



Report to the  
Board of Directors

# Peru Mission USA, Inc.

September 30, 2020



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## Contacts

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## Communication with Those Charged with Governance

February 2, 2021

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, 2020, and have issued our report thereon dated February 2, 2021. 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 January 4, 2021. 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.

No new accounting policies were adopted and the application of existing policies was not changed during 2020. 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.

#### **Difficulties Encountered in Performing the Audit**

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

#### **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. The schedule below summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

|   | <b>Nature of Uncorrected Misstatement</b>                                       | <b>Effect on the Financial Statements</b>                      | <b>Management's Reason for Not Correcting</b> |
|---|---|--|---|
| 1 | The tax payment for the third quarter of 2019 was expensed in fiscal year 2020. | Overstatement of beginning net assets and expenses by \$13,600 | Will be corrected in future years.            |

#### **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 audit.

#### **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, SC



## Communication of Internal Control-Related Matters

February 2, 2021

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

In planning and performing our audit of the financial statements of Peru Mission USA, Inc. (the “Organization”) as of and for the year ended September 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Organization's internal control to be a significant deficiency:



Controls over Financial Reporting - As a result of our audit, an uncorrected misstatement was noted that was significant in nature. This misstatement indicates a need for enhanced controls over financial reporting and is included on page 3 of this report.

Though we did not consider the below deficiencies in internal control to be material weaknesses or significant deficiencies, we consider them to be important enough to merit attention by those charged with governance:

Information Technology Controls - As a result of our audit, it was noted that the Organization's current insurance coverage did not include cybersecurity risk and also employees of the Organization were not required to complete annual training that addresses cybersecurity risks. Given the risk as it relates to cyber crime in today's environment, we considered these to be deficiencies that the Board of Directors should be aware of.

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

Sincerely,

*Dixon Hughes Goodman LLP*

Greenville, SC





## **Appendix A**

### **Management Representation Letter**

February 2, 2021

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, 2020, 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 of America (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 January 4, 2021, 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. We believe that the effects of the uncorrected misstatement in the financial statements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

**Information Provided**

9. 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 Organization 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.
10. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
11. 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.
12. 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.
13. 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.

14. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in financial reporting practices.
15. 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.
16. 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.
17. The Organization has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
18. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
19. 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.
20. 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.
21. 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.
22. You have provided the following nonattest services:
  - Financial statement preparation
  - 990 preparation

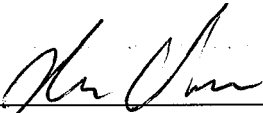
In regards to these nonattest services provided by you, we have:

- 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.

- 23. 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.
- 24. 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.
- 25. The methods and assumptions used to allocate the Organization's expenses by nature and function are reasonable and appropriate.
- 26. 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, Executive Director)



## **Appendix B**

### **Schedule of Uncorrected Misstatements**

**Peru Mission USA, Inc.**

Year End: September 30, 2020

**Summary of Identified Misstatements**

**Summary of Misstatements in the Financial Statements**

| Description | Under (over) misstatement in the financial statements   |             |        |         |          |            | Corrected? |     |
|-------------|---|-------------|--------|---------|----------|------------|------------|-----|
|             | Assets  | Liabilities | Equity | Revenue | Expenses | Net Income |            |     |
| A           | Total corrected adjusting journal entries   | -           | -      | -       | -        | -          | -          | Yes |
| B           | Unrecorded misstatements - factual  | -           | -      | -       | -        | (13,600)   | 13,600     | No  |
| C           | Unrecorded misstatements - projected  | -           | -      | -       | -        | -          | -          | No  |
| D           | Unrecorded misstatements - judgmental   | -           | -      | -       | -        | -          | -          | No  |
| E           | <b>Total pre-tax uncorrected misstatements</b>  | -           | -      | -       | -        | (13,600)   | 13,600     |     |
| F           | <b>Estimated income tax effect of pre-tax uncorrected misstatements</b>   | -           | -      | -       | -        | -          | -          |     |
| G           | <b>Total uncorrected misstatements after tax, before income effect of prior year differences (Iron Curtain)</b> | -           | -      | -       | -        | (13,600)   | 13,600     |     |
| H           | Effect of uncorrected misstatements from prior periods  |             |        |         | -        | -          | -          |     |
| I           | <b>Total uncorrected misstatements after tax, after income effect of prior year differences (Rollover)</b>      |             |        |         | -        | (13,600)   | 13,600     |     |

**Peru Mission USA, Inc.**

Year End: September 30, 2020

**Summary of Identified Misstatements**

**Conclusion:**

Based on our evaluation of the unadjusted audit differences, both individually and in the aggregate, as well as a consideration of qualitative factors and the possibility of undetected misstatements, we are not aware of any material modifications that should be made to the financial statements or in their presentation and disclosure in order for them to be in conformity with the entity's financial reporting framework.

Name: *John Chen*  
Title: *Treasurer*

Date: *2-2-21*

Name: *Robert Barber*  
Title: Executive Director

Date: 2.2.21

\*Please return with representation later