

**MWANA VILLAGES U.S., INC.**  
**Financial Statements**

**As of**  
**December 31, 2021**

**MWANA VILLAGES U.S., INC.**

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As of December 31, 2021**

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Trustees of  
Mwana Villages U.S., Inc.  
3360 Dunbrooke Drive  
Birmingham, AL 35243

Management is responsible for the accompanying financial statements of Mwana Villages U.S., Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional statements, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

*Borland Benefield P.C.*

Borland Benefield, P.C.  
Birmingham, Alabama  
June 27, 2022

**MWANA VILLAGES, U.S., INC.**

**Statement of Financial Position  
As of December 31, 2021**

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<b>Assets</b>	
Cash and cash equivalents	<u>\$ 118,289</u>
<b>Liabilities and Net Assets</b>	
Accrued liabilities	<u>\$ 1,762</u>
Net Assets without donor restrictions	<u>116,527</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 118,289</u>

*See accompanying independent accountant's compilation report.*

**MWANA VILLAGES, U.S., INC.**

**Statement of Activities  
For the Year Ended December 31, 2021**

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<b>Revenue and Support Without Donor Restrictions</b>	
Direct contributions	\$ 498,457
Fundraising events, net of direct expenses	67,848
In-kind contributions	7,317
Interest income	117
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<b>Total Revenue and Support Without Donor Restrictions</b>	<b>573,739</b>
<b>Expenses</b>	
Program services	524,615
General and administrative	35,793
Fundraising	11,320
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<b>Total Expenses</b>	<b>571,728</b>
<b>Change in Net Assets</b>	2,011
<b>Net Assets Without Donor Restrictions, Beginning of Year</b>	<hr/> 114,516
<b>Net Assets Without Donor Restrictions, End of Year</b>	<hr/> <hr/> \$ 116,527

*See accompanying independent accountant's compilation report.*

MWANA VILLAGES, U.S., INC.

Statement of Functional Expenses  
For the Year Ended December 31, 2021

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	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants to organizations	\$ 442,460	\$ -	\$ -	\$ 442,460
Salaries and payroll related expenses	73,747	13,828	4,609	92,184
Bank charges	-	3,678	3,678	7,356
In-kind	7,317	-	-	7,317
Professional fees	-	4,687	-	4,687
Outside computer services	-	4,269	-	4,269
Insurance	-	3,770	-	3,770
Postage and shipping	-	602	1,805	2,407
Printing and copying	-	1,814	201	2,015
Supplies	1,048	524	174	1,746
Miscellaneous	-	1,589	-	1,589
Advertising	-	465	465	930
Telecommunications	-	567	-	567
Conferences and meetings	43	-	388	431
<b>Total</b>	<u>\$ 524,615</u>	<u>\$ 35,793</u>	<u>\$ 11,320</u>	<u>\$ 571,728</u>

See accompanying independent accountant's compilation report.

**MWANA VILLAGES, U.S., INC.**

**Statement of Cash Flows  
For the Year Ended December 31, 2021**

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<b>Cash Flows From Operating Activities</b>	
Cash received from contributions and grants	\$ 498,457
Cash received from fundraising events	67,848
Cash paid for programs and operations	(582,561)
Interest received	117
<b>Net Cash Flows (Used) by Operating Activities</b>	<u>(16,139)</u>
<b>Net Change in Cash</b>	(16,139)
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>134,428</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 118,289</u>

*See accompanying independent accountant's compilation report.*

**MWANA VILLAGE U.S., INC.**

**Notes to Financial Statements  
For the Year Ended December 31, 2021**

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**Note 1 – Description of Organization and Significant Accounting Policies**

Nature of Activities – Mwana Villages U.S., Inc. (the Organization) is a nonprofit, faith-based organization employing caregivers in Mwana refuges operating in the United States, Canada, France and the Republic of Congo. The Organization is devoted to providing help to vulnerable women and children and focuses on reunification and prevention. The Organization is supported primarily through direct contributions.

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payable and other liabilities.

Basis of Presentation – The Organization's financial statements present financial information for the United States operations exclusively. The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Income Taxes – The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code; consequently, no provision for income tax has been made, however, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income; the Organization had no unrelated business income tax in the current year.

As of December 31, 2021, the Organization had no uncertain tax positions that qualify for disclosure in the financial statements. The Organization files an annual Form 990 with the Internal Revenue Service, and its tax returns for the year 2018 and subsequent years remain subject to examination by tax authorities.

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

Use of Estimates – The preparation of financial statements in conformity with *Generally Accepted Accounting Principles* requires management to make estimates and assumptions that affect certain reported amounts in disclosures. Accordingly, actual results could differ from those estimates.

Noncash Donations – Contributed goods are recorded at fair value at the date of donation. Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, that must be performed by people with those skills, and would otherwise be purchased by the Organization. For the year ended December 31, 2021, noncash donations totaled \$7,317.

Advertising Costs – Advertising costs are expensed as incurred. For the year ended December 31, 2021, advertising expense totaled \$930.



## MWANA VILLAGES U.S., INC.

### Notes to Financial Statements (continued) For the Year Ended December 31, 2021

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#### Note 1 – Description of the Organization and Significant Accounting Policies (continued)

Revenue from Contracts with Customers – The Organization recognizes revenue from special events in accordance with FASB ASC Topic 606, *Revenue from Contracts with Customers*. The guidance requires recognition of revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those goods or services recognized as performance obligations are satisfied. The majority of the Organization's revenue-generating transactions are excluded from the scope of ASC 606, including revenue generated from financial instruments, such as securities, and from donor contributions. The Organization did not have an aggregate effect of modification resulting from the application of ASC 606, and no financial statement line items were affected by this new accounting standard.

Revenue-generating transactions that are within the scope of ASC 606 are described as follows:

*Special events revenue* – revenue from special events are recognized when they event occurs.

#### Note 2 – Cash

The Organization maintains its cash in bank deposit accounts, which may at times exceed FDIC limits. At December 31, 2021, cash balances did not exceed FDIC coverage.

#### Note 3 – Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date:

Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 118,289</u>
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#### Note 4 – Paycheck Protection Program

In April 2020, the Organization received loan proceeds in the amount of \$9,900 under the second authorization of the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period.

On May 26, 2021, the Organization received forgiveness for the entire amount of the PPP Loan taken in April 2020.

#### Note 5 – Subsequent Events

Mwana Villages U.S. has evaluated subsequent events through June 27, 2022, the date the financial statements were available to be issued.

*See accompanying independent accountant's compilation report.*