

**INTERNATIONAL ASSOCIATION
FOR HUMAN VALUES**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016 and the related statements of activities 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 International Association for Human Values as of December 31, 2016 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited IAHV's 2015 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 26, 2016. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Balagan Inc

Beltsville, MD
September 19, 2017

FINANCIAL STATEMENTS

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Financial Position
December 31, 2016
(With Summarized Financial Information for December 31, 2015)

	2016	2015
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and equivalents	\$ 2,094,142	\$ 1,943,632
Accounts Receivable	129,624	183,250
Other Investments	100,467	-
Prepaid Expense	10,338	15,311
<u>Total Current Assets</u>	2,334,571	2,142,194
<u>Fixed Assets:</u>		
Furniture and equipment	17,794	17,794
Automobile	-	7,811
Less: Accumulated Depreciation	(17,794)	(25,605)
<u>Net Fixed Assets</u>	-	-
<u>TOTAL ASSETS</u>	2,334,571	2,142,194
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable and Accrued Expenses	\$ 23,125	\$ 26,309
Payroll Liabilities	14,832	14,108
Credit Card Payable	9,666	13,760
<u>Total Current Liabilities</u>	47,623	54,176
<u>Net Assets</u>		
Unrestricted	1,475,055	1,193,393
Temporarily restricted	811,893	894,624
<u>Total Net Assets</u>	2,286,948	2,088,018
<u>TOTAL LIABILITIES AND NET ASSETS</u>	2,334,571	2,142,194

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Activities
For the Year Ended December 31, 2016
(with Summarized Financial Information for the Year Ended December 31, 2015)

			<u>2016</u>	<u>2015</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Total</u>
<u>Support and Revenue:</u>				
Donations and Contributions	\$ 466,696	\$ 297,645	\$ 764,340	\$ 1,233,150
Federal Awards	-		-	128,773
Course Fee Income	776,614		776,614	903,632
Investment Income	15,859		15,859	175
In-kind Income	-		-	47,908
Net Assets Released from Restrictions	380,376	(380,376)	-	-
<u>Total Support and Revenue</u>	<u>1,639,544</u>	<u>(82,731)</u>	<u>1,556,813</u>	<u>2,313,638</u>
<u>Expenses</u>				
Program expenses	1,297,493	-	1,297,493	1,546,386
Management and general	26,875	-	26,875	38,833
Fundraising	33,515	-	33,515	32,099
<u>Total Expenses</u>	<u>1,357,882</u>	<u>-</u>	<u>1,357,882</u>	<u>1,617,318</u>
<u>Change in Net Assets</u>	<u>281,661</u>	<u>(82,731)</u>	<u>198,930</u>	<u>696,320</u>
<u>Net Assets, Beginning of Year</u>	<u>1,193,393</u>	<u>894,624</u>	<u>2,088,018</u>	<u>1,391,698</u>
<u>Net Assets, End of Year</u>	<u>1,475,055</u>	<u>811,893</u>	<u>2,286,948</u>	<u>2,088,018</u>

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Cash Flows
For the Year Ended December 31, 2016
(with Summarized Financial Information for the Year Ended December 31, 2015)

	2016	2015
Cash flows from operating activities		
Change in Net Assets	\$ 198,930	\$ 696,320
 Adjustments to reconcile change in Net Assets to Net Cash provided by operating activities:		
Depreciation	-	4,269
Unrealized (Gain)/ Loss	(9,788)	-
(Increase)/Decrease in Accounts Receivable	53,627	30,141
(Increase)/Decrease in Grants Receivable	-	243,432
(Increase)/Decrease in Overpaid Payroll Taxes	-	5,796
(Increase)/Decrease in Prepaid Expenses	4,973	12,289
Increase/(Decrease) in Payroll Liabilities	725	242
Increase/(Decrease) in Accounts Payable	(3,184)	(113,999)
<i>Net cash provided (used) by operating activities</i>	46,353	182,171
 Net Cash provided by Financing Activities:		
Increase/(decrease) in Credit Card Payables	(4,094)	(2,755)
<i>Net Cash provided (used) by Financing Activities</i>	(4,094)	(2,755)
 Net Cash provided by Investing Activities:		
Purchase of Securities	(90,679)	-
<i>Net Cash provided (used) by Investing Activities</i>	(90,679)	-
 Net Increase in Cash and Cash Equivalents	150,511	875,736
 Cash and equivalents, beginning of the year	1,943,632	1,067,896
 Cash and equivalents, end of the year	2,094,142	1,943,632

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2016

(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 – ‘YES! Program for schools’ (Youth Empowerment Seminar), ‘PWHT’ (Project Welcome Home Troops), Prison SMART (Stress Management and Rehabilitation Training), ‘TLEX’ (Transformational Leadership for Excellence), and Disaster and Trauma Relief.

The ‘YES’ 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 SMART program teaches prisoners how to manage their stress, aggression, and trauma, and how to build a foundation for a new life. The TLEX program enhances the skills that truly advance people and organizations: energy and clarity of mind, strong teams, and passionate commitment. 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.

