

THE BARKA FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2019 & 2018

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FINANCIAL STATEMENTS
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KUSHI & COMPANY, PC

Certified Public Accountants

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
The Barka Foundation, Inc.
Burlington, ME 04417

We have reviewed the accompanying financial statements of The Barka Foundation, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses 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 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 the 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.

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 conformity with accounting principles generally accepted in the United States of America.



February 8, 2021

THE BARKA FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
(See Independent Accountants' Review Report)

	<u>At December 31</u>	
	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ <u>11,209</u>	\$ <u>15,413</u>
<u>PROPERTY & EQUIPMENT, at cost</u>		
Building	90,857	90,857
Building Improvements	18,472	--
Vehicles	54,570	54,570
Land	22,714	22,714
Office Equipment	<u>46,549</u>	<u>45,414</u>
Total	233,162	213,555
Accumulated Depreciation	<u>(97,950)</u>	<u>(83,517)</u>
<u>TOTAL PROPERTY & EQUIPMENT</u>	<u>135,212</u>	<u>130,038</u>
<u>TOTAL</u>	\$ <u>146,421</u>	\$ <u>145,451</u>
<u>LIABILITIES & NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Current Portion of Notes Payable	\$ 7,410	\$ 7,270
<u>LONG-TERM LIABILITIES</u>		
Long-Term Portion of Notes Payable	<u>63,906</u>	<u>67,817</u>
<u>TOTAL LIABILITIES</u>	<u>71,316</u>	<u>75,087</u>
<u>NET ASSETS</u>		
Without Donor Restrictions	<u>75,105</u>	<u>70,364</u>
<u>TOTAL</u>	\$ <u>146,421</u>	\$ <u>145,451</u>

The accompanying notes are an integral part of these financial statements.

THE BARKA FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019 & 2018
(See Independent Accountants' Review Report)

	Without Donor Restriction	
	<u>2019</u>	<u>2018</u>
<u>SUPPORT & REVENUE</u>		
Contributions	\$ 133,170	\$ 132,152
Other Revenue	2,500	--
Interest Income	155	--
	<u>135,825</u>	<u>132,152</u>
<u>EXPENSES</u>		
Programs Expenses	98,987	110,623
Fundraising Expenses	12,139	7,910
Administrative	<u>19,958</u>	<u>16,688</u>
<u>TOTAL EXPENSES</u>	<u>131,084</u>	<u>135,221</u>
<u>CHANGE IN NET ASSETS</u>	4,741	(3,069)
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>70,364</u>	<u>73,433</u>
<u>NET ASSETS AT END OF YEAR</u>	\$ <u>75,105</u>	\$ <u>70,364</u>

The accompanying notes are an integral part of these financial statements.

THE BARKA FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019 & 2018
(See Independent Accountants' Review Report)

	<u>Program</u> <u>Services</u>	<u>Fundraising</u> <u>Expenses</u>	<u>General &</u> <u>Administrative</u>	<u>Total</u>	<u>Program</u> <u>Services</u>	<u>Fundraising</u> <u>Expenses</u>	<u>General &</u> <u>Administrative</u>	<u>Total</u>
Advertising	\$	\$ 99	\$	\$ 99	\$	\$	\$	\$ --
Auto & Travel	235	470	235	940	189	378	189	756
Bank & Miscellaneous Charges	490			490	167	240	283	690
Building Repairs & Maintenance	1,015	508	508	2,031			904	904
Conferences & Continuing Education	95			95	70		413	483
Delegation Program	2,734	2,734		5,468	3,578	3,578		7,156
Delegation Program - Medical	34,740			34,740				--
Depreciation	7,217	284	6,932	14,433	18,949	427	2,330	21,706
Director's Fees	6,000	3,000	3,000	12,000				--
Fundraising Expenses		464		464				--
Grants & Allocations	27,510			27,510	62,842			62,842
Insurance	291		874	1,165	322		967	1,289
Interest Expense			2,550	2,550			2,685	2,685
Legal & Professional Fees	4,728	1,728	3,457	9,913	4,750	1,500	3,250	9,500
Office Expense	507	451	57	1,015	349	348	349	1,046
Outside Services	5,328	389	389	6,106	5,000		3,068	8,068
Postage & Shipping		247		247		177	88	265
Supplies			167	167	8,187		57	8,244
Taxes, Licenses, Fees & Dues			25	25			330	330
Telephone & Technology	3,278	669	669	4,616	2,794	570	570	3,934
Travel, Meals & Lodging	3,599	485	485	4,569	3,426	388	901	4,715
Utilities	<u>1,220</u>	<u>611</u>	<u>610</u>	<u>2,441</u>	<u> </u>	<u>304</u>	<u>304</u>	<u>608</u>
TOTAL	\$ <u>98,987</u>	\$ <u>12,139</u>	\$ <u>19,958</u>	\$ <u>131,084</u>	\$ <u>110,623</u>	\$ <u>7,910</u>	\$ <u>16,688</u>	\$ <u>135,221</u>

The accompanying notes are an integral part of these financial statements.

