

# MAYAN FAMILIES

## FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

(AUDITED)



CASHUK, WISEMAN, GOLDBERG, BIRNBAUM, & SALEM, LLP  
Certified Public Accountants

MAYAN FAMILIES  
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September 30, 2011 and 2010

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## INDEPENDENT AUDITORS' REPORT

To the Audit Committee of  
Mayan Families

We have audited the accompanying statements of financial position of Mayan Families as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mayan Families as of September 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cashuk, Wiseman, Goldberg, Birnbaum & Salem, LLP*

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California  
April 9, 2012

**MAYAN FAMILIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30, 2011 and 2010**

**ASSETS**

	2011	2010
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents (Note A)	\$ 107,897	\$ 239,115
Loans Receivable (Note A)	44,017	19,007
<b>TOTAL CURRENT ASSETS</b>	151,914	258,122
<b>PROPERTY AND EQUIPMENT</b>		
Property and Equipment, net of accumulated depreciation of \$8,076 and \$2,490 in 2011 and 2010 (Notes A & D)	32,528	21,730
<b>TOTAL ASSETS</b>	<b>\$ 184,442</b>	<b>\$ 279,852</b>

**LIABILITIES AND NET ASSETS**

	2011	2010
<b>CURRENT LIABILITIES</b>		
Accounts Payable & Accrued Expenses	\$ 805	\$ 576
<b>NET ASSETS</b>		
Unrestricted (Note A)	(30,064)	63,928
Temporarily Restricted (Notes A & C)	213,701	215,348
<b>TOTAL NET ASSETS</b>	183,637	279,276
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 184,442</b>	<b>\$ 279,852</b>

The accompanying notes are an integral part of these financial statements.



**MAYAN FAMILIES**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended September 30, 2011 and 2010**

	<b>2011</b>			<b>2010</b>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<b>REVENUE AND OTHER SUPPORTS</b>				
Contributions	\$ 285,008	\$ 884,294	\$1,169,302	\$ 941,479
Net Assets Released From Restrictions (Note C)	885,941	(885,941)	-	-
<b>TOTAL REVENUES AND OTHER SUPPORTS</b>	1,170,949	(1,647)	1,169,302	941,479
<b>EXPENSES</b>				
Program Expenses (Note C)	885,941	-	885,941	588,704
Supporting Services (Note E)	379,000	-	379,000	204,673
<b>TOTAL EXPENSES</b>	1,264,941	-	1,264,941	793,377
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(93,992)	(1,647)	(95,639)	148,102
<b>NET ASSETS - BEGINNING OF YEAR</b>	63,928	215,348	279,276	131,174
<b>NET ASSETS - END OF YEAR</b>	\$ (30,064)	\$ 213,701	\$ 183,637	\$ 279,276

The accompanying notes are an integral part of these financial statements.



**MAYAN FAMILIES**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended September 30, 2011 and 2010**

	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (Decrease) in Net Assets	\$ (95,639)	\$ 148,102
Adjustments to Reconcile Net Income to Net Cash		
Depreciation	5,586	2,227
Provided(Used) by Operating Activities:		
Accounts Receivable	-	6,887
Loans Receivable	(25,010)	(19,007)
Accounts Payable & Accrued Expenses	229	(42)
	(114,834)	138,167
<b>CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
<b>INVESTING ACTIVITIES</b>		
Purchases of Property & Equipment	(16,384)	(21,600)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(131,218)	116,567
<b>Cash and Cash Equivalents at Beginning of Year</b>	239,115	122,548
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ 107,897	\$ 239,115

The accompanying notes are an integral part of these financial statements.



