

OneVillage Partners

Golden Valley, Minnesota

Financial Statements

Auditor's Report

For the Years Ended

December 31, 2019 and 2018



CERTIFIED PUBLIC ACCOUNTANTS

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Carpenter, Evert & Associates

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Independent Auditor's Report

Board of Directors
OneVillage Partners
Golden Valley, Minnesota

We have audited the accompanying financial statements of OneVillage Partners, which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statement of activities and change in net assets, functional expense, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of 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 OneVillage Partners as of December 31, 2019 and 2018, and the statements of activities and changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Carpenter, Evert and Associates, LTD.
Certified Public Accountants

Golden Valley, Minnesota
May 4, 2020

EXHIBIT A

ONEVILLAGE PARTNERS, INC.
 STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2019 and 2018

	2019		2018		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	
Support and Revenue:					
Grants and Donations	\$ 140,641	\$ 346,015	\$ 39,652	\$ 270,617	\$ 310,269
Program Service Revenue	44,700	-	24,615	-	24,615
Special Events					
Special Events Income	543,903	-	522,182	-	522,182
Costs of Direct Benefits to Donors	(36,705)	-	(32,363)	-	(32,363)
Special Event - Net	507,198	-	489,819	-	489,819
Investment Income	386	-	901	-	901
Net Assets Released from Restrictions:					
Satisfaction of Restrictions	271,621	(271,621)	144,626	(144,626)	-
Total Support and Revenue	964,546	74,394	699,613	125,991	825,604
Expense:					
Program Services	669,246	-	567,017	-	567,017
Support Services:					
Management and General	80,882	-	78,127	-	78,127
Fundraising	103,141	-	95,449	-	95,449
Total Support Services	184,023	-	173,576	-	173,576
Total Expense	853,269	-	740,593	-	740,593
Change in Net Assets	111,277	74,394	(40,980)	125,991	85,011
Net Assets - Beginning of Year	393,788	397,286	434,768	271,295	706,063
Net Assets - End of Year	\$ 505,065	\$ 471,680	\$ 393,788	\$ 397,286	\$ 791,074

The accompanying Notes to Financial Statements are an integral part of these statements.

ONEVILLAGE PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSE

FOR THE YEAR ENDED DECEMBER 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

	2019				2018	
	Program Services	Management & General	Fund-raising	Total Support Services	Total All Services	Total All Services
Salaries	\$ 337,445	\$ 35,854	\$ 48,508	\$ 84,362	\$ 421,807	\$ 348,976
Payroll Taxes	18,946	2,013	2,723	4,736	23,682	19,363
Employee Benefits	58,851	6,252	8,460	14,712	73,563	67,144
Total Personnel Expense	415,242	44,119	59,691	103,810	519,052	435,483
Travel and Transportation	59,930	8,674	10,251	18,925	78,855	68,298
Contract Services	56,140	8,125	9,603	17,728	73,868	75,358
Construction Materials	39,843	5,767	6,815	12,582	52,425	60,729
Office	31,146	4,508	5,328	9,836	40,982	44,799
Facility and Equipment	28,228	4,086	4,829	8,915	37,143	14,499
Miscellaneous	24,896	3,603	4,259	7,862	32,758	16,082
Bad Debts	8,609	1,246	1,473	2,719	11,328	20,096
Depreciation	5,212	754	892	1,646	6,858	5,249
	\$ 669,246	\$ 80,882	\$ 103,141	\$ 184,023	\$ 853,269	\$ 740,593

The accompanying Notes to Financial Statements are an integral part of these statements.

ONEVILLAGE PARTNERS, INC.
STATEMENT OF FUNCTIONAL EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2018

	Support Services				Total All Services
	Program Services	Management & General	Fund- raising	Total Support Services	
Salaries	\$ 279,181	\$ 29,663	\$ 40,132	\$ 69,795	\$ 348,976
Payroll Taxes	15,490	1,646	2,227	3,873	19,363
Employee Benefits	53,715	5,707	7,722	13,429	67,144
Total Personnel Expense	348,386	37,016	50,081	87,097	435,483
Travel and Transportation	52,217	7,209	8,872	16,081	68,298
Contract Services	51,719	12,942	10,697	23,639	75,358
Construction Materials	43,118	7,894	9,717	17,611	60,729
Office	31,870	5,795	7,134	12,929	44,799
Facility and Equipment	10,294	1,885	2,320	4,205	14,499
Miscellaneous	11,418	2,091	2,573	4,664	16,082
Bad Debts	14,268	2,613	3,215	5,828	20,096
Depreciation	3,727	682	840	1,522	5,249
	<u>\$ 567,017</u>	<u>\$ 78,127</u>	<u>\$ 95,449</u>	<u>\$ 173,576</u>	<u>\$ 740,593</u>

The accompanying Notes to Financial Statements
are an integral part of this statement.

