

# Financial Statements

Wuqu Kawoq S.A dba Maya Health Alliance  
(a nonprofit organization)  
Years Ended December 31, 2017 and 2016



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wuqu' Kawoq S.A. dba Maya Health Alliance  
Bethel, Vermont

We have audited the accompanying financial statements of Wuqu' Kawoq S.A. dba Maya Health Alliance (a nonprofit organization) which comprise the statement of financial position as of December 31, 2017 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.

### Auditors' 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 audits 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 Wuqu' Kawoq S.A. dba Maya Health Alliance as of December 31, 2017, and the changes in its net assets 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 Wuqu' Kawoq S.A. dba Maya Health Alliance's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Harris CPAs*

Meridian, Idaho  
May 6, 2019



**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2017**  
**With Comparative Totals as of December 31, 2016**

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 299,683	\$ 221,976
Investments	2,789	2,425
Medication and supplies	48,769	9,489
Prepaid expenses	<u>892</u>	<u>7,069</u>
Total Current Assets	352,133	240,959
<b>Property and Equipment, Net</b>	<u>39,480</u>	<u>43,821</u>
Total Assets	<u>\$ 391,613</u>	<u>\$ 284,780</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 7,831	\$ 0
Accrued payroll and withheld costs	2,640	1,482
Amount held in custody for others	<u>20,854</u>	<u>3,120</u>
Current Liabilities	31,325	4,602
<b>Net Assets</b>		
Unrestricted	292,144	195,809
Temporarily restricted	<u>68,144</u>	<u>84,369</u>
Total Net Assets	<u>360,288</u>	<u>280,178</u>
Total Liabilities and Net Assets	<u>\$ 391,613</u>	<u>\$ 284,780</u>

See notes to financial statements.

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended December 31, 2017**  
**With Comparative Totals for the Year Ended December 31, 2016**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>Revenue and Other Support</b>				
Contributions	\$ 720,079	\$ 0	\$ 720,079	\$ 600,405
Contracts & grants	210,601	78,830	289,431	204,396
Special events, net	0		0	(3,448)
Program revenue	38,382		38,382	16,330
In-kind donations	92,257		92,257	12,415
Foreign currency exchange loss	(2,101)		(2,101)	(12,612)
Investment income	690		690	164
Other income	<u>11,946</u>	<u>          </u>	<u>11,946</u>	<u>828</u>
	1,071,854	78,830	1,150,684	818,478
Net assets released from restrictions	<u>95,055</u>	<u>(95,055)</u>	<u>0</u>	<u>0</u>
Total Revenue	1,166,909	(16,225)	1,150,684	818,478
<b>Expenses</b>				
Program services				
Medical Services and Education	899,661		899,661	620,413
Supporting services				
Management and Administration	131,801		131,801	188,147
Fundraising	<u>39,112</u>	<u>          </u>	<u>39,112</u>	<u>31,781</u>
Total Supporting Services	<u>170,913</u>	<u>0</u>	<u>170,913</u>	<u>219,928</u>
Total Expenses	<u>1,070,574</u>	<u>0</u>	<u>1,070,574</u>	<u>840,341</u>
Change in Net Assets	96,335	(16,225)	80,110	(21,863)
<b>Net Assets</b>				
Beginning of Year	<u>195,809</u>	<u>84,369</u>	<u>280,178</u>	<u>302,041</u>
End of Year	<u>\$ 292,144</u>	<u>\$ 68,144</u>	<u>\$ 360,288</u>	<u>\$ 280,178</u>

See notes to financial statements.

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2017**  
**With Comparative Totals for the Year Ended December 31, 2016**

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	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 80,110	\$ (21,863)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,258	10,506
Unrealized (gain) loss on investments	(297)	67
Realized gain on sale of assets	0	(774)
Changes in operating assets and liabilities:		
Accrued revenue	0	14,269
Prepaid expense	6,177	5,304
Medication and supplies	(39,280)	9,540
Accounts payable and accrued liabilities	<u>26,723</u>	<u>3,290</u>
Net Cash Provided (Used) by Operating Activities	79,691	20,339
<b>Cash Flows From Investing Activities</b>		
Equipment purchases	(1,917)	(10,110)
Purchases of marketable securities	(67)	0
Proceeds from sale of equipment	<u>0</u>	<u>5,128</u>
Net Cash Provided (Used) by Investing Activities	<u>(1,984)</u>	<u>(4,982)</u>
Net Change in Cash and Cash Equivalents	77,707	15,357
<b>Cash and Cash Equivalents – Beginning of Year</b>	<u>221,976</u>	<u>206,619</u>
<b>Cash and Cash Equivalents – End of Year</b>	<u>\$ 299,683</u>	<u>\$ 221,976</u>

See notes to financial statements.

# WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

## NOTES TO FINANCIAL STATEMENTS

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### Note A – Significant Accounting Policies

#### *Nature of Organization*

Wuqu' Kawoq S.A. dba Maya Health Alliance (the Organization) is a not-for-profit corporation established in 2007 in Bethel, Vermont, to provide health care to those who can't afford traditional services in rural Guatemala. The Organization is dedicated to overcoming barriers to health-uniting medicine, culture, and language.

