

**FUNDACION NAMASTE GUATEMAYA**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(WHIT INDEPENDENT AUDITOR'S REPORT)

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**INDEPENDENT AUDIT REPORT**

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**To the Board of Directors of the  
Fundación NAMASTE Guatemala  
Antigua Guatemala**

Financial statements report

We have audited the accompanying combined financial statements of FUNDACION NAMASTE GUATEMAYA, which include the balances at December 31, 2013, the statements of revenue and expenditures and combined cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

Management's responsibility in relation to combined financial statements

The administration of FUNDACION NAMASTE GUATEMAYA, is responsible for the preparation and fair presentation of the accompanying combined financial statements in accordance with the cash management methods and the internal control that the administration determined necessary to allow the preparation of combined financial statements free of inaccuracies due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the combined financial statements based on our audit. We conducted our audit in accordance with International Auditing Standards. Those standards require that we comply with ethical requirements and that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the combined financial statements, whether due to fraud or error. To make this assessment of

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### Contadores Públicos y Auditores Independientes

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risks, the auditor considers the internal control relevant to the preparation and fair presentation by entity combined financial statements in order to design audit procedures that are appropriate in light of the circumstances and not for the purpose of expressing an opinion on the effectiveness of the internal control of entity. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the administration, as well as evaluating the overall presentation of the combined financial statements.

We consider our audit contains sufficient and appropriate evidence to provide a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respect, the financial position of the Fundación Namaste Guatemala, to December 31, 2013, the results of its operations and its cash flows for the year ended on that date in accordance with Generally Accepted Accounting Principles.

Lic. José Mamerto Armas  
Independent Auditor

**FUNDACION NAMASTE GUATEMAYA**  
**BALANCE SHEET**  
**DECEMBER 31, 2013**

**ASSETS**

**Current assets**

|                               |              |
|-------------------------------|--------------|
| Cash and equivalents (Note 4) | 346.032,63   |
| Other Assets (Note 5)         | 1.129.861,91 |

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|                     |                     |
|---------------------|---------------------|
| <b>TOTAL ASSETS</b> | <b>1.475.894,54</b> |
|---------------------|---------------------|

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**LIABILITIES**

**Current liabilities**

|                   |                   |
|-------------------|-------------------|
| Payables (Note 6) | <u>840.768,12</u> |
| Total liabilities | 840.768,12        |

|  |                     |
|--|---------------------|
| Patrimony                              | 50.000,04           |
| Increase Assets restricted 2013        | 472.664,10          |
| Income apply Acum                      | 112,462.28          |
| <b>TOTAL LIABILITIES AND PATRIMONY</b> | <b>1.475.894,54</b> |

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See accompanying notes to the financial statements

**FUNDACION NAMASTE GUATEMAYA  
REVENUE AND EXPENSES STATEMENTS  
JANUARY 01, TO DECEMBER 31, 2013**

**REVENUE**

|                 |                     |
|-----------------|---------------------|
| Grants (Note 7) | 2.018.967,85        |
| Bank Interests  | 104,11              |
| Total           | <u>2.019.071,96</u> |

**EXPENSES**

|                         |                     |
|-------------------------|---------------------|
| Program (Note 8)        | 1.326.211,42        |
| Administration (Note 9) | 220.196,44          |
| Total                   | <u>1.546.407,86</u> |

|   |                          |
|---|--------------------------|
| Increase Assets restricted (Income apply) | <u><u>472.664,10</u></u> |
|---|--------------------------|

See accompanying notes to the financial statements.

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### FUNDACION NAMASTE GUATEMAYA