THE BARKA FOUNDATION, INC.
STATEMENT OF CASH FLOWS
(See Independent Accountants' Review Report)

	For the Years Ended December 31	
	2019	2018
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ 4,741	\$ (3,069)
Adjustments to reconcile change in net assets to net cash:		
Depreciation	<u>14,433</u>	<u>21,706</u>
Net cash provided (used) by operating activities	19,174	18,637
Cash flows from investing activities:		
Acquisition of property and equipment	(19,607)	--
Cash flows from financing activities:		
Principal payments on notes payable	<u>(3,771)</u>	<u>(3,635)</u>
Net increase (decrease) in cash and cash equivalents	(4,204)	15,002
Cash and cash equivalents at beginning of year	<u>15,413</u>	<u>411</u>
Cash and cash equivalents at end of year	\$ <u>11,209</u>	\$ <u>15,413</u>
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</u>		
Cash paid during the year for:		
Interest	\$ 2,550	\$ 2,685

The accompanying notes are an integral part of these financial statements.

THE BARKA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2019 & 2018
(See Independent Accountants' Review Report)

Note 1 -- NATURE OF ORGANIZATION

The Barka Foundation, Inc. was established as a not-for-profit organization under Chapter 180 of the General Laws of the Commonwealth of Massachusetts on January 10, 2006. The organization serves as a catalyst for sustainable development in Burkina Faso through wash initiative (water, sanitation, and hygiene), education, women's empowerment, and climate mitigation strategies.

The Barka Foundation, Inc. also serves as a bridge between individuals, school, and communities of Burkina Faso and the United States to facilitate greater understanding, cultural exchange, and the co-creation of a culture of peace.

Note 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements of the organization follow the standards of accounting for nonprofit organizations and have been prepared on the accrual basis.

Use of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributions:

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

Property & Equipment:

Property and equipment are stated at cost. Donations of equipment are recorded at their estimated fair value. Depreciation is calculated under the straight line and declining balance methods using lives ranging from 5 to 39 years. Renewals, improvements and planned major maintenance activities that extend the life of an asset are capitalized when the cost is incurred and depreciated. Repair and maintenance elements are charged to current operations.

THE BARKA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2019 & 2018
 (See Independent Accountants' Review Report)

Note 2 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Income Taxes:

The organization is a not-for-profit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the organization has been classified as an organization that is not a private foundation.

Donated Services:

The organization receives a substantial amount of voluntary services donated by individuals and businesses that have not been reflected in the financial statements. The impact of those services upon the financial statements is unknown as there is no objective basis available to measure the value of such services, and these services do not meet the criteria for recognition in the financial statements.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services.

Cash & Cash Equivalents:

For purposes of the statement of cash flows, the organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Note 3 -- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2019</u>	<u>2018</u>
Financial assets at year end	\$ 11,209	\$ 15,413
Less those unavailable for general expenditures within one year	_____	_____
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>11,209</u>	\$ <u>15,413</u>

THE BARKA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT
DECEMBER 31, 2019 & 2018
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Note 4 -- NOTES PAYABLE

The organization had the following notes payable at December 31:

	<u>2019</u>	<u>2018</u>
0.0% demand note payable to an individual. Unsecured	\$ 3,500	\$ 3,500
3.65% term note to Brewer Federal Credit Union. Payable \$527 monthly including interest. Balloon payment due on August 15, 2024. Collateralized by organization assets.	<u>67,816</u>	<u>71,587</u>
Total Notes Payable	71,316	75,087
Less: Current Portion	<u>7,410</u>	<u>7,270</u>
Long-Term Portion of Note Payable	\$ <u>63,906</u>	\$ <u>67,817</u>

Future maturities on the above long-term debt are as follows:

2020	\$ 7,410
2021	4,055
2022	4,206
2023	4,362
2024	4,524
Thereafter	<u>46,759</u>
Total	\$ <u>71,316</u>

Note 5 -- SUBSEQUENT EVENTS

Date of Management Evaluation:

Management has evaluated subsequent events through February 8, 2021, the date on which the financial statements were available to be issued.