

**GEORGES MALAIKA FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020 AND 2019**

**GEORGES MALAIKA FOUNDATION, INC.  
FINANCIAL STATEMENTS  
MARCH 31, 2020 AND 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Georges Malaika Foundation, Inc.

We have audited the accompanying financial statements of Georges Malaika Foundation, Inc. (a non-profit organization) which comprise the statements of financial position as of March 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses 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.

### **Auditor's 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 audits 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 Georges Malaika Foundation, Inc. as of March 31, 2020 and 2019, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KMR LLP

New York, New York  
June 10, 2021

**GEORGES MALAIKA FOUNDATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2020 AND 2019**

ASSETS	2020	2019
<b>Current assets:</b>		
Cash and cash equivalents	\$ 482,219	\$ 552,967
Prepaid Expenses	1,990	943
<b>Total current assets</b>	<b>484,209</b>	<b>553,910</b>
<b>Property, plant and equipment:</b>		
School building and Community Center (net of accumulated depreciation of \$180,939 and \$145,197, respectively)	1,347,888	1,189,456
Furniture, fixtures and equipment (net of accumulated depreciation of \$104,750 and \$96,500, respectively)	21,438	3,192
<b>Total property, plant and equipment</b>	<b>1,369,326</b>	<b>1,192,648</b>
Security deposits	2,200	2,200
<b>Total assets</b>	<b>\$ 1,855,735</b>	<b>\$ 1,748,758</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 12,340	\$ 12,340
<b>Total liabilities</b>	<b>12,340</b>	<b>12,340</b>
<b>Net Assets:</b>		
Without donor restrictions	1,843,395	1,736,418
With donor restrictions	-	-
<b>Total net assets</b>	<b>1,843,395</b>	<b>1,736,418</b>
<b>Total liabilities and net assets</b>	<b>\$ 1,855,735</b>	<b>\$ 1,748,758</b>

See independent auditor's report and accompanying notes to financial statements

**GEORGES MALAIKA FOUNDATION, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	2020		2019	
	Total	Without Donor Restrictions	Total	Without Donor Restrictions
<b>Public support and revenue</b>				
Grants	\$ 486,040	\$ 486,040	\$ 465,821	\$ 465,821
Contributions	266,602	266,602	217,427	217,427
Interest Income	107	107	112	112
<b>Total public support and revenue</b>	<b>752,749</b>	<b>752,749</b>	<b>683,360</b>	<b>683,360</b>
<b>Functional expenses:</b>				
Program service expenses:				
School sponsorship and operating expenses	367,208	367,208	284,966	284,966
FIFA project expenses	88,786	88,786	95,714	95,714
<b>Total program service expense</b>	<b>455,994</b>	<b>455,994</b>	<b>380,680</b>	<b>380,680</b>
Support service:				
Administrative:				
Depreciation expense	43,991	43,991	46,118	46,118
Office	12,321	12,321	36,794	36,794
Travel expenses	37,961	37,961	22,474	22,474
Salaries and wages	29,748	29,748	17,593	17,593
Computer and related expenses	37,437	37,437	10,805	10,805
Credit card and bank charges	9,856	9,856	7,281	7,281
Professional fees	1,252	1,252	5,500	5,500
Postage and shipping	-	-	4,225	4,225
Telephone	4,414	4,414	1,505	1,505
Payroll taxes	510	510	1,388	1,388
Filing fees	-	-	1,101	1,101
Contribution	1,868	1,868	-	-
	179,358	179,358	154,784	154,784
Fundraising, advertising and marketing expense	10,420	10,420	14,389	14,389
	10,420	10,420	14,389	14,389
<b>Total functional expenses</b>	<b>645,772</b>	<b>645,772</b>	<b>549,853</b>	<b>549,853</b>
<b>Change in net assets</b>	<b>106,977</b>	<b>106,977</b>	<b>133,507</b>	<b>133,507</b>
Net assets - beginning of year	1,736,418	1,736,418	1,602,911	1,602,911
Net assets - end of year	\$ 1,843,395	\$ 1,843,395	\$ 1,736,418	\$ 1,736,418

See independent auditor's report and accompanying notes to financial statements

**GEORGES MALAIKA FOUNDATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	2020		2019	
	Total	Program Services	Total	Program Services
School sponsorship and operating expenses	367,208	367,208	284,966	284,966
FIFA project expenses	88,786	88,786	95,714	95,714
<b>Total program service expense</b>	<b>455,994</b>	<b>455,994</b>	<b>380,680</b>	<b>380,680</b>
Support service:				
Administrative:				
Depreciation expense	43,991	43,991	46,118	46,118
Office	12,321	6,160	36,794	18,397
Travel expenses	37,961	37,961	22,474	22,474
Salaries and wages	29,748	14,874	17,593	8,797
Computer and related expenses	37,437	37,437	10,805	10,805
Credit card and bank charges	9,856	9,856	7,281	7,281
Professional fees	1,252	1,252	5,500	5,500
Postage and shipping	-	0	4,225	4,225
Telephone	4,414	4,414	1,505	1,505
Payroll taxes	510	510	1,388	1,388
Filing fees	-	0	1,101	1,101
Contribution	1,868	1,868	-	-
	<b>179,358</b>	<b>158,323</b>	<b>154,784</b>	<b>127,591</b>
Fundraising, advertising and marketing expense	10,420	10,420	14,389	14,389
	10,420	10,420	14,389	14,389
<b>Total expenses included in the expense section of the statement of activities</b>	<b>645,772</b>	<b>624,737</b>	<b>549,853</b>	<b>522,660</b>
			<b>21,035</b>	<b>27,193</b>

