

MAYA'S HOPE FOUNDATION, INC.

FINANCIAL STATEMENTS

December 31, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Maya's Hope Foundation, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Maya's Hope Foundation, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Maya's Hope Foundation, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Maya's Hope Foundation, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

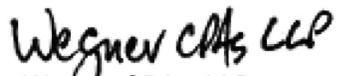
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Maya's Hope Foundation, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Maya's Hope Foundation, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.


Wegner CPAs, LLP
New York, New York
April 15, 2022

MAYA'S HOPE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS		
Cash	\$ 334,786	\$ 214,542
Unconditional promises to give	15,845	5,000
Investments	2,567	2,138
Furniture and equipment, net	810	1,183
Total assets	\$ 354,008	\$ 222,863
LIABILITIES		
Accounts payable	\$ 25,925	\$ 8,050
Accrued liabilities	12,900	12,900
Grants payable	27,647	-
Total liabilities	66,472	20,950
NET ASSETS		
Without donor restrictions	287,536	201,913
Total liabilities and net assets	\$ 354,008	\$ 222,863

See accompanying notes.

MAYA'S HOPE FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2021 and 2020

	2021	2020
REVENUE		
Contributions	\$ 513,708	\$ 408,574
Paycheck Protection Program loan	-	11,263
Special events	200,434	86,590
Less: costs of direct benefits to donors	(19,482)	(2,075)
Donated goods and services	-	3,566
Investment return	430	201
	<u>695,090</u>	<u>508,119</u>
EXPENSES		
Program services	517,347	349,470
Management and general	81,070	67,581
Fundraising	11,050	6,576
	<u>609,467</u>	<u>423,627</u>
	85,623	84,492
Change in net assets		
Net assets at beginning of year	<u>201,913</u>	<u>117,421</u>
Net assets at end of year	<u>\$ 287,536</u>	<u>\$ 201,913</u>

See accompanying notes.

MAYA'S HOPE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2021

	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Grant expense	\$ 447,935	\$ -	\$ -	\$ -	\$ 447,935
Personnel	59,577	5,434	5,257	-	70,268
Conferences, conventions, and meetings	-	-	5,766	19,482	25,248
Professional fees	5,607	43,355	-	-	48,962
Occupancy	-	150	-	-	150
Bank, credit card, and other fees	-	21,724	-	-	21,724
Postage	811	1,456	-	-	2,267
Office expense	174	6,115	-	-	6,289
Advertising	497	323	-	-	820
Travel and entertainment	-	711	-	-	711
Program supplies	2,429	-	-	-	2,429
Insurance	-	1,187	-	-	1,187
Miscellaneous	317	615	27	-	959
Total expenses	517,347	81,070	11,050	19,482	628,949
Less: Special event expenses deducted directly from support and revenue on the statement of activities	-	-	-	19,482	19,482
Total expenses included in the statement of activities	\$ 517,347	\$ 81,070	\$ 11,050	\$ -	\$ 609,467

See accompanying notes.

MAYA'S HOPE FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total
Grant expense	\$ 288,643	\$ -	\$ -	\$ -	\$ 288,643
Personnel	55,036	4,856	4,856	-	64,748
Conferences, conventions, and meetings	-	-	936	2,075	3,011
Professional fees	-	25,481	-	-	25,481
Occupancy	3,825	18,368	766	-	22,959
Bank, credit card, and other fees	-	6,514	-	-	6,514
Postage	325	1,360	-	-	1,685
Office expense	107	4,640	-	-	4,747
Advertising	-	657	-	-	657
Travel and entertainment	-	127	-	-	127
Program supplies	1,445	-	-	-	1,445
Donated goods	-	2,856	-	-	2,856
Insurance	-	1,782	-	-	1,782
Miscellaneous	89	940	18	-	1,047
Total expenses	349,470	67,581	6,576	2,075	425,702
Less: Special event expenses deducted directly from support and revenue on the statement of activities	-	-	-	2,075	2,075
Total expenses included in the statement of activities	\$ 349,470	\$ 67,581	\$ 6,576	\$ -	\$ 423,627

See accompanying notes.

