

THE BARKA FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2020 & 2019

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FINANCIAL STATEMENTS  
DECEMBER 31, 2020 & 2019

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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, 2020 and 2019, 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.

*Kushi + Company, PC*

March 29, 2022

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

	<u>At December 31</u>	
	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ <u>7,499</u>	\$ <u>11,209</u>
<u>PROPERTY &amp; EQUIPMENT, at cost</u>		
Building	90,857	90,857
Building Improvements	32,506	18,472
Vehicles	54,570	54,570
Land	22,714	22,714
Office Equipment	<u>31,549</u>	<u>46,549</u>
Total	232,196	233,162
Accumulated Depreciation	<u>(98,093)</u>	<u>(97,950)</u>
<u>TOTAL PROPERTY &amp; EQUIPMENT</u>	<u>134,103</u>	<u>135,212</u>
<u>TOTAL</u>	\$ <u>141,602</u>	\$ <u>146,421</u>
<u>LIABILITIES &amp; NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Current Portion of Notes Payable	\$ 7,750	\$ 7,410
<u>LONG-TERM LIABILITIES</u>		
Long-Term Portion of Notes Payable	<u>59,850</u>	<u>63,906</u>
<u>TOTAL LIABILITIES</u>	<u>67,600</u>	<u>71,316</u>
<u>NET ASSETS</u>		
Without Donor Restrictions	<u>74,002</u>	<u>75,105</u>
<u>TOTAL</u>	\$ <u>141,602</u>	\$ <u>146,421</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, 2020 & 2019  
(See Independent Accountants' Review Report)

	<u>Without Donor Restriction</u>	
	<u>2020</u>	<u>2019</u>
<u>SUPPORT &amp; REVENUE</u>		
Contributions	\$ 75,220	\$ 133,170
Other Revenue	9,150	2,500
Gain/Loss on Sale of Asset	6,544	--
Interest Income	<u>86</u>	<u>155</u>
<u>TOTAL SUPPORT &amp; REVENUE</u>	<u>91,000</u>	<u>135,825</u>
<u>EXPENSES</u>		
Programs Expenses	57,871	98,987
Fundraising Expenses	19,006	12,139
Administrative	<u>15,226</u>	<u>19,958</u>
<u>TOTAL EXPENSES</u>	<u>92,103</u>	<u>131,084</u>
<u>CHANGE IN NET ASSETS</u>	(1,103)	4,741
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>75,105</u>	<u>70,364</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 74,002</u>	<u>\$ 75,105</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, 2020 & 2019  
(See Independent Accountants' Review Report)

	<u>Program</u>	<u>Fundraising</u>	<u>General &amp;</u>		<u>Program</u>	<u>Fundraising</u>	<u>General &amp;</u>	
	<u>Services</u>	<u>Expenses</u>	<u>Administrative</u>	<u>Total</u>	<u>Services</u>	<u>Expenses</u>	<u>Administrative</u>	<u>Total</u>
Advertising	\$ 65	\$ 199	\$ 25	\$ 289	\$	\$ 99	\$	\$ 99
Auto & Travel				--	235	470	235	940
Bank & Miscellaneous Charges	60	638		698	490			490
Building Repairs & Maintenance	267	134	133	534	1,015	508	508	2,031
Conferences & Continuing Education		127		127	95			95
Delegation Program	219			219	2,734	2,734		5,468
Delegation Program - Medical	592			592	34,740			34,740
Depreciation	5,412	3,137	3,138	11,687	7,217	284	6,932	14,433
Director's Fees	6,000	3,000	3,000	12,000	6,000	3,000	3,000	12,000
Fundraising Expenses				--		464		464
Grants & Allocations	26,000			26,000	27,510			27,510
Insurance	255		938	1,193		874	1,165	322
Interest Expense	1,143	571	571	2,285			2,550	2,550
Legal & Professional Fees	11,000	6,750	4,250	22,000	4,728	1,728	3,457	9,913
Office Expense	24		235	259	507	451	57	1,015
Outside Services	299			299	5,328	389	389	6,106
Postage & Shipping		134		134		247		247
Supplies	1,472	629	629	2,730			167	167
Taxes, Licenses, Fees & Dues	309	324	260	893			25	25
Telephone & Technology	1,743	881	868	3,492	3,278	669	669	4,616
Travel, Meals & Lodging	1,597	1,775	473	3,845	3,599	485	485	4,569
Utilities	<u>1,414</u>	<u>707</u>	<u>706</u>	<u>2,827</u>	<u>1,220</u>	<u>611</u>	<u>610</u>	<u>2,441</u>
<b>TOTAL</b>	<b>\$ <u>57,871</u></b>	<b>\$ <u>19,006</u></b>	<b>\$ <u>15,226</u></b>	<b>\$ <u>92,103</u></b>	<b>\$ <u>98,987</u></b>	<b>\$ <u>12,139</u></b>	<b>\$ <u>19,958</u></b>	<b>\$ <u>131,084</u></b>

