



**SHERRI ROSE, CPA**

NAVIGATING AUDIT | TAX | ACCOUNTING

# Mali Health Organizing Project, Inc.

## Financial Statements

Year-ended December 31, 2020

SHERRI ROSE, CPA, PLLC  
600 MARKET ST, STE. 200  
CHAPEL HILL, NC 27516  
919-913-8081

**Mali Health Organizing Project, Inc.  
Table of Contents**

|  | <u>Page<br/>Number</u> |
|--|------------------------|
| <b>Independent Accountant's Report</b> | 1                      |
| <b>Financial Statements:</b>           |                        |
| STATEMENT OF FINANCIAL POSITION        | 2                      |
| STATEMENT OF ACTIVITIES                | 3                      |
| STATEMENT OF CASH FLOWS                | 4                      |
| NOTES TO FINANCIAL STATEMENTS          | 5-8                    |



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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Trustees of  
Mali Health Organizing Project, Inc.  
PO Box 51632  
Durham, NC 27717

I have reviewed the accompanying financial statements of Mali Health Organizing Project, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company 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, I 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.

### **Accountant's Responsibility**

My 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 American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am 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. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### **Accountant's Conclusion**

Based on my review, I am 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.

*Sherri Rose, CPA*

Sherri Rose, CPA, PLLC  
Chapel Hill, NC

July 31, 2021

Mali Health Organizing Project, Inc.  
Statement of Financial Position  
December 31, 2020

|                                       | <u>2020</u>       |
|---------------------------------------|-------------------|
| ASSETS                                |                   |
| CURRENT ASSETS                        |                   |
| Cash                                  | 348,131           |
| Accounts Receivable                   | 100,450           |
| Other Receivables and Prepaids        | <u>3,960</u>      |
| TOTAL CURRENT ASSETS                  | <u>\$ 452,541</u> |
| NET ASSETS                            |                   |
| Net Assets without Donor Restrictions | 452,541           |
| TOTAL NET ASSETS                      | <u>\$ 452,541</u> |

Mali Health Organizing Project, Inc.  
Statement of Activities  
For the Year Ended December 31, 2020

|                                    | Without Donor<br>Restrictions |
|------------------------------------|-------------------------------|
| <b>SUPPORT AND REVENUE</b>         |                               |
| Support                            |                               |
| Contributions                      | \$ 396,203                    |
| Grants                             | 300,532                       |
| Program Income                     | 710                           |
| Miscellaneous Income               | 10,393                        |
| <b>TOTAL SUPPORT AND REVENUE</b>   | <b>707,837</b>                |
| <br><b>EXPENSES</b>                |                               |
| Salaries and Wages                 | 223,600                       |
| Payroll Taxes                      | 21,547                        |
| Employee Benefits                  | 1,016                         |
| Contract Labor                     | 3,999                         |
| Program Expense                    | 57,522                        |
| Event Expense                      | 5,386                         |
| Office Expense                     | 6,876                         |
| Training and Development           | 11,048                        |
| Travel                             | 3,158                         |
| Occupancy                          | 12,885                        |
| Licensures and Fees                | 1,213                         |
| Merchant Fees                      | 4,864                         |
| Legal and Accounting               | 7,972                         |
| Insurance                          | 426                           |
| Miscellaneous                      | 121                           |
| Other Taxes                        | 1,265                         |
| Gain Loss on Foreign Currency      | 3,067                         |
| <b>TOTAL EXPENSES</b>              | <b>365,965</b>                |
| <br>Change in Net Assets           | <br>341,872                   |
| Net Assets, Beginning of Year      | 110,669                       |
| <br><b>NET ASSETS, END OF YEAR</b> | <br><b>452,541</b>            |

Mali Health Organizing Project, Inc.  
Statement of Cash Flows  
For the Year Ended December 31, 2020

|   | 2020        |
|---|-------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |             |
| Change in Net Assets  | 341,872     |
| Adjustments to Reconcile Net Income to<br>Net Cash Provided by Operating Activities |             |
| Change in Accounts Receivable   | (70,450)    |
| Change in Other Receivable and Deposits   | (2,961)     |
| Net Cash Provided (Used) by Operating Activities                                    | 268,461     |
| <br><b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                         | <br>268,461 |
| Cash and Cash Equivalents at Beginning of Year                                      | 79,670      |
| Cash and Cash Equivalents at End of Year  | \$ 348,131  |
| <br><b>SUPPLEMENTAL DATA:</b>   |             |
| Interest Income   | \$ -        |
| Interest Expense  | \$ 1,213    |

Mali Health Organizing Project, Inc.  
Notes to Financial Statements  
December 31, 2020

NOTE 1 Nature of Activities and Significant Accounting Policies

Nature of Activities

Mali Health Organizing Project, Inc. is a nonprofit corporation created under the laws of the state of Vermont. The Organization's purpose is to improve maternal and child health in peri-urban communities in Bamako, Mali. The Organization helps mothers and children access high-quality primary care while working with communities and the health system to improve the way that care is delivered at the community level. Mali Health's revenue sources include unrestricted funding from individual donations, matching gifts from corporations, and family foundation contributions, and temporarily restricted funding from private foundation grants to support programs.