ONEVILLAGE PARTNERS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

EXHIBIT D

<u>ASSETS</u>	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and Cash Equivalents	\$ 593,925	\$ 360,440
Short-term Investments	-	37,782
Pledges Receivable - Current	193,385	206,616
Prepaid Expenses	8,272	3,187
Total Current Assets	<u>795,582</u>	<u>608,025</u>
 Pledges Receivable - Long-Term	 189,236	 173,553
Property and Equipment - Net	<u>24,555</u>	<u>28,263</u>
 TOTAL ASSETS	 <u>\$ 1,009,373</u>	 <u>\$ 809,841</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts Payable	\$ 13,477	\$ 7,233
Accrued Payroll Liabilities	<u>19,151</u>	<u>11,534</u>
Total Liabilities	32,628	18,767
 Net Assets:		
Without Donor Restrictions	505,065	393,788
With Donor Restrictions	<u>471,680</u>	<u>397,286</u>
Total Net Assets	<u>976,745</u>	<u>791,074</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,009,373</u>	 <u>\$ 809,841</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

ONEVILLAGE PARTNERS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

EXHIBIT E

	<u>2019</u>	<u>2018</u>
<u>Increase (Decrease) in Cash and Cash Equivalents</u>		
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 185,671	\$ 85,011
Total Adjustments	<u>13,182</u>	<u>(144,339)</u>
Net Cash Provided (Used) by Operating Activities	198,853	(59,328)
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(3,150)	(23,002)
Proceeds from Sale of Investments	<u>37,782</u>	<u>43,095</u>
Net Cash Provided by Investing Activities	34,632	20,093
Cash Flows from Financing Activities:		
None	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	233,485	(39,235)
Cash and Cash Equivalents - Beginning of Year	<u>360,440</u>	<u>399,675</u>
Cash and Cash Equivalents - End of Year	<u>\$ 593,925</u>	<u>\$ 360,440</u>

The accompanying Notes to Financial Statements
are an integral part of these statements.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies

Organizational Purpose

OneVillage Partners (OVP) catalyzes community-led transformation in rural Africa.

Working in Sierra Leone, West Africa, OVP partners with rural communities to:

1. Train, empower and mobilize leaders to design projects that address their community's most pressing, self-identified problems
2. Create new opportunities for women through economic empowerment and financial literacy training

Fund Accounting

In order to observe the limitation and restrictions placed on resources available to OVP, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure whereby resources are classified for accounting and reporting purposes into net asset groupings established according to their nature and restrictions. A description of the groupings is as follows:

Net Assets without Donor Restrictions – Net assets which are not subject to donor-imposed stipulations. These net assets include both board designated and undesignated amounts. Property and equipment is reported as net assets without donor restrictions.

Net Assets with Donor Restrictions – The part of net assets of OVP resulting from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions pursuant to those stipulations.

Cash and Cash Equivalents

OVP considers all highly liquid investments, except for those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as pledges receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until the conditions are substantially met. OVP provides an allowance for estimated uncollectible contributions, which had balances of \$16,233 and \$36,531 as of December 31, 2019 and 2018, respectively.

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value based on quoted prices in active markets.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost if purchased and at fair value at the date of contribution of assets donated to the OVP. OVP capitalizes additions of property and equipment in excess of \$500 cost or fair value, if donated. Annual depreciation is primarily computed using the straight line method.

Contributions

Contributions are recorded when received and recognized as support in the period pledged. If donor-imposed restrictions accompany the contribution, the amount is recorded as net assets with donor restrictions until the donor-imposed restrictions expire or are fulfilled. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period donor-imposed restrictions expire or are fulfilled, and are reported in the Statement of Activities under the Support and Revenue Category – Net Assets Released from Restrictions.

Functional Allocation of Expense

Expenses are recorded in functional categories when incurred. In certain cases, allocations between categories must be made. When allocations are required, they are based on the best estimates of management.

Income Tax

OVP has received notification that it qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code because OVP is described in Section 509(a)(1) and Section 170 (b)(1)(A)(vi) and corresponding provision of state law and, accordingly, is not subject to federal or state income taxes. OVP has adopted Accounting for Uncertainty in Income Taxes, ASC 740-10. OVP's policy is to evaluate uncertain tax positions, at least annually, for the potential for income tax exposure from unrelated business income or from loss of nonprofit status. OVP continues to operate consistent with its original exemption application and each year takes the necessary actions to maintain its exempt status. OVP has been classified as an organization that is not a private foundation under the Internal Revenue Code and charitable contributions by donors are tax deductible. In compliance with its exempt status, OVP annually files a Return of Organization Exempt From Income Tax (Form 990).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

1. Summary of Significant Accounting Policies

Subsequent Events

OVP has evaluated the effect that subsequent events would have on the financial statements through May 4, 2020, which is the date financial statements were available to be issued.

New Accounting Pronouncement

In June 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, to clarify when the resource provider is receiving commensurate value. The update provides clarification in characterizing grants and similar contracts with resource providers as either exchange transactions or contributions and in determining whether a contribution is conditional when applying the guidance in Subtopic 958-605, Not-for-Profit Entities- Revenue Recognition. Management believes the standard improves the usefulness and understandability of the OVP's financial reporting. The ASU has been applied retrospectively for the periods ended December 31, 2019 and 2018, as required.

