

**MALOTO, INC.**

Financial Statements  
Years Ended  
June 30, 2021 and 2020

**MALOTO, INC.**

Table of Contents  
Years Ended  
June 30, 2021 and 2020

	<u>Page #</u>
Independent Auditor's Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities	3
Statements of Functional Expenses	4-5
Statements of Cash Flows	6
Notes to Financial Statements	7-14

To the Board of Directors of  
Maloto, Inc.

We have audited the accompanying financial statements of Maloto, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, 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 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 Maloto, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Berard & Associates CPA's P.C.*

Berard & Associates, CPA's P.C.  
Suffern, New York 10901  
September 29, 2021

**MALOTO, INC.**  
 Statements of Financial Position  
 June 30, 2021 and 2020

	2021	2020
<b>ASSETS</b>		
Cash	\$ 96,205	\$ 99,375
Contributions receivable	3,000	-
Prepaid expense	28,396	28,396
Security deposit	2,550	2,550
Equipment	11,002	-
	<u>\$ 141,153</u>	<u>\$ 130,321</u>
<b>LIABILITIES AND EQUITY</b>		
Accounts payable and payroll liabilities	\$ 7,351	\$ 34,898
Refundable Advance	-	4,094
	<u>7,351</u>	<u>38,992</u>
<b>Net Assets</b>		
Without donor restrictions	133,802	91,329
With donor restrictions	-	-
	<u>133,802</u>	<u>91,329</u>
	<u>\$ 141,153</u>	<u>\$ 130,321</u>

See notes to financial statements.

**MALOTO, INC.**  
 Statements of Activities  
 Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Public Support						
Contributions	\$ 910,494	\$ 145,992	\$ 1,056,486	\$ 939,710	\$ 350,052	\$ 1,289,762
In-Kind revenue	90,000	-	90,000	90,000	-	90,000
PPP revenue	4,094	-	4,094	25,423	-	25,423
Investment revenue	4,661	-	4,661	5,798	-	5,798
Other revenue	-	-	-	6	-	6
Net assets released from restrictions	145,992	(145,992)	-	382,215	(382,215)	-
<b>Total Revenue and Public Support</b>	<b>1,155,241</b>	<b>-</b>	<b>1,155,241</b>	<b>1,443,152</b>	<b>(32,163)</b>	<b>1,410,989</b>
Expenses						
Program services	885,882	-	885,882	1,142,846	-	1,142,846
Management and general	174,519	-	174,519	173,185	-	173,185
Fundraising	52,367	-	52,367	96,040	-	96,040
<b>Total expenses</b>	<b>1,112,768</b>	<b>-</b>	<b>1,112,768</b>	<b>1,412,071</b>	<b>-</b>	<b>1,412,071</b>
Change in net assets	42,473	-	42,473	31,081	(32,163)	(1,082)
Net assets, beginning of year	91,329	-	91,329	60,248	32,163	92,411
Net assets, end of year	\$ 133,802	\$ -	\$ 133,802	\$ 91,329	\$ -	\$ 91,329

See notes to financial statements.

**MALOTO, INC**  
Statement of Functional Expenses  
Year Ended June 30, 2021

	Program	General and Administration	Fundraising	Total Expenses
Salaries	\$ 131,140	\$ 14,940	\$ 19,920	\$ 166,000
In-Kind Services	-	88,200	1,800	90,000
Payroll taxes	9,560	1,089	1,452	12,101
Employee Benefits	16,062	1,830	2,440	20,332
<b>Total Salaries &amp; related expenses</b>	<b>156,762</b>	<b>106,059</b>	<b>25,612</b>	<b>288,433</b>
Development and marketing	-	-	25,941	25,941
Kwithu Kitchen	125,197	-	-	125,197
Kwithu Women's Group	315,438	-	-	315,438
Mzuzu Academy	284,351	-	-	284,351
Professional fees	-	31,746	-	31,746
Insurance	523	2,093	-	2,616
Occupancy	-	16,338	-	16,338
Office expenses	-	15,475	814	16,289
Travel	3,090	63	-	3,153
Outside contractors	521	781	-	1,302
Depreciation expense	-	1,964	-	1,964
<b>Total Expenses</b>	<b>\$ 885,882</b>	<b>\$ 174,519</b>	<b>\$ 52,367</b>	<b>\$ 1,112,768</b>

See notes to financial statements.

