

MALIASILI INITIATIVES, INC.
FINANCIAL STATEMENTS
Years ended December 31, 2019 and 2018

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FINANCIAL STATEMENTS
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Independent Auditor's Report

To the Board of Directors
Maliasili Initiatives, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Maliasili Initiatives, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, 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 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 Maliasili Initiatives, Inc. as of December 31, 2019 and 2018, 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.

Change in Accounting Principle

As described in Note 1 of the financial statements, in 2019, the organization adopted ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

Wendell White & Assoc., LLC

Essex Junction, Vermont
Registration number VT092.0000684
June 3, 2020

MALIASILI INITATIVES, INC.
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2019 and 2018

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Cash and cash equivalents	\$ 762,693	\$ 1,095,829
Restricted cash	668,333	-
Unconditional promises to give:		
Restricted for funding future fiscal years, net of unamortized discount	192,661	292,730
Accounts receivable	20,548	35,983
Grant and contribution receivables	3,771	14,044
Prepaid expenses	14,361	9,390
Property and equipment, net	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 1,662,367</u>	 <u>\$ 1,447,976</u>

LIABILITIES AND NET ASSETS

Liabilities:		
Accounts payable	\$ 56,702	\$ 32,311
Accrued expenses	26,649	43,993
Deferred revenue	<u>37,500</u>	<u>-</u>
Total liabilities	120,851	76,304
 Net assets:		
Without donor restrictions	390,220	188,942
With donor restrictions	<u>1,151,296</u>	<u>1,182,730</u>
Total net assets	<u>1,541,516</u>	<u>1,371,672</u>
 Total liabilities and net assets	 <u>\$ 1,662,367</u>	 <u>\$ 1,447,976</u>

See notes to financial statements

MALIASILI INITATIVES, INC.
STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
Year Ended December 31, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Revenue and public support:			
Grants	\$ 927,164	917,404	\$ 1,844,568
Contributions	373,090	-	373,090
Program service fees	108,712	-	108,712
Other income	<u>2,484</u>	<u>-</u>	<u>2,484</u>
Total revenues and public support	1,411,450	917,404	2,328,854
Net assets released from restrictions:			
Satisfaction of donor restrictions	<u>948,838</u>	<u>(948,838)</u>	<u>-</u>
Total	2,360,288	(31,434)	2,328,854
Expenses:			
Program services	1,816,843	-	1,816,843
General and administrative	278,610	-	278,610
Fundraising	<u>63,557</u>	<u>-</u>	<u>63,557</u>
Total expenses	<u>2,159,010</u>	<u>-</u>	<u>2,159,010</u>
Change in net assets	201,278	(31,434)	169,844
Net assets, beginning of year	<u>188,942</u>	<u>1,182,730</u>	<u>1,371,672</u>
Net assets, end of year	<u>\$ 390,220</u>	<u>\$ 1,151,296</u>	<u>\$ 1,541,516</u>

See notes to financial statements

MALIASILI INITIATIVES, INC.
STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS
Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and public support:			
Grants	\$ 1,103,812	1,182,730	\$ 2,286,542
Contributions	303,154	-	303,154
Program service fees	203,423	-	203,423
Interest	64	-	64
Other income	1,976	-	1,976
	<hr/>	<hr/>	<hr/>
Total revenues and public support	1,612,429	1,182,730	2,795,159
Net assets released from restrictions:			
Satisfaction of donor restrictions	195,193	(195,193)	-
Total	1,807,622	987,537	2,795,159
	<hr/>	<hr/>	<hr/>
Expenses:			
Program services	1,272,578	-	1,272,578
General and administrative	207,077	-	207,077
Fundraising	65,384	-	65,384
	<hr/>	<hr/>	<hr/>
Total expenses	1,545,039	-	1,545,039
	<hr/>	<hr/>	<hr/>
Change in net assets	262,583	987,537	1,250,120
Net assets, beginning of year	(73,641)	195,193	121,552
	<hr/>	<hr/>	<hr/>
Net assets, end of year	<u>\$ 188,942</u>	<u>\$ 1,182,730</u>	<u>\$ 1,371,672</u>

