



Financial Statements
June 30, 2015 (Audited) and 2014 (Unaudited)
Ouelessebougou Alliance

Ouelessebougou Alliance

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Independent Auditor's Report

The Board of Directors of
Ouelessebougou Alliance
Salt Lake City, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of Ouelessebougou Alliance, which comprise the statement of financial position as of June 30, 2015, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the 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.

Auditor's 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 Ouelessebougou Alliance as of June 30, 2015, 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 2014 financial statements were reviewed by us, and our report thereon, dated November 14, 2014, 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.

Eide Bailly LLP

Salt Lake City, Utah
November 12, 2015

Ouelessebouyou Alliance
 Statements of Financial Position
 June 30, 2015 (Audited) and 2014 (Unaudited)

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 103,221	\$ 66,166
Other receivables	305	401
Total current assets	103,526	66,567
Property and Equipment		
Office furniture and equipment	3,005	10,799
Vehicles	41,357	41,357
	44,362	52,156
Less accumulated depreciation	(29,543)	(32,590)
Net property and equipment	14,819	19,566
	\$ 118,345	\$ 86,133
Liabilities and Net Assets		
Current Liabilities		
Accrued expenses	\$ 7,222	\$ 4,561
Bank line-of-credit	150	5,639
Total current liabilities	7,372	10,200
Net Assets		
Unrestricted	102,366	58,459
Temporarily restricted	8,607	17,474
Total net assets	110,973	75,933
	\$ 118,345	\$ 86,133

Ouelessebouyou Alliance
Statements of Activities
Years Ended June 30, 2015 (Audited) and 2014 (Unaudited)

	2015	2014
Unrestricted Net Assets		
Revenue		
Private donations	\$ 190,922	\$ 182,753
In-kind donations	78,854	311,667
Special events	130,333	136,937
Less: cost of direct benefits to donors	(53,143)	(54,328)
Interest	14	23
Net assets released from restrictions	8,867	5,175
Total revenue	355,847	582,227
Expenses		
Program services	254,406	495,445
Supporting services		
Management and general	27,365	23,686
Fundraising	30,169	42,664
Total expenses	311,940	561,795
Change in Unrestricted Net Assets	43,907	20,432
Temporarily Restricted Net Assets		
Public support		
Private donations	-	17,474
Net assets released from restrictions		
Restrictions satisfied	(8,867)	(5,175)
Change in Temporarily Restricted Net Assets	(8,867)	12,299
Change in Net Assets	35,040	32,731
Net Assets, Beginning of Year	75,933	43,202
Net Assets, End of Year	\$ 110,973	\$ 75,933

Ouelessebouyou Alliance
Statement of Functional Expenses
Year Ended June 30, 2015 (Audited)

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses				
Salaries, stipends, benefits and taxes	\$ 93,473	\$ 19,930	\$ 19,659	\$ 133,062
Other Expenses				
Parking and utilities	1,269	-	-	1,269
Office supplies and postage	723	236	233	1,192
Rent	10,729	2,791	2,753	16,273
Professional	1,335	435	430	2,200
Medical services and supplies	71,847	-	-	71,847
Community outreach	559	183	180	922
Newsletter and printing	1,588	-	3,176	4,764
Telephone	2,824	330	325	3,479
School and library supplies	31,652	-	-	31,652
Health training and materials	11,852	-	-	11,852
Mosquito netting	4,212	-	-	4,212
Automobile	6,439	-	-	6,439
Accounting	2,655	866	854	4,375
Interest	237	77	76	390
Special events	-	-	53,143	53,143
Miscellaneous	5,308	1,403	1,384	8,095
Travel	4,824	174	172	5,170
Depreciation	2,880	940	927	4,747
	<u>254,406</u>	<u>27,365</u>	<u>83,312</u>	<u>365,083</u>
Less expenses included in revenues on the statement of activities				
Costs of direct benefits to donors	-	-	(53,143)	(53,143)
Total expenses included in the expense section on the statement of activities	<u>\$ 254,406</u>	<u>\$ 27,365</u>	<u>\$ 30,169</u>	<u>\$ 311,940</u>

Ouelessebouyou Alliance
Statement of Functional Expenses
Year Ended June 30, 2014 (Unaudited)