MAYAN FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Mayan Families ("The organization") was incorporated under the laws of the State of California on June 4, 2007. The organization has adopted a September 30 fiscal year end for reporting requirements.
2. Mayan Families is a non-profit organization whose purpose is to raise money to support the Maya indigenous communities of the Atitlan region of Guatemala. The organization's purpose is accomplished through the different programs the organization runs, for the benefit of Maya residents. The programs include the following:
  - a. Construction Program-The organization funds building, repairs and maintenance of classrooms and community learning centers which are used for community events, education, medical and veterinary clinics and distribution of donated items. It also has purchased land and built homes for impoverished families victimized by extraordinary circumstances.
  - b. Family Aid Program-The organization provides needy families with beds, sinks to wash their clothes, tables, chairs and other household items, along with the elderly programs. Mayan Families also supplies healthy vital food to those in need. Deliveries include oil, grain, milk, eggs, bread and other basic items. It also provides infant formula for mothers unable to nurse their babies.
  - c. Medical Program-The organization facilitates free clinics for visiting doctors and dentists. It also has made arrangements with Guatemala clinics and physicians to treat the families the organization support. Mayan Families also provides transportation for the sick, wheelchairs and vision care for those in needs.
  - d. General School Program-The organization supports local school in providing a better education through supplies of healthy food for lunches, classroom desks, books and school supplies.
  - e. MicroLoan Program-Mayan Families provides no interest loans through agreements with and guarantees by organized groups.
  - f. Chickens Program-The organization distributes chicks to needy families who are capable of raising them and would like to be part of this program. The organization distributes 10 chicks per family and provides the supply of feeds.
  - g. Christmas Program-The program provides healthy meals, gifts and Christmas parties to families who otherwise would go without during the holiday season.
  - h. Animal Welfare/Hope for the Animal Program-The organization offers food, free and low-cost sterilization clinics for household pets. It also provides adoption services for homeless and rescued animals.



MAYAN FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

- i. Sewing Program-Mayan Families brings used sewing machines, training classes, and class materials to the poor communities.
  - j. Fuel Efficient Stoves Program-Mayan Families provides needy families with fuel-efficient wood stoves that have financial, health, and environmental benefits.
  - k. Student Sponsorships-The organization sponsors children to go to school with special emphasis placed on children from single parent families.
  - l. Water Filter Program-Mayan Families provides water filters to homes and school to provide clean drinking water to the community.
3. Promises to Give-Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- The organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on historical experience and management's analysis of specific promises made. There no outstanding pledges receivable as of September 30, 2011.
4. Contributed Services-During the year ended September 30, 2011, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization at its facilities, but these services do not meet the criteria for recognition as contributed services.
  5. Property and Equipment-It is the organization's policy to capitalize property and equipment over \$500. Lesser amounts are expensed as incurred. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated or acquired assets are placed in service as instructed by the donor, the organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. The organization's policy is to depreciate property and equipment using the straight line method.





MAYAN FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

6. Use of Estimates-The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.
  
7. Financial Statement Presentation-The organization is required to report information regarding its financial position according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. These classes are defined as follows:

Permanently Restricted-Net assets resulting from contributions and other inflows of assets whose use by Mayan Families is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Mayan Families.

Temporarily Restricted-Net assets resulting from contributions and other inflows of assets whose use by Mayan Families is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Mayan Families pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted-The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.
  
8. Contributions-Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.
  
9. Income Taxes-The organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.
  
10. Cash & Cash Equivalents for purposes of the statement of cash flows, include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents.
  
11. Concentration of Cash and Credit Risk-The organization maintains cash balance which, at times, may exceed federally insured limits. Management believes it is not exposed to any significant risk on its cash balances. At year end, the organization had no uninsured cash balances.



MAYAN FAMILIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 September 30, 2011

NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

12. Leases that meet the criteria for capitalization are classified as capital leases. As of year end, there were no such leases. Leases that do not meet such criteria are classified as operating leases and related rentals are charged to expense (Note F).
13. Reclassifications-Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.
14. Advertising Costs-The organization follows the policy of charging the costs of advertising to expense as incurred. The organization incurred no advertising expense in the years ended September 30, 2011 and 2010, respectively.
15. Fair Value of Financial Instruments-FASB ASC 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

Cash and Cash equivalents, Other Receivables, Accrued Liabilities and Other Payables-The carrying amounts reported in the balance sheets for these items are a reasonable estimate of fair value.