See notes to financial statements

MALIASILI INITIATIVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2019

	Program <u>Costs</u>	General and <u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages	\$ 288,710	\$ 121,345	\$ 31,511	\$ 441,566
Payroll taxes and benefits	22,924	9,635	2,502	35,061
Employee Benefits	<u>22,841</u>	<u>5,328</u>	<u>4,693</u>	<u>32,862</u>
Total personnel	334,475	136,308	38,706	509,489
Board and team meetings	44,329	6,454	-	50,783
Bank fees	65	9,946	504	10,515
Communications and publications	12,500	-	13,916	26,416
Consulting	36,063	-	-	36,063
Facilitators/Lecturers	10,000	-	-	10,000
Insurance	-	6,098	-	6,098
License & Permits	1,380	7,336	-	8,716
Miscellaneous	43	314	-	357
Networking and meetings	11,233	-	186	11,419
Office expense	16,111	21,666	261	38,038
Professional development	9,045	19	-	9,064
Professional fees	-	19,809	-	19,809
Rent/lease expense	2,340	820	-	3,160
Stipends	16,550	6,255	270	23,075
Subcontractors	424,565	59,831	1,514	485,910
Subgrants	805,542	-	-	805,542
Travel	<u>92,602</u>	<u>3,754</u>	<u>8,200</u>	<u>104,556</u>
 Total	 <u>\$ 1,816,843</u>	 <u>\$ 278,610</u>	 <u>\$ 63,557</u>	 <u>\$ 2,159,010</u>

See notes to financial statements

MALIASILI INITATIVES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2018

	Program <u>Costs</u>	General and <u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Salary and wages	\$ 264,553	\$ 109,477	\$ 43,382	\$ 417,412
Payroll taxes and benefits	20,437	8,457	3,351	32,245
Employee Benefits	<u>19,172</u>	<u>5,797</u>	<u>6,471</u>	<u>31,440</u>
Total personnel	304,162	123,731	53,204	481,097
Board and meetings	23,530	-	-	23,530
Bank fees	427	10,451	687	11,565
Communications and publications	2,951	-	-	2,951
Consulting	70,445	1,000	-	71,445
Facilitators/Lecturers	16,000	-	-	16,000
Insurance	-	5,542	-	5,542
License & Permits	808	3,204	-	4,012
Miscellaneous	-	65	-	65
Networking and meetings	18,737	-	355	19,092
Office expense	10,749	28,986	405	40,140
Professional development	6,549	658	-	7,207
Professional fees	-	11,190	-	11,190
Rent/lease expense	11,525	7,820	-	19,345
Stipends	9,312	4,136	246	13,694
Subcontractors	302,911	10,274	1,304	314,489
Subgrants	367,819	-	-	367,819
Travel	61,873	20	9,183	71,076
Workshops	<u>64,780</u>	<u>-</u>	<u>-</u>	<u>64,780</u>
 Total	 <u>\$ 1,272,578</u>	 <u>\$ 207,077</u>	 <u>\$ 65,384</u>	 <u>\$ 1,545,039</u>

See notes to financial statements

MALIASILI INITATIVES, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 169,844	\$ 1,250,120
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Increase) decrease in:		
Unconditional promises to give:		
Without donor restrictions	-	5,200
Restricted for funding future fiscal years	100,069	(292,730)
Restricted cash	(668,333)	-
Accounts receivable	15,435	(25,919)
Grant and contribution receivables	10,273	(14,044)
Prepaid expenses	(4,971)	11,517
Increase (decrease) in:		
Accounts payable	24,391	(4,102)
Accrued expenses	(17,344)	4,385
Deferred revenue	37,500	(10,929)
Net cash provided (used) by operating activities	<u>(333,136)</u>	<u>923,498</u>
 Cash flows from financing activities:		
Proceeds from loans	<u>-</u>	<u>(75,000)</u>
 Net increase in cash and cash equivalents	(333,136)	848,498
 Cash and cash equivalents, beginning of year	<u>1,095,829</u>	<u>247,331</u>
 Cash and cash equivalents, end of year	<u>\$ 762,693</u>	<u>\$ 1,095,829</u>