MAYA'S HOPE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 85,623	\$ 84,492
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	373	533
Unrealized gain on investments	(420)	(190)
(Increase) decrease in assets		
Unconditional promises to give	(10,845)	2,400
Gala tickets receivable	-	5,000
Security deposit	-	2,000
Increase in liabilities		
Accounts payable	17,875	6,289
Accrued liabilities	-	12,900
Grants payable	27,647	-
	<u>120,253</u>	<u>113,424</u>
Net cash flows from operating activities	120,253	113,424
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends retained in investments	<u>(9)</u>	<u>(11)</u>
Net change in cash	120,244	113,413
Cash at beginning of year	<u>214,542</u>	<u>101,129</u>
Cash at end of year	<u>\$ 334,786</u>	<u>\$ 214,542</u>

See accompanying notes.

MAYA'S HOPE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases in liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

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 statements 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.

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 net assets with donor restrictions and without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue from Contracts with Customers

The Foundation hosts a gala during the year in which attendees receive entertainment as consideration for the purchase of a ticket. Event revenues are generally considered to be single performance obligations that are satisfied at a point in time.

MAYA'S HOPE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, which is allocated on the basis of estimates of time and effort. All other expenses are directly allocated to the program or supporting activity.

Advertising

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

Donated Goods and Services

Donated goods are recorded at their estimated fair values in the period received. Donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their estimated fair values in the period received.

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 April 15, 2022, the date which the financial statements were available to be issued.

NOTE 2 – UNCONDITIONAL PROMISES TO GIVE

All unconditional promises to give at December 31, 2021 and 2020 were receivable in less than one year. Management has determined that no allowance for uncollectible promises to give was necessary at December 31, 2021 and 2020.

NOTE 3 – INVESTMENTS

Investments at December 31, 2021 and 2020 consisted of mutual funds.

Fair values of mutual funds are based on quoted net asset values of the shares as reported by the funds. The mutual funds held by the Foundation are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price.

MAYA'S HOPE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 4 – FURNITURE AND EQUIPMENT

Furniture and equipment at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 4,227	\$ 4,226
Less: accumulated depreciation	<u>3,417</u>	<u>3,043</u>
Furniture and equipment, net	<u>\$ 810</u>	<u>\$ 1,183</u>

Depreciation expense for the years ending December 31, 2021 and 2020 was \$373 and \$533.

NOTE 5 – CONCENTRATIONS

Concentration of Credit Risk

The Foundation maintains its cash balance in two financial institutions located in New York. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021, the Foundation's uninsured cash balance was approximately \$16,000.

Concentration of Funding

In 2021, approximately 28% of the Foundation's support and revenue was derived from one special event.

NOTE 6 – DONATED SERVICES

The value of donated legal services for December 31, 2020 are recorded under management and general expenses in the statement of functional expenses for \$2,856.

NOTE 7 – OPERATING LEASE

The Foundation leased office space under an operating lease that expired in April 2021. The Foundation vacated the premises and stopped paying rent in June of 2020. There is a pending complaint against the Foundation for \$12,900 which is accrued as a liability at year-end. Total rent expense for 2020 was \$22,958.

NOTE 8 – PAYCHECK PROTECTION PROGRAM LOAN

On May 6, 2020, the Foundation received a \$11,263 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The note included terms to accrue interest at 1%, but payments were deferred until a determination of the amount of forgiveness is made. The amount of forgiveness will be determined by the total eligible expenses incurred by the Foundation during the covered period. Eligible expenses may include payroll costs, rent, and utilities. Any unforgiven portion is payable over two years. On January 12, 2021, the SBA approved forgiveness of the loan and \$11,263 was recorded as income as of December 31, 2020.

MAYA'S HOPE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

NOTE 8 – PAYCHECK PROTECTION PROGRAM LOAN (continued)

The Foundation must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Foundation's good-faith certification concerning the necessity of its loan request, whether the Foundation calculated the loan amount correctly, whether the Foundation used loan proceeds for the allowable uses specified in the CARES Act, and whether the Foundation is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Foundation was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 9 – LIQUIDITY AND AVAILABILITY

The following table represents the Foundation's financial assets as of the dates of the statements of financial position. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date.

	<u>2021</u>	<u>2020</u>
Cash	\$ 334,786	\$ 214,542
Unconditional promises to give	15,845	5,000
Investments	<u>2,567</u>	<u>2,138</u>
Financial assets, at year-end	<u>\$ 353,198</u>	<u>\$ 221,680</u>

As a part of the Foundation'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.

NOTE 10 – CONTINGENCY

In the normal course of business, the Foundation received a claim by a legal firm surrounding a copyright matter with the use of an image. As of April 15, 2022, it is not possible to determine whether there is a loss potential or what the amount might be.