

# Financial Statements

Wuqu Kawoq S.A. dba Maya Health Alliance  
(a nonprofit organization)  
Years Ended December 31, 2018 and 2017





## **Table of Contents**

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<b>Independent Auditors' Report</b>	<b>3</b>
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### **Financial Statements**

Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9



## 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, 2018 and the related statements of activities, functional expenses, 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, 2018, 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.

*Harris CPA*

Meridian, Idaho  
March 31, 2020





**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2018**  
**With Comparative Totals as of December 31, 2017**

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	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 300,535	\$ 299,683
Investments	3,819	2,789
Medication and supplies	39,449	48,769
Prepaid expenses	<u>1,963</u>	<u>892</u>
Total Current Assets	345,766	352,133
<b>Property and Equipment, Net</b>	<u>58,385</u>	<u>39,480</u>
Total Assets	<u><u>\$ 404,151</u></u>	<u><u>\$ 391,613</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,840	\$ 9,507
Accrued payroll and withheld costs	984	964
Amount held in custody for others	<u>18,124</u>	<u>20,854</u>
Current Liabilities	21,948	31,325
<b>Net Assets</b>		
Without Donor Restrictions	282,347	292,144
With Donor Restrictions	<u>99,856</u>	<u>68,144</u>
Total Net Assets	<u>382,203</u>	<u>360,288</u>
Total Liabilities and Net Assets	<u><u>\$ 404,151</u></u>	<u><u>\$ 391,613</u></u>

See notes to financial statements.



**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE****STATEMENTS OF ACTIVITIES****For the Year Ended December 31, 2018****With Comparative Totals for the Year Ended December 31, 2017**

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	<b><u>Without Donor Restrictions</u></b>	<b><u>With Donor Restrictions</u></b>	<b><u>2018 Total</u></b>	<b><u>2017 Total</u></b>
<b>Revenue and Other Support</b>				
Contributions	\$ 847,569	\$ 0	\$ 847,569	\$ 720,079
Contracts & grants	38,406	151,500	189,906	289,431
Program revenue	10,625		10,625	38,382
In-kind donations	21,852		21,852	92,257
Foreign currency exchange loss	(23,138)		(23,138)	(2,101)
Investment income	1,522		1,522	690
Other income	<u>0</u>	<u></u>	<u>0</u>	<u>11,946</u>
	896,836	151,500	1,048,336	1,150,684
Net assets released from restrictions	<u>119,788</u>	<u>(119,788)</u>	<u>0</u>	<u>0</u>
Total Revenue	1,016,624	31,712	1,048,336	1,150,684
<b>Expenses</b>				
Program services				
Medical services and education	842,706		842,706	899,661
Supporting services				
Management and administration	128,022		128,022	131,801
Fundraising	<u>55,693</u>	<u></u>	<u>55,693</u>	<u>39,112</u>
Total Supporting Services	<u>183,715</u>	<u>0</u>	<u>183,715</u>	<u>170,913</u>
Total Expenses	<u>1,026,421</u>	<u>0</u>	<u>1,026,421</u>	<u>1,070,574</u>
Change in Net Assets	(9,797)	31,712	21,915	80,110
<b>Net Assets</b>				
Beginning of Year	<u>292,144</u>	<u>68,144</u>	<u>360,288</u>	<u>280,178</u>
End of Year	<u>\$ 282,347</u>	<u>\$ 99,856</u>	<u>\$ 382,203</u>	<u>\$ 360,288</u>

See notes to financial statements.



**WUQU' KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2018**  
**With Comparative Totals for the Year Ended December 31, 2017**

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	<b>Medical Services and Education</b>	<b>General and Admin</b>	<b>Fundraising</b>	<b>2018 Total</b>	<b>2017 Total</b>
Contract Service Expenses	\$ 484,667	\$ 37,859	\$ 27,971	\$ 550,497	\$ 442,253
Salaries & Related Expenses	52,624	36,493	18,241	107,358	103,827
Travel & meeting expenses	75,554	10,641	4,777	90,972	85,223
Patient support expenses	60,280	360		60,640	245,725
Facilities expenses	37,965	3,931	831	42,727	41,379
Telephone and communications	38,322	14		38,336	34,854
Volunteer accomodations	20,559	290		20,849	21,483
Stipends	20,803	33		20,836	16,436
Internet web and hosting fees		18,881		18,881	10,031
World diabetes project expenses	12,773			12,773	0
Printing and copying	8,484	370	1,437	10,291	6,503
Grants to other organizations	10,000			10,000	0
Depreciation	6,093			6,093	6,258
Other	14,582	19,150	2,436	36,168	56,602
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenses	<u>\$ 842,706</u>	<u>\$ 128,022</u>	<u>\$ 55,693</u>	<u>\$ 1,026,421</u>	<u>\$ 1,070,574</u>



**WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended December 31, 2018**  
**With Comparative Totals for the Year Ended December 31, 2017**

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	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ 21,915	\$ 80,110
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	6,093	6,258
Unrealized (gain) loss on investments	(1,030)	(297)
Changes in operating assets and liabilities:		
Prepaid expenses	(1,071)	6,177
Medication and supplies	9,320	(39,280)
Accounts payable and accrued liabilities	<u>(9,377)</u>	<u>26,723</u>
Net Cash Provided (Used) by Operating Activities	25,850	79,691
<b>Cash Flows From Investing Activities</b>		
Equipment purchases	(24,998)	(1,917)
Purchases of marketable securities	<u>0</u>	<u>(67)</u>
Net Cash Provided (Used) by Investing Activities	<u>(24,998)</u>	<u>(1,984)</u>
Net Change in Cash and Cash Equivalents	852	77,707
<b>Cash and Cash Equivalents – Beginning of Year</b>	<u>299,683</u>	<u>221,976</u>
<b>Cash and Cash Equivalents – End of Year</b>	<u><u>\$ 300,535</u></u>	<u><u>\$ 299,683</u></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 two classes of net assets: with donor restrictions and without donor restrictions.

