

**INTERNATIONAL ASSOCIATION
FOR HUMAN VALUES**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES

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Balagan, Inc.
DBA Balagan Business & Tax Service
Certified Public Accountants

Independent Auditors' Report

To:
Board of Directors
International Association for Human Values

We have audited the accompanying financial statements of International Association for Human Values (a nonprofit organization) which comprise the statement of financial position as of December 31, 2018 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Managements' 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 consolidated 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 consolidated 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 International Association for Human Values as of December 31, 2018 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.

Balagan, Inc.
DBA Balagan Business & Tax Service
Certified Public Accountants

Report on Summarized Comparative Information

We have previously audited IAHV's 2017 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 8, 2018. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Balagan, Inc.
Balagan Inc

Beltsville, MD
November 14, 2019

FINANCIAL STATEMENTS

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Financial Position
December 31, 2018
(With Summarized Financial Information for December 31, 2017)

	2018	2017
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and equivalents	\$ 2,075,060	\$ 2,407,992
Accounts Receivable	100,897	142,684
Other Investments	200,653	251,095
Prepaid Expense	13,573	5,987
Other Current Assets	107,022	77,305
<u>Total Current Assets</u>	2,497,205	2,885,064
<u>Fixed Assets:</u>		
Furniture and equipment	17,794	17,794
Less: Accumulated Depreciation	(17,794)	(17,794)
<u>Net Fixed Assets</u>	-	-
<u>TOTAL ASSETS</u>	2,497,205	2,885,064
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable and Accrued Expenses	\$ 10,017	\$ 109,106
Payroll Liabilities	13,436	17,167
Credit Card Payable	12,668	8,826
<u>Total Current Liabilities</u>	36,121	135,099
<u>Net Assets</u>		
Without Donor Restriction	1,694,623	1,674,962
With Donor Restriction	766,461	1,075,003
<u>Total Net Assets</u>	2,461,084	2,749,965
<u>TOTAL LIABILITIES AND NET ASSETS</u>	2,497,205	2,885,064

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Activities
For the Year Ended December 31, 2018
(with Summarized Financial Information for the Year Ended December 31, 2017)

	2018		2017	
	Without Donor Restriction	With Donor Restriction	Total	Total
<u>Support and Revenue:</u>				
Program Service Fees	\$ 743,940	\$ 23,754	\$ 767,694	\$ 872,284
Donations and Contributions	631,564	437,891	1,069,455	1,196,249
Gross special events revenue	73,741	-	73,741	20,304
Net Investment Return	(21,089)	-	(21,089)	26,100
Net Assets Released from Restrictions	770,186	(770,186)	-	-
<u>Total Support and Revenue</u>	2,198,343	(308,541)	1,889,802	2,114,937
<u>Expenses</u>				
Program Service Expenses				
Community Development	56,257	-	56,257	45,197
Disaster & Trauma Relief	477,542	-	477,542	58,572
Human Values Campaigns	222,837	-	222,837	145,990
Prison Program	67,653	-	67,653	52,238
Project Welcome Home Troop	231,198	-	231,198	213,942
SKY School & Campus Programs	870,551	-	870,551	781,459
SKY Community programs	153,607	-	153,607	130,906
Transformational Leadership for Excellence	5,967	-	5,967	158,391
Program expenses	2,085,612	-	2,085,612	1,586,694
Supporting Service Expenses				
Management and general	56,383	-	56,383	34,350
Fundraising	36,687	-	36,687	30,876
Total Supporting Service Expense	93,069	-	93,069	65,226
<u>Total Expenses</u>	2,178,682	-	2,178,682	1,651,920
<u>Change in Net Assets</u>	19,661	(308,541)	(288,880)	463,017
<u>Net Assets, Beginning of Year</u>	1,674,962	1,075,003	2,749,965	2,286,948
<u>Net Assets, End of Year</u>	1,694,623	766,461	2,461,085	2,749,965

See accompanying notes to financial statements

International Association For Human Values
Schedule of Functional Expenses
For Year Ended December 31, 2018
(with Summarized Financial Information for the Year Ended December 31, 2017)