2. Concentration of Credit Risk

Pledges receivable are primarily from donors from the United States. Services are concentrated in Sierra Leone, West Africa. Some leases and payables are denominated in Sierra Leone Leones presenting OVP with currency exchange rate risk.

OVP's cash deposits exceeded Federal Deposit Insurance Corporation (FDIC) limits at December 31, 2019. In addition, OVP holds funds at a foreign institution that is not covered by FDIC.

3. Investments

Investments consisted of common stock. The carrying values were \$0 and \$37,782 for the year ended December 31, 2019 and 2018, respectively.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

4. Pledges Receivable

The balance of pledges receivable are due as follows:

<u>Due in the Year Ending December 31,</u>		
2020		\$ 193,385
2021		146,919
2022		52,450
2023		5,950
2024		<u>150</u>
Total Pledges Receivable		398,854
Less Allowance of 4%		<u>16,233</u>
Net Pledges Receivable		382,621
Current Portion		<u>193,385</u>
Non-current Portion		<u>\$ 189,236</u>

5. Property and Equipment

OVP owned the following assets as of:

	<u>December 31,</u>		Estimated Useful Lives
	<u>2019</u>	<u>2018</u>	
Furniture and Equipment	\$ 36,863	\$ 33,713	5 years
Vehicles	<u>16,805</u>	<u>16,805</u>	5 years
	53,668	50,518	
Less Accumulated Amortization	<u>29,113</u>	<u>22,255</u>	
	<u>\$ 24,555</u>	<u>\$ 28,263</u>	

Depreciation expense of \$6,858 and \$5,249 was recorded for the year ended December 31, 2019 and 2018, respectively.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Time Restricted – Future Operations	<u>\$ 471,680</u>	<u>\$ 397,286</u>

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

7. Retirement Plan

OVP provides retirement benefits to its employees through a 401(k) plan covering all eligible employees. OVP matches contributions up to one percent of gross wages. Contributions to the plan were \$2,530 and \$1,341 for the year ended December 31, 2019 and 2018, respectively .

8. Leased Facilities

Rental commitments under a noncancelable lease for office space and staff quarters in effect at December 31, 2019, total \$24,722. The future annual rental commitments are as follows:

Due in the Year Ending December 31,

2020	\$ 24,262
2021	<u>460</u>
Total	<u>\$ 24,722</u>

Rental expense were \$34,600 and \$15,576 for the year ended December 31, 2019 and 2018, respectively.

9. Liquidity and Availability

The following represents the OVP's financial assets as of:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Financial Assets		
Cash and Cash Equivalents	\$ 593,925	\$ 360,440
Short-term Investment	-	37,782
Pledges Receivable	<u>363,909</u>	<u>380,169</u>
Total Financial Assets	957,834	778,391
Less amounts not available to be used within one year		
Net Assets with Donor Restrictions	471,680	397,286
Net Assets with Restrictions to be Met within a year	<u>(189,236)</u>	<u>(206,616)</u>
Total amounts not available within one year	<u>282,444</u>	<u>190,670</u>
Financial assets available for general expenditures within one year	<u>\$ 675,390</u>	<u>\$ 587,721</u>

OVP has policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

10. Fair Value

OVP adopted Financial Accounting Standards Board Statement of Financial Accounting Standards Codification Topic 820 Fair Value Measurements and Disclosures (ASC 820). In accordance with ASC 820, "fair value" is defined as the price that an organization would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. Various inputs are used in determining the value of investments. ASC 820 established a three-tier hierarchy of inputs to establish a classification of fair value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad levels listed as follows:

- Level 1 – Quoted prices in active markets for identical investments.
- Level 2 – Other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – Significant unobservable inputs.

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$ -	\$ -	\$ -	\$ -
Pledges Receivable	-	<u>382,621</u>	-	<u>382,621</u>
	<u>\$ -</u>	<u>\$ 382,621</u>	<u>\$ -</u>	<u>\$ 382,621</u>

The following is a summary of the inputs used to determine the fair value of the investments at December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$ 37,782	\$ -	\$ -	\$ 37,782
Pledges Receivable	-	<u>380,169</u>	-	<u>380,169</u>
	<u>\$ 37,782</u>	<u>\$ 380,169</u>	<u>\$ -</u>	<u>\$ 417,951</u>

ONEVILLAGE PARTNERS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

11. Cash Flow Operating Adjustments

Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities were as follows as:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Depreciation	\$ 6,858	\$ 5,249
Unrealized (Gain) on Investments	-	(752)
Donated Stock	-	(49,670)
Pledges Receivable – Long-Term	(15,683)	(26,670)
Increases (Decreases) in Current Liabilities:		
Accounts Payable	6,244	(899)
Accrued Payroll Liabilities	7,617	(2,202)
Decreases (Increases) in Current Assets:		
Pledges Receivable – Current	13,231	(67,491)
Prepaid Expense	(5,085)	(1,904)
Total Adjustments	<u>\$ 13,182</u>	<u>\$ (144,339)</u>