

**INTERNATIONAL ASSOCIATION  
FOR HUMAN VALUES**

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**FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2020**

# INTERNATIONAL ASSOCIATION FOR HUMAN VALUES

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

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**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, 2020 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, 2020 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**

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**Emphasis of Matters**

As described in Note 2 (under Recently Adopted Accounting Pronouncement), the Organization adopted Accounting Standards (ASU) 2014-09 - Revenue from Contracts with Customers (Topic 606). Our opinion is not modified with respect to that matter.

**Report on Summarized Comparative Information**

We have previously audited IAHV's 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 5, 2020. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Balagan Inc*

Beltsville, MD  
October 16, 2021

# **FINANCIAL STATEMENTS**

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES**  
**Statement of Financial Position**  
**December 31, 2020**  
(With Summarized Financial Information for December 31, 2019)

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b>Current Assets:</b>		
Cash and equivalents	\$ 2,802,427	\$ 2,006,393
Accounts Receivable	161,031	136,376
Other Investments	236,365	283,178
Prepaid Expense	35,883	30,851
Other Current Assets	331,602	241,928
<b>Total Current Assets</b>	<b>3,567,308</b>	<b>2,698,726</b>
<b>Fixed Assets:</b>		
Furniture and equipment	17,794	17,794
Less: Accumulated Depreciation	(17,794)	(17,794)
<b>Net Fixed Assets</b>	<b>-</b>	<b>-</b>
<b><u>TOTAL ASSETS</u></b>	<b><u>3,567,308</u></b>	<b><u>2,698,726</u></b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>LIABILITIES</u></b>		
<b>Current Liabilities:</b>		
Accounts Payable and Accrued Expenses	\$ 245,585	\$ 211,443
Payroll Liabilities	33,700	24,437
Deferred Revenue	6,815	6,065
Credit Card Payable	13,784	10,360
<b>Total Current Liabilities</b>	<b>299,884</b>	<b>252,305</b>
<b>Non-current Liabilities</b>	<b>-</b>	<b>-</b>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>299,884</u></b>	<b><u>252,305</u></b>
<b><u>NET ASSETS</u></b>		
Without Donor Restriction	2,076,794	1,711,674
With Donor Restriction	1,190,630	734,747
<b><u>TOTAL NET ASSETS</u></b>	<b><u>3,267,424</u></b>	<b><u>2,446,421</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>3,567,308</u></b>	<b><u>2,698,726</u></b>

See accompanying notes to financial statements

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES**  
**Statement of Activities**  
**For the Year Ended December 31, 2020**  
(with Summarized Financial Information for the Year Ended December 31, 2019)

			<b>2020</b>	<b>2019</b>
	<b>Without Donor Restriction</b>	<b>With Donor Restriction</b>	<b>Total</b>	<b>Total</b>
<b><u>Support and Revenue:</u></b>				
Course and Conference Fees	\$ 1,049,308	\$ -	\$ 1,049,308	\$ 872,341
Grants and Contributions	1,121,597	475,134	1,596,731	1,144,104
Conditional Grant	103,132	-	103,132	
Gross special events revenue	3,430	-	3,430	11,249
Net Investment Return	6,150	-	6,150	42,523
Net Assets Released from Restrictions	19,251	(19,251)	-	-
<b><u>Total Support and Revenue</u></b>	<b><u>2,302,868</u></b>	<b><u>455,883</u></b>	<b><u>2,758,751</u></b>	<b><u>2,070,217</u></b>
<b><u>Expenses</u></b>				
<b>Program Service Expenses</b>				
Community Development	100,500	-	100,500	79,245
Disaster & Trauma Relief	210,676	-	210,676	20,441
Human Values Campaigns	5,652	-	5,652	337,747
IAHV Peace Building Program	123,625	-	123,625	110,407
IAHV Prison Program	96,768	-	96,768	74,510
Project Welcome Home Troop	75,578	-	75,578	104,303
SKY Schools & Campus	921,466	-	921,466	1,062,641
SKY Community programs	297,915	-	297,915	170,358
	-	-	-	-
<b>Program expenses</b>	<b><u>1,832,180</u></b>	<b><u>-</u></b>	<b><u>1,832,180</u></b>	<b><u>1,959,652</u></b>
<b>Supporting Service Expenses</b>				
Management and general	64,852	-	64,852	50,398
Fundraising	40,717	-	40,717	74,830
<b>Total Supporting Service Expense</b>	<b><u>105,569</u></b>	<b><u>-</u></b>	<b><u>105,569</u></b>	<b><u>125,227</u></b>
<b><u>Total Expenses</u></b>	<b><u>1,937,749</u></b>	<b><u>-</u></b>	<b><u>1,937,749</u></b>	<b><u>2,084,879</u></b>
<b><u>Change in Net Assets</u></b>	<b><u>365,119</u></b>	<b><u>455,883</u></b>	<b><u>821,002</u></b>	<b><u>(14,662)</u></b>
<b><u>Net Assets, Beginning of Year</u></b>	<b><u>1,711,675</u></b>	<b><u>734,747</u></b>	<b><u>2,446,422</u></b>	<b><u>2,461,085</u></b>
<b><u>Net Assets, End of Year</u></b>	<b><u>2,076,794</u></b>	<b><u>1,190,630</u></b>	<b><u>3,267,424</u></b>	<b><u>2,446,423</u></b>