EXPENSE CATEGORY	PROGRAM SERVICES									SUPPORTING SERVICES			TOTAL PROGRAM & SUPPORTING SERVICES 2018	TOTAL PROGRAM & SUPPORTING SERVICES 2017
	Community Development	Disaster & Trauma Relief	Human Values Campaigns	Prison Program	Project Welcome Home Troop	SKY School & Campus Programs*	SKY Community programs**	Transformational Leadership for Excellence	TOTAL	MANAGEMENT & GENERAL EXPENSE	FUNDRAISING EXPENSES	TOTAL		
Salary and Wages				24,000	59,100	477,453	18,388		578,941	14,694	18,500	33,194	612,135	600,402
Payroll Taxes and Fees				1,508	4,563	30,777			36,848	4,874	189	5,063	41,910	50,492
Employee Benefits			4,257	7,632	12,314	41,768	1,034		67,005	3,682		3,682	70,687	52,131
Training and Conferences	1,440		1,005	2,560	2,190	23,734	30		30,959	4,452		4,452	35,410	30,464
Consultants & Other Professional Fees	1,990	10,018	7,868	8,360	44,410	117,574	43,507	3,117	236,844	11,575	11,228	22,803	259,647	177,801
Office Expenses	168	469	4,292	3,997	8,534	18,718	2,544		38,722	4,172	3,091	7,263	45,985	44,035
Insurance				1,403	1,984	4,461	4,000		11,848	6,919		6,919	18,767	8,721
Grants	42,500	464,100	86,877			8,125	6,000		607,602			-	607,602	209,074
Travel & Meetings	3,713	1,582	75,053	15,220	64,691	84,548	17,596		262,403	2,561	179	2,741	265,144	212,415
Bank and Credit Card Charges	360	44	30		18	991	3,531		4,974	1,052	535	1,587	6,560	23,847
Webhosting and Development			2,418	15	223		322		2,979	125	1,433	1,558	4,537	4,896
Occupancy Costs			10,244	1,400	1,400	6,600	2,200		21,844	400		400	22,244	12,000
Registration Fees	6,085		437	300	1,000	2,715	3,500		14,037	1,463	732	2,195	16,232	3,736
Event Related Expense		500	8,328	81	18	5,529	743		15,198	109	300	409	15,608	72,512
Advertisement		829	4,263	300	1,808	2,218	1,476	2,850	13,744	187	500	687	14,431	39,789
Course Expenses			17,763	878	28,946	45,342	48,737		141,665	118		118	141,783	109,603
2018 TOTAL	56,257	477,542	222,837	67,653	231,198	870,551	153,607	5,967	2,085,612	56,383	36,687	93,069	2,178,682	
2017 TOTAL	45,197	58,572	145,990	52,238	213,942	781,459	130,906	158,391	1,586,694	34,350	30,876	65,226		1,651,920

* SKY School & Campus Programs (Formerly YES for Schools & YESPlus)
** SKY Community Programs (Formerly Youth Leadership Training Program)

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Cash Flows
For the Year Ended December 31, 2018
(with Summarized Financial Information for the Year Ended December 31, 2017)

	2018	2017
Cash flows from operating activities		
Change in Net Assets	\$ (288,880)	\$ 463,017
 Adjustments to reconcile change in Net Assets to Net Cash provided by operating activities:		
Unrealized (Gain)/ Loss	12,243	(14,923)
(Increase)/Decrease in Accounts Receivable	41,787	(13,061)
(Increase)/Decrease in Prepaid Expenses	(7,586)	4,351
(Increase)/Decrease in Other current assets	(29,717)	(77,305)
Increase/(Decrease) in Accounts Payable	(99,089)	85,982
Increase/(Decrease) in Payroll Liabilities	(3,731)	2,335
	(86,093)	(12,622)
 Net Cash provided by Financing Activities:		
Increase/(decrease) in Credit Card Payables	3,841	(840)
	3,841	(840)
 Net Cash provided by Investing Activities:		
Sale of Securities	89,585	
Purchase of Securities	(51,386)	(135,706)
	38,199	(135,706)
 Net Increase in Cash and Cash Equivalents	(332,933)	313,850
 Cash and equivalents, beginning of the year	2,407,992	2,094,142
 Cash and equivalents, end of the year	2,075,059	2,407,992

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

(1) Description of the Organization

International Association for Human Values (IAHV) is a Colorado State non-profit Organization chartered on October 07, 1998. The organization is exempted from Federal and State income taxes under the Internal Revenue Service Code section 501(c)(3). IAHV offers programs to reduce stress and to develop leadership among people and communities so that human values can flourish. IAHV fosters daily practice of human values – a sense of connectedness and respect for all people and for the natural environment, an attitude of non-violence, and an ethics of social service. Their programs enhance clarity of mind, shift attitudes and behavior, and develop leaders and communities that are resilient, responsible, and inspired.

