

**MAIA**

Financial Statements  
As Of September 30, 2020  
(With Summarized Financial Information  
As Of September 30, 2019)

Together With Independent Auditors' Report

**JDS** professional  
group

certified public accountants, consultants and advisors

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of MAIA:

**Report on the Financial Statements**

We have audited the accompanying financial statements of MAIA (the "Organization"), which comprise the statement of financial position as of September 30, 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 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 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.

*Members:*

*American Institute of Certified Public Accountants • Colorado Society of Certified Public Accountants*

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Independent Auditor's Report (Continued)

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 MAIA as of September 30, 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.

**Reporting on Summarized Comparative Information**

We have previously audited the Organization's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*JDS Professional Group*

April 14, 2021

**MAIA**

## Statement Of Financial Position

As Of September 30, 2020

(With Summarized Financial Information As Of September 30, 2019)

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<b>ASSETS</b>	<u>2020</u>	<u>2019</u>
Current Assets:		
Cash and cash equivalents	\$ 647,359	\$ 520,262
Promises to give, current portion	328,630	325,895
Receivables		679
Prepaid expenses		826
Total Current Assets	<u>975,989</u>	<u>847,662</u>
Long-term Assets:		
Property and equipment, net		1,976
Promises to give - net of current portion and discount	<u>587,604</u>	<u>563,911</u>
Total Long-term Assets	<u>587,604</u>	<u>565,887</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,563,593</u></b>	<b><u>\$ 1,413,549</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	<u>\$ 7,733</u>	<u>\$ 27,177</u>
Net Assets:		
Without Donor Restrictions	626,894	496,566
With Donor Restrictions	<u>928,966</u>	<u>889,806</u>
Total Net Assets	<u>1,555,860</u>	<u>1,386,372</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 1,563,593</u></b>	<b><u>\$ 1,413,549</u></b>

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

**MAIA**

## Statement Of Activities

For The Year Ended September 30, 2020

(With Summarized Financial Information For The Year Ended September 30, 2019)

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	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>Support And Revenue:</b>				
Contributions and grants	\$ 956,682	\$ 309,630	\$ 1,266,312	\$ 1,142,501
Special events				53,752
Less: costs of direct benefits to donors				(23,159)
Net special events				30,593
Interest and other	3,280		3,280	9,140
Net assets released from restrictions - Satisfaction of purpose restrictions	270,470	(270,470)		
<b>Total Support And Revenue</b>	<u>1,230,432</u>	<u>39,160</u>	<u>1,269,592</u>	<u>1,182,234</u>
<b>Expenses:</b>				
Program Services	923,126		923,126	1,432,063
Supporting Services - General and administrative	30,746		30,746	33,354
Fundraising	146,232		146,232	185,891
<b>Total Expenses</b>	<u>1,100,104</u>		<u>1,100,104</u>	<u>1,651,308</u>
<b>CHANGES IN NET ASSETS FROM OPERATIONS</b>	<u>130,328</u>	<u>39,160</u>	<u>169,488</u>	<u>(469,074)</u>
Net Assets, Beginning Of Year	<u>496,566</u>	<u>889,806</u>	<u>1,386,372</u>	<u>1,855,446</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 626,894</u>	<u>\$ 928,966</u>	<u>\$ 1,555,860</u>	<u>\$ 1,386,372</u>

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

**MAIA**

**Statement Of Functional Expenses  
For The Year Ended September 30, 2020  
(With Summarized Financial Information As of September 30, 2019)**

	Program Services	Supporting Services		2020 Total	2019 Total
		General and Administrative	Fundraising		
Expenses -					
Direct Assistance:					
Distributions to Estrella de Mar - Operating	\$ 816,255	\$	\$	\$ 816,255	\$ 1,005,574
Distributions to Estrella de Mar - Land and School					261,205
Total Direct Assistance	<u>816,255</u>			<u>816,255</u>	<u>1,266,779</u>
Other Expenses:					
Salaries, payroll taxes, and related benefits	102,265	4,648	125,508	232,421	269,146
Consulting			3,774	3,774	39,071
Travel, lodging, and meals			5,132	5,132	18,774
Professional fees		17,974		17,974	20,550
Occupancy	1,200	55	1,473	2,728	12,129
Events and meetings			3,402	3,402	901
Bank fees		7,913		7,913	811
Supplies	332	15	407	754	830
Other	791	37	2,221	3,049	7,078
Printing and production			1,511	1,511	5,478
Depreciation	870	40	1,067	1,977	1,425
Telephone	205	9	255	469	795
Insurance	1,106	50	1,357	2,513	6,798
Postage and delivery	102	5	125	232	743
Total Other Expenses	<u>106,871</u>	<u>30,746</u>	<u>146,232</u>	<u>283,849</u>	<u>384,529</u>
Total	<u>\$ 923,126</u>	<u>\$ 30,746</u>	<u>\$ 146,232</u>	<u>\$ 1,100,104</u>	<u>\$ 1,651,308</u>

