

# **Mayan Families**

## **Audit Report**

For the Year Ended September 30, 2015

Jeff Sprecher CPA P.A.

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## Independent Auditor's Report

To the Board of Directors of:  
Mayan Families  
2609 Hartford St.  
San Diego, CA 92110-2315

I have audited the accompanying Statement of Financial Position of Mayan Families (a California nonprofit organization) as of September 30, 2015, and the related Statement of Activities and Statement of Cash Flows for the year then ended. These financial statements are the responsibility of the Mayan Families management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mayan Families' internal control over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mayan Families, as of September 30, 2015, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

August 12, 2016



Jeff Sprecher CPA P.A.

**Mayan Families**  
**Statement of Financial Position**  
As of September 30, 2015

<b>ASSETS</b>	
<b>Current Assets</b>	
Cash & Cash Equivalents	\$ 106,030.00
Micro Loans	63,194.00
	169,224.00
<b>Fixed Assets</b>	
Building	170,962.00
Furniture and Equipment	182,039.00
Land	64,640.00
Accumulated Depreciation	(128,745.00)
	288,896.00
	169,224.00
<b>TOTAL ASSETS</b>	<b>\$ 458,120.00</b>
 <b>LIABILITIES &amp; NET ASSETS</b>	
<b>Net Assets</b>	
Net Asset -beginning of year	\$ 429,312.00
Net Asset- change for current year	28,808.00
	\$ 458,120.00
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 458,120.00</b>

Read Independent Auditor's Report.  
The accompanying notes are integral  
are an integral part of the financial statements.

**Mayan Families**  
**Statement of Activities**  
For the Fiscal Year Ended September 30, 2015

<b>Revenue</b>	
Project Donations	\$ 2,799
Family Assistance	721,255
School Assistance	922,755
Micro Loans	72,081
Healthy Animals	34,028
Ecological Stoves	44,620
Administration	711,055
Baskets	81,242
Construction	132,175
Workshops	51,424
Donations In-Kind	332,720
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<b>Total Revenue</b>	<b>\$ 3,106,154</b>
 <b>Expense</b>	
<b>Wages and Benefits</b>	
Salaries and Wages	\$ 214,620
Employee Benefits	31,821
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<b>Total Wages and Benefits</b>	<b>\$ 246,441</b>
 <b>Project Costs and Expenses</b>	
Family Assistance	\$ 458,587
Assistance for the Elderly	59,118
School Projects	774,393
Healthy Animals	62,364
Construction Costs	160,296
Stove Costs	40,985
Basket Costs	81,251
Donations In-Kind	332,720
Small Loan Costs	(545)
	<hr/>
<b>Total Project Costs and Expenses</b>	<b>\$ 1,969,169</b>

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**Mayan Families**  
**Statement of Activities**  
For the Fiscal Year Ended September 30, 2015

<b>Operational Costs</b>	
<b>Salaries and Wages</b>	\$ 207,513
<b>Employee Benefits</b>	33,545
<b>Administration Costs</b>	584,579
<b>Depreciation</b>	24,295
<b>Bank Rate Exchange Variance</b>	<u>11,803</u>
<b>Total Operational Costs</b>	<u>\$ 861,735</u>
<b>Total Expense</b>	<u>3,077,345</u>
<b>Net Income</b>	<u>\$ 28,809</u>

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**Mayan Families**  
**Statement of Cash Flows**  
For the Fiscal Year Ended September 30, 2015

<b>OPERATING ACTIVITIES</b>	
Net Income	\$ 28,808
Depreciation	24,295
Adjustments to reconcile Net Income to net cash provided by operations:	
Micro Loans	\$ (13,252)
 Net cash provided by Operating Activities	 \$ 39,851
 Net cash increase for period	 \$ 39,851
Cash at beginning of period	<u>\$ 66,178</u>
Cash at end of period	<u><u>\$ 106,029</u></u>

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**Mayan Families**  
**Notes to Financial Statements**  
**September 30, 2015**

The following notes are an integral part of the financial statements.

**Nature of Activities**

Mayan Families ("The Organization") was incorporated under the laws of the State of California on June 4, 2007. The Organization has adopted a September 30 fiscal year end for reporting requirements.

