



Magis Americas, Inc.

Financial Statements and Independent Auditor's Report

For the Year(s) Ended December 31, 2018 and 2017

MAGIS AMERICAS, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
YEAR ENDED DECEMBER 31, 2018 and 2017

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Independent Auditors' Report

To the Board of Directors
Magis Americas, Inc.
Washington, DC

Report on the Financial Statements

We have audited the accompanying financial statements of Magis Americas, Inc (Magis) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities 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 Magis Americas, Inc. as of December 31, 2018 and 2017 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hamilton Enterprises LLC

March 28, 2019

MAGIS AMERICAS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 and 2017

Assets	2018	2017
Cash and cash equivalents	<u>\$ 690,943</u>	<u>\$ 715,357</u>
Accounts receivable	<u>77,507</u>	<u>-</u>
Fixed assets, net of accumulated depreciation	<u>-</u>	<u>-</u>
Total assets	<u><u>\$ 768,450</u></u>	<u><u>\$ 715,357</u></u>
Liabilities and Net Assets		
Accounts payable	<u>\$ 48,539</u>	<u>\$ 32,115</u>
Total liabilities	<u><u>\$ 48,539</u></u>	<u><u>\$ 32,115</u></u>
Net Assets		
Unrestricted	<u>\$ 719,911</u>	<u>\$ 683,242</u>
Total net assets	<u><u>719,911</u></u>	<u><u>683,242</u></u>
Total liabilities and net assets	<u><u>\$ 768,450</u></u>	<u><u>\$ 715,357</u></u>

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

MAGIS AMERICAS, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 and 2017

Changes in Unrestricted Net Assets:		
Support and revenue:	2018	2017
Contributions	\$1,419,190	\$1,078,178
Net assets released from restrictions - satisfaction of program restrictions	-	-
Total unrestricted support and revenue	1,419,190	1,078,178
Expenses:		
Program services	1,091,415	532,719
Management and general	143,857	3,105
Fundraising	147,249	51,085
Total expenses	1,382,521	586,909
Changes in unrestricted net assets	36,669	491,269
Changes in Temporarily Restricted Net Assets		
Contributions	-	-
Net assets released from restrictions (Note)	-	-
Changes in temporarily restricted net assets	-	-
Changes in net assets	36,669	491,269
Net assets at beginning of year	683,242	191,973
Net assets at end of year	\$719,911	\$683,242

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

MAGIS AMERICAS, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 and 2017

Cash Flows From Operating Activities:	<u>2018</u>	<u>2017</u>
Change in net assets	\$ 36,669	\$ 491,269
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Change in operating assets and liabilities:		
Accounts receivable	(77,507)	-
Accounts payable	<u>16,424</u>	<u>32,115</u>
Net cash from operating activities	<u>(24,414)</u>	<u>523,384</u>
 Cash Flows From Investing Activities:	 <u>-</u>	 <u>-</u>
 Cash Flows From Financing Activities:	 <u>-</u>	 <u>-</u>
 Net increase (decrease) in cash and cash equivalents	 (24,414)	 523,384
Cash and cash equivalents at beginning of year	<u>715,357</u>	<u>191,973</u>
Cash and cash equivalents at end of year	<u><u>\$ 690,943</u></u>	<u><u>\$ 715,357</u></u>

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

MAGIS AMERICAS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

Magis Americas, Inc. ("Magis") was designated in December 2005 as a 501(c)3 non-profit entity. The mission of Magis is to expand the availability of quality education and vocational training for people living in marginalized and impoverished communities throughout Latin America and the Caribbean.

Program Descriptions

Magis Americas assists the Fe y Alegría network of schools and training centers in Latin America and the Caribbean to prepare and submit applications for funding of its programs to North American donors. Magis Americas serves as an intermediary between the Fe y Alegría grant receiving organizations in 17 countries and the US foundations, private donors, and corporations.

Historically Magis Americas has also initiated and facilitated action partnerships between Fe y Alegría and international agencies and private corporations. The partnerships facilitated by Magis Americas were aimed at introducing better methods of teacher training, curriculum development, school management, performance monitoring and community involvement in both Fe y Alegría schools and in public schools serving poor communities throughout the region.

