

MAASAI GIRLS EDUCATION FUND

FINANCIAL STATEMENTS

June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Maasai Girls Education Fund
Baltimore, Maryland

Opinion

We have audited the financial statements of Maasai Girls Education Fund, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Maasai Girls Education Fund as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maasai Girls Education Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Maasai Girls Education Fund adopted the Financial Accounting Standards Board's Accounting Standards Update No 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective July 1, 2021. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maasai Girls Education Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Maasai Girls Education Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maasai Girls Education Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Wegner CPAs LLP

Wegner CPAs, LLP
Alexandria, Virginia
October 5, 2022

MAASAI GIRLS EDUCATION FUND
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

	2022	2021
ASSETS		
Cash	\$ 284,661	\$ 201,327
Due from MGEF-Kajiado	1,112	483
Investments	64,880	-
Total assets	\$ 350,653	\$ 201,810
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 1,367	\$ 615
NET ASSETS		
Without donor restrictions	349,286	196,644
With donor restrictions	-	4,551
Total net assets	349,286	201,195
Total liabilities and net assets	\$ 350,653	\$ 201,810

See accompanying notes.

MAASAI GIRLS EDUCATION FUND
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 451,053	\$ -	\$ 451,053	\$ 185,845	\$ 89,157	\$ 275,002
In-kind contributions	19,968	-	19,968	19,800	-	19,800
Investment return, net	<u>(15,587)</u>	<u>-</u>	<u>(15,587)</u>	<u>119</u>	<u>-</u>	<u>119</u>
Total support and revenue	455,434	-	455,434	205,764	89,157	294,921
EXPENSES						
Program services						
Educational programs	271,094	-	271,094	209,896	-	209,896
Community workshops	<u>13,998</u>	<u>-</u>	<u>13,998</u>	<u>4,914</u>	<u>-</u>	<u>4,914</u>
Total program services	285,092	-	285,092	214,810	-	214,810
Supporting activities						
Management and general	19,532	-	19,532	11,566	-	11,566
Fundraising	<u>2,719</u>	<u>-</u>	<u>2,719</u>	<u>2,504</u>	<u>-</u>	<u>2,504</u>
Total expenses	307,343	-	307,343	228,880	-	228,880
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	<u>4,551</u>	<u>(4,551)</u>	<u>-</u>	<u>91,378</u>	<u>(91,378)</u>	<u>-</u>
Change in net assets	152,642	(4,551)	148,091	68,262	(2,221)	66,041
Net assets at beginning of year	<u>196,644</u>	<u>4,551</u>	<u>201,195</u>	<u>128,382</u>	<u>6,772</u>	<u>135,154</u>
Net assets at end of year	<u>\$ 349,286</u>	<u>\$ -</u>	<u>\$ 349,286</u>	<u>\$ 196,644</u>	<u>\$ 4,551</u>	<u>\$ 201,195</u>

See accompanying notes.

MAASAI GIRLS EDUCATION FUND
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended June 30, 2022 and 2021

	Program Services		Supporting Activities		2022 Total
	Educational Programs	Community Workshops	Management and General	Fundraising	
Personnel	\$ 97,664	\$ 8,224	\$ 4,177	\$ 2,128	\$ 112,193
Community workshops	5,137	2,419	-	-	7,556
Education	132,228	-	-	-	132,228
Professional fees	-	-	13,660	-	13,660
Conferences and events	823	92	-	-	915
Office expenses	3,776	450	37	18	4,281
Occupancy	19,098	1,580	862	439	21,979
Information technology	1,752	153	66	34	2,005
Marketing and promotion	3,000	238	151	77	3,466
Travel	4,026	642	-	-	4,668
Membership dues	883	70	44	23	1,020
Miscellaneous	2,707	130	535	-	3,372
Total expenses	\$ 271,094	\$ 13,998	\$ 19,532	\$ 2,719	\$ 307,343

	Program Services		Supporting Activities		2021 Total
	Educational Programs	Community Workshops	Management and General	Fundraising	
Personnel	\$ 94,631	\$ 3,402	\$ 3,573	\$ 1,935	\$ 103,541
Education	82,146	-	-	-	82,146
Professional fees	-	-	6,828	-	6,828
Office expenses	3,917	287	189	40	4,433
Occupancy	21,938	821	812	440	24,011
Information technology	1,320	75	36	20	1,451
Marketing and promotion	2,390	53	107	58	2,608
Travel	2,025	156	-	-	2,181
Membership dues	468	10	21	11	510
Miscellaneous	1,061	110	-	-	1,171
Total expenses	\$ 209,896	\$ 4,914	\$ 11,566	\$ 2,504	\$ 228,880

See accompanying notes.

