



KONKOURONA ALLIANCE FOUNDATION, INC

Financial Statements

For the years ended April 30, 2021 and 2020

With Independent Auditor's Report



Harriet Nabatesa, CPA
ACCOUNTING, AUDIT AND TAX

KONKOURONA ALLIANCE FOUNDATION, INC

For the Years Ended April 30, 2021 and 2020

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Independent Auditors' Report

To The Board of Directors and Management of
Konkourona Alliance Foundation (KAFO), Inc.

We have audited the accompanying financial statements of Konkourona Alliance Foundation (KAFO), Inc., (a not for profit organization), which comprise the statement of financial position as of April 30, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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.

Auditors' 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 auditors' 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 organization'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 organization'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.

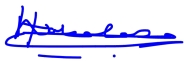
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Konkourona Alliance Foundation (KAFO), Inc as of April 30, 2021 and 2020, and the changes in its net assets and cashflows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2(k) to the financial statements, Konkourona Alliance Foundation (KAFO), Inc. has operations in Burkina Faso. The activities in Burkina Faso were not audited by us and therefore these financial statements should be read in conjunction with the audit report issued by the Burkina Faso auditor. Our opinion is not modified with respect to this matter.



November 1, 2021

KONKOURONA ALLIANCE FOUNDATION (KAFO), INC

Statement of Financial Position

April 30, 2021 and 2020

	2021	2020
Assets		
<i>Current assets</i>		
Cash and cash equivalent	\$ 7,029	\$ 801
Total assets	<u>\$ 7,029</u>	<u>\$ 801</u>
Liabilities and Net Assets		
<i>Current liabilities</i>	<u>\$ -</u>	<u>\$ -</u>
Net assets		
Without donor restrictions		
Undesignated	7,029	801
Board designated		
Total without donor restrictions	<u>7,029</u>	<u>801</u>
With donor restrictions	<u>-</u>	<u>-</u>
Total net assets	<u>7,029</u>	<u>801</u>
Total liabilities and net assets	<u>\$ 7,029</u>	<u>\$ 801</u>

KONKOURONA ALLIANCE FOUNDATION (KAFO), INC

Statement of Activities

For the Years Ended April 30, 2021 and 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021 Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>
Revenue and Support						
Grants and contributions	\$ 209,544	\$ 17,845	\$ 227,389	\$ 66,383	-	\$ 66,383
In-kind donations	7,325	-	7,325	7,230	-	7,230
Interest Income	5	-	5	2	-	2
Total revenue and support	<u>216,874</u>	<u>17,845</u>	<u>234,719</u>	<u>73,615</u>	<u>-</u>	<u>73,615</u>
Expenses						
Program	202,643	17,845	220,488	68,027	-	68,027
Management and general	7,739	-	7,739	4,479	-	4,479
Fundraising	263	-	263	308	-	308
Total expenses	<u>210,646</u>	<u>17,845</u>	<u>228,491</u>	<u>72,814</u>	<u>-</u>	<u>72,814</u>
Changes in net assets	6,228	-	6,228	801	-	801
Net assets at the beginning of year	<u>801</u>	<u>-</u>	<u>801</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at the end of year	<u>\$ 7,029</u>	<u>\$ -</u>	<u>\$ 7,029</u>	<u>\$ 801</u>	<u>\$ -</u>	<u>\$ 801</u>

KONKOURONA ALLIANCE FOUNDATION (KAFO), INC

Statement of Functional Expenses For the Year Ended April 30, 2021

	Program	Management and general	Fundraising	Total
Salaries and wages	\$ 2,415	\$ -	\$ -	\$ 2,415
Capital Expenditure - Siara Mami Na	194,752	-	-	194,752
Tuition/Tutoring fees	3,570	-	-	3,570
Consultant Services	14,220	-	-	14,220
Bank/Credit card processing fees	-	2,816	-	2,816
Registration Expenses	-	100	-	100
Accounting/Legal fees	-	2,450	-	2,450
Marketing/Advertising	-	-	263	263
Postage	-	86	-	86
Printing and Copying	-	204	-	204
General supplies	-	362	-	362
Telephone/Internet/Zoom/Website	-	1,721	-	1,721
Books/Periodicals	5,531	-	-	5,531
Total expenses	<u>220,488</u>	<u>7,739</u>	<u>263</u>	<u>228,491</u>