See independent auditor's report and accompanying notes to financial statements

**GEORGES MALAIKA FOUNDATION, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED MARCH 31, 2020 AND 2019**

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 106,977	\$ 133,508
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	43,991	46,118
Changes in operating assets and liabilities:		
Prepaid expenses	(1,048)	-
Accounts payable and accrued expenses	-	(3,398)
<b>Net cash provided by operating activities</b>	<b>149,920</b>	<b>176,228</b>
<b>Cash flows from investing activities:</b>		
Purchase for property, plant and equipment	(220,668)	(59,021)
Security deposits	-	-
<b>Net cash used in investing activities</b>	<b>(220,668)</b>	<b>(59,021)</b>
<b>Net increase in cash and cash equivalents</b>	(70,748)	117,207
<b>Cash and cash equivalents, beginning of year</b>	<b>552,967</b>	<b>435,760</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 482,219</b>	<b>\$ 552,967</b>

See independent auditor's report and accompanying notes to financial statements



**GEORGES MALAIKA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - THE ORGANIZATION**

Georges Malaika Foundation, Inc. (the "Organization") a not-for-profit corporation, was incorporated on July 27, 2007. The Organization is dedicated to the advancement of African communities by providing educational opportunities to young girls (ages 5 to 18) in the Democratic Republic of Congo (DRC). The Organization has been the primary participant in the funding and construction of a school in Lubumbashi, DRC.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of accounting:**

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of presentation:**

On August 18, 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. The Organization has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Organization's financial statements:

- 1) The unrestricted net asset class has been renamed net assets without donor restrictions.
- 2) The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions.

The Organization has no net assets with donor restrictions as of March 31, 2020 and 2019.

**Revenue and expenses:**

Revenue is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments, if any, and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**GEORGES MALAIKA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Contributions:**

The Organization receives substantially all of its support and revenue from grants, corporate and individual contributions, and proceeds from special events. Contributions are recognized when received or pledged and are recorded at their fair value.

The Organization has also adopted FASB ASC Topic 605, "Revenue Recognition." Contributions received are recorded as net assets without donor restrictions, or net assets with donor restrictions revenue depending on the existence or nature of any donor restriction. All contributions and income are considered to be available for unrestricted use unless specifically restricted by the donor.

**Use of estimates:**

The preparation of financial statements in conformity with 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 during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents:**

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Property, plant and equipment:**

The land for the school and school grounds was granted to the school by the government at no cost. Building and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated lives of the assets ranging from five to thirty-nine years. Repairs and maintenance, which are not considered betterments and do not extend the useful life of property and equipment, are charged to expense as incurred. Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in operations.

**Income taxes:**

The Organization was incorporated in the State of New York and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as a "charitable organization".

The Organization's Form 990, Return of Organization Exempt Income Tax, for the years 2017 to 2019 are subject to examination by the IRS, (generally for three years after they are filed).

**GEORGES MALAIKA FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Expenses:**

The Organization recognizes grant expense, if any, when grants are approved and notification has been given to the grantee. Expenses not identifiable to specific programs are allocated to the various program services based on estimated time spent on programs.

**Donated assets:**

Donated assets and noncash donations, if any, are recorded as contributions at their fair values at the date of donation.

**Reclassifications:**

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

**NOTE 3 - CONCENTRATION OF CREDIT RISK AND MAJOR GRANTORS**

**Concentration of credit risk:**

The Organization maintains its cash and cash equivalent balances at various financial institutions in both the United States of America (USA) and the Democratic Republic of Congo (DRC). In the USA, accounts at each institution are insured by the Federal Deposit insurance Corporation (FDIC) up to \$250,000. However, in the normal course of business, the Organization may have cash balances that exceed the FDIC insured limits at various times during the year. In the DRC, financial institutions provide no such coverage.

**Major grantors:**

During the year ended March 31, 2020, one foundation accounted for approximately 13% of total contributions and grants. During the year ended March 31, 2019, one foundation accounted for approximately 14% of total contributions and grants.

**NOTE 4 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 10, 2021, the date which the financial statements were available to be issued. The Organization is not aware of any subsequent events, which requires recognition or disclosure in the financial statements.