

MAYAN FAMILIES

FINANCIAL STATEMENTS

SEPTEMBER 30, 2009

(AUDITED)



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

MAYAN FAMILIES
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September 30, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Mayan Families

We have audited the accompanying statement of financial position of Mayan Families as of September 30, 2009 and 2008, and the related statement of activities and statement of cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cashuk, Wiseman, Goldberg, Birnbaum & Salem, LLP

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California
May 18, 2010

MAYAN FAMILIES
STATEMENTS OF FINANCIAL POSITION
September 30, 2009 and 2008

ASSETS

	2009	2008
CURRENT ASSETS		
Cash and Cash Equivalents (Note A)	\$ 122,548	\$ 38,573
Pledges Receivable (Note A)	6,887	-
TOTAL CURRENT ASSETS	129,435	38,573
PROPERTY AND EQUIPMENT		
Property and Equipment, net of accumulated depreciation of \$263 (Notes A & F)	2,357	-
TOTAL ASSETS	\$ 131,792	\$ 38,573

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Accounts Payable & Accrued Expenses	\$ 618	\$ -
NET ASSETS		
Unrestricted (Note A)	15,698	4,266
Temporarily Restricted (Notes A & C)	115,476	34,307
TOTAL NET ASSETS	131,174	38,573
TOTAL LIABILITIES AND NET ASSETS	\$ 131,792	\$ 38,573

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



MAYAN FAMILIES
STATEMENTS OF ACTIVITIES
Years Ended September 30, 2009 and 2008

	2009			2008
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
REVENUE AND OTHER SUPPORTS				
Contributions	\$ 131,046	\$ 446,497	\$ 577,543	\$ 553,298
Net Assets Released From Restrictions (Note C)	365,328	(365,328)	-	-
TOTAL REVENUES AND OTHER SUPPORTS	496,374	81,169	577,543	553,298
EXPENSES				
Program Expenses (Note C)	365,328	-	365,328	418,183
Supporting Services (Note D)	119,614	-	119,614	132,418
TOTAL EXPENSES	484,942	-	484,942	550,601
INCREASE (DECREASE) IN NET ASSETS	11,432	81,169	92,601	2,697
NET ASSETS - BEGINNING OF YEAR	4,266	34,307	38,573	35,876
NET ASSETS - END OF YEAR	\$ 15,698	\$ 115,476	\$ 131,174	\$ 38,573

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



MAYAN FAMILIES
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 92,601	\$ 2,697
Adjustments to Reconcile Net Income to Net Cash		
Depreciation	263	-
Provided(Used) by Operating Activities:		
Accounts Receivable	(6,887)	-
Accounts Payable & Accrued Expenses	618	-
	86,595	2,697
CASH PROVIDED BY OPERATING ACTIVITIES		
INVESTING ACTIVITIES		
Purchases of Property & Equipment	(2,620)	-
	83,975	2,697
INCREASE IN CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at Beginning of Year	38,573	35,876
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 122,548	\$ 38,573

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



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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 no interest loans through agreements with and guarantees by organized groups.
 - f. Chickens Program-The organization distributes chicks 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.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

- i. Sewing Program-Mayan Families brings used 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. Promises to Give-Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- The organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on historical experience and management's analysis of specific promises made. There was \$6,887 in outstanding pledges receivable as of September 30, 2009.
4. Contributed Services-During the year ended September 30, 2009, 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.
 5. Property and Equipment-It is the Organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed as incurred. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated or acquired assets are placed in service as instructed by the donor, the Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. The organization's policy is to depreciate property and equipment using the straight line method.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

6. 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.

7. Financial Statement Presentation-The Organization is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. These classes are defined as follows:

Permanently Restricted-Net assets resulting from contributions and other inflows of assets whose use by Mayan Families is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Mayan Families.

Temporarily Restricted-Net assets resulting from contributions and other inflows of assets whose use by Mayan Families is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Mayan Families pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted-The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

8. Contributions-Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

9. Income Taxes-The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

10. 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.

