

MAYAN FAMILIES

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

(AUDITED)



CASHUK, WISEMAN, GOLDBERG, BIRNBAUM, & SALEM, LLP
Certified Public Accountants

MAYAN FAMILIES
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September 30, 2013 and 2012

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Heather Hillman

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mayan Families

Report on the Financial Statements

We have audited the accompanying financial statements of Mayan Families (a California nonprofit organization), which comprise the statement of financial position as of September 30, 2013, and the related statements of activities, 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 of 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 Mayan Families as of September 30, 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Mayan Families 2012 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated May 15, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Cashuk, Wiseman, Koble, Birnbaum & Salem, LLP

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California
July 22, 2014

MAYAN FAMILIES
STATEMENT OF FINANCIAL POSITION
September 30, 2013 with Comparative Totals for September 30, 2012

	2013			2012 Total
	Unrestricted	Temporarily Restricted	Total	
<u>ASSETS</u>				
CURRENT ASSETS				
Cash and Cash Equivalents (Note A)	\$ 23,517	\$ -	\$ 23,517	\$ 42,464
Loans Receivable (Note A)	46,724	-	46,724	29,058
Interfund Due to (from) Balance	-	-	-	-
TOTAL CURRENT ASSETS	70,241	-	70,241	71,522
PROPERTY AND EQUIPMENT				
Property and Equipment, net of accumulated depreciation of \$67,893 and \$29,444 in 2013 and 2012 (Notes A & F)	349,749	-	349,749	160,249
TOTAL ASSETS	\$ 419,990	\$ -	\$ 419,990	\$ 231,771

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts Payable & Accrued Expenses	\$ 675	\$ -	\$ 675	\$ 991
NET ASSETS				
Unrestricted (Note A)	419,315	-	419,315	75,364
Temporarily Restricted (Note A)	-	-	-	155,416
TOTAL NET ASSETS	419,315	-	419,315	230,780
TOTAL LIABILITIES AND NET ASSETS	\$ 419,990	\$ -	\$ 419,990	\$ 231,771

The accompanying notes are an integral part of these financial statements.



**MAYAN FAMILIES
STATEMENT OF ACTIVITIES**

For the Year Ended September 30, 2013 with Comparative Totals for the Year Ended September 30, 2012

	2013			2012 Total
	Unrestricted	Temporarily Restricted	Total	
REVENUE AND OTHER SUPPORTS				
Contributions and Program Service Revenues (Note A)	\$ 654,138	\$ 1,295,735	\$ 1,949,873	\$ 1,552,473
Net Assets Released From Restrictions	1,451,151	(1,451,151)	-	-
TOTAL REVENUES AND OTHER SUPPORT	2,105,289	(155,416)	1,949,873	1,552,473
EXPENSES				
Program Expenses (Note D)	1,279,236	-	1,279,236	1,145,494
Supporting Services (Note I)	482,102	-	482,102	359,836
TOTAL EXPENSES	1,761,338	-	1,761,338	1,505,330
INCREASE (DECREASE) IN NET ASSETS	343,951	(155,416)	188,535	47,143
NET ASSETS - BEGINNING OF YEAR	75,364	155,416	230,780	183,637
NET ASSETS - END OF YEAR	<u>\$ 419,315</u>	<u>\$ -</u>	<u>\$ 419,315</u>	<u>\$ 230,780</u>

The accompanying notes are an integral part of these financial statements.



**MAYAN FAMILIES
STATEMENT OF CASH FLOWS**

For the Year Ended September 30, 2013 with Comparative Totals for the Year Ended September 30, 2012

	2013			2012 Total
	Unrestricted	Temporarily Restricted	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase (Decrease) in Net Assets	\$ 343,951	\$ (155,416)	\$ 188,535	\$ 47,143
Adjustments to Reconcile Net Income to Net Cash				
Depreciation	38,449	-	38,449	21,368
Provided(Used) by Operating Activities:				
Loans Receivable	(17,666)	-	(17,666)	14,959
Accounts Payable & Accrued Expenses	(316)	-	(316)	186
Interfund Due to (from) Balance	(155,416)	155,416	-	-
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	209,002	-	209,002	83,656
INVESTING ACTIVITIES				
Purchases of Property & Equipment	(227,949)	-	(227,949)	(149,089)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(18,947)	-	(18,947)	(65,433)
Cash and Cash Equivalents at Beginning of Year	42,464	-	42,464	107,897
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 23,517</u>	<u>\$ -</u>	<u>\$ 23,517</u>	<u>\$ 42,464</u>

The accompanying notes are an integral part of these financial statements.



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MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. 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.
2. 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:
 - 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 the 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 school in providing a better education through supplies of healthy food for lunches, classroom desks, books and school supplies.
 - e. MicroLoan Program-Mayan Families provides loans through agreements with and guarantees by organized groups. As of September 30, 2013 and 2012, loans receivable under this program amounted to \$46,724 and \$29,058, respectively.
 - 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.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

- 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 school to provide clean drinking water to the community.
3. Financial Statement Presentation-The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets represent funds, which are available, at the discretion of management and the Board of Directors for the Organization to utilize in any of its programs or supporting services.

Temporarily restricted net assets are comprised of funds which are restricted by donors for specific purposes or periods.

Permanently restricted net assets include contributions that donors have specified must be maintained in perpetuity. The related income may be expended for such purposes as specified by the donor, or if none, then for general purpose of the Organization. The Organization had no permanently restricted net assets as of September 30, 2013 and 2012.

