ 1,927
Payroll tax liabilities	3,074	2,460
Total	\$ 9,224	\$ 4,387

**Note 5 - Payroll Protection Loan**

The Organization received a "Payroll Protection Loan" established by the CARES Act, from the SBA in April of 2020 as part of the CARES act. Under the terms of the loan, the Organization has the opportunity to, and anticipates receiving, full "forgiveness" of this loan provided it is spent for the purposes outlined by the Act. The Organization expects to receive full forgiveness of this loan in the fiscal year ended June 30, 2021. At the time forgiveness is granted, the forgiveness amount will be included in grant support. Accordingly, no interest has been accrued.

**Note 6 - Leases**

During the year ended June 30, 2020, the Organization leased its facility from Professional Plaza LLC. Annual rent during the current fiscal year was approximately \$902 monthly. The lease term ends in December 2022. Future minimum lease obligations in the fiscal years ended June 30, 2021 and 2022, are approximately \$10,824 and \$11,041, respectively.

**Note 7- Line of Credit**

The Organization had an unsecured revolving line of credit with total available borrowings of \$45,000 with a variable interest rate of prime plus two percent. As of June 30, 2020, the interest rate was 7.00 percent. As of June 30, 2020 and 2019, there was no line of credit outstanding balance .

**Note 8 - Net Assets, With Donor Restrictions**

Net assets with donor restrictions consisted of the following as of June 30:

	2020	2019
Education - General	\$ 5,048	\$ 10,821
Health - Treatment	560	8,440
Health - Mosquito Netting	-	5,903
Health - General	-	4,454
Other	113	1,604
	\$ 5,721	\$ 31,222

## Ouelessebougou Alliance

### Notes to Financial Statements

**Note 9- Donated Professional Services and Materials**

The Organization received donated professional services and materials as follows during the fiscal years ended June 30, 2020 and 2019:

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<u>June 30, 2020</u>				
Physician services and medical	\$ 442,966	\$ -	\$ -	\$ 442,966
Other	900			900
Special events	-	-	2,785	2,785
	\$ 443,866	\$ -	\$ 2,785	\$ 446,651
 <u>June 30, 2019</u>				
Physician services and medical	\$ 440,199	\$ -	\$ -	\$ 440,199
Special events	-	-	9,743	9,743
Community outreach	-	750	-	750
	\$ 440,199	\$ 750	\$ 9,743	\$ 450,692

**Note 10 - 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 11 - Board Member Donations**

During fiscal years ending June 30, 2020 and 2019 members of the Organization's Board of Directors collectively contributed \$68,344 and \$79,368, respectively, in monetary donations to the Organization.

**Note 12 - Subsequent Events**

In December 2019, an outbreak of the novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. Future potential impacts may include restrictions on the Organization's ability to provide its services. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

Ouelessebougou Alliance

Notes to Financial Statements

**Note 13 - Expenses Classified by Function and Nature**

**Expenses Classified by Function and Nature** - The costs of program and supporting services are summarized below by both their respective natural and functional classifications for the fiscal years ending June 30, 2020 and 2019. These costs have been consistently allocated on a reasonable basis of estimates of time and effort expended among program and supporting services functions.

Fiscal Year Ended June 30, 2020	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses:				
Salaries, benefits and taxes	\$ 129,619	\$ 22,859	\$ 26,978	\$ 179,456
Other expenses:				
Health training and materials	471,888	-	-	471,888
Travel	46,732	-	-	46,732
Medical services and supplies	28,947	-	-	28,947
Special events	1,507	-	13,568	15,075
Rent	6,555	5,243	1,311	13,109
Miscellaneous	20,266	927	233	21,426
Mosquito netting	7,027	-	-	7,027
Accounting	2,075	1,660	415	4,150
Telephone	4,003	-	-	4,003
Depreciation	2,940	-	-	2,940
Newsletter and printing	2,176	-	725	2,901
Office supplies and postage	1,597	-	-	1,597
Parking and utilities	592	474	118	1,184
Community outreach	-	-	482	482
Repairs and maintenance	352	-	-	352
Interest	92	-	-	92
	<u>726,368</u>	<u>31,163</u>	<u>43,830</u>	<u>801,361</u>
Less expenses included in revenues on the statement of activities:				
Costs of direct benefits to donors	-	-	(13,568)	(13,568)
Total expenses included in the expense section on the statement of activities				
	<u>\$ 726,368</u>	<u>\$ 31,163</u>	<u>\$ 30,262</u>	<u>\$ 787,793</u>
In-kind donations	<u>(443,866)</u>	<u>-</u>	<u>(2,785)</u>	<u>(446,651)</u>
Expenses net of in-kind donations	<u>\$ 282,502</u>	<u>\$ 31,163</u>	<u>\$ 27,477</u>	<u>\$ 341,142</u>

**Ouelessebougou Alliance**  
**Notes to Financial Statements**

**Note 13 -  
Expenses  
Classified by  
Function and  
Nature  
(continued)**

Fiscal Year Ended June 30, 2019	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses:				
Salaries, benefits and taxes	\$ 87,484	\$ 36,452	\$ 21,871	\$ 145,807
Other expenses:				
Heath training and materials	476,474	-	-	476,474
Special events	-	-	55,143	55,143
Medical services and supplies	26,304	-	-	26,304
Travel	22,111	-	-	22,111
Rent	8,992	2,384	2,248	13,624
Mosquito netting	7,169	-	-	7,169
Community outreach	86	-	4,204	4,290
Miscellaneous	1,072	1,037	2,102	4,211
Telephone	2,763	1,257	-	4,020
Newsletter and printing	2,660	-	887	3,547
Accounting	2,135	700	665	3,500
Depreciation	2,940	-	-	2,940
Economic Development	1,916	-	-	1,916
Interest	1,022	335	318	1,675
Parking and utilities	1,337	-	-	1,337
Office supplies and postage	376	123	117	616
School and library supplies	398	-	-	398
	645,239	42,288	87,555	775,082
Less expenses included in revenues on the statement of activities:				
Costs of direct benefits to donors	-	-	(55,143)	(55,143)
Total expenses included in the expense section on the statement of activities	645,239	42,288	32,412	719,939
In-kind donations	\$ (440,199)	\$ (750)	\$ (9,743)	\$ (450,692)
Expenses net of in-kind donations	205,040	41,538	22,669	269,247