11. Concentration of Cash and Credit Risk-The organization maintains cash balance which, at times, may exceed federally insured limits. Management believes it is not exposed to any significant risk on its cash balances. At year end, based on current FDIC deposit insurance coverage, the organization had no uninsured cash balances.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

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

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 E).
13. Advertising Costs are expensed in the year incurred. The Organization incurred no advertising expense in the year ended September 30, 2009.

NOTE B-PERMANENTLY RESTRICTED NET ASSETS:

There are no permanently restricted net assets as of September 30, 2009.

NOTE C-TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets as of September 30, 2009 are available for the following programs:

Construction	\$ 28,306
Food & Milk	6,232
Micro Lending	336
Family Supports	14,001
Schooling	<u>66,601</u>
Total	<u>\$ 115,476</u>



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE C-TEMPORARILY RESTRICTED NET ASSETS-CON'T:

For the year ended September 30, 2009, net assets released from restricted donations amounted to \$365,328. These funds were used for the following programs:

Chickens	\$	2,614
Christmas		29,916
Construction		46,248
Food and Milk		11,448
Healthy Pets		14,922
Medical		9,260
Schooling		122,301
Sewing		166
Stoves		25,544
Water Filters		2,034
Family Supports		73,927
Microlending		4,562
Mothers' Day Baskets		7,522
Fathers' Day Baskets		3,800
Macademia Tree Project		400
Easter's Basket		10,665
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Total	\$	<u>365,328</u>



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE D-SUPPORTING SERVICES:

Supporting services for the year ended September 30, 2009 consisted of the following:

Communications	\$ 3,814
General and Administrative	15,135
Headquarter Meals	11,838
Leases	11,594
Private Transportation	3,757
Public Transportation	8,913
Contract Labor	15,113
Kitchen	2,880
Field Area	17,729
Utilities	3,606
Telephone	2,589
Mail Services	648
Technical Advisory Program	7,227
Stationery	1,221
Supplies	1,034
Kitchen Costs	1,997
Computers	1,201
Pumps	248
Drains	953
Professional Fees	121
Security	1,672
Crafts	967
Accounting	5,094
Miscellaneous	263
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Total	\$ 119,614

NOTE E-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 year ended September 30, 2009, the Organization paid a total of \$11,594 as rent expense.



MAYAN FAMILIES
 NOTES TO THE FINANCIAL STATEMENTS
 September 30, 2009

NOTE F-PROPERTY AND EQUIPMENT:

At September 30, 2009, the company had the following property and equipment:

Furniture & Equipment	\$	2,620
Accumulated Depreciation		<u>(263)</u>
Net Property & Equipment	\$	<u>2,357</u>

NOTE G-FAIR VALUES OF FINANCIAL INSTRUMENTS:

Disclosure of fair value information about certain financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value is required by SFAS 107 and SFAS 115. The following methods were used in estimating fair values:

Cash and Cash Equivalents-The carrying amount on the balance sheet approximates its fair value.

Pledges Receivable-The carrying amount on the balance sheet approximates its fair value.

The carrying amounts and fair values of the Organization's financial instruments as of September 30, 2009 are as follows:

	CARRYING AMOUNTS	FAIR VALUE
Cash and Cash Equivalents	\$ 122,548	\$ 122,548
Accounts Receivable	6,887	6,887

NOTE H-NEW ACCOUNTING PRONOUNCEMENTS:

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"). This standard defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 was effective for financial statements issued for fiscal year beginning after November 15, 2007 and interim periods within those fiscal years. However, the FASB agreed to defer the effective date of SFAS 157 for one year for all nonfinancial assets and liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis. The adoption of SFAS 157 is not expected to have a material impact on the Company's results of operations, cash flows and financial position.



MAYAN FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2009

NOTE H-NEW ACCOUNTING PRONOUNCEMENTS-CON'T:

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities*" ("SFAS 159"). SFAS 159 permits entities to choose to measure at fair value many financial instruments and certain other items that are not currently required to be measured at fair value. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. SFA 159 also establishes presentation and disclosure requirements for similar types of assets and liabilities measured at fair value. SFAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The adoption of SFAS 159 is not expected to have a material impact on the Company's results of operations, cash flows and financial position.