See notes to financial statements

MALIASILI INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1. Nature of organization and summary of significant accounting policies

Nature of organization

Maliasili Initiatives, Inc. (the "Organization") is a non-profit organization that supports the growth, development and performance of leading civil society organizations working to advance sustainable natural resource management practices in Africa.

The Organizations' mission is to support long-term, locally driven, and collaborative approaches that achieve the sustainable use and conservation of natural resources and ecosystem services in Africa, while generating opportunities for both social and economic development and enterprise.

General

The significant accounting policies of the Organization are presented to assist in understanding the Organization's financial statements. The financial statements and the notes are representations of the Organization's management. The Organization is responsible for the integrity and objectivity of the financial statements.

Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

Basis of presentation

The Organization's financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

As of December 31, 2019, and 2018, the Organization had net assets without donor restrictions of \$390,220 and \$188,942, and net assets with donor restrictions of \$1,151,516 and \$1,182,730. Refer to Note 7 for additional detail regarding the net assets with donor restrictions.

Use of estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were used.

MALIASILI INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1. Nature of organization and summary of significant accounting policies (continued)

Cash and cash equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents

Grants and other receivables

Grants and other receivables represent amounts earned under cost-reimbursable grants, agency contracts or program service initiatives which have not been received as of December 31, 2019 and 2018. Amounts are stated at the amount management expects to collect from outstanding balances. Management writes off accounts when they are deemed uncollectible and establishes an allowance for doubtful accounts at year end for estimated uncollectible amounts. No allowance for doubtful accounts has been established for receivables, as the Organization believes all amounts will be collected.

Promises to give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Unconditional gifts expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated future cash flows. The resulting discount is amortized using the level-yield method and is reported as revenue.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Property and equipment

Property is recorded at cost, except for donated assets which are recorded at estimated fair value at the date of donation. Material assets with a useful life in excess of one year and a cost greater than \$2,000 are capitalized. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets as follows:

Computer equipment	3 years
Furniture and equipment	5 years

Depreciation expense was \$0 during the years ending December 31, 2019 and 2018, respectively.

Deferred revenue

Deferred revenue represents amounts received by the Organization which have not yet been earned. Amounts are earned as services are provided under the respective contract agreement. Refer to Note 4 for additional information regarding deferred revenue.

MALIASILI INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1. Nature of organization and summary of significant accounting policies (continued)

Fair value measurements and financial instruments

The Company adopted FASB ASC 820, Fair Value Measurements and Disclosures, for assets and liabilities measured at fair value on a recurring basis. The codification established a common definition for fair value to be applied to existing generally accepted accounting principles that requires the use of fair value measurements, establishes a framework for measuring fair value, and expands disclosure about such fair value measurements.

FASB ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, FASB ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

-) Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
-) Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
-) Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

The Organization's other financial instruments consist primarily of cash, receivables, and deferred revenue. The carrying amount of cash, receivables, and deferred revenue approximate their fair value due to the short-term nature of such instruments.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. 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.

Expense allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses are directly charged to programs and supporting services for which they pertain to.

Income taxes

The Organization is a non-profit private foundation organization exempt from income taxes under Section 501(C)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to taxation as unrelated business income; therefore, no provision for income taxes has been made in the accompanying financial statements. The Organization believes it has taken no uncertain tax positions that could have an effect on its financial statements.