KONKOURONA ALLIANCE FOUNDATION (KAFO), INC

Statement of Functional Expenses For the Year Ended April 30, 2020

	Program	Management and general	Fundraising	Total
Salaries and wages	\$ 820	\$ -	\$ -	\$ 820
Capital Expenditure - Siara Mami Na	66,947	-	-	66,947
Tuition/Tutoring fees	-	-	-	-
Consultant Services	-	3,150	-	3,150
Bank/Credit card processing fees	-	-	-	-
Registration Expenses	-	795	-	795
Accounting/Legal fees	-	-	-	-
Marketing/Advertising	-	287	179	466
Postage	-	-	-	-
Printing and Copying	-	41	-	41
General supplies	-	-	-	-
Telephone/Internet/Zoom/Website	-	206	130	336
Books/Periodicals	260	-	-	260
Total expenses	<u>68,027</u>	<u>4,479</u>	<u>263</u>	<u>72,815</u>

KONKOURONA ALLIANCE FOUNDATION (KAFO), INC.
Statement of Cash flows
For the Years Ended April 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase/(Decrease) in net assets	\$ 7,029	\$ 801
Adjustments to reconcile net assets to net cash from operating activities:		
Depreciation and amortization	0	0
(Increase) decrease in inventories	0	0
(Increase) decrease in accounts receivable	0	0
(Increase) decrease in other assets	0	0
Increase (decrease) in accounts payable	0	0
Increase (decrease) in other liabilities	0	0
Net cash from operating activities	7,029	801
Cash flows from investing activities:		
Purchases of investments	0	0
Proceeds from sales of investments	0	0
Net cash from investing activities	0	0
Cash flows from financing activities:		
Purchase of equipment	0	0
Repayments of debt	0	0
Net cash used in financing activities	0	0
Net increase (decrease) in cash & cash equivalents	7,029	801
Cash & cash equivalents, beginning of period	0	0
Cash & cash equivalents, end of period	\$ 7,029	\$ 801

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

**KONKOURONA ALLIANCE FOUNDATION
(KAFO), INC
Notes to Financial Statements
April 30, 2021 and 2020**

Note 1 - Organization and Purpose

Konkourona Alliance Foundation (KAFO), Inc. is organized for exclusively religious, charitable, educational and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986 or the corresponding provision of any future United States Internal Revenue Law, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under said Section 501(c)(3) of the Internal Revenue Code of 1986.

As a non-profit charity organization, KAFO is dedicated to helping the Konkourona community escape poverty through education, mentoring, improved healthcare, strengthened infrastructure and business development opportunities.

Remote villages in Burkina Faso are often considered to be “the last mile” for development, since most development efforts focus on national or regional needs and rarely make it to the villages. KAFO sees empowerment of villages as “the first mile” contending that overall development in the country can be enhanced through investment in rural communities, beginning with education of the children and improving basic care of all citizens.

Given the challenges in Konkourona, and the successes of empowering the people that are immediately apparent, KAFO intends to continue implementation of the “First Mile Community Development Program” in the village of Konkourona in partnership with the nonprofit, Mami Siara Na Association of Konkourona (MSN), as a proof of concept, which can then be replicated in other villages in Burkina Faso.

The leaders of KAFO and MSN believe that the community must be at the core of its own development. MSN determines what is needed in Konkourona and works with KAFO to develop a strategy for implementation. KAFO provides funding to support proposed projects that are aligned with KAFO’s mission and vision.

**KONKOURONA ALLIANCE FOUNDATION
(KAFO), INC
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Note 2 - Summary of Significant Accounting Policies

(a) Basis of Presentation

For financial reporting purposes, the organization follows the reporting requirements of United States of America Generally Accepted Accounting Principles (GAAP), which requires resources be classified for reporting purposed based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets; without donor restrictions and with donor restrictions. The two net asset categories and the types of transactions affecting each category are described as follows:

- Net assets Without donor restrictions – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired. These net assets are available for use in general operations.
- Net assets With donor restrictions – net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of the Organization.

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as release from restrictions in the consolidated statement of activities. Gains and losses on investments are reported as increases or decrease in net assets without donor restrictions unless their use is restricted by donor or by law.

(b) Contributions:

Contributions, are recognized as revenue at fair value when received or pledged. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting anticipated future cash receipts at a risk-adjusted rate for the duration of the donor's payment plan. Contributions received with donor-imposed conditions are recognized as revenue when the conditions have been substantially met. Amounts received in advance of satisfying the donor-imposed conditions

**KONKOURONA ALLIANCE FOUNDATION
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are reported as deferred revenue until the conditions are met. During the year ended April 2021 there were no contributions with donor restrictions. Majority of contributions came from individual donors and small organizations.

