

**MAASAI GIRLS EDUCATION FUND**

**FINANCIAL STATEMENTS**

June 30, 2020

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Maasai Girls Education Fund, which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows 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.

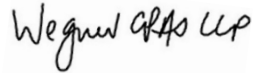
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***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, 2020, 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.

**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. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of July 1, 2019. Our opinion is not modified with respect to this matter.



Wegner CPAs, LLP  
Alexandria, Virginia  
August 5, 2021

**MAASAI GIRLS EDUCATION FUND**  
**STATEMENT OF FINANCIAL POSITION**  
June 30, 2020

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<b>ASSETS</b>	
Cash	\$ 134,585
Due from MGEF-Kajiado	<u>1,048</u>
<b>Total assets</b>	<b><u>\$ 135,633</u></b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Accounts payable	\$ 479
<b>NET ASSETS</b>	
Without donor restrictions	128,382
With donor restrictions	<u>6,772</u>
Total net assets	<u>135,154</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 135,633</u></b>

See accompanying notes.

**MAASAI GIRLS EDUCATION FUND**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 80,682	\$ 112,618	\$ 193,300
In-kind contributions	19,800	-	19,800
Paycheck Protection Program assistance	15,659	-	15,659
Interest income	722	-	722
<b>Total support and revenue</b>	<b>116,863</b>	<b>112,618</b>	<b>229,481</b>
<b>EXPENSES</b>			
Program services			
Educational programs	205,027	-	205,027
Community workshops	24,798	-	24,798
<b>Total program services</b>	<b>229,825</b>	<b>-</b>	<b>229,825</b>
Supporting activities			
Management and general	11,063	-	11,063
Fundraising	2,603	-	2,603
<b>Total expenses</b>	<b>243,491</b>	<b>-</b>	<b>243,491</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>			
Satisfaction of purpose restrictions	147,045	(147,045)	-
<b>Change in net assets</b>	<b>20,417</b>	<b>(34,427)</b>	<b>(14,010)</b>
Net assets at beginning of year	107,965	41,199	149,164
<b>Net assets at end of year</b>	<b>\$ 128,382</b>	<b>\$ 6,772</b>	<b>\$ 135,154</b>

See accompanying notes.

**MAASAI GIRLS EDUCATION FUND**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended June 30, 2020

	<u>Program Services</u>		<u>Supporting Activities</u>		<u>Total</u>
	<u>Educational Programs</u>	<u>Community Workshops</u>	<u>Management and General</u>	<u>Fundraising</u>	
Personnel	\$ 84,414	\$ 12,019	\$ 2,154	\$ 2,028	\$ 100,615
Workshops	-	6,086	-	-	6,086
Education	88,079	-	-	-	88,079
Professional fees	157	39	4,237	-	4,433
Conferences and events	604	89	-	-	693
Office expenses	1,911	352	80	28	2,371
Occupancy	19,302	2,697	505	475	22,979
Information technology	1,754	270	40	38	2,102
Marketing and promotion	357	44	1,941	10	2,352
Travel	7,602	3,098	-	-	10,700
Membership dues	847	104	26	24	1,001
Miscellaneous	-	-	2,080	-	2,080
<b>Total expenses</b>	<b><u>\$ 205,027</u></b>	<b><u>\$ 24,798</u></b>	<b><u>\$ 11,063</u></b>	<b><u>\$ 2,603</u></b>	<b><u>\$ 243,491</u></b>

See accompanying notes.

**MAASAI GIRLS EDUCATION FUND**  
**STATEMENT OF CASH FLOWS**  
Year Ended June 30, 2020

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ (14,010)
Adjustments to reconcile change in net assets to change in cash	
Decrease in assets	
Due from MGEF-Kajiado	346
Prepaid expenses	224
Decrease in liabilities	
Accounts payable	<u>(6,178)</u>
<b>Net change in cash</b>	(19,618)
Cash at beginning of year	<u>154,203</u>
<b>Cash at end of year</b>	<u><u>\$ 134,585</u></u>

See accompanying notes.

**MAASAI GIRLS EDUCATION FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2020

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**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.

**Adoption of New Accounting Guidance**

On June 21, 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions or contributions. The ASU also assists entities in determining whether a contribution is conditional. The Organization adopted the requirements of the ASU as of July 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of July 1, 2019, or entered into after that date.

**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 statement of activities as net assets released from restrictions.

**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.

**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, 2020

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Paycheck Protection Program Loan**

The Organization received a loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security Act and administered by the U.S. Small Business Administration. The loan will be fully forgiven if the funds are used for payroll costs, interest on mortgages, rent, and utilities. The Organization expects to meet the PPP's eligibility criteria and believes the loan is, in substance, a grant that is expected to be forgiven. The Organization recognizes amounts expected to be forgiven as revenue when it incurs qualifying expenses.

**Date of Management's Review**

Management has evaluated subsequent events through August 5, 2021, the date which the financial statements were available to be issued.

NOTE 2 – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes:

Scholarships	\$ 2,861
Kenyan wages	<u>3,911</u>
Net assets with donor restrictions	<u><u>\$ 6,772</u></u>

NOTE 3 – LIQUIDITY AND AVAILABILITY

The table below presents financial assets available for general expenditures within one year of the date of statement of financial position:

Financial assets at end of year	
Cash	\$ 134,585
Due from MGEF-Kajiado	<u>1,048</u>
Total financial assets	135,633
Less amounts unavailable for general expenditures within one year:	
Restricted by donors with purpose restrictions	<u>(6,772)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 128,861</u></u>

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.

**MAASAI GIRLS EDUCATION FUND**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2020

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**NOTE 4 – RELATED PARTY TRANSACTIONS**

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 year ended June 30, 2020, the Organization reimbursed MGEF-Kajiado approximately \$34,762.

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. At June 30, 2020, the balance due from MGEF-Kajiado totaled \$1,048.

Office Space

The Organization leases office space through a common board member that is valued at \$1,650 per month and recorded at fair value. For the year ended June 30, 2020, \$19,800 in total in-kind office space was received.

**NOTE 5 – PAYCHECK PROTECTION PROGRAM LOAN**

On May 27, 2020, the Organization received a \$15,659 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA).

On April 15, 2021, the SBA preliminarily approved forgiveness of the loan. The Organization must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Organization's good-faith certification concerning the necessity of its loan request, whether the Organization calculated the loan amount correctly, whether the Organization used loan proceeds for the allowable uses specified in the CARES Act, and whether the Organization is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Organization was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

**NOTE 6 – COVID-19 CONSIDERATIONS**

In March 2020, the United States economy began suffering adverse effects from the COVID-19 virus global crisis. In response to the crisis, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. The Organization altered operations and services to reduce the spread of COVID-19. These changes included altering certain planned in-person events and moved to virtual, reduction of program services, and temporary closings. While the disruption is currently expected to be temporary, the ultimate disruption and effect on the Organization are uncertain and the related financial impact cannot be reasonably estimated. As noted in Note 5, the Organization was approved for a loan under the Paycheck Protection Program to help mitigate adverse effects.