



MAYA'S HOPE

Audited Financial Statements

December 31, 2016

Independent Auditors' Report

To the Board of Directors of
Maya's Hope Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Maya's Hope Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2016, 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 audit. 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 audit 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 auditors' 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 organization'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 organization'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.

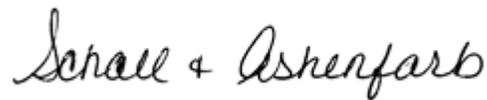
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Maya's Hope Foundation, Inc. as of December 31, 2016, 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 Foundation's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 31, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

October 31, 2017

MAYA'S HOPE FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2016
(With comparative totals at December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
Assets		
Cash and cash equivalents	\$126,181	\$134,246
Investments (Note 3)	1,516	1,615
Pledges receivable	14,835	0
Security deposit	2,000	2,000
Fixed assets, net (Note 4)	<u>1,488</u>	<u>2,203</u>
 Total assets	 <u><u>\$146,020</u></u>	 <u><u>\$140,064</u></u>
 Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$15,118</u>	<u>\$9,748</u>
Total liabilities	<u>15,118</u>	<u>9,748</u>
Net assets:		
Unrestricted	<u>130,902</u>	<u>130,316</u>
Total net assets	<u>130,902</u>	<u>130,316</u>
 Total liabilities and net assets	 <u><u>\$146,020</u></u>	 <u><u>\$140,064</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

MAYA'S HOPE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
Unrestricted:		
Public support and revenue:		
Contributions	\$174,857	\$158,590
Special event (net of expenses with a direct benefit to donor) (Note 6)	85,741	67,696
Donated goods and services	8,978	10,563
Interest income	320	258
Total public support and revenue	<u>269,896</u>	<u>237,107</u>
Expenses:		
Program services	196,389	158,680
Management and general	49,299	38,577
Fundraising	23,622	24,763
Total expenses	<u>269,310</u>	<u>222,020</u>
Change in net assets	586	15,087
Net assets - beginning of year	<u>130,316</u>	<u>115,229</u>
Net assets - end of year	<u><u>\$130,902</u></u>	<u><u>\$130,316</u></u>

The attached notes and auditors' report are an integral part of these financial statements.

MAYA'S HOPE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses 12/31/16</u>	<u>Total Expenses 12/31/15</u>
Salaries	\$24,000	\$8,000	\$8,000	\$40,000	\$30,083
Payroll taxes and benefits	2,820	940	940	4,700	2,732
Program expenses (including \$5,978 in donated goods and services)	150,487			150,487	117,952
Professional fees (including \$3,000 in donated services)	1,246	23,149	415	24,810	27,395
Occupancy	8,827	2,942	2,942	14,711	13,969
Office supplies and equipment	1,194	398	398	1,990	1,844
Postage and shipping	1,232	410	410	2,052	2,881
Travel and entertainment	4,111	1,734	1,213	7,058	4,260
Insurance		1,599		1,599	1,225
Advertising		3,626		3,626	6,014
Bank, credit card and other fees	2,043	928	2,527	5,498	6,099
Special event expenses			6,634	6,634	6,064
Miscellaneous		5,430		5,430	1,000
Depreciation	429	143	143	715	502
Total	<u>\$196,389</u>	<u>\$49,299</u>	<u>\$23,622</u>	<u>\$269,310</u>	<u>\$222,020</u>

The attached notes and auditors' report are an integral part of these financial statements.

MAYA'S HOPE FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016
(With comparative totals for the year ended December 31, 2015)

	<u>12/31/16</u>	<u>12/31/15</u>
Cash flows from operating activities:		
Change in net assets	\$586	\$15,087
Adjustments to reconcile change in net assets to net cash flows (used for)/provided by operating activities:		
Depreciation	715	502
Changes in assets and liabilities:		
Contributions and other receivables	(14,835)	2,310
Accounts payable and accrued expenses	5,370	8,983
Total adjustments	<u>(8,750)</u>	<u>11,795</u>
Net cash flows (used for)/provided by operating activities	<u>(8,164)</u>	<u>26,882</u>
 Cash flows from investing activities:		
Purchase of fixed assets	<u>0</u>	<u>(2,126)</u>
Net cash flows used for investing activities	<u>0</u>	<u>(2,126)</u>
 Cash flows from financing activities:		
Sales/(purchases) of investments including dividend reinvestment	<u>99</u>	<u>(451)</u>
Net cash flows provided by/(used for) financing activities	<u>99</u>	<u>(451)</u>
 Net (decrease)/increase in cash and cash equivalents	(8,065)	24,305
 Cash and cash equivalents - beginning of year	<u>134,246</u>	<u>109,941</u>
 Cash and cash equivalents - end of year	<u>\$126,181</u>	<u>\$134,246</u>
 No interest or income taxes were paid.		

The attached notes and auditors' report are an integral part of these financial statements.

MAYA'S HOPE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note 1 - Organization

Maya's Hope Foundation, Inc. (the "Foundation") is a not-for-profit corporation, incorporated in the State of New York. The Foundation was established in 2010 and works to improve the quality of life of orphaned, impoverished and special-needs children on a global scale.