#### CASH FLOW

#### JANUARY 01, TO DECEMBER 31, 2013

|  |                     |                          |
|--|---------------------|--------------------------|
| Income apply 2013                      |                     | 472.664,10               |
| <u>CASH FLOW OPERATING ACTIVITIES</u>  |                     |                          |
| <u>Variation</u>                       |                     |                          |
| Increase salary advance                | (449,00)            |                          |
| Increase rent deposit                  | (50,00)             |                          |
| Exchange Differential                  | 100,00              |                          |
| Decrease benefits laboral              | (6.604,26)          |                          |
| Decrease payables account              | (1.148,55)          |                          |
| Increase ISR payable                   | 352,32              |                          |
| Increase patronal payables             | 525,04              |                          |
| Cash flow operating activities         | <u>(7.274,45)</u>   |                          |
| <u>CASH FLOW INVESTMENT ACTIVITIES</u> |                     |                          |
| Increase SOFTWARE -QLIKVIEW-           | <u>(397.928,01)</u> |                          |
| Cash flow investment activities        | (397.928,01)        |                          |
| <u>CASH FLOW FINANCING ACTIVITIES</u>  |                     |                          |
| O2G2011 Program                        | 450.111,21          |                          |
| O2G2013 Program                        | (466.143,07)        |                          |
| Estufas Dora Program                   | (4.950,00)          |                          |
| Programa Estrellas                     | (80.000,00)         |                          |
| O2G2011 Guarantee                      | (19.844,11)         |                          |
| O2G2013 Guarantee                      | 31.996,50           |                          |
| OPEN TO GROW PAYABLE                   | 76.335,22           |                          |
| NAMASTE PAYABLE                        | (29.845,77)         |                          |
| ESTUFAS DORA PAYABLE                   | 3.000,00            |                          |
| KIVA PAYABLE                           | 142.843,85          |                          |
| Cash flow Financing activities         | <u>103.503,83</u>   |                          |
| Cash Flow 2013                         |                     | (301.698,63)             |
| Initial Cash 2013                      |                     | <u>175.067,16</u>        |
| Cash and equivalent ended period 2013  |                     | <u><b>346.032,63</b></u> |

FUNDACION NAMASTE GUATEMAYA  
PATRIMONIAL STATEMENT  
DECEMBER 31, 2013

| <b>PATRIMONIAL</b>                                    | <b>Initial</b>   | <b>Acumulated</b> | <b>2013</b>       | <b>Totals</b>     |
|---|------------------|-------------------|-------------------|-------------------|
| Initial   | 50.000,04        |                   |                   | 50.000,04         |
| Increase Assets restricted (Income apply accumulated) |                  | 112.462,28        |                   | 112.462,28        |
| Increase Assets restricted 2013                       |                  |                   | 472.664,10        | 472.664,10        |
| <b>End Balance</b>                                    | <b>50.000,04</b> | <b>112.462,28</b> | <b>472.664,10</b> | <b>635.126,42</b> |



**FUNDACION NAMASTE GUATEMAYA**  
**Summary of Accounting Policies and Other Explanatory Information**  
**For the periods ended December 31, 2013**

**Note 1**

**CONSTITUTION**

On June 07, 2008, was established of the Fundacion Namaste Guatemala, according the laws of the Republica de Guatemala, the foundation is non profit, non political and non religious.

The foundation draws on mobile human solidarity, and therefore does not constitute an obstacle for the development of other, its primary purpose is the provision of benefits or aid following services: providing the necessary assistance to poor people of Guatemala, provide training, cooperate with institutions of similar purpose, help the overall development of poor people among others, according to the articles of association.

**Note 2**

**CURRENCY**

The financial statements are presented in quetzales, the monetary unit of the Republica de Guatemala. The purchase and sale of foreign exchange should be made in the national banking system, under the provisions issued by the Monetary Board in this regard.

The Bank of Guatemala, is authorized by the Monetary Board to execute monetary policy entity, periodically publishes the reference exchange to be used in the banking system.

**Note 3**

**SIGNIFICANT ACCOUNTING POLICIES**

A summary of the significant accounting policies adopted by the Foundation in the presentation of financial statements is presented:

**Presentation base**

These financial statements are presented in accordance with accounting principles generally accepted in Guatemala. These financial statements are prepared on the basis of the ISR Law and have been prepared on the historical cost basis.

### Revenue Recognition

The Foundation recognizes its revenue at the time of grant donors.

### Accounts Receivable

Accounts receivable are stated at original loan amount minus amortization performing the beneficiaries. The foundation does not usually maintain a reserve for doubtful accounts in accordance with the ISR Law.

### Property, Plant and Equipment and Improvements

Currently the foundation has no tangible fixed assets recorded only as an asset donating a computer license.

### Employee benefits

The provisions of the Código de Trabajo in Guatemala, stipulate that in the event of unjustified dismissal of an employee, a compensation should be paid to the employee in relation to time of service to the company, equivalent to a month's salary for each year of service. In case of death, compensation shall pass to the employee successors. The Foundation's policy is to pay compensation in accordance with the provisions of the Código de Trabajo and records compensation expense in the income statement when the payment thereof is made.