Magis Americas actively engages agencies and private companies to participate in action partnerships.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Magis and changes therein, are classified and reported as follows:

Unrestricted Net Assets- Net assets not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets- Net assets subject to donor-imposed stipulations that may or will be met by either actions of Magis and/or the passage of time. Magis had no temporarily restricted net assets as of December 31, 2018 and 2017.

Permanently Restricted Net Assets- Net assets subject to donor-imposed stipulations that they be maintained permanently by Magis. Magis had no permanently restricted net

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

MAGIS AMERICAS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(continued)

assets as of December 31, 2018 and 2017.

Cash and Cash Equivalents

Magis considers demand deposit accounts, money market funds and investments purchased with an original maturity of three months or less to be cash and cash equivalents.

Accounts and Grants Receivable

Accounts and grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection of information and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all receivables are fully collectible within one year and no provision for allowance for doubtful is deemed necessary.

Property and Equipment

Property and equipment acquisitions over \$500 are capitalized and are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Revenue Recognition

Grants and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and change in net assets as net assets released from restrictions.

Functional Allocation of Expenses

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

Use of Estimates

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

MAGIS AMERICAS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(continued)

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of revenue and expenses during the reporting periods and reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

NOTE C – INCOME TAXES

Magis is a 501(c)(3) organization exempt from Federal income tax under Section 501(a) of the Internal Revenue Code. Magis is, however, subject to tax on business income unrelated to their exempt purpose.

Magis believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

Magis' income tax returns are subject to examination by the Internal Revenue Service ("IRS") for a period of three years from the date they were filed, except under certain circumstances. The Form 990 tax returns for the year 2018 and 2017 are open for a tax examination by the IRS, although no request has been made as of the date of these financial statements.

NOTE D - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist of demand deposits with a financial institution. At December 31, 2018, there are \$440,925 balances exceeding FDIC insurance of \$250,000. The Company believes there is minimal credit risk relative to its cash and investment accounts.

MAGIS AMERICAS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2017
(continued)

NOTE E – FIXED ASSETS

A summary of property and equipment at December 31, 2018 and 2017 is as follows:

	Estimated Useful Lives	2018	2017
Furniture and equipment	5/7 years	\$ 5,856	\$ 5,856
Web development	3 years	17,000	17,000
Total fixed assets		<u>\$ 22,856</u>	<u>\$ 22,856</u>
Less accumulated depreciation		<u>(22,586)</u>	<u>(22,586)</u>
Total fixed assets, net of accumulated depreciation		<u>\$ -</u>	<u>\$ -</u>

Property and equipment for Magis is fully depreciated. As such, depreciation expense was \$-0- for the year ended December 31, 2018 and 2017.

NOTE F – RELEASE OF TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

Purpose restrictions accomplished:	2018	2017
Acting for Life	\$ -	\$ -
Loyola Foundation	-	-
Total restrictions released	<u>\$ -</u>	<u>\$ -</u>

NOTE G – SUBSEQUENT EVENTS

In preparing these financial statements, Magis' management has evaluated events and transactions for potential recognition or disclosure through March 28, 2019, the date the financial statements were available to be issued. There were no additional events or transactions discovered during the evaluation that required review.

MAGIS AMERICAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2018 and 2017

	Program Services	Support Services		2018 Total	2017 Total
		Management and General	Fundraising		
Personnel, salary and benefits	\$ -	\$ 83,401	\$ -	\$ 83,401	\$ -
Grants to other organizations	\$ 1,091,415	\$ 20,105	\$ -	\$ 1,111,520	\$ 532,719
Travel	\$ -	\$ 8,639	\$ -	\$ 8,639	\$ -
Fundraising Event	\$ -	\$ -	\$ 125,706	\$ 125,706	\$ 44,786
Professional fees	\$ -	\$ 13,750	\$ -	\$ 13,750	\$ 3,000
Telephone and utilities	\$ -	\$ 15,011	\$ -	\$ 15,011	\$ -
Office expenses	\$ -	\$ 2,951	\$ -	\$ 2,951	\$ 105
Bank fees	\$ -	\$ -	\$ 21,543	\$ 21,543	\$ 6,299
Total expenses	\$ 1,091,415	\$ 143,857	\$ 147,249	\$ 1,382,521	\$ 586,909

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