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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Maasai Girls Education Fund
Washington, D.C.

We have audited the accompanying financial statements of Maasai Girls Education Fund (the Organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities 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 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 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 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 the Organization as of June 30, 2016 and 2015, and the 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.

Emphasis-of-Matter Regarding Restatement

As discussed in Note 4 to the financial statements, certain errors resulting in understatement of amounts previously reported for revenues and receivables as of June 30, 2015 were discovered during the current year. Accordingly, amounts reported for contributions receivable and contributions and grants have been restated in the 2015 financial statements now presented, and adjustments have been made to net assets as of June 30, 2015 to correct the error. Our opinion is not modified with respect to that matter.

Halt, Buzas & Powell, Ltd.

Alexandria, Virginia
December 16, 2016



MAASAI GIRLS EDUCATION FUND
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash	\$ 148,283	\$ 135,281
Grants receivable	-	2,929
Contributions receivable	-	13,830
Prepaid expenses	<u>224</u>	<u>224</u>
Total assets	<u>\$ 148,507</u>	<u>\$ 152,264</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	<u>\$ 3,259</u>	<u>\$ 9,494</u>
Net assets:		
Unrestricted	71,462	90,406
Temporarily restricted	<u>73,786</u>	<u>52,364</u>
Total net assets	<u>145,248</u>	<u>142,770</u>
Total liabilities and net assets	<u>\$ 148,507</u>	<u>\$ 152,264</u>

See accompanying notes to the financial statements.



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

	Unrestricted	Temporarily Restricted	Total
Revenues:			
Contributions and grants	\$ 83,246	\$ 114,463	\$ 197,709
In-kind contributions	22,189	-	22,189
Interest income	272	-	272
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>93,041</u>	<u>(93,041)</u>	<u>-</u>
Total revenues	<u>198,748</u>	<u>21,422</u>	<u>220,170</u>
Expenses:			
Program services	<u>206,210</u>	<u>-</u>	<u>206,210</u>
Support services:			
Management and general	6,806	-	6,806
Fundraising	<u>4,676</u>	<u>-</u>	<u>4,676</u>
Total support services	<u>11,482</u>	<u>-</u>	<u>11,482</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, beginning of year	<u>90,406</u>	<u>52,364</u>	<u>142,770</u>
Net assets, end of year	<u>\$ 71,462</u>	<u>\$ 73,786</u>	<u>\$ 145,248</u>

See accompanying notes to the financial statements.

MAASAI GIRLS EDUCATION FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	Unrestricted	Temporarily Restricted	Total
Revenues:			
Contributions and grants	\$ 140,088	\$ 82,210	\$ 222,298
In-kind contributions	19,800	-	19,800
Other income	1,750	-	1,750
Interest income	202	-	202
Realized loss on investments	(219)	-	(219)
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>79,370</u>	<u>(79,370)</u>	<u>-</u>
Total revenues	<u>240,991</u>	<u>2,840</u>	<u>243,831</u>
Expenses:			
Program services	<u>202,358</u>	<u>-</u>	<u>202,358</u>
Support services:			
Management and general	20,870	-	20,870
Fundraising	<u>21,034</u>	<u>-</u>	<u>21,034</u>
Total support services	<u>41,904</u>	<u>-</u>	<u>41,904</u>
Total expenses	<u>244,262</u>	<u>-</u>	<u>244,262</u>
Change in net assets, as restated	(3,271)	2,840	(431)
Net assets, beginning of year	<u>93,677</u>	<u>49,524</u>	<u>143,201</u>
Net assets, end of year, as restated	<u>\$ 90,406</u>	<u>\$ 52,364</u>	<u>\$ 142,770</u>

See accompanying notes to the financial statements.

MAASAI GIRLS EDUCATION FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ <u>2,478</u>	\$ <u>(431)</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Realized loss on investment	-	219
Decrease (increase) in assets:		
Contributions receivable	13,830	(13,830)
Grants receivable	2,929	(2,929)
Prepaid expenses	-	(148)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	<u>(6,235)</u>	<u>-</u> (910)
Total adjustments	<u>10,524</u>	<u>(17,598)</u>
Net cash provided by (used in) operating activities	<u>13,002</u>	<u>(18,029)</u>
Cash flows from investing activities:		
Proceeds from sales of investments	<u>-</u>	<u>4,725</u>
Net cash provided by investing activities	<u>-</u>	<u>4,725</u>
Net increase (decrease) in cash	13,002	(13,304)
Cash, beginning of year	<u>135,281</u>	<u>148,585</u>
Cash, end of year	<u>\$ 148,283</u>	<u>\$ 135,281</u>

See accompanying notes to the financial statements.

