

Financial Statements

Maasai Girls Education Fund

June 30, 2017

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CG DAVIS & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Maasai Girls Education Fund
Washington, DC

We have audited the accompanying financial statements of Maasai Girls Education Fund (a nonprofit organization) which comprise the statements of financial position as of June 30, 2017, and the related statements of activities, cash flows and expenses by functional area for the year 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 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 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.

Other Matter

The financial statements for the year ended June 30, 2016 were audited by another independent accounting firm whose report dated December 16, 2016 was unqualified.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maasai Girls Education Fund as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CG DAVIS & ASSOCIATES, P.A.
Certified Public Accountants

January 30, 2018

MAASAI GIRLS EDUCATION FUNDSTATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016ASSETS

	<u>2017</u>	<u>2016</u>
<u>Current assets:</u>		
Cash	\$ 114,096	\$ 148,283
Accounts receivable	2,547	-
Prepaid expenses	<u>224</u>	<u>224</u>
Total assets	<u>\$ 116,867</u>	<u>\$ 148,507</u>

LIABILITIES AND NET ASSETS

<u>Current liabilities:</u>		
Accounts payable and accrued expenses	<u>\$ 2,048</u>	<u>3,259</u>
Total liabilities	2,048	3,259
<u>Net assets:</u>		
Unrestricted	13,794	71,462
Temporarily restricted	<u>101,025</u>	<u>73,786</u>
Total net assets	<u>114,819</u>	<u>145,248</u>
Total liabilities and net assets	<u>\$ 116,867</u>	<u>\$ 148,507</u>

MAASAI GIRLS EDUCATION FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue:</u>			
Contributions and grants	\$ 61,736	\$ 110,895	\$ 172,631
Interest income	256	-	256
In-kind contributions	20,400	-	20,400
Net assets released due to satisfaction of program requirements	<u>83,656</u>	<u>(83,656)</u>	<u>-</u>
Total revenue	<u>166,048</u>	<u>27,239</u>	<u>193,287</u>
<u>Expenses:</u>			
Program services	211,932	-	211,932
Management and general	2,981	-	2,981
Fundraising	<u>8,803</u>	<u>-</u>	<u>8,803</u>
Total expenses	<u>223,716</u>	<u>-</u>	<u>223,716</u>
Change in net assets	(57,668)	27,239	(30,429)
Net assets at beginning of year	<u>71,462</u>	<u>73,786</u>	<u>145,248</u>
Net assets at end of year	<u>\$ 13,794</u>	<u>\$ 101,025</u>	<u>\$ 114,819</u>

MAASAI GIRLS EDUCATION FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenue:</u>			
Contributions and grants	\$ 83,246	\$ 114,463	\$ 197,709
Interest income	272	-	272
In-kind contributions	22,189	-	22,189
Net assets released due to satisfaction of program requirements	<u>93,041</u>	<u>(93,041)</u>	<u>-</u>
Total revenue	<u>198,748</u>	<u>21,422</u>	<u>220,170</u>
<u>Expenses:</u>			
Program services	206,210	-	206,210
Management and general	6,806	-	6,806
Fundraising	<u>4,676</u>	<u>-</u>	<u>4,676</u>
Total expenses	<u>217,692</u>	<u>-</u>	<u>217,692</u>
Change in net assets	(18,944)	21,422	2,478
Net assets at beginning of year	<u>90,406</u>	<u>52,364</u>	<u>142,770</u>
Net assets at end of year	<u>\$ 71,462</u>	<u>\$ 73,786</u>	<u>\$ 145,248</u>

MAASAI GIRLS EDUCATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>Cash flows from operating activities:</u>		
Change in net assets per Exhibit "B"	\$ (30,429)	\$ 2,478
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
<u>Changes in assets and liabilities:</u>		
(Increase) decrease in accounts receivable	(2,547)	13,830
(Increase) decrease in grants receivable	-	2,929
Increase (decrease) in accounts payable	<u>(1,211)</u>	<u>(6,235)</u>
Net cash provided by (used in) operating activities	<u>(34,187)</u>	<u>13,002</u>
Net increase (decrease) in cash	(34,187)	13,002
Cash balance at beginning of year	<u>148,283</u>	<u>135,281</u>
Cash balance at end of year	\$ <u><u>114,096</u></u>	\$ <u><u>148,283</u></u>

MAASAI GIRLS EDUCATION FUND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization – Maasai Girls Education Fund (the Organization) is a 501(c)(3), non-profit organization, incorporated under the laws of the District of Columbia in late 2006 and established exclusively for charitable purposes. The Organization helps improve the literacy, health and economic well-being of Maasai women, their families, and their communities in Kenya through education. To achieve this goal, the Organization is working to increase the number of girls who are enrolled in school by providing access to education for those who would otherwise not be able to enroll in school and to ensure that all will be able to continue their education until they are prepared to enter the workforce in Kenya. At the same time, the Organization is working to educate the community about the economic and social benefits of educating girls and to provide business training to rural Maasai women.

b. Basis of accounting - The accompanying financial statements are presented on the accrual basis of accounting and in conformity with accounting principles generally accepted in the United States of America applicable to nonprofit organizations, including the Statement of Financial Accounting Standards *Financial Statements of Not-for-Profit Organizations*. Under the provisions of SFAS 117, net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets of Maasai Girls Education Fund and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions, but may be designated for specific purposes by action of the Board of Directors or otherwise limited by contractual arrangements with outside parties.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that can be fulfilled either by actions pursuant to those stipulations and/or expire with the passage of time.