IAHV also offers stress management programs (SKY Meditation) to the general public (separate programs for children, ART Excel and for teenagers, Youth Empowerment Seminar) and YESPLUS for the Universities. 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)

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2016

(1) **Description of the Organization (contd)**

Management and Governance

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, Mr. Kushal Choksi and Mr. Kapil Bhatnagar

The members of the board and the principal officers are holding their tenure of office for two years and are eligible for re-election. The General Body normally meets a minimum of 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 and Presentation

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

Revenue Recognition

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The amounts received and designated for future periods or restricted for specific purposes by the donors are reported as temporarily restricted support that increases those net asset class. Conditional promises to donate are not included as support until such time as the conditions are substantially met. When the donor restriction expires (that is, when a stipulated time limit ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and accordingly being reported in the statement of activities.

Income earned from self-development seminars are forming part of the program service revenue.

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.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2016

(2) **Summary of Significant Accounting Policies (contd)**

Fair Value Measurements

Financial Accounting Standards Board Statement No. 157, Fair Value Measurements (FASB Statement No. 157), establishes a framework for measuring fair value. That frame work provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three level measurements of the fair value hierarchy under FASB Statement No. 157 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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 being made for income taxes. Donations made to IAHV are tax deductible for the donors.

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 which may be subjected to income tax assessment. Therefore, management has not identified any uncertain income tax positions.

As of December 31, 2016, the organization's tax returns for 2013, 2014 and 2015 are open to examination by the tax authorities. With few exceptions, as of December 31, 2016, the Organization is no longer subject to U.S. Federal or State examinations by tax authorities for years prior to 2013.

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 an equivalent consists of the following:

	<u>December 31, 2016</u>
Cash	\$ 1,861,838
Un-deposited Checks	68,270
Money Market Funds	164,034
Total	<u>\$ 2,094,142</u>

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2016

(2) **Summary of Significant Accounting Policies (contd)**

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 receivable at December 31, 2016 as uncollectible and has accordingly not made any provisions for doubtful accounts.

Of the total Accounts Receivable, \$ 29,429 were over 60 days old as of 31st December, 2016.

Other Investments

Other investments comprised of mutual funds and fixed income securities. All these investments had been recorded in the financial statements at fair market value. Following is a description of the valuation methodologies used for the measurement of fair value. There were no changes in the methodologies used at December 31, 2016.

Investments at Fair Market Value as of December 31, 2016

	Level 1	Level 2	Level 3	Total
Equity	\$ 0	\$ 0	\$ 0	\$ 0
Mutual Funds	\$ 82,859	\$ 0	\$ 0	\$ 82,859
Fixed Income Securities	\$ 17,608	\$ 0	\$ 0	\$ 17,608
Total	\$ 100,467	\$ 0	\$ 0	\$ 100,467

The Investment earnings for the organization were as follows:

	<u>Dec 31, 2016</u>
Interest and Dividends	\$ 5,525
Realized Gains/ (Loss)	545
Unrealized Gains/ (Loss)	9,789
Total	\$ 15,859

Total Advisory fees paid on the investment account for 2016 was \$ 932.

Property and Equipment

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

Furniture, fixtures and equipment	3 years
Automobile	7 years

Depreciation expense for the year ending December 31, 2016 was zero.

Accounts Payables and Accrued Expenses

At the end of 2016, no account payable, over ninety days old, was outstanding.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2016

(2) **Summary of Significant Accounting Policies (contd)**

Net Assets

Net assets consist of the following:

Permanently restricted: Net assets subject to donor imposed stipulations requiring that they be maintained permanently by the Organization. The income from these assets is available for either general operations or specific programs as specified by the donor. On December 31, 2016, IAHV had no permanently restricted net assets.

Temporarily restricted: Fund balances that are associated with donor imposed restrictions, would be used only for donor stipulated purposes. Temporary restrictions may expire with the passage of time, as a result of actions taken by IAHV satisfying donors' restrictions, or as a result of expenditures incurred charging to temporarily restricted assets.

On December 31, 2016, IAHV had temporarily restricted net assets as follows:

Disaster Relief	\$ 454,288
Project Welcome Home Troops	\$ 166,741
Community Development	\$ 60,509
Education Fund	\$ 30,960
Trauma Relief	\$ 15,931
YES for Schools	\$ 83,464
Volunteer for Better India	\$ <u>2,623</u>
TOTAL	\$ 811,893

Unrestricted: Net assets, which are neither permanently nor temporarily restricted by donor stipulations. On December 31, 2016, IAHV had unrestricted net assets of \$ 1,475,055.

Prior-year comparative totals:

The financial statements include certain 2015 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 2015 financial statements, from which the summarized information was derived.

Reclassifications

Certain 2015 amounts had been reclassified for comparative purposes.

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)
Notes to the Financial Statements
December 31, 2016

(3) Donated goods, services and facility

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 any donated goods, services or facilities in 2016 requiring such recognition in the financial statements.