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	
	2020	2019
<u>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>		
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (1,103)	\$ 4,741
Adjustments to reconcile change in net assets to net cash:		
Depreciation	142	14,433
Net cash provided (used) by operating activities	(961)	19,174
Cash flows from investing activities:		
Acquisition of property and equipment	(14,033)	(19,607)
Sale of equipment	15,000	--
Net cash provided (used) by investing activities	967	(19,607)
Cash flows from financing activities:		
Principal payments on notes payable	(3,716)	(3,771)
Net increase (decrease) in cash and cash equivalents	(3,710)	(4,204)
Cash and cash equivalents at beginning of year	11,209	15,413
Cash and cash equivalents at end of year	\$ 7,499	\$ 11,209
<u>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</u>		
Cash paid during the year for:		
Interest	\$ 2,285	\$ 2,550

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

THE BARKA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2020 & 2019

(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 BARKA Foundation empowers communities in Africa to thrive. It does this by:

- Providing sustainable access to clean water, improved sanitation and hygiene education (WASH)
- Helping communities achieve gender equality
- Developing community resilience through food security programs
- Educating US students and communities about Africa
- Utilizing media and the cultural arts to strengthen the capacities of local populations

BARKA Foundation has dual citizenship, as a US-based 501(c)3 charitable organization, and as a Burkina Faso based organization, Fondation BARKA, which serves as an affiliate. Fondation BARKA has a four-person Board of Directors (Bureau Executif), consisting of BARKA Foundation's two co-founders and two founding Burkinabé members.

Each year, Fondation BARKA sends a formal request for annual operational funds and a corresponding budget. This request is reviewed and voted on by the US Board of Directors. Fondation BARKA provides financial reports on a monthly basis and an annual report of all grant expenses for the year. The US Board maintains financial oversight over its Burkina Faso based affiliate.

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.



THE BARKA FOUNDATION, INC.  
NOTES TO FINANCIAL STATEMENT  
DECEMBER 31, 2020 & 2019

(See Independent Accountants' Review Report)

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

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.

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.

2020

2019

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

Note 3 -- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (cont)

Financial assets at year end	\$ 7,510	\$ 11,209
Less those unavailable for general expenditures within one year	--	--
Financial assets available to meet cash needs for general expenditure within one year	\$ <u>7,510</u>	\$ <u>11,209</u>

Note 4 -- NOTES PAYABLE

The organization had the following notes payable at December 31:

	<u>2020</u>	<u>2019</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>63,906</u>	<u>67,816</u>
Total Notes Payable	67,406	71,316
Less: Current Portion	<u>7,555</u>	<u>7,410</u>
Long-Term Portion of Note Payable	\$ <u>59,851</u>	\$ <u>63,906</u>

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

2021	\$ 7,555
2022	4,206
2023	4,362
2024	4,524
2025	4,692
Thereafter	<u>42,067</u>
Total	\$ <u>67,406</u>

Note 5 -- SUBSEQUENT EVENTS

Date of Management Evaluation:

Management has evaluated subsequent events through March 29, 2022, the date on which the financial statements were available to be issued.