



**Financial Statements
As of June 30, 2018 (Unaudited) and 2017 (Audited)
and for the Years 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, 2018, 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.

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.

Report on 2017 Financial Statements

The 2017 financial statements were audited by us, and we expressed an unmodified opinion on them in our report dated October 23, 2017. We have not performed any auditing procedures since that date.

Mellor and Associates PLLC

Mellor and Associates, PLLC
Murray, Utah
October 15, 2018

Ouelessebouyou Alliance
Statements of Financial Position
June 30, 2018 (Unaudited) and 2017 (Audited)

<u>Assets</u>	<u>2018</u>	<u>2017</u>
Cash	\$ 39,126	\$ 71,570
Other assets	111	-
Property and equipment, net	<u>20,500</u>	<u>6,548</u>
Total assets	<u>\$ 59,737</u>	<u>\$ 78,118</u>
<u>Liabilities and Net Assets</u>		
Liabilities:		
Accrued liabilities	\$ 5,502	\$ 19,262
Line of credit	<u>28,988</u>	<u>28,923</u>
Total liabilities	<u>34,490</u>	<u>48,185</u>
Commitments		
Net assets:		
Unrestricted	8,503	(35,836)
Temporarily restricted	<u>16,744</u>	<u>65,769</u>
Total net assets	<u>25,247</u>	<u>29,933</u>
Total liabilities and net assets	<u>\$ 59,737</u>	<u>\$ 78,118</u>

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

Ouelessebougou Alliance
Statements of Activities
Years Ended June 30, 2018 (Unaudited) and 2017 (Audited)

	<u>2018</u>	<u>2017</u>
Change in unrestricted net assets:		
Revenue:		
Private donations	\$ 212,892	\$ 101,743
In-kind donations; regular	491,463	85,207
In-kind donations; special events (2017 not reclassified)	11,706	-
Special events; excluding restricted donations	129,550	151,482
Less: special event expenses	(57,024)	(49,176)
Gain on sale of property and equipment	3,588	-
Interest income	24	26
	<u>792,199</u>	<u>289,282</u>
Total net revenue		
Net assets released from restrictions	<u>50,599</u>	<u>54,225</u>
Total revenue	<u>842,798</u>	<u>343,507</u>
Expenses:		
Program services	697,550	328,038
Supporting services:		
Management and general	48,257	29,346
Fundraising	52,651	31,095
	<u>798,459</u>	<u>388,479</u>
Total expenses		
Change in unrestricted net assets	<u>44,340</u>	<u>(44,972)</u>
Change in temporarily restricted net assets:		
Public support:		
Private donations	1,574	46,460
Net assets released from restrictions:		
Restrictions satisfied	<u>(50,599)</u>	<u>(54,225)</u>
Change in temporarily restricted net assets	<u>(49,025)</u>	<u>(7,765)</u>
Decrease in net assets	<u>(4,685)</u>	<u>(52,737)</u>
Net assets, beginning of the year	<u>29,933</u>	<u>82,670</u>
Net assets, end of the year	<u>\$ 25,247</u>	<u>\$ 29,933</u>

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

Ouelessebougou Alliance
Statement of Functional Expenses
Year Ended June 30, 2018 (Unaudited)

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses:				
Salaries, benefits and taxes	\$ 92,203	\$ 38,418	\$ 23,051	\$ 153,671
Other expenses:				
Heath training and materials	503,670	-	-	503,670
Special events	-	-	57,024	57,024
Medical services and supplies	45,473	-	-	45,473
Community outreach	613	-	24,260	24,873
Travel	19,803	-	-	19,803
Rent	8,055	2,136	2,014	12,204
Mosquito netting	5,893	-	-	5,893
Accounting	3,508	1,150	1,093	5,750
Miscellaneous	1,079	3,964	323	5,366
Depreciation	4,136	-	-	4,136
Telephone	2,810	1,242	-	4,052
Interest	2,403	788	748	3,939
Newsletter and printing	2,179	-	727	2,906
Automobile	2,516	-	-	2,516
Office supplies and postage	1,402	460	437	2,298
Parking and utilities	1,393	-	-	1,393
School and library supplies	416	-	-	416
Professional	-	100	-	100
	<u>697,551</u>	<u>48,257</u>	<u>109,675</u>	<u>855,483</u>
Less expenses included in revenues on the statement of activities:				
Costs of direct benefits to donors	-	-	(57,024)	(57,024)
Total expenses included in the expense section on the statement of activities	<u>\$ 697,550</u>	<u>\$ 48,257</u>	<u>\$ 52,651</u>	<u>\$ 798,459</u>
In-kind donations	<u>(491,388)</u>	<u>(600)</u>	<u>(11,706)</u>	<u>(503,694)</u>
Expenses net of in-kind donations	<u>\$ 206,162</u>	<u>\$ 47,657</u>	<u>\$ 40,945</u>	<u>\$ 294,765</u>