MAASAI GIRLS EDUCATION FUND
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 148,091	\$ 66,041
Adjustments to reconcile change in net assets to change in cash		
Unrealized loss on investments	15,593	-
Donated investments	(80,472)	-
(Increase) decrease in assets		
Due from MGEF-Kajiado	(629)	565
Increase in liabilities		
Accounts payable	751	136
	83,334	66,742
Net change in cash	83,334	66,742
Cash at beginning of year	201,327	134,585
Cash at end of year	\$ 284,661	\$ 201,327
SUPPLEMENTAL INFORMATION		
Noncash investing and financing transactions		
Donated investments	\$ 80,472	\$ -

See accompanying notes.

MAASAI GIRLS EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Maasai Girls Education Fund (the Organization) is a non-profit organization that aims to improve the literacy, health, and economic well-being of Maasai women and their families in Kenya through the education of girls and their communities. The Organization is primarily funded by contributions.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a 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 in the statements of activities as net assets released from restrictions. Contributions in-kind on the statement of activities contain contributions of nonfinancial assets.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, office expenses, occupancy, information technology, marketing and promotion, travel, membership dues, and miscellaneous, which are allocated on the basis of estimates of time and effort.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adoption of New Accounting Guidance

On September 17, 2020, the Financial Accounting Standards Board issued Accounting Standards Update No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intent of this Update is to improve transparency in the reporting of contributed nonfinancial assets (also known as contributions-in-kind) received by not-for-profit entities. The Update requires a not-for-profit entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The Update also requires enhanced disclosures about the valuation of contributed nonfinancial assets and their use in programs and other activities, including any donor-imposed restrictions on such use. The Organization adopted the requirements of this Update effective July 1, 2021. The changes required by this Update have been applied retrospectively to all periods presented.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

MAASAI GIRLS EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

The Organization reports investments in equity securities with readily determinable fair values at fair value in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investments securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

Date of Management's Review

Management has evaluated subsequent events through October 5, 2022, the date which the financial statements were available to be issued.

NOTE 2 – IN-KIND CONTRIBUTIONS

In-kind contributions recognized within the statements of activities include:

	<u>2022</u>	<u>2021</u>
Occupancy	\$ 19,800	\$ 19,800
Office expenses	168	-
	<u>\$ 19,968</u>	<u>\$ 19,800</u>

The Organization recognized in-kind contributions within revenue, including occupancy and office expenses. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions.

A board member provides office space for the use of the Organization's staff that is valued at the estimated fair value that the space could otherwise be rented at.

Contributed office expenses are valued at the estimated fair value on the basis of estimates of wholesale values that would be received for selling similar products. The Organization does not sell in-kind contributions and only uses them for program use.

NOTE 3 – INVESTMENTS

Investments at June 30, 2022 consisted of mutual funds.

Fair values of equities are based on the closing prices reported on the active market where the individual securities are traded. Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Organization are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Organization are considered to be actively traded.

MAASAI GIRLS EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 4 – NET ASSETS

Net assets with donor restrictions at June 30, 2021 were restricted for Kenyan wages.

NOTE 5 – LIQUIDITY AND AVAILABILITY

The following reflects the Organization’s financial assets as of June 30, 2022 and 2021, reduced by amounts not available for general expenditure within one year of the date of the statements of financial position because of donor-imposed restrictions:

	2022	2021
Financial assets at end of year		
Cash	\$ 284,661	\$ 201,327
Due from MGEF-Kajiado	1,112	483
Investments	64,880	-
Total financial assets	350,653	201,810
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	-	(4,551)
Financial assets available to meet cash needs for general expenditures within one year	\$ 350,653	\$ 197,259

As part of the Organization’s liquidity management policy, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6 – RELATED PARTY TRANSACTIONS

Office Space

The Organization received donated office space from a board member that is valued at an estimate of \$1,650 per month. For the years ended June 30, 2022 and 2021, \$19,800 of donated office space was received.

Transactions with MGEF-Kajiado

The Organization is related to the Maasai Girls Education Fund-Kajiado (MGEF-Kajiado) through common management. The Organizations share certain personnel, workshops, and administrative functions, which are allocated between the two organizations on the basis of use. During the years ended June 30, 2022 and 2021, the Organization reimbursed MGEF-Kajiado \$11,948 and \$45,811, respectively.

MAASAI GIRLS EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE 6 – RELATED PARTY TRANSACTIONS (continued)

Due from MGEF-Kajiado

In 2016, the Organization disbursed a loan to the managing director of MGEF-Kajiado which is to be paid off in varying increments. In 2021, the Organization disbursed an additional loan to the managing director of MGEF-Kajiado. At June 30, 2022 and 2021, the balance due from MGEF-Kajiado totaled \$1,112 and \$483, respectively.