See accompanying notes to financial statements

**International Association For Human Values**  
**Schedule of Functional Expenses**  
**For Year Ended December 31, 2020**  
(with Summarized Financial Information for the Year Ended December 31, 2019)

EXPENSE CATEGORY	PROGRAM SERVICES									SUPPORTING SERVICES			TOTAL PROGRAM & SUPPORTING SERIVCES 2020	TOTAL PROGRAM & SUPPORTING SERIVCES 2019
	Community Development	Disaster & Trauma Relief	Human Values Campaigns	IAHV Peace Building Program	IAHV Prison Program	Project Welcome Home Troops	SKY Schools & Campus	SKY Community programs	TOTAL	MANAGEMENT & GENERAL EXPENSE	FUNDRAISING EXPENSES	TOTAL		
Salary and Wages		6,000			49,616	48,600	563,314	40,200	707,729	21,825	27,000	48,825	756,555	625,461
Payroll Taxes and Fees		496			8,543	3,624	36,043	2,370	51,076	7,262	2,264	9,526	60,602	45,892
Employee Benefits		180		1,786	9,276	8,984	50,380	2,120	72,725	7,049	976	8,025	80,750	68,380
Training and Conferences				1,235	1,814	1,894	25,977	535	31,456	2,369		2,369	33,825	41,413
Consultants & Other Professional Fees			2,201	112,038	13,782	2,330	156,887	10,578	297,816	7,930	4,700	12,630	310,446	486,538
Office Expenses			1,297	1,285	2,400	4,098	24,831	1,496	35,407	5,563	631	6,193	41,600	51,277
Insurance					500	500	3,394	1,500	5,894	6,407		6,407	12,301	18,667
Grants	100,500	204,000					2,000	2,000	308,500			-	308,500	131,044
Travel & Meetings			2,032	6,389	3,581	2,334	23,238	4,610	42,184	290	-	290	42,473	260,466
Bank and Credit Card Charges				146	789		4,249	5,992	11,177	1,724		1,724	12,901	17,120
Webhosting and Development				391	42	260	3,772	496	4,961	580	609	1,189	6,150	1,117
Occupancy Costs					1,800	1,800	5,645	4,008	13,253	1,200		1,200	14,453	18,398
Registration Fees				205	424	222	3,709	275	4,835	1,154	767	1,921	6,756	8,298
Cost of Direct Benefits to Donors			122	149	209		836	2,368	3,684			-	3,684	8,404
Advertisement					702	172	10,484	1,254	12,612	1,049	3,770	4,819	17,431	30,918
Royalties					225			81,225	81,450				81,450	125,667
Course Expenses					3,067	760	6,707	136,887	147,421	450		450	147,871	145,818
<b>2020 TOTAL</b>	<b>100,500</b>	<b>210,676</b>	<b>5,652</b>	<b>123,625</b>	<b>96,768</b>	<b>75,578</b>	<b>921,466</b>	<b>297,915</b>	<b>1,832,180</b>	<b>64,852</b>	<b>40,717</b>	<b>105,569</b>	<b>1,937,749</b>	
<b>2019 TOTAL</b>	<b>79,245</b>	<b>20,441</b>	<b>337,747</b>	<b>110,407</b>	<b>74,510</b>	<b>104,303</b>	<b>1,062,641</b>	<b>170,358</b>	<b>1,959,652</b>	<b>50,398</b>	<b>74,830</b>	<b>125,227</b>		<b>2,084,879</b>