#### Note 4

Cash and equivalent

|                                   |                   |
|-----------------------------------|-------------------|
| <b>Operations Account</b>         | 1.763,79          |
| <b>BBD MICROCREDIT CHECKING</b>   | 263.392,86        |
| <b>STARZ MICROCREDIT CHECKING</b> | 50.385,45         |
| <b>SAVINGS ACCOUNT</b>            | 411,00            |
| <b>PAYROLL ACCOUNT</b>            | 28.179,53         |
| <b>PETTY CASH</b>                 | 1.900,00          |
| <b>Total</b>                      | <b>346.032,63</b> |

#### Note 5

Other Assets

|                                   |                     |
|-----------------------------------|---------------------|
| <b>Advance in salaries</b>        | 449,00              |
| <b>O2G2011 PROGRAM</b>            | 68.914,33           |
| <b>O2G2013 PROGRAM</b>            | 466.143,07          |
| <b>ESTUFAS DORA PROGRAM</b>       | 4.950,00            |
| <b>PROGRAMA ESTRELLAS</b>         | 80.000,00           |
| <b>RENT DEPOSIT</b>               | 3.700,00            |
| <b>DIFFERENTIAL</b>               | (100,00)            |
| <b>QLLIKVIEW SOFTWARE LICENSE</b> | 505.805,51          |
| <b>Total</b>                      | <b>1.129.861,91</b> |

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## Contadores Públicos y Auditores Independientes

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### Note 6

#### Payables

|   |                   |
|---|-------------------|
| <b>O2G2011 GUARANTEE</b>                                | 25.022,93         |
| <b>O2G2013 GUARANTEE</b>                                | 31.996,50         |
| <b>PROVISION SAFEGUARD LABOR</b>                        | 27.894,61         |
| <b>ACCOUNTS PAYABLE</b>                                 | 400,00            |
| <b>TAXES RETAINED PENDING TO PAY</b>                    | 856,16            |
| <b>EMPLOYER/EMPLOYEE SOCIAL SECURITY PENDING TO PAY</b> | 10.267,09         |
| <b>OPEN TO GROW PENDING TO PAY</b>                      | 598.486,98        |
| <b>PAGAR ESTUFAS DORA PENDING TO PAY</b>                | 3.000,00          |
| <b>KIVA PENDING TO PAY</b>                              | 142.843,85        |
| <b>Total</b>  | <b>840.768,12</b> |

### Note 7

#### Grant

|                                  |                     |
|----------------------------------|---------------------|
| <b>ADVISING PROGRAM DONATION</b> | 75.700,00           |
| <b>Associated Organizations</b>  | 335.193,77          |
| <b>NAMASTE DIRECT Donation</b>   | 1.209.421,07        |
| <b>Other Donations</b>           | 398.553,01          |
| <b>ESTUFAS DORA Donations</b>    | 100,00              |
| <b>Total</b>                     | <b>2.018.967,85</b> |

### Note 8

#### Programs

|                                       |                     |
|---------------------------------------|---------------------|
| <b>LEGAL AND FINANTIAL ADVICE</b>     | 34.129,00           |
| <b>SALARIES</b>                       | 809.282,93          |
| <b>INCENTIVE BONUS</b>                | 80.484,85           |
| <b>SOCIAL SECURITY EMPLOYER QUOTA</b> | 86.349,96           |
| <b>BONUS 14 AND CHRISTMAS BONUS</b>   | 134.483,01          |
| <b>TRAINING</b>                       | 16.790,80           |
| <b>TRAVEL EXPENSES</b>                | 122.552,53          |
| <b>WORKERS COMPENSATION</b>           | 29.408,57           |
| <b>PROMOTION</b>                      | 12.729,77           |
| <b>Total</b>                          | <b>1.326.211,42</b> |

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## Contadores Públicos y Auditores Independientes

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Note 9

Administration cost

|                                     |                   |
|-------------------------------------|-------------------|
| <b>ADMINISTRATIVE EXPENSES</b>      | 158.048,54        |
| <b>RENT</b>                         | 44.075,00         |
| <b>ELECTRIC, PHONE AND INTERNET</b> | 13.020,56         |
| <b>OFFICE SUPPLIES</b>              | 5.052,34          |
| <b>Total</b>                        | <b>220.196,44</b> |

Note 10

The Foundation has not been required for a tax audit by the Tax Authority - SAT, for the years 2009, 2010, 2011, 2012 and 2013, so are acquiescent to review by this entity.