

Financial Statements

Wuqu Kawoq S.A. dba Maya Health Alliance
(a nonprofit organization)
Years Ended December 31, 2020 and 2019



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DISCUSSION
DRAFT

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, 2020 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, 2020, 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 Wuqu' Kawoq S.A. dba Maya Health Alliance's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Meridian, Idaho
September 22, 2021

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE
STATEMENTS OF FINANCIAL POSITION
December 31, 2020
With Comparative Totals as of December 31, 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 853,354	\$ 601,418
Investments	5,572	4,337
Medication and supplies	36,288	25,443
Prepaid expenses	<u>12,827</u>	<u>1,566</u>
Total Current Assets	908,041	632,764
Property and Equipment, net	<u>110,726</u>	<u>60,427</u>
Total Assets	<u>\$ 1,018,767</u>	<u>\$ 693,191</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 2,408	\$ 16,999
Accrued payroll and withheld costs	101	3,165
Amount held in custody for others	<u>32,136</u>	<u>41,557</u>
Current Liabilities	34,645	61,721
Net Assets		
Without donor restrictions	249,419	292,208
With donor restrictions	<u>734,703</u>	<u>339,262</u>
Total Net Assets	<u>984,122</u>	<u>631,470</u>
Total Liabilities and Net Assets	<u>\$ 1,018,767</u>	<u>\$ 693,191</u>

See notes to financial statements.

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE**STATEMENTS OF ACTIVITIES****For the Year Ended December 31, 2020****With Comparative Totals for the Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Revenue and Other Support				
Contributions	\$ 809,067	\$ 378,279	\$ 1,187,346	\$ 1,331,138
Contracts and grants	54,679	258,881	313,560	191,531
In-kind donations	34,514		34,514	8,826
Foreign currency exchange loss	(29,687)		(29,687)	(29,557)
Investment income	1,773		1,773	910
Other income	<u>3,852</u>		<u>3,852</u>	<u>16,584</u>
	874,198	637,160	1,511,358	1,519,432
Net assets released from restrictions	<u>241,719</u>	<u>(241,719)</u>	<u>0</u>	<u>0</u>
Total Revenue	1,115,917	395,441	1,511,358	1,519,432
Expenses				
Program services				
Medical services and education	940,762		940,762	989,662
Supporting services				
Management and administration	167,908		167,908	196,174
Fundraising	<u>50,036</u>		<u>50,036</u>	<u>84,329</u>
Total Supporting Services	<u>217,944</u>	<u>0</u>	<u>217,944</u>	<u>280,503</u>
Total Expenses	<u>1,158,706</u>	<u>0</u>	<u>1,158,706</u>	<u>1,270,165</u>
Change in Net Assets	(42,789)	395,441	352,652	249,267
Net Assets				
Beginning of Year	<u>292,208</u>	<u>339,262</u>	<u>631,470</u>	<u>382,203</u>
End of Year	<u>\$ 249,419</u>	<u>\$ 734,703</u>	<u>\$ 984,122</u>	<u>\$ 631,470</u>

See notes to financial statements.

WUQU' KAWOQ S.A. dba MAYA HEALTH ALLIANCE**STATEMENTS OF FUNCTIONAL EXPENSES****For the Year Ended December 31, 2020****With Comparative Totals for the Year Ended December 31, 2019**

	<u>Medical Services and Education</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>2020 Total</u>	<u>2019 Total</u>
Contract service expenses	\$ 484,426	\$ 52,634	\$ 4,435	\$ 541,495	\$ 527,853
Salaries and related expenses	99,785	69,239	34,619	203,643	288,815
Patient support expenses	108,550	953		109,503	115,081
Office expense	51,165	28,087	10,099	89,351	93,945
Travel & meeting expenses	43,724	3,301	48	47,073	99,407
In-kind donations	34,514			34,514	8,826
Grants to other organizations	32,750			32,750	0
Facilities expenses	26,408	4,104	532	31,044	42,203
World diabetes project expenses	18,297			18,297	17,668
Depreciation	12,713	2,581		15,294	8,545
Stipends	4,786			4,786	25,670
Volunteer accomodations	3,697		301	3,998	22,427
Other	19,947	7,009	2	26,958	19,725
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 940,762</u>	<u>\$ 167,908</u>	<u>\$ 50,036</u>	<u>\$ 1,158,706</u>	<u>\$ 1,270,165</u>

See notes the financial statements.