See accompanying notes to financial statements



**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2020**  
(with Summarized Financial Information for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
<b>Change in Net Assets</b>	<b>\$ 821,002</b>	<b>\$ (14,662)</b>
 <b>Adjustments to reconcile change in Net Assets to Net Cash provided by operating activities:</b>		
Unrealized (Gain)/ Loss	(15,158)	(28,909)
Realized Loss	19,875	
(Increase)/Decrease in Accounts Receivable	(24,656)	(35,479)
(Increase)/Decrease in Prepaid Expenses	(5,032)	(17,277)
(Increase)/Decrease in Other current assets	(89,674)	(135,197)
Increase/(Decrease) in Accounts Payable	34,142	201,426
Increase/(Decrease) in Deferred Revenue	750	6,065
Increase/(Decrease) in Payroll Liabilities	9,263	(2,308)
<b><i>Net cash provided (used) by operating activities</i></b>	<b>(70,489)</b>	<b>(11,679)</b>
 <b>Net Cash provided by Financing Activities:</b>		
Increase/(decrease) in Credit Card Payables	3,424	(2,308)
<b><i>Net Cash provided (used) by Financing Activities</i></b>	<b>3,424</b>	<b>(2,308)</b>
 <b>Net Cash provided by Investing Activities:</b>		
Sale of Securities	87,253	-
Purchase of Securities	(45,156)	(40,019)
<b><i>Net Cash provided (used) by Investing Activities</i></b>	<b>42,097</b>	<b>(40,019)</b>
 <b>Net Increase in Cash and Cash Equivalents</b>	<b>796,034</b>	<b>(68,668)</b>
 <b>Cash and equivalents, beginning of the year</b>	<b>2,006,393</b>	<b>2,075,060</b>
 <b>Cash and equivalents, end of the year</b>	<b><u>2,802,427</u></b>	<b><u>2,006,393</u></b>

See accompanying notes to financial statements

# INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)

## Notes to the Financial Statements

December 31, 2020

### (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. IAHV's 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, SKY Campus Happiness Program, “PWHT” (Project Welcome Home Troops), Prison program, Disaster and Trauma Relief, Cities for Peace, Human values conferences and SKY breath meditation programs for children and teens.

The SKY Schools and the Campus Happiness programs, 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. Cities for Peace program strives to promote peace and reduce violence in cities by improving mental health, well-being and social cohesion between various stakeholders.

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

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 supports education and rural development projects in other countries. IAHV also supports environment initiatives providing solar lights in the remotest areas (Light a Home), river rejuvenation, waste management, and training farmers in chemical free farming.

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 year and are eligible for re-election. The General Body meets twice in a year.

# INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)

## Notes to the Financial Statements

December 31, 2020

### (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.

#### **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 complied 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**

##### Course and conference Fees:

Revenue earned from SKY Breath Meditation programs is recognized when performance obligations are satisfied. Revenue recognized on the contracts or courses for which billings have not been collected is included in accounts receivable. Any course fee payments received in advance of satisfying the performance obligation is recorded as a deferred revenue liability. 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.

##### Grants and contributions:

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. 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.

For contributions with donor restrictions, IAHV evaluates where the contributions are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for IAHV to be entitled to the revenue and a right of return of the asset or right of release for the obligation exists. Conditional contributions are recognized as income when IAHV meets the barrier and the right of the return is released.

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.

##### Other Income:

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.