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

**MAIA**

## Statement Of Cash Flows

For The Year Ended September 30, 2020

(With Summarized Financial Information For The Year Ended September 30, 2019)

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	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Changes in net assets from operations	\$ 169,488	\$ (469,074)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	1,976	1,425
Discount on promises to give	14,000	(18,511)
Donation of investments	(49,035)	
Changes in assets and liabilities -		
(Increase) decrease in promises to give	(40,428)	163,010
Decrease in receivables	679	
Decrease in prepaid expenses	826	
(Increase) decrease in accounts payable and accrued liabilities	(19,444)	8,583
Net cash provided by (used in) operating activities	<u>78,062</u>	<u>(314,567)</u>
Cash flows from investing activities:		
Sale of investments	<u>49,035</u>	
Net cash provided by investing activities	<u>49,035</u>	
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>127,097</b>	<b>(314,567)</b>
Cash And Cash Equivalents, Beginning Of Year	<u>520,262</u>	<u>834,829</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b><u>\$ 647,359</u></b>	<b><u>\$ 520,262</u></b>

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

**(1) Nature Of The Organization**

MAIA (the “Organization”) is a Colorado nonprofit organization incorporated and located in the State of Colorado and Guatemala. The Organization’s mission is to empower young Guatemalan women through education and mentorship to become leaders in their community. The Organization furthers its program mission by providing assistance to Estrella de Mar, dba Asociación MAIA, a non-governmental organization registered in Guatemala. Estrella de Mar provides scholarships to young women, employs local Mayan mentors for academic support, and extends career guidance to beneficiaries. Funds transferred to Estrella de Mar for general operating needs totaled \$816,255 during the year ended September 30, 2020.

The Organization and Estrella de Mar operate as related entities but do not consolidate their financial statements as the criteria for financial consolidation (significant influence and economic interest) have not been met. The financial statements of Estrella de Mar are audited annually by independent auditors in Guatemala. Estrella de Mar operates on a calendar year.

The cost of doing business in Guatemala is significantly less than in the United States, a fact which is important when considering our spending in the U.S. versus Guatemala. The exchange rate as of September 30, 2020, was 7.78 Quetzal to 1 USD. This is one of the reasons why the Organization is transitioning as many responsibilities as possible to the Guatemalan offices, in order to increase job prospects for the local team members as well as continuously decrease the U.S.-based expenses.

**(2) Summary Of Significant Accounting Policies****Method Of Accounting**

The financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

**Basis Of Presentation**

Financial statement presentation follows the recommendations of *Financial Statements for Not-for-Profit Organizations*. Under this standard, the Organization is required to report information regarding financial position and activities according to the following net asset classifications:



**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity. The Organization does not have any funds that must be held in perpetuity.

#### Risks and Uncertainties

The global community has been under a significant threat from coronavirus ("COVID-19"). The extent to which the COVID-19 pandemic impacts the Organization's business, results of operations and financial condition will depend on future developments, which are still uncertain and cannot be predicted. Even after the COVID-19 pandemic has subsided, the Organization may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Organization cannot reasonably estimate the impact at this time.

#### 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Several of the positions that were based in Colorado are now based in Guatemala. This long-term transition helps the Organization ensure it can maintain its value of local leadership by creating a pathway for development and fundraising jobs to be held by Guatemalans. Additionally, it lowers the cost of human resources since the cost of living is so much less in Guatemala than it is in Colorado. The Organization's budget reflects this trajectory, as the allocations are mostly reflected in program services for all staff based in Guatemala, while staff based in the U.S. have expense allocations largely reflected in fundraising and administration.

#### Measure Of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non operating activities. Operating activities consists of those items attributable to the

Organization's ongoing program services and investment earnings. Nonoperating activities are limited to activities considered to be of a more unusual or nonrecurring nature.

#### Revenue And Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; or an unconditional promise to give is received. Unconditional promises to give are recorded at net realizable value if expected to be collected in one year and at net present value if expected to be collected in more than one year. As of September 30, 2020, the Organization had promises to give of \$930,323. Conditional promises to give with a measurable performance or other barrier and a right of return/right of release are not recognized until the conditions on which they depend have been met. As of September 30, 2020, there were no conditional promises to give.

The allowance method is used to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific pledges. No allowance for uncollectible promises to give has been recorded as management believes all promises to give recorded as of September 30, 2020, to be collectible.