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and related expenses				
Salaries, stipends, benefits and taxes	\$ 90,925	\$ 16,605	\$ 28,756	\$ 136,286
Other Expenses				
Parking and utilities	1,311	-	-	1,311
Office supplies and postage	880	217	375	1,472
Rent	9,459	2,500	4,329	16,288
Professional	1,349	392	459	2,200
Medical services and supplies	327,121	-	-	327,121
Education	3,571	-	-	3,571
Community outreach	839	291	504	1,634
Newsletter and printing	932	-	1,865	2,797
Telephone	3,124	324	561	4,009
School and library supplies	4,777	-	-	4,777
Health training and materials	8,311	-	-	8,311
Mosquito netting	12,538	-	-	12,538
Automobile	7,527	-	-	7,527
Accounting	3,866	1,343	2,325	7,534
Interest	883	306	530	1,719
Special events	-	-	54,328	54,328
Miscellaneous	5,007	728	1,261	6,996
Travel	10,452	87	152	10,691
Depreciation	2,573	893	1,547	5,013
	<u>495,445</u>	<u>23,686</u>	<u>96,992</u>	<u>616,123</u>
Less expenses included in revenues on the statement of activities				
Costs of direct benefits to donors	-	-	(54,328)	(54,328)
Total expenses included in the expense section on the statement of activities	<u>\$ 495,445</u>	<u>\$ 23,686</u>	<u>\$ 42,664</u>	<u>\$ 561,795</u>

Ouelessebouyou Alliance
Statements of Cash Flows
Years Ended June 30, 2015 (Audited) and 2014 (Unaudited)

	2015	2014
Operating Activities		
Reconciliation of change in net assets to net cash from operating activities		
Change in net assets	\$ 35,040	\$ 32,731
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	4,747	5,014
Changes in operating assets and liabilities		
Other receivables	96	(122)
Accrued expenses	2,661	(4,535)
Net Cash from Operating Activities	42,544	33,088
Financing Activities		
Proceeds from bank line-of-credit	57,558	99,151
Payments on bank line-of-credit	(63,047)	(105,559)
Net Cash used for Financing Activities	(5,489)	(6,408)
Net Change in Cash	37,055	26,680
Cash and Cash Equivalents, Beginning of Year	66,166	39,486
Cash and Cash Equivalents, End of Year	\$ 103,221	\$ 66,166
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for		
Interest	\$ 390	\$ 1,719

Note 1 - Summary of Significant Accounting Policies

Organization

Ouelessebougou Alliance (the Organization) (organized on August 5, 2000) 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 community development objectives, and 2) to provide the opportunity for both cultures to learn from the other's family and social relationships.

The Organization's activities are located primarily in the Ouelessebougou region in Mali, West Africa. The Organization has employees in both Salt Lake City, Utah and employees in Mali, West Africa. In conjunction with the residents of the Ouelessebougou region, the Organization also helps employ over forty teachers.

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and 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

We record property and equipment additions over \$250 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2015 and 2014.

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 expenditure by our Board of Directors.

We report 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 reclassified to unrestricted net assets and reported in the statements 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 or otherwise removed by our actions. The restrictions 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. We record donated professional services at the respective fair values of the services received (Note 6).

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements 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.

We believe the organization has 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. We 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 the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Subsequent Events

We have evaluated subsequent events through November 12, 2015, the date the financial statements were available to be issued. We entered into a two year lease agreement for office and storage space on July 30, 2015. The monthly rate will be \$590 per month for the length of the lease for the space, high speed internet, and phone service. These amounts are reflected in Note 4.

Note 2 - Bank Line of Credit

We have an unsecured revolving bank line-of-credit with total available borrowings of \$75,000 with a variable interest rate of prime plus two percent. The interest rate was 5.25 percent at June 30, 2015 and 2014. At June 30, 2015 and 2014, the amount due under this bank line-of-credit agreement was \$150 and \$5,639, respectively.

Note 3 - Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014, consist of:

	2015	2014
Education	\$ -	\$ 7,700
Mosquito netting	8,607	9,774
	\$ 8,607	\$ 17,474

Note 4 - Leases

We lease office equipment and office and storage space under various operating leases expiring at various dates through 2020.

Future minimum lease payments are as follows:

Year ending June 30,			
2016		\$	8,043
2017			7,980
2018			1,490
2019			900
2020			300
		\$	18,713

Rent expense for the years ended June 30, 2015 and 2014 totaled \$7,797 and \$7,628, respectively.

Note 5 - 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 6 - Donated Professional Services and Materials

We received donated professional services and materials as follows during the years ended June 30, 2015 and 2014:

	Program Services	<u>Supporting Services</u>		Total
		<u>Management and General</u>	<u>Fundraising</u>	
June 30, 2015				
Physician services and medical	\$ 64,866	\$ -	\$ -	\$ 64,866
Professional	1,335	436	429	2,200
Community outreach	182	59	59	300
Special events	-	-	5,188	5,188
Rent	3,824	1,247	1,229	6,300
	<u>\$ 70,207</u>	<u>\$ 1,742</u>	<u>\$ 6,905</u>	<u>\$ 78,854</u>
June 30, 2014				
Physician services and medical	\$ 220,006	\$ -	\$ -	\$ 297,433
Professional	1,129	392	679	2,200
Community outreach	180	62	108	350
Special events	-	-	10,754	5,285
Rent	3,284	1,140	1,975	6,400
	<u>\$ 224,599</u>	<u>\$ 1,594</u>	<u>\$ 13,516</u>	<u>\$ 311,668</u>