IAHV Programs

IAHV offers the following programs in the United States – SKY Schools (Formerly YES! for Schools), SKY Campus Happiness Program for the Universities (formerly YES Plus) “PWHT” (Project Welcome Home Troops), Prison program, Disaster and Trauma Relief, Cities for Peace, Human values conferences and SKY community programs..

The SKY Schools (Formerly YES! for Schools) program for Schools, develops in students and educators, healthy body, and mind, healthy lifestyle, and creates positive school communities. The “PWHT” is a mind-body resilience building' program for returning veterans, offering practical 'breath-based' tools that decrease the stress, anxiety and sleep problems that many returning veterans are experiencing. The Prison program teaches prisoners how to manage their stress, aggression, and trauma, and how to build a foundation for a new life. The IAHV's Disaster and Trauma Relief program responds to natural and manmade disasters; IAHV collects funds and goods for immediate material aid and care; provides and supports trauma relief and stress management programs; and supports long-term rehabilitation. Cities for Peace program is a new initiative that strives to promote peace and reduce violence in cities.

IAHV also offers stress management programs (SKY Meditation) to the general public (separate programs for children, ART Excel and for teenagers, Youth Empowerment Seminar). IAHV supports emerging new initiatives, including documentaries, conferences and US-based community service initiatives that help in fostering human values.

IAHV supports education and rural development projects in other countries through ‘5H Program’ (Health, Homes, Hygiene, Human Values, Harmony in Diversity) and ‘YLTP program’ (Youth Leadership Training Program). The aim of the 5H program is to uplift individuals and communities so that they are becoming socially and economically self-reliant. YLTP is an innovative training program to channel youth energy to assume responsibility for their own lives and communities. IAHV also supports environment initiatives providing solar lights in the remotest areas (Light a Home), river rejuvenation, and training farmers in chemical free farming (Organic Cultivation)

The General Body of the organization elects minimum five and maximum nine board members who in turn elect the following principal officers, namely, the President, the Secretary and the Treasurer. At present, the following principal officers are holding their offices as follows:

President	: Mr. Jeff Houk,
Secretary	: Ms. William Hayden,
Treasurer	: Mr. Madhu Kadari ,
Executive Director	: Ms. Filiz Odabas-Geldiay,
Board Members	: Mr. Sneh Khanna, Kapil Bhatnagar and Mr. Kushal Choksi

The members of the board and the principal officers are holding their tenure of office for one years and are eligible for re-election. The General Body meets twice in a year.

(2) Summary of Significant Accounting Policies

Following is a summary of significant accounting policies of IAHV in the preparation of their financial statements.

Basis of Accounting

IAHV records revenues and expenses on accrual basis. All accruals are reported in the balance sheet, accordingly.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

Basis of Presentation

The financial statements of IAHV have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require IAHV to report information regarding its 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 Small Charity, Inc.'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 IAHV, or by the passage of time. Other donor restrictions are perpetual in nature, wherein the donor has stipulated the funds to be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue Recognition

Revenue earned from Self-Development Seminars is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures incurred, respectively. Contributions are recognized when, cash, securities or other assets including unconditional promise to donate, or notification of beneficial interest, are received. Conditional promise to give is not recognized until such condition has been substantially met. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

Use of Estimates

Financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America which require the management to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates in the financial statements.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). IAHV groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

Fair Value Measurements (cont)

Level 1	Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
Level 2	Other observable inputs, either directly or indirectly, including: <ul style="list-style-type: none">▪ Quoted prices for similar assets/liabilities in active markets;▪ Quoted prices for identical or similar assets in non-active markets;▪ Inputs other than quoted prices that are observable for the asset/liability; and,▪ Inputs that are derived principally from or corroborated by other observable market data.
Level 3	Unobservable inputs that cannot be corroborated by observable market data.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without restrictions.

In-kind donations

The Organization receives in-kind contributions primarily related to donated services which are recognized as contributions and expensed in accordance with generally accepted accounting principles (GAAP). In order to meet the criteria for recognition in the financial statements, contributions of in-kind services must (a) create or enhance non-financial assets or (b) require specialized skills, being performed by persons with those skills, and would otherwise be purchased by the Organization. IAHV did not receive donated goods, or services, or facilities in 2018 requiring such recognition in the financial statements.

