

FINANCIAL STATEMENTS



**FOR THE YEAR ENDED MARCH 31, 2019
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2018**

MALALA FUND

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Malala Fund
Washington, D.C.

We have audited the accompanying financial statements of the Malala Fund (the Organization), which comprise the statement of financial position as of March 31, 2019, and the related statements of activities and change 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 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 the Organization as of March 31, 2019, and the change 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.

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Report on Summarized Comparative Information

We have previously audited the Organization's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Friedman

September 12, 2019

MALALA FUND

**STATEMENT OF FINANCIAL POSITION
AS OF MARCH 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

ASSETS

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,526,919	\$ 7,389,068
Investments	5,401,283	-
Accounts receivable	60,167	-
Pledges receivable	6,843,630	4,676,666
Prepaid expenses	<u>38,683</u>	<u>39,444</u>
Total current assets	<u>17,870,682</u>	<u>12,105,178</u>
OTHER ASSETS		
Security deposit	32,100	29,100
Pledges receivable, net of current portion and discount	<u>2,327,100</u>	<u>4,121,470</u>
Total other assets	<u>2,359,200</u>	<u>4,150,570</u>
TOTAL ASSETS	<u>\$ 20,229,882</u>	<u>\$ 16,255,748</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 269,237	\$ 230,343
Accrued salaries and related benefits	157,549	115,879
Grants payable	<u>2,908,990</u>	<u>2,701,373</u>
Total current liabilities	3,335,776	3,047,595
LONG-TERM LIABILITIES		
Grants payable, net of current portion	<u>2,100,029</u>	<u>1,489,088</u>
Total liabilities	<u>5,435,805</u>	<u>4,536,683</u>
NET ASSETS		
Without donor restrictions	6,015,252	2,942,189
With donor restrictions	<u>8,778,825</u>	<u>8,776,876</u>
Total net assets	<u>14,794,077</u>	<u>11,719,065</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,229,882</u>	<u>\$ 16,255,748</u>

MALALA FUND

**STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions and grants	\$ 6,399,126	\$ 6,749,593	\$ 13,148,719	\$ 9,745,235
Investment income	9,734	-	9,734	10,854
Contributed services and materials	83,893	-	83,893	300
Net assets released from donor restrictions	<u>6,747,644</u>	<u>(6,747,644)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>13,240,397</u>	<u>1,949</u>	<u>13,242,346</u>	<u>9,756,389</u>
EXPENSES				
Program Services:				
Programs and Advocacy	6,837,242	-	6,837,242	5,814,774
Communication and Digital Film Campaign	1,288,026	-	1,288,026	746,846
	<u>-</u>	<u>-</u>	<u>-</u>	<u>472,645</u>
Total program services	<u>8,125,268</u>	<u>-</u>	<u>8,125,268</u>	<u>7,034,265</u>
Supporting Services:				
Management and General	895,907	-	895,907	1,029,513
Fundraising	<u>1,146,159</u>	<u>-</u>	<u>1,146,159</u>	<u>761,162</u>
Total supporting services	<u>2,042,066</u>	<u>-</u>	<u>2,042,066</u>	<u>1,790,675</u>
Total expenses	<u>10,167,334</u>	<u>-</u>	<u>10,167,334</u>	<u>8,824,940</u>
Change in net assets	3,073,063	1,949	3,075,012	931,449
Net assets at beginning of year, as restated	<u>2,942,189</u>	<u>8,776,876</u>	<u>11,719,065</u>	<u>10,787,616</u>
NET ASSETS AT END OF YEAR	<u>\$ 6,015,252</u>	<u>\$ 8,778,825</u>	<u>\$ 14,794,077</u>	<u>\$ 11,719,065</u>

MALALA FUND

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	2019						2018	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Programs and Advocacy	Communication and Digital	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Personnel	\$ 603,642	\$ 604,473	\$ 1,208,115	\$ 328,750	\$ 684,482	\$ 1,013,232	\$ 2,221,347	\$ 2,229,169
Grant expenses	5,049,773	-	5,049,773	-	-	-	5,049,773	4,025,030
Professional services	721,069	420,420	1,141,489	362,348	148,180	510,528	1,652,017	1,450,524
Occupancy	53,665	65,415	119,080	36,129	60,928	97,057	216,137	287,580
Insurance	34	-	34	21,116	-	21,116	21,150	18,071
Travel	261,553	127,317	388,870	70,734	59,258	129,992	518,862	548,838
Office expenses	20,809	8,370	29,179	20,260	8,655	28,915	58,094	41,949
Office equipment and software	10,391	14,840	25,231	7,178	42,686	49,864	75,095	67,756
Communications	9,382	8,109	17,491	8,763	3,554	12,317	29,808	25,881
Financial fees	1,322	117	1,439	20,795	44,708	65,503	66,942	41,177
Meetings and events	103,059	1,274	104,333	19,588	1,857	21,445	125,778	79,983
Contributed services and materials	-	-	-	-	83,893	83,893	83,893	300
Honorariums and other expenses	2,543	37,691	40,234	246	7,958	8,204	48,438	8,682
TOTAL	\$ 6,837,242	\$ 1,288,026	\$ 8,125,268	\$ 895,907	\$ 1,146,159	\$ 2,042,066	\$ 10,167,334	\$ 8,824,940

See accompanying notes to financial statements.

