

Financial Statements

Wuqu Kawoq S.A. dba Maya Health Alliance
(a nonprofit organization)
Years Ended December 31, 2019 and 2018



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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, 2019 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, 2019, 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's

Meridian, Idaho
September 17, 2020



WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE
STATEMENTS OF FINANCIAL POSITION
December 31, 2019
With Comparative Totals as of December 31, 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 601,418	\$ 300,535
Investments	4,337	3,819
Medication and supplies	25,443	39,449
Prepaid expenses	<u>1,566</u>	<u>1,963</u>
Total Current Assets	632,764	345,766
Property and Equipment, net	<u>60,427</u>	<u>58,385</u>
Total Assets	<u>\$ 693,191</u>	<u>\$ 404,151</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 16,999	\$ 1,587
Accrued payroll and withheld costs	3,165	984
Amount held in custody for others	<u>41,557</u>	<u>19,377</u>
Current Liabilities	61,721	21,948
Net Assets		
Without donor restrictions	292,208	282,347
With donor restrictions	<u>339,262</u>	<u>99,856</u>
Total Net Assets	<u>631,470</u>	<u>382,203</u>
Total Liabilities and Net Assets	<u>\$ 693,191</u>	<u>\$ 404,151</u>

See notes to financial statements.

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE
STATEMENTS OF ACTIVITIES
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>2019</u> <u>Total</u>	<u>2018</u> <u>Total</u>
Revenue and Other Support				
Contributions	\$ 1,005,209	\$ 325,929	\$ 1,331,138	\$ 847,569
Contracts and grants	102,531	89,000	191,531	189,906
Management fees	11,889		11,889	10,625
In-kind donations	8,826		8,826	21,852
Foreign currency exchange loss	(29,557)		(29,557)	(23,138)
Investment income	910		910	1,522
Other income	<u>4,695</u>	<u> </u>	<u>4,695</u>	<u>0</u>
	1,104,503	414,929	1,519,432	1,048,336
Net assets released from restrictions	<u>175,523</u>	<u>(175,523)</u>	<u>0</u>	<u>0</u>
Total Revenue	1,280,026	239,406	1,519,432	1,048,336
Expenses				
Program services				
Medical services and education	989,662		989,662	842,706
Supporting services				
Management and administration	196,174		196,174	128,022
Fundraising	<u>84,329</u>	<u> </u>	<u>84,329</u>	<u>55,693</u>
Total Supporting Services	<u>280,503</u>	<u>0</u>	<u>280,503</u>	<u>183,715</u>
Total Expenses	<u>1,270,165</u>	<u>0</u>	<u>1,270,165</u>	<u>1,026,421</u>
Change in Net Assets	9,861	239,406	249,267	21,915
Net Assets				
Beginning of Year	<u>282,347</u>	<u>99,856</u>	<u>382,203</u>	<u>360,288</u>
End of Year	<u>\$ 292,208</u>	<u>\$ 339,262</u>	<u>\$ 631,470</u>	<u>\$ 382,203</u>

See notes to financial statements.

WUQU' KAWOQ S.A. dba MAYA HEALTH ALLIANCE
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	<u>Medical Services and Education</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>2019 Total</u>	<u>2018 Total</u>
Contract service expenses	\$ 488,262	\$ 33,601	\$ 5,990	\$ 527,853	\$ 550,497
Salaries and related expenses	141,519	98,197	49,099	288,815	107,358
Patient support expenses	113,252	1,640	189	115,081	60,640
Travel & meeting expenses	80,741	10,054	8,612	99,407	90,972
Office expense	46,500	27,456	19,989	93,945	84,741
Facilities expenses	36,107	5,646	450	42,203	42,727
Stipends	25,641	29		25,670	20,836
Volunteer accomodations	22,408	19		22,427	20,849
World diabetes project expenses	17,668			17,668	12,773
Depreciation	8,203	342		8,545	6,093
Grants to other organizations				0	10,000
Other	9,361	19,190		28,551	18,935
	<u>989,662</u>	<u>196,174</u>	<u>84,329</u>	<u>1,270,165</u>	<u>1,026,421</u>
Total Expenses	\$ <u>989,662</u>	\$ <u>196,174</u>	\$ <u>84,329</u>	\$ <u>1,270,165</u>	\$ <u>1,026,421</u>

See notes the financial statements.