Several volunteers had made significant contributions of their time in furtherance of IAHV's mission. These services were not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

Income Taxes

IAHV is exempt from income taxes as an exempt organization under section 501(c) (3) of the Internal Revenue Code. Accordingly, no provision is made for income taxes. Donations made to IAHV are tax deductible for the donors under IRC Sections 170(b)(1)(A)(vi) and (viii).

IAHV is subject to income tax return filing requirements (Form 990) in the U.S. and various relevant State jurisdictions. The Organization believes that it has no unrelated activity subjected to income tax assessment. Therefore, the management has not identified any uncertain income tax positions.

As of December 31, 2018, the organization's tax returns for 2015, 2016 and 2017 are open to examination by the tax authorities. With few exceptions, as of December 31, 2018, the Organization is no longer subject to U.S. Federal or State examinations by tax authorities for years prior to 2015.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

Functional Allocation of Expenses

The costs of program and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification of expenses by function. The financial statements report certain categories of expenses attributed to more than one program or supporting functions. Therefore, expenses require allocation on a reasonable basis, consistently. The expenses such as occupancy, depreciation, and amortization, are allocated on square footage basis. Expenses such as salaries and wages, benefits, payroll taxes, professional services, office and IT services, interest, insurance, and other similar expenses are allocated on the basis of estimates of time and effort.

Prior-year comparative totals

The financial statements include certain 2017 summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a complete presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the 2017 financial statements, from which the summarized information were derived.

Reclassifications

Certain 2017 amounts had been reclassified for comparative purposes.

New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. IAHV has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

In May 2014, the FASB issued a new accounting standard, ASU 2014-09 (Topic 606), which impacts revenue recognition for exchange transactions. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted subsequent to periods beginning after December 15, 2016. IAHV plans to adopt ASU 2014-09 (Topic 606) for the year beginning after December 15, 2018. IAHV is currently evaluating the impact that the adoption of this guidance will have on the Organization’s financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for IAHV beginning in 2020. It is to be adopted using a modified retrospective approach. IAHV is currently evaluating the impact that the adoption of this guidance will have on the Company’s financial statements.

In June 2018, the FASB issued a new accounting standard, ASU 2018-18 (Topic 958), to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The standard will take effect for annual financial statements issued for fiscal years beginning after December 15, 2018. Early adoption is permitted. IAHV plans to adopt ASU 2018-08 (Topic 958) for the year beginning after December 15, 2018. IAHV is currently evaluating the impact that the adoption of this guidance will have on the Organization’s financial statements.

Cash and Cash Equivalents

The Organization considers all high-liquid investments with an original or remaining maturity of three months or less from the date of purchases to be cash equivalents. Cash and cash equivalent consists of the following:

	<u>December 31, 2018</u>
Cash	\$ 2,008,140
Money Market Funds	66,920
Total	<u>\$ 2,075,060</u>

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

Account Receivable

Account receivable consists of course fees receivable. Management periodically reviews the status of all accounts receivable for collectability. Each balance is assessed based on management's knowledge of and relationship with the client and the age of the receivable balance. The management does not deem any of the receivable as uncollectible as at December 31, 2018 and accordingly has not made any provision for doubtful accounts. All receivable at December 31, 2018 were subsequently collected before these financial statements were issued.

Of the total Accounts Receivable, \$ 83,440 were over 60 days old as of 31st December, 2018.

Other current assets

Other current assets consist of funds receivable from Network for Good.

Accounts Payables and Accrued Expenses

At the end of 2018, account payable over ninety days old remained zero.

Advertising Costs

Advertising and marketing costs are expensed as incurred approximating \$ 14,431 for the year ended December 31, 2018.

(3) Availability and Liquidity

The following represents IAHV's financial assets available for general expenditure within one year of December 31, 2018:

Financial assets at year-end:		<u>2018</u>
Cash and equivalents	\$	2,075,060
Accounts Receivable		100,897
Other Investments		200,653
Prepaid Expense		5,853
Other Current Assets		<u>107,022</u>
	Total financial assets	<u>2,489,485</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions		766,461
Less net assets with purpose restrictions to be met in less than a year		-
Board-designated funds for future use		<u>-</u>
		<u>766,461</u>
Financial assets available to meet general expenditures	\$	<u><u>1,723,024</u></u>

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

(4) Other Investments

The following is a summary of investments at December 31, 2018:

	<u>Dec 31, 2018</u>
Mutual Funds	\$ 172,952
Fixed Income Funds	27,702
Total	\$ 267,573

As of December 31, 2018, all investments were considered level 1 investments.

Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend, realized and unrealized capital gains and losses, less external and direct internal investment expenses. The Investment earnings for the organization were as follows:

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 17,574	\$ -	\$ 17,574
Realized loss on investments	(12,243)		(12,243)
Unrealized loss on investments	(25,344)	-	(25,344)
Investment fees	(1,076)		(1,076)
Net investment loss	<u>\$ (21,089)</u>	<u>\$ -</u>	<u>\$ (21,089)</u>

(5) Property and Equipment

Property and equipment are recorded at cost. Furniture and Equipment are being depreciated using the straight-line method with no salvage value over the estimated useful lives as follows:

Furniture, fixtures and equipment	3 years
Automobile	7 years

Depreciation expense for the year ending December 31, 2018 was zero.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

(6) Net Assets

Net assets with donor restrictions were as follows for the year ended December 31, 2018:

	<u>2018</u>
Specific Purpose	
Disaster & Trauma Relief	\$ 284,045
Community Development	86,882
Education Fund	59,503
Welcome Home Troop	10,781
SKY Schools and Campus	325,250
Passage of Time	
Contributions	None
Total	<u>\$ 766,461</u>

Net assets without donor restrictions for the year ended December 31, 2018 are as follows:

	<u>2018</u>
Undesignated	\$ 1,692,881
Board-designated net assets	None
	<u>\$ 1,692,881</u>

Net assets released from net assets with donor restrictions are as follows:

	<u>2018</u>
Satisfaction of Purpose Restrictions	
Disaster & Trauma Relief	\$ 471,565
Community Development Programs	35,244
Education Fund	2,616
Welcome Home Troop	231,198
Prison Smart	29,563
Total	<u>\$ 770,186</u>

(7) Concentrations/ of Risks

Credit Risk

The Organization maintains cash balances in the banks that, at times, may exceed FDIC (Federal Deposit Insurance Corporation) limits. Historically the Organization has not experienced any such risk in the past and does not believe that it is exposed to any significant financial risk. At December 31, 2018 the organization had \$ 1,776,017 in excess of FDIC insured limit of \$ 250,000. Management believes that the risk associate with such excess deposit is very minimal.

Market value Risk

The organization also invests funds in professionally managed mutual funds consisting of various types of marketable securities. Such investments are exposed to various risk, such as fluctuation in market value and the associated credit risk. Thus, it is reasonably possible that the effects of these risks could materially affect the investment balances, and accordingly, the amounts reported in the financial statements.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2018

(8) Operating Lease

The organization leases its office located at 2401, 15th Street NW, STE 108, Washington DC 20009 from Art of Living Foundation Inc. an affiliated organization for a monthly rent of \$ 1,000. Current lease expires in December 2018. IAHV also leases temporary workspace on short-term basis from WeWork Inc.

(9) Employee Benefits

For full time employees, IAHV covers 90% of medical insurance premiums, and 100% of paid Long Term /Short Term Disability coverage. Additionally, elective participation in a 125 cafeteria plan is provided when eligible, and further employees can select dental & vision coverage, GAP Medical insurance, Life, Accident and/or Critical Illness coverage. The employees can use their pretax benefit to pay for their usual or additional medical coverage.

An elective 401K Plan is available to all full time and part time employees after 6 months of employment. IAHV matches up to 3% of each employee monthly contribution to the employer sponsored 401K plan.

PTO days (vacation/illness) are contingent upon the minimum length of employment and ranges from 5 days to 25 days a year. The un-availed leave hours do not carry over to the following calendar year. Accordingly, no provision for accrued leave benefits is being made on the financial statements. Eleven paid national holidays are allowed to the employees. Education benefits are provided for AOL Journey membership, allowing participation in SKY Weekly meetups and Silence Retreats.

(10) Subsequent Events

The organization has evaluated events and transactions occurring subsequent to December 31, 2018 through November 14, 2019 by which date, the financial statements are being issued. Subsequent events occurring after November 14, 2019 have not been evaluated by the management.