Basis of Accounting

Mali Health Organizing Project, Inc. maintains its books and records on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standard Codification (ASC) No. 958-605, Financial Statements of Not-for-Profit Organizations. Under ASC No. 958-605, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restriction – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions.

Net Assets with Donor Restriction – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization as well as net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Cash and Cash Equivalents

Cash and cash equivalents consist of all monies in banks and short-term, highly liquid investments, which are readily convertible into cash within ninety days. Bank accounts

Mali Health Organizing Project, Inc.  
Notes to Financial Statements  
December 31, 2020

are also kept in Mali, Africa and reported in the statement of financial position at the current exchange rate.

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

#### Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

#### Revenue Recognition

Service revenues from providing technical support and capacity building to community health centers are recognized when the services are provided. The Organization reports contributions as net assets with donor restrictions if they are received with donor stipulations that restrict the use.

#### Accounts Receivable

Accounts receivable are stated at unpaid balances. The Organization provides for losses on accounts receivable using the direct write off method. Receivables are considered impaired if full payments are not received in accordance with the terms of the agreement. It is the Organization's policy to write off uncollectible accounts receivable when management determines the receivable will not be collected.

#### Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for income taxes pertaining to unrelated business income. The Financial Accounting Standards Board issued guidance that requires tax effects from uncertain tax positions to be recognized in the financial statements only if the position is more than likely to be sustained if it was to be challenged by a taxing authority. Management has determined there are no material uncertain positions that require recognition in the financial statements. The tax returns of the Organization for the years ended December 31, 2017 through 2019 are or will be subject to examination by the IRS and other various taxing authorities, generally for three years after they are filed.



Mali Health Organizing Project, Inc.  
Notes to Financial Statements  
December 31, 2020

NOTE 2 Leases

The Organization leases office space in Bamako.

NOTE 3 Concentration of Credit Risk

The Organization maintains bank accounts at Pinnacle Bank, Paypal and Mali, Africa. Accounts at a US institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Total US cash deposits at December 31, 2020 were within the insured limit. The foreign bank accounts are not FDIC insured. The amount at risk in US dollars as of December 31, 2020 totaled \$36,250. In January a large donation was received resulting in the Organization exceeding the FDIC limit by \$50,580 in the subsequent month.

NOTE 4 Net Assets with Donor Restriction

There are no net assets with donor restrictions reported at December 31, 2020: All restrictions were lifted in 2020 due to the pandemic.

NOTE 5 Functional Classification of Expenses

Expenses by function for the year ended December 31, 2020 were as follows:

EXPENSES

|                             |                   |
|-----------------------------|-------------------|
| Program services            |                   |
| Community Health Program    | \$ 92,505         |
| Mali Operations             | 91,892            |
| Quality Improvement         | 47,847            |
| Women-Led Health Financing  | 44,282            |
| Communications and Outreach | 29,761            |
| Supporting services         |                   |
| Management and general      | <u>59,678</u>     |
| TOTAL EXPENSES              | <u>\$ 365,965</u> |

NOTE 6 Liquidity and Availability of Financial Assets

The Organization monitors its liquidity so that it is able to meet its operation needs and other contractual commitments while attempting to maximize the investment of its excess operation cash. The Organization has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Mali Health Organizing Project, Inc.  
Notes to Financial Statements  
December 31, 2020

|   | <u>2020</u>      |
|---|------------------|
| Cash and cash equivalents   | \$348,131        |
| Accounts Receivable   | <u>101,883</u>   |
| Financial assets available to meet cash needs<br>for general expenditures within one year | <u>\$450,014</u> |

NOTE 7 Subsequent Events

A former employee who was exempt from employment tax in Mali has been re-reviewed by the taxing authority. While no taxes have been levied, Bamako District tax authority is holding that Mali Health is potentially liable for these employment taxes that were not paid by the former employee prior to her departure.

For the purpose of the accompanying financial statements, subsequent events have been evaluated through July 31, 2021, which is the date these financial statements were available to be issued.