#### *Accounting Pronouncements Adopted*

For the year ended December 31, 2018, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. This guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity and expenses by both their natural and functional classification.

Implementation of the new standard did not require reclassification or restatement of any opening balances related to the prior period. Net assets presented as temporary or permanently restricted assets are now reported as net assets with donor restrictions. Net assets reported as unrestricted are now reported as net assets without donor restrictions.



## WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

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

##### *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.

##### *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, 2018 and 2017 the Organization's uninsured cash balances totaled \$86,760 and \$60,144, 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 net assets without donor restrictions 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.



## WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

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

##### *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 \$2,500 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.

##### *Contributions*

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Contributions and grants received with donor restrictions that are met in the same reporting period are reported as without donor restrictions support and increase net assets without donor restriction.

##### *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, 2018 and 2017, donated goods were valued at \$21,852 and \$92,257.



## WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

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

##### *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. Facilities expenses and internet web and hosting fees were allocated based on the estimate of square footage, and percentage of program usage, respectively. 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.

##### *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 2018 and 2017.

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.

##### *Reclassifications*

Certain amounts for the year ended December 31, 2017 were reclassified to conform to the current year presentation. The reclassifications had no effect on net assets or the change in net assets for the year ended December 31, 2017.



## WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

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

##### *Subsequent Events*

The Organization has evaluated subsequent events through March 31, 2020, which is the date the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact operations; however the related financial impact and duration cannot be reasonably estimated at this time.

#### Note B – Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 300,535
Marketable Securities	<u>2,789</u>
Total financial assets available within one year	303,324
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions.	<u>(99,856)</u>
Total financial assets available within one year after restriction	<u>\$ 203,468</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2018, all net assets without donor restrictions are available for payment of (any major expenditures incurred).



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

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**Note C – Property and Equipment**

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

	<u><b>2018</b></u>	<u><b>2017</b></u>
Land	\$ 6,000	\$ 6,000
Buildings	23,304	23,304
Furniture and Equipment	28,315	28,315
Vehicles	<u>54,748</u>	<u>29,750</u>
	112,367	87,369
Less accumulated depreciation	<u>53,982</u>	<u>47,889</u>
	<u><u>\$ 58,385</u></u>	<u><u>\$ 39,480</u></u>

For the years ended December 31, 2018 and 2017, the Organization recognized \$6,093 and \$6,258 in depreciation expense, respectively.

**Note D– Investments**

Investments as of December 31, are summarized as follows:

	<u><b>2018</b></u>	<u><b>2017</b></u>
Cost	\$ 2,492	\$ 2,492
Unrealized gain (loss)	<u>1,327</u>	<u>297</u>
Fair value	<u><u>\$ 3,819</u></u>	<u><u>\$ 2,789</u></u>

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

	<u><b>2018</b></u>	<u><b>2017</b></u>
Interest and dividends	\$ 492	\$ 393
Unrealized gain (loss)	<u>1,030</u>	<u>297</u>
	<u><u>\$ 1,522</u></u>	<u><u>\$ 690</u></u>



## WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

### NOTES TO FINANCIAL STATEMENTS

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#### Note E – 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.

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.



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

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**Note E – Fair Value of Assets and Liabilities (Continued)**

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, 2018 and 2017:

	<u>Fair Value</u>	<u>2018</u> <u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ <u>3,819</u>	\$ <u>3,819</u>	\$ <u>0</u>	\$ <u>0</u>

  

	<u>Fair Value</u>	<u>2017</u> <u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ <u>2,789</u>	\$ <u>2,789</u>	\$ <u>0</u>	\$ <u>0</u>

**Note F – Net Assets**

The detail of the organization's net asset categories at December 31, 2018, is as follows:

	<u>2018</u>	<u>2017</u>
Without donor restrictions:		
Invested in property and equipment	\$ 58,385	\$ 39,480
Undesignated surplus	<u>223,962</u>	<u>252,664</u>
Total without donor restrictions	282,347	292,144
With donor restrictions:		
Restricted for medical education programs	<u>99,856</u>	<u>68,144</u>
Total net assets	<u>\$ 382,203</u>	<u>\$ 360,288</u>

**Note G – 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 net assets without donor restrictions. The accumulated unrealized loss was \$23,138 and \$2,101 at December 31, 2018 and 2017, respectively. Gains and losses from foreign currency translation for the period are included in the statement of activities.



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

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**Note H - Leases**

The Organization has two facility leases with monthly rent payments of \$518 and \$136. The leases expire on December 31, 2020. Total rent expense for the years ended December 31, 2018 and 2017 was \$15,619 and \$13,653 respectively.

Future minimum lease payments under this lease for the year ended December 31, 2018 are as follows:

2019	\$	12,497
2020		<u>10,867</u>
Total future lease payments	\$	<u><u>23,364</u></u>