

**MAYA'S HOPE FOUNDATION, INC.**

**FINANCIAL STATEMENTS**

December 31, 2017

## CONTENTS

|  |   |
|--|---|
| Independent Auditor's Report .....     | 1 |
| Statement of Financial Position.....   | 3 |
| Statement of Activities.....           | 4 |
| Statement of Functional Expenses ..... | 5 |
| Statement of Cash Flows .....          | 6 |
| Notes to Financial Statements .....    | 7 |



## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Maya's Hope Foundation, Inc., which comprise the statement of financial position as of December 31, 2017, 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.

### ***Auditor's 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 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 Maya's Hope Foundation, Inc. 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.

**New York Office:**  
230 Park Avenue, 3<sup>rd</sup> Floor  
New York, NY 10169  
P: (212) 551-1724  
F: (262) 522-7550

**Washington DC Office:**  
419 N Lee Street  
Alexandria, VA 22314  
P: (703) 519-0990

**Wisconsin Office:**  
2921 Landmark Place  
Suite 300  
Madison, WI 53713  
P: (608) 274-4020  
F: (608) 308-1616

[www.wegnercpas.com](http://www.wegnercpas.com)  
[info@wegnercpas.com](mailto:info@wegnercpas.com)  
(888) 204-7665

**Correction of Error**

As described in Note 9 to the financial statements, an error resulting in the overstatement of accrued expenses and understatement of unrestricted net assets in the prior year was discovered by management during the current year. Accordingly, an adjustment has been made to net assets as of the beginning of the year to correct the error. Our opinion is not modified with respect to that matter.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
August 10, 2018

**MAYA'S HOPE FOUNDATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2017

---

---

**ASSETS**

|                                |              |
|--------------------------------|--------------|
| Cash                           | \$ 131,773   |
| Unconditional promises to give | 3,533        |
| Investments                    | 1,668        |
| Security deposit               | 2,000        |
| Furniture and equipment - net  | <u>1,011</u> |

**Total assets**

\$ 139,985

**LIABILITIES**

|                  |              |
|------------------|--------------|
| Accounts payable | \$ 2,542     |
| Accrued expenses | <u>3,183</u> |

Total liabilities 5,725

**NET ASSETS**

|              |                |
|--------------|----------------|
| Unrestricted | <u>134,260</u> |
|--------------|----------------|

**Total liabilities and net assets**

\$ 139,985

See accompanying notes.

**MAYA'S HOPE FOUNDATION, INC.**  
STATEMENT OF ACTIVITIES  
Year ended December 31, 2017

---

---

**UNRESTRICTED NET ASSETS**

SUPPORT AND REVENUE

|  |            |
|--|------------|
| Contributions                          | \$ 160,441 |
| Special events                         | 160,435    |
| Less: cost of direct benefit to donors | (49,500)   |
| Donated goods                          | 7,633      |
| Investment return                      | 219        |
|  | <hr/>      |
| Total support and revenue              | 279,228    |

EXPENSES

|                        |         |
|------------------------|---------|
| Program services       | 205,056 |
| Management and general | 55,038  |
| Fundraising            | 23,776  |
|                        | <hr/>   |
| Total expenses         | 283,870 |

**Change in net assets** (4,642)

Net assets - beginning of year - as restated 

---

138,902

**Net assets - end of year** 

---

---

\$ 134,260

See accompanying notes.

**MAYA'S HOPE FOUNDATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2017

|  | Program<br>Services | Management<br>and General | Fundraising      | Direct Benefit<br>to Donors | Total             |
|--|---------------------|---------------------------|------------------|-----------------------------|-------------------|
| Grant expense  | \$ 151,976          | \$ -                      | \$ -             | \$ -                        | \$ 151,976        |
| Conferences, conventions, and meetings   | -                   | -                         | 10,788           | 49,500                      | 60,288            |
| Personnel  | 34,443              | 14,871                    | 7,434            | -                           | 56,748            |
| Professional fees  | -                   | 18,024                    | -                | -                           | 18,024            |
| Occupancy  | 7,630               | 6,104                     | 1,526            | -                           | 15,260            |
| Bank, credit card, and other fees  | 2,717               | 3,224                     | 2,934            | -                           | 8,875             |
| Donated goods  | 3,817               | 3,053                     | 763              | -                           | 7,633             |
| Travel and entertainment   | 1,357               | 3,249                     | 28               | -                           | 4,634             |
| Postage  | 406                 | 2,318                     | 25               | -                           | 2,749             |
| Advertising  | -                   | 2,204                     | -                | -                           | 2,204             |
| Office expense   | 948                 | 433                       | 203              | -                           | 1,584             |
| Program supplies   | 1,383               | -                         | -                | -                           | 1,383             |
| Insurance  | 140                 | 769                       | 27               | -                           | 936               |
| Miscellaneous  | -                   | 598                       | -                | -                           | 598               |
| Depreciation   | 239                 | 191                       | 48               | -                           | 478               |
| <b>Total expenses</b>  | <b>205,056</b>      | <b>55,038</b>             | <b>23,776</b>    | <b>49,500</b>               | <b>333,370</b>    |
| Less: Special event expenses deducted<br>directly from support and revenue<br>on the statement of activities | -                   | -                         | -                | 49,500                      | 49,500            |
| <b>Total expenses included in the<br/>statement of activities</b>  | <b>\$ 205,056</b>   | <b>\$ 55,038</b>          | <b>\$ 23,776</b> | <b>\$ -</b>                 | <b>\$ 283,870</b> |

See accompanying notes.