See accompanying notes to financial statements and independent accountants' review 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>
In-kind donations	<u>(74,028)</u>	<u>(1,156)</u>	<u>(10,023)</u>	<u>(85,207)</u>
Expenses net of in-kind donations	<u>\$ 254,010</u>	<u>\$ 28,190</u>	<u>\$ 21,072</u>	<u>\$ 303,272</u>

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

Ouelessebouyou Alliance
Statements of Cash Flows
Years Ended June 30, 2018 (Unaudited) and 2017 (Audited)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Decrease in net assets	\$ (4,686)	\$ (52,737)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	4,136	4,136
Gain on sale of property and equipment	(3,588)	-
Change in assets and liabilities:		
Other assets	(111)	870
Accrued expenses	<u>(13,760)</u>	<u>(3,687)</u>
Net cash used in operating activities	<u>(18,009)</u>	<u>(51,418)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(20,500)	-
Proceeds from sale of property and equipment	<u>6,000</u>	<u>-</u>
Net cash used in investing activities	<u>(14,500)</u>	<u>-</u>
Cash flows from financing activities:		
Net proceeds from line of credit	<u>65</u>	<u>28,923</u>
Net change in cash	(32,444)	(22,495)
Cash at beginning of the year	<u>71,570</u>	<u>94,065</u>
Cash at end of the year	<u>\$ 39,126</u>	<u>\$ 71,570</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 3,939	\$ 2,367

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

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 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 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 September 28, 2018, 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,:

	2018	2017
Vehicles	\$ 20,500	\$ 41,357
Equipment	3,005	3,005
Property and equipment, gross	23,505	44,362
Less: accumulated depreciation	(3,005)	(37,814)
Property and equipment, net	\$ 20,500	\$ 6,548

Depreciation expense for the fiscal years ended June 30, 2018 and 2017 was \$4,136 and \$4,136, respectively.

**Note 3- Accrued
Liabilities**

Accrued liabilities consisted of the following at June 30,:

	2018	2017
Accrued compensation	\$ 2,696	\$ 15,920
Payroll tax liabilities	2,501	1,320
Other accrued expenses	305	2,022
Total	\$ 5,502	\$ 19,262

**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, 2018 and 2017, the interest rate was 7.00 and 6.25 percent, respectively. At June 30, 2018 and 2017, the amount due under this bank line of credit agreement was \$28,988 and \$28,923, respectively.

Ouelessebougou Alliance
Notes to Financial Statements

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

	2018	2017
Documentary	\$ 5,000	\$ 31,000
Health - General	4,925	12,209
Expeditions - Medical	3,163	3,163
Health - Nutrition	1,564	150
Health - Mosquito Netting	1,506	9,312
Education - General	360	200
Other	226	226
Economic Development	-	9,509
	\$ 16,744	\$ 65,769

Note 6 -Operating Lease The Organization is obligated under an operating lease for office space. Total lease expense for these operating leases for the years ended June 30, 2018 and 2017 were \$11,036 and \$9,065, respectively.

The term of the operating lease for office space is from January 2018 to December 2022. The rent is currently \$850 monthly with 2% rent escalation each year. However, the lease is cancelable with a default penalty. As of June 30, 2018 the default fee for early cancelation of the lease was \$5,202.

Note 7- Donated Professional Services and Materials The Organization received donated professional services and materials as follows during the fiscal years ended June 30, 2018 and 2017:

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
<u>June 30, 2018</u>				
Physician services and medical	\$ 491,288	\$ -	\$ -	\$ 491,288
Special events	100	-	11,706	11,806
Community outreach	-	600	-	600
	\$ 491,388	\$ 600	\$ 11,706	\$ 503,694
<u>June 30, 2017</u>				
Physician services and medical	\$ 59,490	\$ -	\$ -	\$ 59,490
Special events	-	-	9,180	9,180
Rent	11,914	-	-	11,914
Professional	-	300	-	300
Community outreach	2,624	856	843	4,323
	\$ 74,028	\$ 1,156	\$ 10,023	\$ 85,207

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, 2018 and 2017 members of the Organization's Board of Directors collectively contributed \$72,629 and \$49,996, respectively, in monetary donations to the Organization.