The Foundation is exempt from Federal taxes under Section 501(c)(3) of the Internal Revenue Code and similar New York State statutes and has been designated as an organization which is not a private foundation.

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

The Foundation's net assets are classified based upon the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted* – represents all activity without donor-imposed restrictions.
- *Temporarily restricted* – represents contributions and the net residual of assets with donor-imposed restrictions that are expected to be satisfied by performing certain activities or through the passage of time. There was no temporarily restricted net assets at December 31, 2016.
- *Permanently restricted* – relates to contributions of cash and other assets whereby all assets must remain intact due to restrictions placed by the donor. There was no permanently restricted net assets at December 31, 2016.

b. Contributions

The Foundation reports contributions as revenue upon the earlier of receipt of cash or at the time a pledge is considered unconditional. Contributions received with specific donor restrictions are recorded in the temporarily restricted class of net assets. All other contributions are recorded in the unrestricted class of net assets. When a restriction expires by satisfying the specific purpose or through the passage of time, temporarily restricted net assets are released from restriction and reclassified as unrestricted net assets. When a restriction has been met in the same period that the contribution has been received, it is recorded as unrestricted.

c. Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less are considered to be cash and cash equivalents.

- d. Concentration of Credit Risk
Financial instruments which potentially subject the Foundation to concentration of credit risk consist of cash, money market accounts and investment securities, which are placed with financial institutions that management deems to be creditworthy. At times, amounts may exceed federally insured limits, however, at year end the Foundation did not have material uninsured balances.
- e. Investments
Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.
- f. Fixed Assets
Fixed assets consist of computer equipment that benefits future periods. Fixed assets are capitalized at cost, or if donated, at the estimated fair market value at the time of donation. Depreciation is calculated using the straight-line method over the estimated useful life of the assets (5 years).
- g. Advertising
Advertising costs are charged to operations when the advertising first takes place.
- h. Management Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.
- i. Functional Allocation of Expenses
The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- j. Donated Goods and Services
Contributions of services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not contributed, are recorded as income and related expenses.
- The Foundation received donated supplies and gifts for the children, in the amount of \$8,978.
- Board members and other individuals volunteer their time and perform a variety of tasks that assist the Foundation. These services do not meet the above criteria and have not been recorded in the financial statements.
- k. Accounting for Uncertainty of Income Taxes
The Foundation does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending December 31, 2013 and later are subject to examination by applicable taxing authorities.

l. Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the balance sheet through October 31, 2017, the date the financial statements were available to be issued. No events have occurred subsequent to the balance sheet date through our evaluation date that would require adjustment to or disclosure in the financial statements.

m. New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued an Accounting Standards Update (ASU) No, 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The ASU, which becomes effective for the December 31, 2018 year, with early implementation permitted, focuses on improving the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows.

The Foundation has not yet evaluated the impact this standard will have on future financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.
- Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Investments consist of the following:

	<u>December 31, 2016</u>	
	<u>Market</u>	<u>Level 1</u>
Equities – large capital	\$1,060	\$1,060
Fixed income – equity securities	<u>379</u>	<u>379</u>
	1,439	1,439
Money funds	<u>77</u>	<u>0</u>
Total	<u>\$1,516</u>	<u>\$1,439</u>

	<u>December 31, 2015</u>	
	<u>Market</u>	<u>Level 1</u>
Equities – large capital	\$976	\$976
Fixed income – equity securities	<u>372</u>	<u>372</u>
	1,348	1,348
Money funds	<u>267</u>	<u>0</u>
Total	<u>\$1,615</u>	<u>\$1,348</u>

Note 4 - Fixed Assets

Fixed assets consist of the following:

	<u>12/31/16</u>	<u>12/31/15</u>
Computers and equipment	\$3,574	\$3,574
Less: accumulated depreciation	<u>(2,086)</u>	<u>(1,371)</u>
Fixed assets – net	<u>\$1,488</u>	<u>\$2,203</u>

Note 5 - Commitments

The Foundation leases office space under a lease which originally expired in April 2015. On November 9, 2016, the Foundation renewed the lease for one year from May 1, 2017 to April 30, 2018. However, under the terms of the agreement, the lease automatically renews for one-year periods until terminated by either party. Future minimum payments are as follows:

Year ending: December 31, 2017	\$14,400
December 31, 2018	<u>4,800</u>
	<u>\$19,200</u>

Total rent expense was \$14,711 for the year ended December 31, 2016.

Note 6 - Special Event Income

The Foundation holds an annual fundraising dinner. Event expenses that directly benefit donors have been netted with fundraising activities in the public support section of the statement of activities. Other costs have been reflected as special event expenses on the statement of functional expenses.

The financial summary of the events for the fiscal years ended December 31, 2016 and 2015 are as follows:

	<u>12/31/16</u>	<u>12/31/15</u>
Fundraising income	\$149,477	\$94,954
Donations in-kind	1,300	9,160
Less: expenses with a direct benefit to donor	<u>(65,036)</u>	<u>(36,418)</u>
	85,741	67,696
Less: other event expenses	<u>(6,634)</u>	<u>(6,064)</u>
Total	<u>\$79,107</u>	<u>\$61,632</u>