(4) Concentrations/Risks

Credit Risk

The Organization maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Organization has not experienced any such losses in the past and does not believe that it is exposed to any significant financial risk. At December 31, 2016 the organization had \$ 1,639,236 in excess of FDIC (Federal Deposit Insurance Corporation) insured limits of \$ 250,000. Management believes that the risk associated in these situations is very minimal.

Market value Risk

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

(5) Operating Lease

The organization leases its office located at 2401, 15th Street NW, STE 108, Washington DC 20009 from Art of Living Foundation Inc. for a monthly rent of \$ 500.

(6) Fringe Benefits

IAHV pays 100% cost of health insurance for its employees. IAHV further provides fifteen days of paid vacation for its employees and one week of sick pay. The leave hours accrued do not carry over to the following calendar year. Accordingly, no accrual is being made on the financial statements. Further, IAHV pays for up to three advanced meditation retreats per year for its employees.

(7) Subsequent Events

The organization has evaluated events and transactions occurring subsequent to December 31, 2016 through September 19, 2017 by which date, the financial statements are being issued. Subsequent events occurring after September 19, 2017 have not been evaluated by the management.

IAHV is in the process of selling its trademark TLEX in 2017. Under the TLEX program, IAHV is conducting workshops and trainings in the field of leadership development and stress management to its corporate clients.

SUPPLEMENTARY INFORMATION

International Association For Human Values
Schedule of Functional Expenses
For Year Ended December 31, 2016
(with Summarized Financial Information for the Year Ended December 31, 2015)

EXPENSE CATEGORY	PROGRAM SERVICES													SUPPORTING SERVICES			TOTAL PROGRAM & SUPPORTING SERVICES 2016	TOTAL PROGRAM & SUPPORTING SERVICES 2015	
	Community Development	Disaster Relief Fund	Education Fund	Human Values Campaigns	Prison Smart	Project Welcome Home Troop	Trauma Relief	YES Program	Women Empowerment	Iraq-ACWP	Community programs	Transformational Leadership for Excellence	Youth Leadership Training	TOTAL	MANAGEMENT & GENERAL EXPENSE	FUNDRAISING EXPENSES			TOTAL
Salary and Wages				2,250	19,800	92,400		316,364			40,200	58,572	10,500	540,086	7,300	16,500	23,800	563,886	539,478
Stipend - Foreign							1,000					3,080		4,080			-	4,080	62,300
Payroll Taxes and Fees				189	1,539	7,620		27,612			3,669	4,179	1,003	45,811	3,175	1,680	4,855	50,666	49,121
Employee Benefits					1,505	4,212		25,760			1,629	1,653		34,758			-	34,758	45,439
Training and Conferences				198	2,160	3,154		18,540			2,790	3,088	500	30,429	953	600	1,553	31,981	26,446
Consultants & Other Professional Fees				22,931	3,512	14,771		61,317			10,783	11,656	3,500	128,469	1,500		1,500	129,969	204,664
Materials & Supplies	397			15,231	59	1,470		590			202	748		18,697	1,839	526	2,364	21,062	4,238
Printing & copying					102	2,594		1,675			477	3,511		8,359	16		16	8,375	7,068
Mail & Telephone					1,948	4,781		10,545			385	3,404		21,062	2,179	2,883	5,062	26,124	19,339
Insurance						335		2,189			150			2,674	2,800	171	2,971	5,646	6,889
Grants		95,000	38,000				15,000		13,000	-				161,000			-	161,000	228,305
Travel & Meetings				16,429	12,845	35,521	1,547	41,057			12,443	38,234	3,420	161,497	1,450	2,288	3,738	165,235	230,089
Bank and Credit Card Charges	267	782	120	847	165	404	137	595			8,517	1,004	10	12,849	2,206	173	2,379	15,228	19,007
Webhosting and Development						267		60			165	933		1,425		933	933	2,358	3,702
Occupancy Costs				500		1,000		1,000			1,500	1,000		5,000	2,060		2,060	7,060	20,203
Depreciation														-			-	-	4,269
Registration Fees				293	300			454			173	958		2,178	1,399	1,000	2,399	4,577	4,641
Event Related Expense				4,497	450	151		64			1,550			6,713			-	6,713	23,354
Advertisement					90	148		266			3,494	1,680		5,678		6,757	6,757	12,436	3,414
Course Expenses					935	8,979		46,063			44,113	6,639		106,728		2	2	106,730	115,352
2016 TOTAL	664	95,782	38,120	63,364	45,409	177,807	17,684	554,150	13,000	-	132,240	140,339	18,933	1,297,493	26,875	33,515	60,390	1,357,882	
2015 TOTAL	60,523	81,800	4,113	25,462	51,094	152,112	62,876	539,054	6,761	176,680	122,540	223,277	40,096	1,546,386	38,833	32,099	70,932		1,617,318

See accompanying notes to financial statements