Permanently Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of the Organization. Income from the assets held is available for either general operations or specific purposes, in accordance with donor stipulations. For the years ended June 30, 2017 and 2016, the Organization had no permanently restricted net assets.

c. Revenue recognition – Revenues are reported as increases in unrestricted net assets unless the use of the related assets is limited by donor-imposed restrictions.

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. In accordance with the Statement of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, contributions that are restricted by the donor are reported as increases in unrestricted net assets only if the restriction expires in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted.

Maasai Girls Education Fund recognizes pledges in accordance with FAS No. 116, at fair value (as revenue and receivable) when the promise is received, even if the donor restricts the promised contribution to use in a future period, and even if the promise will not be paid until a future period. The total amount of any conditional pledges, which are not recognized in the financial statements, should also be disclosed.

MAASAI GIRLS EDUCATION FUND

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017 AND 2016

c. Revenue recognition – continued

The fair value of a promise that is expected to be collected in less than one year is measured at net realizable value, which in most cases would be the face value of the promise net of any estimated uncollectible amount. Maasai Girls Education Fund lists pledges to be collected in three categories; less than one year, one to five years, and more than five years.

d. Cash and cash equivalents – Maasai Girls Education Fund considers instruments with maturities of three months or less to be cash equivalents.

e. Management estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the useful life of depreciable assets, estimates of uncollectible accounts receivables, exchange gains and losses, and the value of donated books and services. Accordingly, actual results could differ from those estimates.

f. Functional allocation of expenses – Expenses are charged to programs and supporting services on the basis of material and human resources allocated towards the implementation of various programs as well as estimates made by the Organization's management.

g. Donations in kind – Donated materials, services and use of facilities are recorded as fair value when an unconditional commitment is received and are recognized as in-kind contributions as revenue and expense in the accompanying financial statements. For the years ended June 30, 2017 and 2016, the Organization recognized donated space and goods valued at \$20,400 and \$22,189, respectively.

h. Foreign currency translation - Financial statements of foreign branch offices and affiliates, where the local currency is the functional currency, are translated into U.S. dollars using period-end exchange rates for assets and liabilities and average exchange rates during the period for income and expenses. Cumulative translation adjustments associated with net assets or liabilities are reported in the Changes in Net Assets. Exchange rate gains or losses related to foreign currency transactions are recognized in the statement of activities as incurred, and are not material for any year shown.

i. Subsequent events - In preparing these financial statements, the management of Maasai Girls Education Fund has evaluated events and transactions for potential recognition or disclosure through January 30, 2018 which is the date the financial statements were available to be issued.

NOTE 2 – TAX EXEMPTION MATTERS

Maasai Girls Education Fund is exempt from federal and state income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has received a ruling from the Internal Revenue Service that it is not classified as a private foundation under Section 509(a) of the Internal Revenue Code.

The Organization follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification 740-10, *Accounting for Uncertainty in Income Taxes* which clarifies the accounting for the recognition and measurement of the benefits of individual tax positions in the financial statements, including those of non-profit organizations. Tax positions must meet a recognition threshold of more-likely-than-not in order for the benefit of those tax positions to be recognized in the financial statements.

MAASAI GIRLS EDUCATION FUND

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

The Organization analyzes tax positions taken, including those related to the requirements set forth in IRC Sec. 501(c)(3) to qualify as a tax exempt organization, activities performed by volunteers and board members and the reporting of unrelated business income. The Organization does not know of any tax benefits arising from uncertain tax positions and there was no effect on the organization's financial position or changes in net assets as a result of analyzing its tax positions. Fiscal years ending on or after June 30, 2014 remain subject to examination by federal and state authorities.

NOTE 3 – IN-KIND CONTRIBUTIONS

During the years ended June 30, 2017 and 2016 the Organization received in-kind contributions as follows:

	<u>2017</u>	<u>2016</u>
Office space provided at no cost	\$ 19,800	\$ 19,800
Other materials and supplies	<u>600</u>	<u>2,389</u>
Total	<u>\$ 20,400</u>	<u>\$ 22,189</u>

The values were determined based on available criteria, such as, invoices from the vendors or from published prices in catalogues or on the internet.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions during the years ended June 30, 2017 and 2016 for the following purposes:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 69,777	\$ 78,273
Workshops	<u>13,879</u>	<u>14,768</u>
Total	<u>\$ 83,656</u>	<u>\$ 93,041</u>

At June 30, 2017 and 2016, temporarily restricted net assets were available for the following purposes:

	<u>2017</u>	<u>2016</u>
Scholarships	\$ 97,921	\$ 66,299
Workshops	<u>3,104</u>	<u>7,487</u>
Total	<u>\$101,025</u>	<u>\$ 73,786</u>