#### *Programs*

Health Care – The Organization's Health Care Program includes a primary care and women's health clinic, child nutrition services, chronic disease diagnoses and treatment, and clean water systems.

#### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### *Basis of 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.

#### *Use of Estimates*

The Organization 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. Actual results could differ from those estimates.

#### *Cash and Cash Equivalents*

The Organization considers all unrestricted, short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.



**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Significant Accounting Policies (Continued)**

*Concentration of Credit Risk*

Cash accounts at U.S. financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2017 and 2016 the Organization's uninsured cash balances totaled \$60,144 and \$9,806, respectively, which was held in foreign bank accounts.

*Investments*

Investments in publicly traded securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

*Fair Value*

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short term, highly liquid nature.

*Property and Equipment*

Equipment and furniture is stated at cost or, if donated, at the estimated fair market value at the date of donation. Expenditures for major renewals and betterments that extend the useful lives of furniture and equipment that cost over \$1,000 are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to thirty nine years.

*Medication and supplies*

Medications and medical supplies are stated at cost. Donated items are recorded at estimated fair value at the date of donation. The medication and supplies are used in the program and are not held for sale.

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Significant Accounting Policies (Continued)**

*Contributions*

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions and grants received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

*In-kind Donations*

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the years ended December 31, 2017 and 2016, donated goods were valued at \$92,257 and 12,415.

*Functional Allocation of Expenses*

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

*Income Tax Status*

The Organization is classified as a Section 501(c)(3) Organization that is exempt from income taxes under the Federal Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements.

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Significant Accounting Policies (Continued)**

*Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for 2017 and 2016.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2014.

*Subsequent Events*

The Organization has evaluated subsequent events through May 6, 2019, which is the date the financial statements were available to be issued.

**Note B – Property and Equipment**

At December 31, property and equipment consisted of the following:

	<u>2017</u>	<u>2016</u>
Land	\$ 6,000	\$ 6,000
Buildings	23,304	23,304
Furniture and Equipment	28,315	26,398
Vehicles	<u>29,750</u>	<u>29,750</u>
	87,369	85,452
Less accumulated depreciation	<u>47,889</u>	<u>41,631</u>
	<u>\$ 39,480</u>	<u>\$ 43,821</u>

For the years ended December 31, 2017 and 2016, the Organization recognized \$6,258 and \$10,506 in depreciation expense, respectively.

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note C – Investments**

Investments as of December 31, are summarized as follows:

	<u>2017</u>	<u>2016</u>
Cost	\$ 2,492	\$ 2,492
Unrealized gain (loss)	<u>297</u>	<u>(67)</u>
Fair value	<u>\$ 2,789</u>	<u>\$ 2,425</u>

Investment income consists of the following for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 393	\$ 231
Unrealized gain (loss)	<u>297</u>	<u>(67)</u>
	<u>\$ 690</u>	<u>\$ 164</u>

**Note D – Fair Value of Assets and Liabilities**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2      Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value instrument.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Fair Value of Assets and Liabilities (continued)**

Equity securities are valued at unadjusted quoted prices and considered Level 1. Investments consist of 33 common stock shares of Eli Lilly and Company which are recorded at fair value using unadjusted quoted prices for identical assets in active market and are considered Level 1 assets. The investments can be liquidated at any time by the Organization. As a result, they have been shown as available-for-sale securities.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's investments at fair value measured on a recurring basis as of December 31, 2017 and 2016:

		<b>2018</b>		
	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 2,789	\$ 2,789	\$ 0	\$ 0

  

		<b>2017</b>		
	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ 2,425	\$ 2,425	\$ 0	\$ 0

**Note E – Temporarily Restricted Net Assets**

At December 31, 2017 and 2016, temporarily restricted net assets are comprised of contributions given for use in particular programs and activities. The following restrictions apply:

	<u>2017</u>	<u>2016</u>
Restricted for medical education programs	\$ 68,144	\$ 84,369

**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Foreign Currency Translation**

Substantially all assets and liabilities of Wuqu' Kawoq S.A. dba Maya Health Alliance are translated at year-end exchange rates; support and revenue and expenses are translated at the average exchange rates during the year. Translation adjustments for such assets and liabilities are accumulated in unrestricted net assets. The accumulated unrealized loss was \$2,101 and \$12,612 at December 31, 2017 and 2016, respectively. Gains and losses from foreign currency translation for the period are included in the statement of activities.

**Note G - Leases**

The Organization has two facility leases with monthly rent payments of \$184 and \$213. The leases expire on December 31, 2018. Total rent expense for the years ended December 31, 2017 and 2016 was \$13,653 and \$10,521, respectively.

Future minimum lease payments under this lease for the year ended December 31, 2017 are as follows:

2018	\$ <u>4,756</u>
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