MALALA FUND

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,075,012	\$ 931,449
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized gain	(122)	-
Realized loss	12,417	-
Change in discount on long-term receivables	(114,165)	(92,632)
(Increase) decrease in:		
Accounts receivable	(60,167)	-
Pledges receivable	(258,429)	356,375
Prepaid expenses	761	(28,370)
Security deposit	(3,000)	(29,100)
Increase (decrease) in:		
Accounts payable and accrued liabilities	38,894	215,335
Accrued salaries and related benefits	41,670	(10,767)
Grants payable	<u>818,558</u>	<u>1,188,648</u>
Net cash provided by operating activities	<u>3,551,429</u>	<u>2,530,938</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(6,530,953)	-
Proceeds from sale of investments	<u>1,117,375</u>	<u>-</u>
Net cash used by investing activities	<u>(5,413,578)</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalents	(1,862,149)	2,530,938
Cash and cash equivalents at beginning of year	<u>7,389,068</u>	<u>4,858,130</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,526,919</u>	<u>\$ 7,389,068</u>

MALALA FUND

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Malala Fund (the Organization) was incorporated as a non-profit organization under the laws of the State of Delaware. The Organization is located in Washington, D.C., New York and London, United Kingdom. Inspired and led by Malala Yousafzai, the Organization's mission is working toward a world where all girls can learn for 12 years and lead without fear.

Basis of presentation -

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The ASU was adopted during the year ended March 31, 2019 and applied retrospectively.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. 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 year ended March 31, 2018, from which the summarized information was derived.

Cash and cash equivalents -

The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Organization maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

The Organization has money market funds held by investment managers in the amount of \$396,162 at March 31, 2019. These money market funds are included in investments on the Statement of Financial Position.

Investments -

Investments are recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income in the Statement of Activities and Change in Net Assets.

Investments acquired by gift are recorded at their fair value at the date of the gift. The Organization's policy is to liquidate all gifts of investments as soon as possible after the gift.

Accounts Receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Pledges receivable -

Pledges receivable are recorded at their net realizable value, which approximates fair value.

MALALA FUND

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Pledges receivable (continued) -

Pledges receivable that are expected to be collected in future years are recorded at fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. All pledges are considered by management to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

Grants payables -

Grants payable are recorded as a liability when the commitment has been made by the Organization. Grants payable over the next fiscal years are recorded as liabilities in the accompanying financial statement.

Income taxes -

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization is not a private foundation.

Uncertain tax positions -

For the year ended March 31, 2019, the Organization has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the financial statements.

Net asset classification -

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions are recorded as net assets without donor restrictions. Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors (or certain grantors) are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is 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 and reported in the Statement of Activities and Change in Net Assets as net assets released from restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

MALALA FUND

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Contributions and grants -

Contributions and grants are recorded as revenue in the year the signed agreement is received from the donor. Contributions and grants with donor restrictions are recognized as without donor restrictions only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Such funds in excess of expenses incurred are shown as net assets with donor restriction in the accompanying financial statements.

Contributed services and materials -

Contributed services and materials consist of donated space. Contributed services and materials are recorded at their fair market value as of the date of the gift.

Use of estimates -

The preparation of the 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 reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Risks and uncertainties -

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Functional 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 and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses directly attributed to a specific functional area of the Organization are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis. Occupancy cost, depreciation and office costs are allocated based on employee headcount per each department.

Fair value measurement -

The Organization adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements.

MALALA FUND

NOTES TO FINANCIAL STATEMENTS MARCH 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fair value measurement (continued) -

The Organization accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

Reclassification -

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications are primarily due to the adoption of Accounting Standards Update 2016-14, as discussed above, which requires two classifications of net assets from the previously presented three classes. Net assets previously classified as of March 31, 2018 as unrestricted net assets in the amount of \$2,942,189 are now classified as without donor restrictions. Net assets previously classified as temporarily restricted net assets in the amount \$8,776,876 are now classified as net assets with donor restrictions.

New accounting pronouncements -

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606) (ASU 2014-09). The ASU establishes a comprehensive revenue recognition standard for virtually all industries under generally accepted accounting principles in the United States (U.S. GAAP) including those that previously followed industry-specific guidance. The guidance states that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The FASB issued ASU 2015-14 in August 2015 that deferred the effective date of ASU 2014-09 by a year; thus, the effective date is years beginning after December 15, 2018. Early adoption is permitted. The Organization has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on its financial statements.

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve current guidance about whether a transfer of assets is an exchange transaction or a contribution. The amendments in this ASU provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional or unconditional. The amendments in this ASU could result in more grants and contracts being accounted for as contributions than under previous GAAP. The ASU recommends application on a modified prospective basis; however, retrospective application is permitted. The Organization has not yet decided on a transition method. The ASU is effective for fiscal years beginning after December 15, 2018.