4. Use of Estimates-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.
5. Contributions-Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

6. Reclassifications-Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.
7. Cash & Cash Equivalents for purposes of the statement of cash flows, include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents.
8. Unconditional Promises to Give-Unconditional promises to give are stated in the statement of financial position at their estimated realizable value. The Organization accounts for bad debts using the allowance method by expensing the promises to give by what management considers to be uncollectible, or realizable at less than full value. There were no outstanding unconditional promises to give as of September 30, 2013 and 2012.
9. Contributed Services-During the years ended September 30, 2013 and 2012, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization at its facilities, but these services do not meet the criteria for recognition as contributed services.
10. Concentration of Cash and Credit Risk-The Organization maintains deposits in financial institutions that at times may exceed the insured amount of \$250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At year end, the Organization had no uninsured cash balances.
11. Property and Equipment are recorded at cost, or if donated, at approximate value at the date of the gift. The straight-line method of depreciation is followed for financial reporting purposes and for federal income tax purposes. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated service lives or the lives of the respective leases, whichever is shorter. Maintenance and repairs are charged to expense. Gains and losses on dispositions are credited or charged to earnings as incurred. Depreciation is provided at rates based on the following estimated useful lives:

Building	39 years
Furniture and Equipment	5-7 years
Vehicles	5 years
12. Leases that meet the criteria for capitalization are classified as capital leases. As of year end, there were no such leases. Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense (Note C).



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

13. Advertising Costs-The Organization follows the policy of charging the costs of advertising to expense as incurred. The organization incurred no advertising expense in the years ended September 30, 2013 and 2012, respectively.
14. Fair Value of Financial Instruments-Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based upon assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

Cash and Cash Equivalents, Accounts Payable and Accrued Liabilities-The carrying amounts reported on the statement of financial position for these items are a reasonable estimate of fair value.

NOTE B-INCOME TAXES:

The Organization is exempt, except for unrelated business income, 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. Accordingly, no provision for current or deferred income tax expense is recorded in the financial statements.

The Organization adopted the provisions of FASB ASC Topic 740-10, "*Income Taxes*" regarding accounting for uncertain income tax positions. Management is not aware of any tax positions that are more likely than not to change in the next 12 months, or that would sustain an examination by applicable taxing authorities.

The Organization recognizes penalties and interest arising from uncertain tax positions as incurred in the statement of activities, which totaled \$0 and \$0, respectively, during the years ended September 30, 2013 and 2012.

The federal and state income tax returns of the Organization are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed.

NOTE C-COMMITMENTS AND CONTINGENCIES / RELATED PARTY TRANSACTIONS:

The facilities presently used as the Organization's office are leased on a month to month basis from one of the members of the board of directors. For the fiscal years ended September 30, 2013 and 2012, the Organization paid a total of \$24,252 and \$24,352, respectively, as rent expense.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE D-PROGRAM EXPENSES:

Program expenses for the years ended September 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Chickens	\$ 6,574	\$ 5,315
Christmas	46,359	41,428
Construction	125,780	122,858
Easter Baskets	17,020	17,349
Fathers' Day Baskets	772	6,091
Family Support	294,859	211,365
Food and Milk	100,094	110,718
Healthy Pets	40,580	34,186
Medical	37,506	60,346
Microlending	22,315	16,406
Mothers' Day Baskets	12,714	10,248
Schooling	539,294	466,754
Sewing	3,653	4,167
Stoves	23,725	26,120
Water Filters	7,991	12,143
	<u> </u>	<u> </u>
Total	<u>\$ 1,279,236</u>	<u>\$ 1,145,494</u>

NOTE E-RETIREMENT PLAN:

The Organization currently does not sponsor a retirement plan for its employees.

NOTE F-PROPERTY AND EQUIPMENT:

At September 30, 2013 and 2012, the Organization had the following property and equipment:

	<u>2013</u>	<u>2012</u>
Building	\$ 170,962	\$ -
Furniture & Equipment	164,798	164,798
Vehicles	17,241	17,241
Land	64,641	7,654
	<u>417,642</u>	<u>189,693</u>
Accumulated Depreciation	<u>(67,893)</u>	<u>(29,444)</u>
	<u> </u>	<u> </u>
Net Property & Equipment	<u>\$ 349,749</u>	<u>\$ 160,249</u>



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE F-PROPERTY AND EQUIPMENT-CON'T:

For the years end September 30, 2013 and 2012, gifts in kind donations of furniture, equipment and various program supplies, valued by management at \$250,765 and \$149,089, respectively, were received and recorded in the financial statements.

NOTE G-FAIR VALUE MEASUREMENTS:

FASB ASC Topic 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC Topic 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC Topic 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of September 30, 2013, there were no assets and liabilities measured at fair value.

NOTE H-SUBSEQUENT EVENT:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 22, 2014, the date the financial statements were available to be issued. There were no subsequent events requiring adjustments to and disclosures in the financial statements as of and for the year ended September 30, 2013.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2013

NOTE I-SUPPORTING SERVICES:

Supporting services for the years ended September 30, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Accounting	\$ 5,691	\$ 2,635
Automobile/Vehicle	42,920	36,788
Computer	1,790	2,921
Contract Labor	198,085	126,655
Depreciation	38,449	21,368
Fund Raising	10,704	8,481
General and Administrative	36,701	37,489
Insurance	3,225	3,803
Kitchen	8,028	5,454
Leases	24,252	24,352
Marketing	8,500	505
Miscellaneous	10,400	15,386
Phone Cards	2,559	3,739
Postage	148	221
Private Transportation	1,036	1,892
Professional Fees	9,851	12,616
Public Transportation	9,198	14,729
Recollection	4,910	2,345
Repairs and Maintenance	26,646	24,168
Supplies	11,875	3,027
Telephone	12,698	7,736
Tools and Equipment	5,500	2,212
Utilities	3,146	769
Web Page and Maintenance	5,790	545
	<u> </u>	<u> </u>
Total	<u>\$ 482,102</u>	<u>\$ 359,836</u>

