

THE MAASAI GIRLS EDUCATION FUND

FINANCIAL STATEMENTS

JUNE 30, 2008



HALT BUZAS & POWELL, LTD
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

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CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of The Maasai Girls Education Fund (the Organization) as of June 30, 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2007 financial statements and, in our report dated December 19, 2007, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Maasai Girls Education Fund as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Halt, Buzas & Powell, Ltd.

December 22, 2008

THE MAASAI GIRLS EDUCATION FUND

STATEMENT OF FINANCIAL POSITION

(with summarized financial information for the six months ended June 30, 2007)

	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets:		
Cash	\$ 120,414	\$ 69,151
Accounts and grants receivable	204	8
Investments	944	1,574
Prepaid expenses	<u>533</u>	<u>-</u>
Total current assets	<u>\$ 122,095</u>	<u>\$ 70,733</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 1	\$ 1,218
Due to KCDF Endowment	<u>2,500</u>	<u>-</u>
Total current liabilities	<u>2,501</u>	<u>1,218</u>
Net assets:		
Unrestricted	107,152	55,438
Temporarily restricted	<u>12,442</u>	<u>14,077</u>
Total net assets	<u>119,594</u>	<u>69,515</u>
Total liabilities and net assets	<u>\$ 122,095</u>	<u>\$ 70,733</u>

See notes to financial statements



THE MAASAI GIRLS EDUCATION FUND

STATEMENT OF ACTIVITIES

(with summarized financial information for the six months ended June 30, 2007)

	<u>For the Year Ended June 30, 2008</u>			<u>2007</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
Revenues:				
Direct public support	\$ 96,764	\$ 12,442	\$ 109,206	\$ 35,288
Contributions in-kind	50,507	-	50,507	38,638
Investment loss	(630)	-	(630)	(551)
Interest income	34	-	34	-
Net assets released from restrictions:				
Satisfaction of grant restrictions	<u>14,077</u>	<u>(14,077)</u>	<u>-</u>	<u>-</u>
Total revenues	<u>160,752</u>	<u>(1,635)</u>	<u>159,117</u>	<u>73,375</u>
Expenses:				
Program services:				
Program services	<u>88,954</u>	<u>-</u>	<u>88,954</u>	<u>70,785</u>
Support services:				
Management and general	19,471	-	19,471	6,345
Fundraising	<u>613</u>	<u>-</u>	<u>613</u>	<u>200</u>
Total support services	<u>20,084</u>	<u>-</u>	<u>20,084</u>	<u>6,545</u>
Total expenses	<u>109,038</u>	<u>-</u>	<u>109,038</u>	<u>77,330</u>
Net increase (decrease) in net assets	51,714	(1,635)	50,079	(3,955)
Net assets, beginning of year	<u>55,438</u>	<u>14,077</u>	<u>69,515</u>	<u>73,470</u>
Net assets, end of year	<u>\$ 107,152</u>	<u>\$ 12,442</u>	<u>\$ 119,594</u>	<u>\$ 69,515</u>

See notes to financial statements



THE MAASAI GIRLS EDUCATION FUND

STATEMENT OF CASH FLOWS

(with summarized financial information for the six months ended June 30, 2007)

	For the Year Ended June 30,	
	2008	2007
Cash flows from operating activities:		
Net increase (decrease) in net assets	\$ <u>50,079</u>	\$ <u>(3,955)</u>
Adjustments to reconcile net increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Unrealized loss on investments	630	551
Decrease (increase) in assets:		
Accounts and grants receivable	(197)	3,286
Prepaid expenses	(532)	2,491
Increase (decrease) in liabilities:		
Accounts payable	(1,217)	(11)
Deferred revenue/income-current	-	(2,961)
Due to KCDF Endowment	<u>2,500</u>	<u>-</u>
Total adjustments	<u>1,184</u>	<u>3,356</u>
Net cash provided by (used in) operating activities	<u>51,263</u>	<u>(599)</u>
Net increase (decrease) in cash	51,263	(599)
Cash, beginning of year	<u>69,151</u>	<u>69,750</u>
Cash, end of year	<u>\$ 120,414</u>	<u>\$ 69,151</u>

See notes to financial statements



THE MAASAI GIRLS EDUCATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2008

1. Organization

The Maasai Girls Education Fund (the Organization) is a not-for-profit 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 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 girls already enrolled in school will be able to continue their education as long as their ability and desire allow. At the same time, the Organization is working to educate the community about the economic and social benefits of educating girls and to teach rural women practical skills to improve health and nutrition.

