

Mayan Families

Audit Report

For the Year Ended September 30, 2014

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, 2014, 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, 2014, 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 5, 2015



Jeff Sprecher CPA P.A.

Mayan Families
Statement of Financial Position
As of September 30, 2014

| | |
|---|------------------------------------|
| ASSETS | |
| Current Assets | |
| Cash & Cash Equivalents | \$ 66,177.78 |
| Micro Loans | 49,942.20 |
| | <u>116,119.98</u> |
| Total Current Assets | 116,119.98 |
| Fixed Assets | |
| Building | 170,962.00 |
| Furniture and Equipment | 164,798.00 |
| Land | 64,640.00 |
| Vehicles | 17,242.00 |
| Accumulated Depreciation | (104,450.96) |
| | <u>313,191.04</u> |
| Total Fixed Assets | 313,191.04 |
| TOTAL ASSETS | <u><u>\$ 429,311.02</u></u> |
| | |
| LIABILITIES & NET ASSETS | |
| Net Assets | |
| Net Asset -beginning of year | \$ 445,066.55 |
| Net Asset- change for current year | (15,755.53) |
| | <u>\$ 429,311.02</u> |
| Total Net Assets | <u>\$ 429,311.02</u> |
| TOTAL LIABILITIES & NET ASSETS | <u><u>\$ 429,311.02</u></u> |

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

Mayan Families
Statement of Activities
For the Fiscal Year Ended September 30, 2014

| | |
|----------------------|------------------------|
| Revenue | |
| Project Donations | \$ 2,948.02 |
| Family Assistance | 445,773.84 |
| School Assistance | 697,270.48 |
| Micro Loans | 3,017.04 |
| Healthy Animals | 25,715.00 |
| Ecological Stoves | 36,703.80 |
| Administration | 544,167.81 |
| Baskets | 93,790.47 |
| Construction | 89,327.37 |
| Workshops | 57,456.13 |
| Donations In-Kind | 314,909.11 |
| Miscellaneous Income | 254.78 |
| Total Revenue | \$ 2,311,333.84 |

| | |
|---------------------------------|-------------------|
| Expense | |
| Wages and Benefits | |
| Salaries and Wages | \$ 155,437.13 |
| Employee Benefits | 34,951.63 |
| Total Wages and Benefits | 190,388.76 |

| | |
|---|---------------------|
| Project Costs and Expenses | |
| Family Assistance | 274,607.99 |
| Assistance for the elderly | 49,356.16 |
| School Projects | 595,867.40 |
| Micro Loan Costs | 1,560.22 |
| Healthy Animals | 32,158.85 |
| Construction Costs | 81,461.14 |
| Stove Costs | 31,972.52 |
| Basket Costs | 76,520.65 |
| Donations In-Kind | 314,909.11 |
| Other Project Expenses | 8,075.17 |
| Total Project Costs and Expenses | 1,466,489.22 |

| | |
|--------------------------|------------|
| Operational Costs | |
| Salaries and Wages | 163,748.01 |
| Employee Benefits | 30,873.33 |

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Mayan Families
Statement of Activities
For the Fiscal Year Ended September 30, 2014

| | |
|--------------------------------|------------------------------|
| Administration Costs | 418,612.97 |
| Depreciation | 36,557.96 |
| Bank Rate Exchange Variance | 18,560.20 |
| Total Operational Costs | <u>668,352.47</u> |
| Total Expense | <u>\$ 2,325,230.45</u> |
| | |
| Net Ordinary Income | \$ (13,896.61) |
| Other Income/Expense | |
| Other Income | |
| Other Income | 19.84 |
| Total Other Income | <u>19.84</u> |
| Other Expense | |
| Other Expenses | 1,878.76 |
| Total Other Expense | <u>1,878.76</u> |
| Net Other Income | <u>\$ (1,858.92)</u> |
| Net Income | <u><u>\$ (15,755.53)</u></u> |

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Mayan Families
Statement of Cash Flows
For the Fiscal Year Ended September 30, 2014

| | |
|--|----------------------------|
| OPERATING ACTIVITIES | |
| Net Income | \$ (15,755.53) |
| Adjustments to reconcile Net Income to net cash provided by operations: | |
| Micro Loans | <u>\$ (3,217.80)</u> |
| Net cash provided by Operating Activities | \$ (18,973.34) |
| INVESTING ACTIVITIES | |
| Accumulated Depreciation | <u>\$ 36,557.96</u> |
| Net cash provided by Investing Activities | \$ 36,557.96 |
| FINANCING ACTIVITIES | |
| Third Party Retentions | <u>\$ 2,926.10</u> |
| Net cash provided by Financing Activities | \$ 2,926.10 |
| Net cash increase for period | \$ 20,510.73 |
| Cash at beginning of period | <u>\$ 45,667.05</u> |
| Cash at end of period | <u><u>\$ 66,177.78</u></u> |

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Mayan Families
Notes to Financial Statements
September 30, 2014

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) *Construction Program*-The organization funds building repairs and maintenance of classrooms and community learning centers which are used for community events, education, medical and veterinary clinics and distribution of donated items. It also has purchased land and built homes for impoverished families victimized by extraordinary circumstances.
- b) *Family Aid Program*-The organization provides needy families with beds, sinks to wash their clothes, tables, chairs and other household items, along with providing elderly programs. Mayan Families also supplies healthy vital food to those in need. Deliveries include oil, grain, milk, eggs, bread and other basic items. It also provides infant formula for mothers unable to nurse their babies.
- c) *Medical Program*-The organization facilitates free clinics for visiting doctors and dentists. It also has made arrangements with Guatemala clinics and physicians to treat the families the organization support. Mayan Families also provides transportation for the sick, wheelchairs and vision care for those in needs.
- d) *General School Program*-The organization supports local schools by providing a better learning environment. Mayan Families does this by supplying healthy food for lunches, classroom desks, books and school supplies.
- e) *Micro Loan Program*-Mayan Families provides loans to local families through agreements and guarantees by organized groups.
- f) *Chickens Program*-The organization distributes egg-laying hens to needy families who are capable of raising them and would like to be part of this program. The organization distributes 10 chicks per family and provides the supply of feeds.
- g) *Christmas Program*-The program provides healthy meals, gifts and Christmas parties to families who otherwise would go without during the holiday season.

- h) *Animal Welfare/Hope for the Animal Program*-The organization offers food, free and low-cost sterilization clinics for household pets. It also provides adoption services for homeless and rescued animals.
- i) *Sewing Program*-Mayan Families brings sewing machines, training classes, and class materials to the poor communities.
- j) *Fuel Efficient Stoves Program*- Mayan Families provides needy families with fuel-efficient wood stoves that have financial, health, and environmental benefits.
- k) *Student Sponsorships*-The organization sponsors children to go to school with special emphasis placed on children from single parent families.
- l) *Water Filter Program*- Mayan Families provides water filters to homes and schools to provide clean drinking water to the community.

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, 2013 and ending September 30, 2014.

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 three parts:

1. Specified Projects listed in Nature of Activities from above- 76.44% of the total income.
2. Administration Income- 23.54% of the total income.
3. Miscellaneous and Other Income- 0.01% of the total Income.

Expenses

Costs associated with providing support to the Maya residents comprised of 71.20% of total expenses. Operating expenses, which were 28.72% of total expenses, are costs associated with general administration. The remaining 0.08% is for all other expenses.