MALIASILI INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 1. Nature of organization and summary of significant accounting policies (continued)

The Organization annually files an IRS Form 990-PF, *Return of Private Foundation*, tax return in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal income tax examination by tax authorities for the years prior to 2016. In the normal course of business, the Organization is subject to examination by various taxing authorities. Although the outcome of tax audits is always uncertain, the Organization believes there are no significant unrecognized tax liabilities at December 31, 2019 and 2018, respectively.

During the year ending December 31, 2017, the Organization notified the IRS of its intent to terminate its private foundation status and operate as a public charity as described on IRC Sections 509(a)(1) and 170(b)(1)(A)(vi). The Organization must operate as a public charity for a 60 month period which ends December 2022, after which the IRS will consider the Organization a public charity for all purposes from the beginning of the 60 month period and thereafter.

Reclassifications

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

New Accounting Pronouncement

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 improves and clarifies the guidance in GAAP for the recognition of contributions by providing (1) a more robust framework for determining whether a transaction is a contribution or an exchange transaction and (2) additional guidance for distinguishing between conditional and unconditional contributions. The ASU has been applied retrospectively to all periods presented.

Subsequent events

The Organization has evaluated all subsequent events through June 3, 2020, the date the financial statements were available to be issued.

Note 2. Restricted cash

Restricted cash represents funding received which is restricted for the Maasai Landscape Conservation Fund (the "Fund"), which the Organization established during the year ending December 31, 2019. The Fund will be a new pooled funding venture, maintained and administered by the Organization, which is focused on the savannahs of southern Kenya and northern Tanzania that is being designed as a new model for investing in high-impact African conservation organizations.

As of December 31, 2019 and 2018, the Organization had \$668,333 and \$0 in restricted cash, which represents funds available to grant out under the Fund. No funds had been granted during the years ending December 31, 2019 and 2018, respectively.

MALIASILI INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 3. Unconditional promises to give

Unconditional promises to give consist of the following at December 31,:

	<u>2019</u>	<u>2018</u>
<u>Restricted for funding future years:</u>		
Due within one year	\$ 100,000	\$ 100,000
Due in one to two years	<u>100,000</u>	<u>200,000</u>
	200,000	300,000
Less: unamortized discount (2.5%)	<u>(7,339)</u>	<u>(7,270)</u>
Total unconditional promises, with donor restrictions	<u>\$ 192,661</u>	<u>\$ 292,730</u>

Note 4. Property and equipment

Property consists of the following at December 31,:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 2,190	\$ 2,190
Less: accumulated depreciation	<u>(2,190)</u>	<u>(2,190)</u>
Property and equipment, net	<u>\$ -</u>	<u>\$ -</u>

Note 5. Deferred revenue

Deferred revenue represents grant funds received by the Organization in advance of contractual services being performed. The following details deferred revenue at December 31,:

	<u>2019</u>	<u>2018</u>
ACLN Funds	<u>\$ 37,500</u>	<u>\$ -</u>

Note 6. Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of the following:

	<u>2019</u>	<u>2018</u>
Unconditional promises to give:		
Restricted for funding future fiscal years	<u>\$ 192,661</u>	<u>\$ 292,730</u>
Account receivable	<u>\$ 20,548</u>	<u>\$ 35,983</u>
Grant receivables	<u>\$ 3,771</u>	<u>\$ 14,044</u>

Bank balances are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to the prevailing FDIC limit. The Organization had approximately \$1,180,000 and \$846,000 uninsured cash balances for the year ending December 31, 2019 and 2018, respectively.

MALIASILI INITIATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 7. Net assets with donor restrictions

Net assets with donor restrictions were as follows at December 31,:

	<u>2019</u>	<u>2018</u>
<u>Specific time periods:</u>		
Programs to be performed in 2019	\$ -	\$ 800,000
Programs to be performed in 2020	136,359	97,562
Programs to be performed in 2021	97,533	95,168
<u>Funding for specific projects:</u>		
Maasai Landscape Conservation Fund	668,333	-
Transforming African Conservation's Marketplace	100,000	-
Supporting Kenya Wildlife Conservancies Association	50,000	-
Advancing the Land Rights of Pastoral Women in Tanzania	88,771	-
Planning, designing, and organizing three African Conservation Network workshops	10,300	-
Improve communications about community based conservation and donor collaboration	-	100,000
Supporting sustainability of Wildlife Management Areas in northern Tanzania	-	90,000
Total net assets with donor restrictions	<u>\$1,151,296</u>	<u>\$1,182,730</u>

Note 8. Concentrations

The Organization received approximately 32% and 50% of its revenue and public support from a single contributor or grantor during the year ending December 31, 2019 and 2018, respectively.