(c) Donated Services, Commodities, and Gifts-in-Kind

Donated services are reported as contributions and expenses in amounts equal to their estimated fair value on the date of receipt. Approximately \$7,325 of in-kind equipment and services were provided mainly by the Directors/Owners of KAFO during the year ended April, 30, 2021

(d) Functional Expenses

The Organization allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Program activities include costs of the Organization associated with the transfer of funds for the expansion of school and Health care center in Burkina Faso. Management and general represents the Organization's payment of management and general office expense. Fundraising expense are mainly the fees for fundraising website and marketing.

(e) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. During the year ended April 30, 2021 there were no estimates made by the management.

(f) Financial Statement Presentation

Financial Statement Presentation Under Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of KAFO, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions

(g) Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

**KONKOURONA ALLIANCE FOUNDATION
(KAFO), INC
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(h) Cash and cash equivalent

For purposes of the statements of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(i) Restrictions on Net Assets

There were no restrictions imposed by donors for the contributions/donations made during the year.

(j) Related Party Transactions

FASB Accounting Standard Codification (ASC) 850, *Related Party Disclosures*, is the standard regarding related party transactions and the required disclosures. KAFO's Board of Directors is the same as the Management of KAFO.

During the year the following Owner/Management directors contributed cash to the organization as follows:

Catherine Hoath - \$ 99,290
Dr. Jules Millongo - \$ 82,842
Gail Houseman - \$ 385

Also Dr Jules Millogo is a brother of the Vice President of Association Mami Siara Na. During the year ended April 30, 2021 MSN's Vice President, Mr Victorien Maré Millogo, was paid a salary totaling to \$ 2,400 to compensate for time spent away from his farm to oversee development projects supported by KAFO and MSN. Development projects in Konkourona support parties who are related and unrelated to KAFO President, Dr. Jules Millogo, and MSN Vice President, Victorien Maré Millogo.

(k) Association Mami Siara Na Financials

These financial statements must be read in conjunction with Association Mami Siara Na audited report. Association Mami Siara Na financials were audited by Cabinet Nel'Yam. This audit firm is not affiliated with KAFO auditors hence no review or opinion is issued with regard to their audit report.

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(l) Accounting Pronouncements Adopted in the current year

In May 2014, the FASB issued Accounting Standards Update (ASU) 2014-09, "Revenue from Contracts with Customers," amending Financial Accounting Standard Board Accounting Standards Codification (ASC) topic 606. This ASU, as amended, affects any entity that enters into contracts with customers to transfer goods or services and is intended to enhance the comparability of revenue recognition practices across entities. The new standard requires entities with customers in the amount the entity has satisfied its performance obligation under contracts with customers in the amount the amount the entity expects to be entitled to in exchange for the goods or services provided. For non-profit organizations with no public debt, this ASU takes effect for annual periods beginning after December 15, 2019. Early adoption is permitted.

KAFO's financial statements reflect the application of this guidance for the year ended April 30, 2021 using the modified retrospective method. No cumulative-effect adjustment to net assets was recorded because the adoption did not impact the KAFO's previously reported revenue.

(m) Recent Accounting Pronouncements

The FASB also issued ASU 2016-02, Leases (Topic 842), which requires recognition of (a) a lease asset (right of use) and lease liability, initially measured at the present value of the least payments, in the statement of financial position and (b) a single lease cost, calculated so that the cost of the lease is allocated over the lease term generally on a straight-line basis. All cash payments are to be classified within operating activities in the statement of cash flows. The amendments are effective for KAFO's fiscal year ending April 30, 2023, with early adoption permitted. This ASU will impact the accounting for KAFO's lease arrangements when it is adopted. KAFO currently does not have lease arrangements and will evaluate the effect the provisions of this ASU will have on the April 30, 2022 financial statements.

(n) Subsequent Events

As of November 1, 2021, the organization continues to be impacted by COVID-19, which was characterized as a pandemic by the World Health Organization (WHO) on March 11, 2020. It is anticipated that the impacts will continue for some time. The extent of the impact of the COVID-19 pandemic on the organization's operational and financial performance will depend on future developments, including the duration and spread of the outbreak. Future potential impacts may include disruptions or restrictions on employees' ability to work, donors' ability to contribute, or the organizations ability to fundraise. Furthermore, the management has been unable to physically visit and verify progress due to the travel and exposure

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restrictions. The future effects of these issues are unknown.

In connection with the preparation of the financial statements, the Organization evaluated subsequent events from April 30, 2021 through November 1, 2021, which was the date the financial statements were available for issuance, and concluded that no additional disclosures are required.