**MALOTO, INC**  
Statement of Functional Expenses  
Year Ended June 30, 2020

	<u>Program</u>	<u>General and Administration</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 130,464	\$ 15,349	\$ 7,674	\$ 153,487
In-Kind Services	-	88,200	1,800	90,000
Payroll taxes	10,157	1,195	597	11,949
Employee Benefits	20,936	2,463	1,232	24,631
Total Salaries & related expenses	161,557	107,207	11,303	280,067
Development and marketing	-	-	84,050	84,050
Kwithu Kitchen	111,685	-	-	111,685
Kwithu Women's Group	329,991	-	-	329,991
Mzuzu Academy	501,392	-	-	501,392
Professional fees	-	31,526	-	31,526
Insurance	476	1,905	-	2,381
Occupancy	-	17,808	-	17,808
Office expenses	-	13,047	687	13,734
Travel	37,123	758	-	37,881
Outside contractors	622	934	-	1,556
Total Expenses	<u>\$ 1,142,846</u>	<u>\$ 173,185</u>	<u>\$ 96,040</u>	<u>\$ 1,412,071</u>

See notes to financial statements.

**MALOTO, INC.**  
Statements of Cash Flows  
Years Ended June 30, 2021 and 2020

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 42,473	\$ (1,082)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities		
Depreciation expense	1,964	-
Pledges receivable	(3,000)	-
Prepaid expenses	-	(24,886)
Accounts payable and payroll liabilities	(27,547)	(1,673)
Deferred revenue	(4,094)	4,094
Cash provided (used) by operating activities	9,796	(23,547)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Equipment	(12,966)	-
Cash provided/(used) by investing activities	(12,966)	-
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Donated Stock	(136,337)	-
Stock sold	136,337	-
Cash provided (used) by financing activities	-	-
 Net Increase/(Decrease) in Cash	(3,170)	(23,547)
 Cash and cash equivalents, Beginning	99,375	122,922
 Cash and cash equivalents, Ending	\$ 96,205	\$ 99,375
 <b>SUPPLEMENTAL INFORMATION</b>		
Interest	\$ -	\$ -
Taxes	N/A	N/A
In-Kind	\$ 90,000	\$ 90,000

See notes to financial statements.



**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 1 – NATURE OF ORGANIZATION**

Maloto, Inc. is a non-profit organization dedicated to improving the lives of some of the most vulnerable women and children in northern Malawi by feeding, educating and empowering. Maloto is rooted in the belief that, through access to education and economic development activities, women and children can improve their quality of life and lift themselves out of poverty. We accomplish this by providing financial and technical assistance to three effective local organizations: Kwithu Women's Group (aka Kwithu CBO), Mzuzu International Academy, and Kwithu Kitchen. Together, these organizations provide a continuum of services that can be accessed throughout a beneficiary's lifetime and also provide a holistic solution for health, educational, social and economic needs.

Against this landscape, Maloto, meaning "dreams" in the local language, was formed in 2007 by a group of Malawians living in the United States in direct response to the specific challenges facing their communities in northern Malawi. These issues of poverty, HIV/AIDS, and lack of educational opportunities called out to them for intervention.

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

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with U.S generally accepted accounting principles (US GAAP), which require Maloto, Inc. to report information regarding its financial position and activities according to the following net asset classifications, with or without donor restrictions.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

It is the policy of The Organization to account for donor restricted funds, which are received and expended in the same year to be recorded as unrestricted.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

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

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions as of 2021 and 2020 were current and do not reflect any discounts or bad debts.

Donors' expressions of intention to give in the future, not constituting unconditional promises to give, are not reflected in the accompanying financial statements.

Investments

Investments are recorded at fair value. Net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is recognized in the statement of activities. Realized gains and losses on the sale of investments are generally determined on the specific identification method on the trade date.

The fair value of debt and equity securities with readily determinable fair values are generally based on quoted market prices obtained from active markets.

Fair Value Measurements

Maloto, Inc. reports a fair value measurement of all applicable financial assets and liabilities, including investments, inventory, pledges receivable, deferred revenue, and short-term and long-term notes payable.

Fair Value Measurements

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level I inputs - Quoted prices (unadjusted) in active markets of identical assets or liabilities that the organization has the ability to access at the measurement date. Quoted market prices in an active market provide the most reliable evidence of fair value and should be used to measure fair value whenever available.
- Level II inputs - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly (such as quoted prices for similar assets or liabilities in active markets).
- Level III inputs - Are unobservable inputs when observable inputs are not available. Unobservable inputs should be developed based on the best information available.

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$1,500. Purchases of property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets.

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an assets may not be recoverable. No impairment was identified at June 30, 2021 and 2020.

Revenue With and Without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Executive Director donates her time to Maloto, Inc. The value of those services have been determined to be \$90,000 for the years ending June 30, 2021 and 2020.