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2019
With Comparative Totals for the Year Ended December 31, 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 249,267	\$ 21,915
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	8,545	6,093
Unrealized (gain) loss on investments	(518)	(1,030)
Changes in operating assets and liabilities:		
Prepaid expenses	397	(1,071)
Medication and supplies	14,006	9,320
Accounts payable and accrued liabilities	<u>39,773</u>	<u>(9,377)</u>
Net Cash Provided (Used) by Operating Activities	311,470	25,850
Cash Flows From Investing Activities		
Equipment purchases	<u>(10,587)</u>	<u>(24,998)</u>
Net Change in Cash and Cash Equivalents	300,883	852
Cash and Cash Equivalents – Beginning of Year	<u>300,535</u>	<u>299,683</u>
Cash and Cash Equivalents – End of Year	<u>\$ 601,418</u>	<u>\$ 300,535</u>

See notes to financial statements.

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

NOTES TO FINANCIAL STATEMENTS

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.

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, 2019 and 2018 the Organization's uninsured cash balances totaled \$292,846 and \$86,760, respectively, which was held in foreign bank accounts.

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

Note A – Significant Accounting Policies (Continued)

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.

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.

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

Note A – Significant Accounting Policies (Continued)

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, 2019 and 2018, donated goods were valued at \$8,826 and \$21,852.

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.

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

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 2019 and 2018.

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 Company has evaluated subsequent events through September 17, 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	\$ 601,418
Marketable Securities	<u>4,337</u>
Total financial assets available within one year	605,755
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions.	<u>(339,262)</u>
Total financial assets available within one year after restriction	<u>\$ 266,493</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, 2019, 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

Note C – Property and Equipment

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

	<u>2019</u>	<u>2018</u>
Land	\$ 6,000	\$ 6,000
Buildings	23,304	23,304
Furniture and Equipment	39,499	28,315
Vehicles	<u>38,748</u>	<u>54,748</u>
	107,551	112,367
Less accumulated depreciation	<u>47,124</u>	<u>53,982</u>
	<u>\$ 60,427</u>	<u>\$ 58,385</u>

For the years ended December 31, 2019 and 2018, the Organization recognized \$8,545 and \$6,093 in depreciation expense, respectively.

Note D– Investments

Investments as of December 31, are summarized as follows:

	<u>2019</u>	<u>2018</u>
Cost	\$ 2,492	\$ 2,492
Unrealized gain (loss)	<u>1,845</u>	<u>1,327</u>
Fair value	<u>\$ 4,337</u>	<u>\$ 3,819</u>

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

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$ 392	\$ 492
Unrealized gain (loss)	<u>518</u>	<u>1,030</u>
	<u>\$ 910</u>	<u>\$ 1,522</u>

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE

NOTES TO FINANCIAL STATEMENTS

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

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, 2019 and 2018:

	<u>Fair Value</u>	2019		
		<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ <u>4,337</u>	\$ <u>4,337</u>	\$ <u>0</u>	\$ <u>0</u>

	<u>Fair Value</u>	2018		
		<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>

Note F – Net Assets

The detail of the organization's net asset categories at December 31, 2019, is as follows:

	<u>2019</u>	<u>2018</u>
Without donor restrictions:		
Invested in property and equipment	\$ 60,427	\$ 58,385
Undesignated surplus	<u>231,781</u>	<u>223,962</u>
Total without donor restrictions	292,208	282,347
With donor restrictions:		
Restricted for medical education programs	<u>339,262</u>	<u>99,856</u>
Total net assets	<u>\$ 631,470</u>	<u>\$ 382,203</u>

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

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 \$29,557 and \$23,138 at December 31, 2019 and 2018, respectively. Gains and losses from foreign currency translation for the period are included in the statement of activities.

Note H - Leases

The Organization has three facility leases with monthly rent payments totaling \$1,041. The leases expire on December 31, 2020. Total rent expense for the years ended December 31, 2019 and 2018 was \$12,497 and \$15,619 respectively.

Future minimum lease payments under this lease for the year ended December 31, 2019 are as follows:

2020	\$ <u>10,867</u>
Total future lease payments	\$ <u><u>10,867</u></u>