In 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The ASU changes the accounting treatment for operating leases by recognizing a lease asset and lease liability at the present value of the lease payments in the Statement of Financial Position and disclosing key information about leasing arrangements. The ASU is effective for private entities for years beginning after December 15, 2019. Early adoption is permitted. The ASU should be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Organization plans to adopt the new ASUs at the respective required implementation dates.

MALALA FUND

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019**

2. INVESTMENTS

Investments consisted of the following as of March 31, 2019:

	Fair Value
Money market	\$ 396,162
Certificates of deposit	5,005,121
TOTAL INVESTMENTS	\$ 5,401,283

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organization has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organization has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the years ended March 31, 2019. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money market funds* - The money market fund is an open-end funds that are registered with the Securities and Exchange Commission (SEC) and is deemed to be actively traded.
- *Certificates of deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of March 31, 2019.

	Level 1	Level 2	Level 3	Total March 31, 2019
Asset Class:				
Money Market	\$ 396,162	\$ -	\$ -	\$ 396,162
Certificates of Deposit	-	5,005,121	-	5,005,121
TOTAL	\$ 396,162	\$ 5,005,121	\$ -	\$ 5,401,283

MALALA FUND

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

2. INVESTMENTS (Continued)

Included in investment income are the following:

Interest and dividends	\$ 22,029
Unrealized gain	122
Realized loss	<u>(12,417)</u>
TOTAL INVESTMENT INCOME	<u>\$ 9,734</u>

3. PLEDGES RECEIVABLE

As of March 31, 2019, contributors to the Organization have made written promises to give totaling \$9,176,964. All outstanding pledges are to be collected within two years.

Pledges due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of approximately 2.5%.

Following is a schedule of pledges receivable at March 31, 2019:

Less than one year	\$ 6,843,630
One to five years	<u>2,333,334</u>
Total	9,176,964
Less: Allowance to discount balance to present value	<u>(6,234)</u>
PLEDGES RECEIVABLE	<u>\$ 9,170,730</u>

4. GRANTS PAYABLE

As of March 31, 2019, the Organization committed funds to various grantees payable at various times through 2021, totaling \$5,009,019. Grants authorized and expensed during the year ended March 31, 2019 totaled \$5,049,773. All outstanding payables are to be paid within three years.

Following is a schedule of grants payable at March 31, 2019:

Less than one year	\$ 2,908,990
One to five years	<u>2,100,029</u>
TOTAL GRANTS PAYABLE	<u>\$ 5,009,019</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at March 31, 2019:

Programs	\$ 2,818,944
Time restriction	<u>5,959,881</u>
NET ASSETS WITH DONOR RESTRICTIONS	<u>\$ 8,778,825</u>

MALALA FUND

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019**

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Programs	\$ 4,045,478
Passage of time	<u>2,702,166</u>
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	<u>\$ 6,747,644</u>

6. LIQUIDITY

Financial assets available for use within one year of the Statement of Financial Position, comprise the following:

Cash and cash equivalents	\$ 5,526,919
Investments	5,401,283
Accounts receivable	60,167
Pledges Receivable, current	<u>6,843,630</u>
Subtotal financial assets available within one year	17,831,999
Less: Donor restricted funds	<u>(2,818,944)</u>
TOTAL FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	<u>\$ 15,013,055</u>

The Organization has a policy to structure its financial assets to be available and liquid as its obligations become due. As of March 31, 2019, the Organization has financial assets equal to approximately 18 months of operating expenses.

7. PRIOR PERIOD ADJUSTMENT

During the year ended March 31, 2019, the Organization reclassified amounts reflected in its opening net asset balances. As of March 31, 2018, \$990,498 has been reclassified from net assets without donor restrictions to net assets with donor restrictions. The reported change in total net assets, for the year ended March 31, 2018 is unaffected. The adjustment results from corrections in the release of time restrictions and recording of a rescinded grant.

	Without Donor Restrictions	With Donor Restrictions	Total
Net assets at March 31, 2018	\$ 3,932,687	\$ 7,786,378	\$ 11,719,065
Restatement to reflect recording of adjustments	<u>(990,498)</u>	<u>990,498</u>	<u>-</u>
NET ASSETS AT MARCH 31, 2018, AS RESTATED	<u>\$ 2,942,189</u>	<u>\$ 8,776,876</u>	<u>\$ 11,719,065</u>

MALALA FUND

**NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019**

8. LEASE COMMITMENTS

The Organization leases various month-to-month work-station office spaces in Washington, D.C. and New York. Rent expense for the year ended March 31, 2019 was \$216,137.

9. RETIREMENT PLAN

The Organization provides retirement benefits to its employees through a 403(b) plan covering all full-time employees upon hire. The Organization provides up to a 3% match of each eligible employee's contribution. Contributions to the Plan during the year ended March 31, 2019 totaled \$52,749.

10. AFFILIATE ENTITY

The Malala Fund USA supports the operations of the Malala Fund UK, an affiliate organization registered as a charity in the United Kingdom. During the year ended March 31, 2019, the Malala Fund USA awarded a grant to the Malala Fund UK in the amount of \$1,249,026 which is included in grant expenses in the Statement of Activities and Change in Net Assets.

11. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 12, 2019, the date the financial statements were issued.