NOTE B-PERMANENTLY RESTRICTED NET ASSETS:

There are no permanently restricted net assets as of September 30, 2011 and 2010.

NOTE C-TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets as of September 30, 2011 and 2010 are available for the following programs:

	2011	2010	
Construction	\$ 42,022	\$ 52,787	
Food & Milk	3,445	11,621	
Micro Lending	22,472	627	
Family Support	54,976	26,110	
Schooling	90,786	124,203	
	\$ 213,701	\$ 215,348	



MAYAN FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

NOTE C-TEMPORARILY RESTRICTED NET ASSETS-CON'T:

For the years ended September 30, 2011 and 2010, net assets released from restricted donations amounted to \$885,941 and \$588,704, respectively. These funds were used for the following programs:

	<u>2011</u>	<u>2010</u>
Chickens	\$ 6,955	\$ 3,796
Christmas	47,369	40,026
Construction	92,960	69,103
Easter Baskets	18,277	12,710
Fathers' Day Baskets	1,926	-
Family Support	181,669	156,969
Food and Milk	20,660	9,009
Healthy Pets	39,975	26,256
Medical	42,727	13,607
Micro lending	58,696	27,081
Mothers' Day Baskets	6,755	9,492
Schooling	332,303	200,174
Sewing	5,090	-
Stoves	17,668	15,337
Water Filters	12,911	5,144
	<u>\$ 885,941</u>	<u>\$ 588,704</u>
Total	<u>\$ 885,941</u>	<u>\$ 588,704</u>

NOTE D-PROPERTY AND EQUIPMENT:

At September 30, 2011 and 2010, the organization had the following property and equipment:

	<u>2011</u>	<u>2010</u>
Furniture & Equipment	\$ 15,709	\$ 2,620
Vehicles	17,241	17,241
Land	7,654	4,359
	<u>40,604</u>	<u>24,220</u>
Accumulated Depreciation	(8,076)	(2,490)
	<u>\$ 35,528</u>	<u>\$ 21,730</u>
Net Property & Equipment	<u>\$ 35,528</u>	<u>\$ 21,730</u>



MAYAN FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

NOTE E-SUPPORTING SERVICES:

Supporting services for the years ended September 30, 2011 and 2010 consisted of the following:

	<u>2011</u>	<u>2010</u>
Accounting	\$ 4,907	\$ 3,767
Automobile/Vehicle	19,541	-
Computer	4,329	-
Contract Labor	178,698	89,534
Depreciation	5,586	2,227
Field Area	-	10,628
General and Administrative	34,398	15,969
Insurance	3,165	5,712
Kitchen	19,913	15,914
Leases	23,195	7,093
Marketing	1,568	-
Miscellaneous	10,717	-
Phone Cards	8,745	5,122
Postage	1,611	-
Private Transportation	3,388	9,783
Professional Fees	5,965	4,395
Public Transportation	10,720	1,209
Recollection	3,242	-
Repairs and Maintenance	14,049	8,893
Stationery	-	1,839
Supplies	3,241	4,452
Telephone	7,593	5,374
Tools and Equipment	3,827	7,096
Utilities	3,991	4,940
Web Page and Maintenance	6,611	726
	<u>\$ 379,000</u>	<u>\$ 204,673</u>
Total		

NOTE F-COMMITMENTS AND CONTINGENCIES / RELATED PARTY TRANSACTIONS:

The facilities presently used as the organization's office are leased on a month to month basis from one of the members of the board of directors. For the fiscal year ended September 30, 2011, the organization paid a total of \$23,195 as rent expense.



MAYAN FAMILIES  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2011

NOTE G-FAIR VALUE MEASUREMENTS:

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of September 30, 2011, there were no assets and liabilities measured at fair value.

NOTE H-SUBSEQUENT EVENT:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 9, 2012, the date the financial statements were available to be issued. There were no subsequent events that requiring adjustments to and disclosures in the financial statements as of and for the year ended September 30, 2011.