2. Summary of significant accounting policies

Basis of accounting

The financial statements are prepared on the accrual basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

Basis of presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statements of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Non-Profit Organizations and SFAS No. 116, Accounting for Contributions Received and Contributions Made. Under SFAS No. 117, the organization is required to report its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.



THE MAASAI GIRLS EDUCATION FUND
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June 30, 2008

The financial statements include certain prior-year summarized comparative information in total but not by functional expense (i.e. a detailed statement of activities is not shown separately for the prior year). Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the six-months ended June 30, 2007.

Restricted and unrestricted revenue and support

Unconditional promises to give are recorded as contributions at their net realizable value in the year in which the promise is made. All contributions are available for unrestricted purposes unless specifically restricted by the donor.

The Organization reports grants, contracts, and gifts of cash and other assets as restricted support (temporarily restricted or permanently restricted, depending on the nature of the restriction) if they are received with donor stipulations that limit the use of the assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

Contributions

Unconditional promises to give are recorded as contributions at their net realizable value in the year in which the promise is made. All contributions are available for unrestricted use unless specifically restricted by the donor.

Income taxes

The Organization is exempt from Federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to exempt purpose. The Organization is taxed on net income from unrelated business activities. For the fiscal year ended June 30, 2008, the Organization did not generate any net income from unrelated business activities.



THE MAASAI GIRLS EDUCATION FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2008

Accounts receivable

No allowance for uncollectible accounts receivables has been established since management of the Organization believes all receivables, including grants receivables, are fully collectible.

Investments

Investments are reported at their fair market value based on the quoted market price. Donated securities and other donated items held as investments are recorded at their fair market value on the date of the donation. The gains and losses on investments are reported in the Statement of Activities as increases or decreases in unrestricted net assets, unless their use is restricted by donor stipulations or by law.

Donated services

The Organization recognizes revenue for certain services received at the fair value of those services. These services include professional services donated by the Executive Director, including accounting and fundraising services. Also, transportation services are donated to the Organization when the Executive Director is traveling in Kenya. The fair value of the donated services is reflected in revenues and included in expenses in the following functional categories for the year ended June 30, 2008 and the six-months ended June 30, 2007:

	2008	2007
Program services	\$ 39,307	\$ 34,300
Management and general	10,588	4,138
Fundraising	612	200
Total	\$ 50,507	\$ 38,638



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June 30, 2008

Use of 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 and disclosure 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.

Allocation of expenses

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

3. Related party transactions

During the fiscal year ended June 30, 2008, the Organization continued a month-to-month sublease agreement with the Institute for Governance & Sustainable Development (IGSD). The lease commenced on April 1, 2007 and ended January 31, 2008. The rent expense for the fiscal year ended June 30, 2008 was \$1,500.

In addition, during the fiscal year ended June 30, 2008, the Organization received donations totaling \$1,575 from its Executive Director.



THE MAASAI GIRLS EDUCATION FUND
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2008

4. Investments

Investments consist of shares of common stock of a publicly traded corporation donated to the Organization. The fair market value of the common stock as of June 30, 2008 and June 30, 2007 was \$944 and \$1,574, respectively.

Investment income is comprised of the following for the year ended June 30, 2008 and six-months ended June 30, 2007:

	2008	2007
Interest income	\$ 34	\$ -
Unrealized loss on investments	(630)	(551)
Total investment income	\$ (596)	\$ (551)

5. Net assets released from restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose. Purpose restrictions accomplished during the year ended June 30, 2008 and six-months ended June 30, 2007 are as follows:

	2008	2007
Scholarships	\$ 13,551	\$ 23,557
Workshops	526	496
Total net assets released from restrictions	\$ 14,077	\$ 24,053



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6. Temporarily restricted net assets

At June 30, 2008 and 2007, temporarily restricted net assets were available for the following programs:

	<u>2008</u>	<u>2007</u>
Scholarships	\$ 11,553	\$ 13,551
Workshops	<u>889</u>	<u>526</u>
Total temporarily restricted net assets	<u>\$ 12,442</u>	<u>\$ 14,077</u>