**MAYA'S HOPE FOUNDATION, INC.**  
**STATEMENT OF CASH FLOWS**  
Year ended December 31, 2017

---

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |            |
|--|------------|
| Change in net assets   | \$ (4,642) |
| Adjustments to reconcile change in net assets<br>to net cash flows from operating activities |            |
| Depreciation   | 478        |
| Decrease in assets   |            |
| Unconditional promises to give   | 11,302     |
| Increase (decrease) in liabilities   |            |
| Accounts payable   | (2,692)    |
| Accrued expenses   | 1,298      |
|  | <hr/>      |

**Net cash flows from operating activities** 5,744

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |             |
|--|-------------|
| Interest and dividends retained in investments | <hr/> (152) |
|--|-------------|

**Net change in cash** 5,592

Cash - beginning of year 

---

126,181

**Cash - end of year** 

---

---

\$ 131,773

See accompanying notes.

**MAYA'S HOPE FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

---

---

Maya's Hope Foundation, Inc. (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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Basis of Presentation**

Maya's Hope Foundation, Inc. reports information regarding its financial position and activities according to three classes of net assets:

*Unrestricted net assets* – Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

*Temporarily restricted net assets* – Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

*Permanently restricted net assets* – Net assets that have been restricted by donors to be maintained by Maya's Hope Foundation, Inc. in perpetuity.

**Promises to Give**

Conditional promises to give are not recognized in the financial statements until conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promise to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due dates.

**Investments**

The Foundation reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Investment securities are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

**MAYA'S HOPE FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

---

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Furniture and Equipment**

Furniture and Equipment is carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance are charged against operations as incurred.

**Contributions**

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Advertising**

Advertising costs are charged to operations when the expenses are incurred.

**Estimates**

Management 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.

**Income Tax Status**

Maya's Hope Foundation, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

**Date of Management's Review**

Management has evaluated subsequent events through August 10, 2018, the date which the financial statements were available to be issued.

**MAYA'S HOPE FOUNDATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

---

**NOTE 2 – UNCONDITIONAL PROMISES TO GIVE**

All unconditional promises to give at December 31, 2017 were receivable in less than one year. Management has determined that no allowance for uncollectible promises to give was necessary at December 31, 2017.

**NOTE 3 – INVESTMENTS**

Investments at fair value at December 31, 2017 consisted of mutual funds. Investment income consisted entirely of interest and dividends for 2017.

**NOTE 4 – FAIR VALUE MEASUREMENT**

Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:

|                         | Fair Value      | Quoted<br>Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
|-------------------------|-----------------|---|---|--|
| Mutual funds            | \$ 1,668        | \$ 1,668  | \$ -  |  |
| Fair value measurements | <u>\$ 1,668</u> | <u>\$ 1,668</u>   | <u>\$ -</u>   | <u>\$ -</u>  |

**NOTE 5 – FURNITURE AND EQUIPMENT**

Furniture and equipment at December 31, 2017 consisted of the following:

|                                |                 |
|--------------------------------|-----------------|
| Furniture and equipment        | \$ 3,575        |
| Less: accumulated depreciation | <u>2,564</u>    |
| Furniture and equipment - net  | <u>\$ 1,011</u> |

**NOTE 6 – OPERATING LEASE**

The Foundation leases office space under an operating lease requiring monthly payments of \$1,200 subject to annual rate increases. The lease expires in April 2019. Future minimum lease payments for 2018 and 2019 are \$15,900 and \$5,040. Total rent expense for 2017 was \$15,260.

**NOTE 7 – CONCENTRATION OF FUNDING**

In 2017, approximately 40% of the Foundation's support and revenue was derived from one special event.

**MAYA'S HOPE FOUNDATION, INC.**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2017

---

---

NOTE 8 – COMMITMENTS

The Foundation has entered into an agreement to reserve space for a future fundraising event. If cancellation occurs the Foundation could be liable for approximately \$45,800.

NOTE 9 – CORRECTION OF ERROR

An error resulting in the overstatement of beginning of the year accrued expenses and understatement of beginning of the year unrestricted net assets was discovered during the current year. Accordingly, an adjustment was made during 2017 to adjust beginning of the year accrued expenses and unrestricted net assets by \$8,000.