Note 9. Grant contingencies

The Organization receives grant funding from various sources. The Organization is generally required to use the funds within a certain period and for purposes specified by the governing laws and regulations. If expenditures were found not to have been made in compliance with the laws and regulations, the Organization might be required to repay the funds. No provisions have been made for this contingency because specific amounts, if any, have not been determined or assessed as of December 31, 2019 and 2018, respectively.

Note 10. Lease commitments

The Organization leases office space and vehicles under operating leases with initial terms less than one year and monthly payments ranging from \$260 to \$800.

Rent expense recognized under the arrangements was \$3,160 and \$19,345 for the years ending December 31, 2019 and 2018, respectively.

MALIASILI INITIATIVES, INC.
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2019 and 2018

Note 11. Retirement plan

During the year ending December 31, 2016, the Organization established a safe harbor 401(k) profit sharing plan covering substantially all employees whereby participants may elect to defer a portion of their salary. An employee becomes eligible to participate after having attained age 21. The Organization makes the required safe harbor contribution and determines any additional discretionary contributions on an annual basis after close of the plan year.

For the years ended December 31, 2019 and 2018, the Company made \$13,610 and \$12,522 in matching and discretionary contributions and incurred \$4,559 and \$4,498 in plan expenses.

Note 12. Availability and liquidity

The following represents the Organization's financial assets at December 31,:

	<u>2019</u>	<u>2018</u>
<u>Financial assets at year end:</u>		
Cash and cash equivalents	\$1,431,026	\$1,095,829
Unconditional promises to give	192,661	292,730
Accounts receivable	20,548	35,983
Grants receivable	<u>3,771</u>	<u>14,044</u>
Total financial assets	1,648,006	1,438,586
 <u>Less amounts not available within one year:</u>		
Unconditional promises with donor restrictions in excess of twelve months	<u>97,533</u>	<u>192,730</u>
 Financial assets available to meet general Expenditures over the next twelve months	 <u>\$1,550,473</u>	 <u>\$1,245,856</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission-related activities, as well as the conduct of service undertaken to support those activities, to be general expenditures.

The Organization's primary source of liquidity is its cash and cash equivalents.

In addition to financial assets available to meet general expenditures within one year, the Organization operates with a budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources

MALIASILI INITATIVES, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2019 and 2018

Note 13. Subsequent events

Paycheck Protection Program Loan:

During April 2020, the Organization executed a loan agreement for a loan under the Paycheck Protection Program for \$89,940.

A portion of the loan can be forgiven if used in accordance with the loan program guidelines. In accordance with the loan program, the loan forgiveness will be based on expenditures paid and full time equivalent employees maintained during the eight (8) week period beginning on the loan origination date and will be evaluated by the lending institution.

Any portion of the loan not forgiven will be payable over a twenty four (24) month period with interest at 1%. The first six (6) monthly payments are deferred under the program, resulting in eighteen (18) equal monthly payments due under the arrangement.

COVID-19:

The COVID-19 outbreak in the United States and other countries has caused business disruption through mandated and voluntary closings, travel restrictions, quarantine requirements, and other disruptions to general business operations. While the disruptions are currently expected to be temporary, there is uncertainty around the duration of the various mandated and voluntary restrictions in place, and what, if any, negative financial impact it will have on the Organization. As of the date of this report, the related financial impact and duration cannot be reasonably estimated at this time.