MAASAI GIRLS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

1. Organization

The Maasai Girls Education Fund (the Organization) is a nonprofit organization incorporated under the laws of Washington, D.C. 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.

2. Summary of significant accounting policies

Basis of presentation

The Organization's financial statements are presented in accordance with generally accepted accounting principles for nonprofit organizations. Under those principles, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted Net Assets represent resources that are not subject to donor imposed stipulations and are available for operations at management's discretion.

Temporarily Restricted Net Assets represent resources restricted by donors as to purpose or by the passage of time.

Permanently Restricted Net Assets represent resources whose use by the Organization is limited by donor imposed stipulations that neither expire by 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.

The Organization has no permanently restricted net assets at June 30, 2016 and 2015.



MAASAI GIRLS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Basis of accounting

The Organization's financial statements are prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses when obligations are incurred.

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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

Income taxes

The Organization is exempt from federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on income derived from activities related to its exempt purpose. This code section enables the Organization to accept donations that qualify as charitable contributions to the donor. The Organization is subject to income taxes on taxable income from unrelated business activities. For the years ended June 30, 2016 and 2015, the Organization did not recognize income tax expense in the accompanying financial statements as there was no unrelated business taxable income.

The Organization is not aware of any activities that would jeopardize its tax-exempt status that would require recognition in the accompanying financial statements. Generally, tax returns are subject to examination by taxing authorities for up to three years from the date a completed return is filed. If there are material omissions of income, tax returns may be subject to examination for up to six years. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in the accompanying financial statements. As of June 30, 2016 and 2015, the Organization had no uncertain tax positions which should be recognized as a liability.

MAASAI GIRLS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Grants receivable

Grants receivable principally represent amounts due from government awards and are stated at their net realizable value. In the opinion of management, all receivables outstanding are considered collectible. Accordingly, no allowance for doubtful accounts has been recorded.

Contributions receivable

Contributions receivable are unconditional promises to give that are recognized as contributions when the promise is received. All contributions receivable are expected to be collected in less than one year and are reported at their net realizable value. Reserves are established for receivables that are delinquent and considered uncollectible based on periodic reviews by management when necessary. For the years ended June 30, 2016 and 2015, no allowance for doubtful accounts had been recognized.

Revenue recognition

Contributions and grants

Contributions and grants are recognized as revenue when received or promised and are recorded net of any current year allowance or discount activity. The Organization reports gifts of cash and other assets as temporarily restricted support if they are received or promised with donor stipulations that limit the use of the donated assets to the Organization's programs or to a future year. When a donor restriction expires, that is, when a purpose restriction is accomplished or time restriction has elapsed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities as net assets released from restrictions.

In-kind contributions

Donated materials, services and use of facilities are recorded at fair value when an unconditional commitment is received and are recognized as in-kind contributions as revenue and expense in the accompanying financial statements. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the years ended June 30, 2016 and 2015, the Organization recognized donated space and goods valued at \$22,189 and \$19,800, respectively.

MAASAI GIRLS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

Functional allocation of expenses

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

3. Temporarily restricted net assets

Net assets were released from donor restrictions during the years ended June 30, 2016 and 2015 for the following purposes:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 78,273	\$ 51,664
Workshops	<u>14,768</u>	<u>27,706</u>
Total net assets released from restrictions	<u>\$ 93,041</u>	<u>\$ 79,370</u>

At June 30, 2016 and 2015, temporarily restricted net assets were available for the following purposes:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 66,299	\$ 29,196
Workshops	<u>7,487</u>	<u>23,168</u>
Total temporarily restricted net assets	<u>\$ 73,786</u>	<u>\$ 52,364</u>

MAASAI GIRLS EDUCATION FUND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

4. Restatement of 2015 financial statements

In connection with the audit of the 2016 financial statements, it was discovered that revenue for the year ended June 30, 2015 was erroneously understated due to revenue being recognized in the improper period. As a result, the statement of financial position and the statement of activities for the year ended June 30, 2015 have been restated by increasing contributions and grants revenue and contributions receivable by \$13,830. The following table presents the effect of the correction of the error on the previously reported financial statements for the year ended June 30, 2015:

	As previously reported	Adjusted for error	Difference
Contributions Receivable	\$ -	\$ 13,830	\$ (13,830)
Contributions and Grants	\$ 208,468	\$ 222,298	\$ (13,830)
Net assets, end of year	\$ 128,940	\$ 142,770	\$ (13,830)

5. Subsequent events

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through December 16, 2016, which is the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, these financial statements.