WUQU KAWOQ S.A. dba MAYA HEALTH ALLIANCE
STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2020
With Comparative Totals for the Year Ended December 31, 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 352,652	\$ 249,267
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	15,294	8,545
Unrealized (gain) loss on investments	(1,235)	(518)
Changes in operating assets and liabilities:		
Prepaid expenses	(11,261)	397
Medication and supplies	(10,845)	14,006
Accounts payable and accrued liabilities	(29,484)	39,773
Net Cash Provided (Used) by Operating Activities	317,529	311,470
Cash Flows From Investing Activities		
Equipment purchases	(65,593)	(10,587)
Net Change in Cash and Cash Equivalents	251,936	300,883
Cash and Cash Equivalents – Beginning of Year	<u>601,418</u>	<u>300,535</u>
Cash and Cash Equivalents – End of Year	<u>\$ 853,354</u>	<u>\$ 601,418</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, 2020 and 2019 the Organization's uninsured cash balances totaled \$576,178 and \$292,846, 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, 2020 and 2019, donated goods were valued at \$34,514 and \$8,826.

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 2020 and 2019.

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 2017.

Subsequent Events

The Company has evaluated subsequent events through September 22, 2021, which is the date the financial statements were available to be issued.

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	\$ 853,354
Marketable Securities	<u>5,572</u>
Total financial assets available within one year	858,926
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions.	<u>(734,703)</u>
Total financial assets available within one year after restriction	<u>\$ 124,223</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, 2020, 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>2020</u>	<u>2019</u>
Land	\$ 6,000	\$ 6,000
Buildings	23,304	23,304
Furniture and Equipment	59,596	39,499
Vehicles	<u>83,532</u>	<u>38,748</u>
	172,432	107,551
Less accumulated depreciation	<u>61,706</u>	<u>47,124</u>
	<u><u>\$ 110,726</u></u>	<u><u>\$ 60,427</u></u>

For the years ended December 31, 2020 and 2019, the Organization recognized \$15,294 and \$8,545 in depreciation expense, respectively.

Note D– Investments

Investments as of December 31, are summarized as follows:

	<u>2020</u>	<u>2019</u>
Cost	\$ 2,492	\$ 2,492
Unrealized gain (loss)	<u>3,080</u>	<u>1,845</u>
Fair value	<u><u>\$ 5,572</u></u>	<u><u>\$ 4,337</u></u>

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

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 538	\$ 392
Unrealized gain (loss)	<u>1,235</u>	<u>518</u>
	<u><u>\$ 1,773</u></u>	<u><u>\$ 910</u></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, 2020 and 2019:

	<u>Fair Value</u>	<u>2020</u> <u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Equity securities	\$ <u>5,572</u>	\$ <u>5,572</u>	\$ <u>0</u>	\$ <u>0</u>

	<u>Fair Value</u>	<u>2019</u> <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>

Note F – Net Assets

The detail of the organization's net asset categories at December 31, 2020, is as follows:

	<u>2020</u>	<u>2019</u>
Without donor restrictions:		
Invested in property and equipment	\$ 110,726	\$ 60,427
Undesignated surplus	<u>138,693</u>	<u>231,781</u>
Total without donor restrictions	249,419	292,208
With donor restrictions:		
Restricted for medical education programs	<u>734,703</u>	<u>339,262</u>
Total net assets	<u>\$ 984,122</u>	<u>\$ 631,470</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 \$29,687 and \$29,557 at December 31, 2020 and 2019, 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 \$1,021. The leases expire on December 31, 2022. Total rent expense for the years ended December 31, 2020 and 2019 was \$12,918 and \$12,497 respectively.

Future minimum lease payments under this lease for the year ended December 31, 2020 are as follows:

2021	\$	12,254
2022		<u>12,254</u>
Total future lease payments	\$	<u>24,508</u>

Note I – Related Party Transactions

During the years ended December 31, 2020 and 2019, the Organization made payments to a member of the Board of Directors for managerial services in the amounts of \$15,415 and \$0, respectively.

Note J – Risks and Uncertainties

The COVID-19 pandemic is having significant effects on markets, supply chains, businesses, and communities. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Organization's funding sources, volunteers, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic. Management is actively monitoring the situation on its financial condition, liquidity, operations, suppliers, industry, and workforce.