Promises to give that are expected to be collected within one year are recorded at their net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. During the year ended September 30, 2020, the discount rate utilized was from 0.13% to 2.61%.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with 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 statement of activities as net assets released from restrictions.

#### Cash And Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and demand deposit accounts. The Organization considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

#### Property And Equipment

Property and equipment is stated at cost, or fair value if contributed. Expenditures for maintenance, repairs, and minor replacements are charged to operations, and expenditures for major replacements

and betterments of \$500 and greater are capitalized. Property and equipment is depreciated on a straight line basis over the estimated useful lives of 3 to 7 years.

#### Methods Used For Allocation Of Expenses From Management And General Activities

The mission of the Organization is to resource and support its Guatemalan counterpart. The primary expense of the Organization is its monthly wire transfer to the Guatemalan entity, which provides almost the entirety of their operating budget (all salaries, beneficiary expense, partner training, building expense, etc). For this reason, this expense is reflected as program services.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization and therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including salaries, payroll taxes, and related benefits, occupancy, supplies, other expense, depreciation, telephone, insurance, and postage and delivery which were allocated to a functional category based on the estimate of time and effort. All remaining costs are charged directly to the functions benefitted.

#### Fair Value Measurements

The carrying amount reported in the statement of financial position for cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

#### Adoption of New Accounting Pronouncement

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers: Topic 606*, to supercede nearly all existing revenue recognition guidance relative to exchange transactions under U.S. GAAP. The Organization adopted the provisions of this guidance on October 1, 2019, using the modified retrospective approach and applied the standard to contracts as of the date of adoption. The adoption did not have a material impact on the Organization’s revenue recognition.

In June 2018, FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope of the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies how entities determine whether to account for a transfer of assets as an exchange transaction or contribution. The distinction is important because contributions are accounted for under Accounting Standards Codification (ASC) 958-605, *Not-for-Profit Entities -Revenue Recognition*, which exchange transactions are accounted for under other guidance such as ASC 606, *Revenue from Contracts with Customers*. The guidance also clarified how entities determine whether a contribution is conditional or unconditional. The Organization adopted the provisions of this guidance on October,

2019, using the prospective approach. The Organization adopted the provisions of this guidance on January 1, 2019, using the prospective approach. The adoption did not have a material impact on the Organization's revenue recognition.

#### Prior Year Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended September 30, 2019, from which the summarized information was derived.

#### Evaluation of Subsequent Events

The Organization has performed an evaluation of subsequent events through April 14, 2021, which is the date the financial statements were available to be issued, and has considered any relevant matters in the preparation of the financial statements and footnotes.

### (3) Tax Exempt Status

The Organization is a nonprofit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying financial statement contain no provisions for income taxes. In addition, contributions to the Organization qualify for the charitable contribution deduction under Section 170(b)(1)(A) and the Organization has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization follows the Accounting for Uncertainty in Income Taxes accounting standard which requires the Organization to determine whether a tax position (and the related tax benefit) is more likely than not to be sustained upon examination by the applicable taxing authority, based solely on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. During the year ended September 30, 2020, the Organization's management evaluated its tax positions to determine the existence of uncertainties, and did not note any matters that would require recognition or which may have an affect on its tax-exempt status.

The Organization is no longer subject to U.S. federal tax audits on its Form 990 by taxing authorities for fiscal years ending prior to 2017. The years subsequent to this year contain matters that could be

subject to differing interpretations of applicable tax laws and regulations. Although the outcome of tax audits is uncertain, the Organization believes no issues would arise.

(4) **Concentrations Of Credit Risk**

The Organization's cash demand deposits are held at one financial institution. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of September 30, 2020, the Organization's uninsured cash balances were approximately \$145,646.

As of September 30, 2020, 55% of the promises to give was from one donor.

(5) **Promises To Give**

As of September 30, 2020, promises to give consisted of the following:

Due in one year or less	\$ 328,630
Due between one year and five years	601,693
Less unamortized discount	(14,089)
Total promises to give	<u>\$ 916,234</u>

(6) **Net Assets With Donor Restrictions**

As of September 30, 2020, net assets with donor restrictions consisted of net assets subject to the passage of time of \$926,966.

(7) **Employee Benefit Plan**

The Organization maintains a 403(b) Plan covering all employees over the age of 21 who agree to make contributions to the Plan. The Plan does not include provisions for employer contributions.

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(8) **Liquidity And Availability Of Financial Assets**

The following reflects the Organization's financial assets as of September 30, 2020:

Financial assets at year end	
Cash and cash equivalents	\$ 647,359
Promises to give, current portion	<u>328,630</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 975,989</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. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in money market accounts.