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Awards and Grants

Maloto, Inc. provides awards and grants to not-for-profit organizations in Malawi in support of its exempt purposes, which are recorded when awarded.

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

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

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c) (3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. Maloto, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status: to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Maloto, Inc has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

**NOTE 3 – PROGRAMS**

Maloto's emphasis on local solutions to local problems underlies our participatory community development approach and focus on self-reliance. We believe that solutions generated by the local people ensure that development remains relevant to their lives, builds on their knowledge and is sustained by them.

**Kwithu Women's Group (aka Kwithu CBO)**

Kwithu, which translated means "home", was formed in 2005 by an inspiring group of women who came together to provide assistance to the large number of orphans living in the outskirts of Mzuzu, Malawi even though they themselves had limited means. The Kwithu Orphan Feeding Program was originally conceived to provide hot meals to these orphaned children at a temporary, make-shift community center consisting of a dirt floor and a thatched roof. In 2010, Maloto provided funding for construction of a permanent building to replace this temporary shelter. This new structure has allowed the group to greatly expand its capacity and feed many more children. The feeding program now serves hot, nutritious meals to over 300 children three times a week. For many of these children, this is the most nutritious food they will receive all week.

Kwithu is a dynamic, community-based organization and has greatly expanded its activities and its reach. In addition to the feeding program, the Group now operates a number of other initiatives for vulnerable children and families in the community, including:

- before- and after-school tutoring and recreation programs for over 270 children,
- an HIV/AIDS information and education service, which supports more than 60 HIV+ children and their families and conducts information and education campaigns in the broader community,
- an early childhood education program which provides two full-day learning programs for 60 children, ages 3-5 years,
- providing scholarships for over 70 local orphans and vulnerable children to attend local secondary schools and Malawian Universities, and
- the development of income-generation projects for women in the community who often bear the burden of providing for their families alone.

The Group also owns and operates its own garden, which not only provides food for the feeding program, but also produces excess produce that is sold in local markets and given to the neediest of families within the Group.

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 3 – PROGRAMS** - Continued

**Mzuzu International Academy**

In 2003, Maloto's founder, Anna Msowoya, and a group of local community leaders in northern Malawi identified the lack of educational opportunities created by the critical shortage of secondary schools as one of the most urgent challenges in the region: Malawi has lost a generation to HIV/AIDS and cannot afford to lose another generation due to a lack of education. They raised over \$600,000 and, in September of 2010, Mzuzu International Academy was opened with 35 students – the first internationally accredited school in northern Malawi. In 2013, Mzuzu International Academy expanded to include an international primary school. Currently there are over 300 students attending school at Mzuzu Academy. At this time, Maloto provides a small annual operating subsidy to Mzuzu Academy, which is primarily supported by tuition and boarding fees. Maloto provides scholarships to over 20 local vulnerable children to attend Mzuzu Academy. Maloto also provides some funding for capital improvement projects as needed.

**Kwithu Kitchen**

In 2010, the 20 women associated with the Kwithu Women's Group, in conjunction with several Maloto Board Members, recognized that tomatoes, among the country's most important natural resources, were not being well utilized because of the existing agricultural system's limitations. The organization took an entrepreneurial approach to addressing the matter. Leaders of Kwithu Kitchen brought the women together with the Board Members and developed a simple but potent system whereby locally grown tomatoes are jarred in sizable quantities for year-round use. Kwithu Kitchen is an exciting entrepreneurial business producing the first locally made (in all of Malawi) preserved tomato product called Kwithu Kitchen Garden Fresh Tomatoes. All other preserved tomato products are imported from South Africa, and even as far away as Europe. Today, Kwithu Kitchen Garden Fresh Tomatoes can be found on shelves in area grocery stores and hotels and the women are considering the development of other products, as well as more cost-effective packaging. In 2020, Kwithu Kitchen launched a new product line of honey products to compliment the sale of canned tomato products. KK partners with local Malawian bee keepers.

In 2014, Kwithu Kitchen was awarded a highly competitive and prestigious matching investment grant from the Malawian Innovation Challenge Fund (MICF), an entity principally supported by the United Nations and the British government. This allowed for the physical development of the business operation as well as providing training to staff. The MICF grant was completed in December 2018. In early 2016, Kwithu Kitchen applied for and received a prestigious grant from the United States Agricultural Development Fund (USADF). The (USADF) was completed in October 2018. This grant for \$80,000 was put toward capacity-building activities such as market research. Upon completion of those activities, Kwithu Kitchen was automatically requested to apply for a \$250,000 grant toward expenses. This influx of resources permitted Kwithu Kitchen to further build capacity, increase production, develop a marketing function and thereby prepare for considerable expansion. The ultimate goal is to make Kwithu Kitchen a viable business, which would provide employment for up to 50 people and a means of regular income for up to 500 farmers. The success with this project could lead to additional such projects within the community and possibly in all of Malawi.