Mayan Families is a non-profit organization whose purpose is to raise money to support the Maya indigenous communities of the Atitlan region of Guatemala. The Organization's purpose is accomplished through the different programs the organization runs, for the benefit of Maya residents. The programs include the following, but are not limited to:

- a) *Student Sponsorship*: The organization provides sponsored students with the tools to succeed in their education and break the cycle of poverty; including enrollment fees, school supplies, access to physical and mental health services, as well as regular academic support by an indigenous social worker, and additional tutoring as needed.
- b) *Preschool Nutrition Centers*: Mayan Families Preschool Nutrition Centers provide disadvantaged, indigenous children with an education, daily nutritional support, and regular access to healthcare, focusing on early childhood numeracy and literacy, parental education, nutritional support, and bilingual fluency.
- c) *Family Aid*: Mayan Families facilitates preventative health and crisis assistance and support to over 1500 families in the highlands of Guatemala. This encompasses various programs including; food aid and nutrition, household and emergency assistance.
- d) *Well Mother, Well Baby*: The organization provides mothers and their chronically malnourished infants with nutritional support and bimonthly educational workshops. These workshops are led by Mayan Families indigenous female social workers and midwife, and cover a variety of topics regarding nutrition, health, and hygiene.
- e) *Kids in Critical Need*: The organization works with highly vulnerable children who have been orphaned or have primary caregivers who are unable to care for them. This program offers a much needed sense of security and comfort for children who are going through extremely difficult situations that leave them vulnerable to the chronic malnutrition that plagues the country, among many other concerns.
- f) *Elderly Care*: The Elderly Care Program provides essential services to indigenous elderly who lack the support networks and economic ability to fulfill their needs. This includes providing nutritious meals and social activities at two Elderly Care Centers.

- g) *Shelter*: The organization works to improve the living standards of low-income families living in the highlands of Guatemala, helping those who are living in precarious or dangerous situations.
- h) *Artisan Program*: This program collaborates with Maya artisans in to provide them with opportunities to increase their income and earn a fair market price for their products. The sales of fair-wage Guatemalan artisan handicrafts provides women and men with the chance at economic advancement, supports the local economy and provides each recipient with a beautiful piece of Guatemala.
- i) *Trade Schools*: In the communities where Mayan Families works, economic opportunities are scarce and many lack the skillset to be able to earn a fair and reliable wage. The Mayan Families Trade Schools equip men and women with skills in four areas: sewing, carpentry, welding, and computers.
- j) *Microloans*: Mayan Families provides indigenous women with the capacity to lift themselves out of poverty, through the disbursement of microcredit, to be invested in a profitable enterprise. This program not only provides loans to qualified recipients but also educational support to help them earn the most through business.
- k) *Medical Program*: Mayan Families operates the Charlie Gomez Medical Clinic, which provides preventive and primary health care through both medical care and education, facilitated using an intercultural health model. The organization also facilitates mobile medical clinics in remote communities around Lake Atitlan.

#### **Income Tax**

Mayan Families is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Franchise Tax Code.

#### **Basis of Accounting**

Revenue is recognized when earned while Expenses and Payables are recognized when incurred. Depreciation expense is recognized for accounting purposes on purchased or professionally appraised donated property and equipment.

These statements are issued for the twelve month fiscal year beginning October 1, 2014 and ending September 30, 2015.

#### **Foreign Currency Translation**

Mayan Families' functional currency is the Guatemalan quetzal. Its domestic revenue, expenses, property and equipment purchases, and trade liabilities are priced, incurred, payable or otherwise measured in Guatemalan quetzal.

The Guatemalan quetzal is translated into US dollars for financial reporting purposes.

## **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **Contributed Services**

No amounts have been reflected in the financial statements for donated services. The organization has many individuals volunteer their time and perform a variety of tasks that assist the Organization at the facilities and on projects, but these services do not meet the criteria for recognition as contributed services.

## **Cash & Cash Equivalents**

Cash and cash equivalents include cash on hand and cash in checking and savings accounts with financial institutions in Guatemala.

## **Property & Equipment**

Purchased property and equipment is capitalized at cost when purchased and capitalized at fair market value at the time of donation. All property and equipment are depreciated over their estimated useful lives. The straight-line method of depreciation is followed for financial reporting purposes and for federal income tax purposes. Maintenance and repairs are charged to expense. Gains and losses on dispositions are credited and charged to earnings as incurred. Depreciation is provided at rates based on the following estimated useful lives:

- a. Building – 39 Years
- b. Furniture and Equipment – 5-7 Years
- c. Vehicles – 5 Years

## **Revenues**

Mayan Families' revenue at year end is broken down into two parts:

1. Specified Projects listed in Nature of Activities from above- 77.11% of the total income.
2. Administration Income- 22.89% of the total income.

## **Expenses**

Costs associated with providing support to the Maya residents comprised of 72.00% of total expenses. Operating expenses, which were 28.00% of total expenses, are costs associated with general administration.