

**Report to the  
Board of Directors**

# **Peru Mission USA, Inc.**

**September 30, 2019**



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## **Contacts**

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## Communication with Those Charged with Governance

April 8, 2020

Board of Directors  
Peru Mission USA, Inc.  
Greenville, South Carolina

We have audited the financial statements of Peru Mission USA, Inc. (the "Organization") for the year ended September 30, 2019, and have issued our report thereon dated April 8, 2020. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 4, 2019. Professional standards also require that we communicate to you the following information related to our audit.

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements.

As described in Note 1 to the financial statements, the Organization adopted the provisions of Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, ("ASU 2016-14"). The Update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity of available resources, and the lack of consistency in the type of information provided about expenses and investment return.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the functional expense allocation is based on review of expenses and allocating them among programs and supporting services that benefited. We evaluated the key factors and assumptions used to develop the functional expense allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statements users. The most sensitive disclosure affecting the financial statements was:

The adoption of FASB Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, ("ASU 2016-14") described in Note 1 to the financial statements

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Report to the Board of Directors  
Peru Mission USC, Inc.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audits.

**Management Representations**

We have requested certain written representations from management that are included in the management representation letter included at Appendix A.

**Management Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Significant Matters, Findings, or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Peru Mission USA, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*Dixon Hughes Goodman LLP*

**Greenville, South Carolina**

**Appendix A**  
**Management Representation Letter**

April 8, 2020

Dixon Hughes Goodman LLP  
11 Brendan Way  
Suite 200  
Greenville, SC 29615

This representation letter is provided in connection with your audit of the financial statements of Peru Mission USA, Inc. (the "Organization"), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 4, 2019, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
2. We acknowledge our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. The following have been properly accounted for and disclosed in the financial statements:
  - a. Related-party relationships and transactions, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties
  - b. Guarantees, whether written or oral, under which the Organization is contingently liable
  - c. Other liabilities or gain or loss contingencies
5. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that "near term" means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Organization vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
6. Significant assumptions we used in making accounting estimates, including estimates of fair value, are reasonable.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. There are no uncorrected misstatements or omitted disclosures.
9. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Organization's accounts.

### **Information Provided**


10. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. We have no knowledge of any fraud or suspected fraud affecting the Organization involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others when the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
15. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
16. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the identity of the Organization's related parties and all the related party relationships and transactions of which we are aware.
18. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities .
19. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance .
20. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
21. The Organization has satisfactory title to all owned assets and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
22. The Organization recognizes tax benefits only to the extent that the Organization believes it is more-likely-than-not (i.e. greater than 50 percent) that its tax positions will be sustained upon examination. We have evaluated the Organization's tax positions, including its not-for-profit status, and have determined that the Organization does not have any material uncertain tax positions.



23. Peru Mission USA, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
24. You have provided the following services:
- Financial statement preparation
  - 990 preparation
- In regards to these services provided by you, we have:
- a. Assumed all management responsibilities.
  - b. Overseen the service by designating an individual within senior management, who possesses suitable skill, knowledge, or experience.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Evaluated and maintained internal controls, including monitoring ongoing activities.
25. With respect to the non-attest services performed by you during this engagement, we have received the deliverables from you and have stored these deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.
26. Effective October 1, 2018, we adopted FASB Accounting Standards Update 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*, ("ASU 2016-14").
27. The methods and assumptions used to allocate the Organization's expenses by nature and function are reasonable and appropriate.
28. Disclosures regarding the Organization's method for managing its liquidity, along with disclosures regarding the availability of liquid resources to meet cash needs for general expenditures within one year of the statement of financial position date are complete and accurate.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

**Peru Mission USA, Inc.**

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(John Voss, Treasurer) 

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Bob Barber  
(Bob Barber, Executive Director)