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 4 – PROMISES TO GIVE**

Unconditional promises to give that are expected to be collected within one year are recorded at are written off unless the donors indicate that payment is merely postponed. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give at June 30, 2021 and 2020 were \$3,000 and \$0, respectively.

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

<u>Description</u>	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Life</u>
Equipment	\$ 12,966	\$ -	3-5 years
Accumulated Depreciation	<u>(1,964 )</u>	<u>(-)</u>	
Total	<u>\$ 11,002</u>	<u>\$ -</u>	

The depreciation expense for June 30, 2021 and 2020 was \$1,964 and \$0, respectively.

**NOTE 6 - CONCENTRATION OF CREDIT RISK**

The Organization derives most of its income from contributions. During the year ended June 30, 2021, 55% of its income came from one donor. During the year ended June 30, 2020, 63% of its income came from the same donor. Should this donor cease to contribute, it could have a material effect on the organization.

Maloto maintains cash in one bank. The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) on balances up to \$250,000 at each bank. There were no bank account balances in excess of the FDIC insured limits as of June 30, 2021 or 2020.

**NOTE 7 – LEASES**

A new lease in New York City began May 2021 through April 2022 for \$1,300 per month. Rental payments for the years ended June 30, 2021 and 2020 were \$15,722 and \$16,600, respectively. The future commitment is \$13,000 for the year ended June 30, 2022.

**NOTE 8 - RELATED PARTIES**

The President of Maloto and the Chief Operating Officer are married.

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 9 – PAYCHECK PROTECTION PROGRAM (PPP)**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. The Paycheck Protection Program was established under the Federal CARES Act to help Organizations to continue to pay their workers. On May 1, 2020, Maloto, Inc. applied for and received \$29,517, calculated as 2.5 times their monthly salaries. Maloto obtained forgiveness for the entire loan on March 23, 2021. Maloto, Inc. recognized PPP revenue of \$4,094 during the year ended June 30, 2021, and \$25,423 during June 30, 2020.

**NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS**

Net assets are available for the following purposes as of June 30, 2021:

Purpose	Beginning Balance	Revenues	Net Assets Released	Ending Balance
Kwithu CBO	\$ -	\$ 7,892	\$ (7,892)	\$ -
Kwithu Kitchen	-	38,100	(38,100)	-
Mzuzu construction	-	50,000	(50,000)	-
Mzuzu Academy	-	50,000	(50,000)	-
	<u>\$ -</u>	<u>\$145,992</u>	<u>\$(145,992)</u>	<u>\$ -</u>

Net assets are available for the following purposes as of June 30, 2020:

Purpose	Beginning Balance	Revenues	Net Assets Released	Ending Balance
Walani	\$ 13	\$ -	\$ (13)	\$ -
Emergency assistance	150	-	(150)	-
Early Childhood	32,000	-	(32,000)	-
COVID-19 relief	-	10,250	(10,250)	-
MIA School	-	40,200	(40,200)	-
Kwithu CBO	-	1,000	(1,000)	-
Kwithu Kitchen	-	10,000	(10,000)	-
Mzuzu teacher support	-	5,000	(5,000)	-
Mzuzu High school	-	10,925	(10,925)	-
Mzuzu Primary school	-	11,377	(11,377)	-
Mzuzu construction	-	100,000	(100,000)	-
Mzuzu Academy	-	150,000	(150,000)	-
Trip to Malawi	-	11,300	(11,300)	-
	<u>\$32,163</u>	<u>\$350,052</u>	<u>\$(382,215)</u>	<u>\$ -</u>

**MALOTO INC.**  
Notes to Financial Statements  
June 30, 2021 and 2020

**NOTE 11 - LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Organization's financial assets as of June 30, 2021, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within three months, or because the Board has set aside the funds for specific reserve or long-term investments as Board designated. Board designations could be drawn upon if the Board approves that action.

Maloto's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

Financial Assets:	2021	2020
Cash and cash equivalents	\$ 96,205	\$ 99,375
Contributions receivable	3,000	-
Financial assets available to meet cash needs for general expenditure within one year	\$ 99,205	\$ 99,375

Maloto carefully monitors its budget on a regular basis. Maloto solely relies on its donors should there be a cash shortfall.

**NOTE 12 - SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic. Management continues to evaluate the impact of the COVID-19 pandemic and has reasonably concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Subsequent events have been evaluated through September 29, 2021, which is the date the financial statements were available to be issued.