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
**Notes to the Financial Statements**  
**December 31, 2020**

**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 values/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:

- |         |   |
|---------|---|
| 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"><li>▪ Quoted prices for similar assets/liabilities in active markets;</li><li>▪ Quoted prices for identical or similar assets in non-active markets;</li><li>▪ Inputs other than quoted prices that are observable for the asset/liability; and,</li><li>▪ Inputs that are derived principally from or corroborated by other observable market data.</li></ul> |
| Level 3 | Unobservable inputs that cannot be corroborated by observable market data.  |

**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 2019 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.

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
**Notes to the Financial Statements**  
**December 31, 2020**

**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, 2020, the organization's tax returns for 2017, 2018 and 2019 are open to examination by the tax authorities. With few exceptions, as of December 31, 2019, the Organization is no longer subject to U.S. Federal or State examinations by tax authorities for years prior to 2017.

**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 2019 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 2019 financial statements, from which the summarized information were derived.

**Reclassifications**

Certain 2019 amounts had been reclassified for comparative purposes.

**New Accounting Pronouncement**

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 2021. 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.

**Recently Adopted Accounting Pronouncement**

In May 2014, the FASB issued a new accounting standard, ASU 2014-09 Revenue from Contracts with Customers (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, 2019. IAHV adopted ASU 2014-09 (Topic 606) for the year beginning after January 1, 2020. The adoption of ASU 2014-09 (Topic 606) has had no material effect on the change in net assets or net asset balances, by classification, as previously reported.

# INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)

## Notes to the Financial Statements

December 31, 2020

### Recently Adopted Accounting Pronouncement (contd)

During the year ended December 31, 2019, IAHV adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2018-08 – Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08). This update clarifies and improves the scope and accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluation whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. IAHV adopted ASU 2018-08 in 2019 under the modified prospective approach. The adoption of ASU 2018-08 has had no material effect on the change in net assets or net asset balances, by classification, as previously reported.

### 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, 2020</u>
Cash	\$ 2,723,467
Money Market Funds	78,959
Total	<u>\$ 2,802,426</u>

### Account Receivable

Account receivable consists of educational 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, 2020 and accordingly has not made any provision for doubtful accounts. All receivable at December 31, 2020 were subsequently collected before these financial statements were issued.

Of the total Accounts Receivable, \$ 51,500 were over 90 days old as of December 31, 2020.

### Other current assets

Other current assets consist of un-deposited checks, funds receivable from Network for Good, Benevity Fund and advances to program volunteers.

### Accounts Payables and Accrued Expenses

At the end of 2020, \$ 817 of accounts payable remained over ninety days old.

### Advertising Costs

Advertising and marketing costs are expensed as incurred approximating \$ 17,431 for the year ended December 31, 2020.

### Grant Expenditure

Committed grant expenditures are considered incurred at the time of approval provided the grant has no specified conditions to be met in a future period. For conditional grants, the grant expenditure and liability are recognized and recorded in the accounting period when the Foundation determines that the specified conditions are met. Uncommitted appropriations that have been approved by the Board of Trustees are included in appropriated net assets without donor restrictions.

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
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**(3) Availability and Liquidity**

The following represents IAHV's financial assets available for general expenditure within one year of December 31, 2020:

Financial assets at year-end:	2020
Cash and equivalents	\$ 2,802,426
Accounts Receivable	161,031
Other Investments	236,365
Other Current Assets	331,603
Total financial assets	3,531,424
Less amounts not available to be used within one year:	
Net assets with donor restrictions	1,190,630
Less net assets with purpose restrictions to be met in less than a year	-
Board-designated funds for future use	-
	1,190,630
Financial assets available to meet general expenditures	\$ 2,340,794

**(4) Other Investments**

The following is a summary of investments at December 31, 2020:

	Dec 31, 2020
Mutual Funds	\$ 215,932
Fixed Income Funds	20,433
Total	\$ 236,365

As of December 31, 2020, 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:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 11,939	\$ -	\$ 11,939
Unrealized gain on investments	(4,717)		(4,717)
Investment fees	(1,072)		(1,072)
Net investment Income	\$ 6,150	\$ -	\$ 6,150

# INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)

## Notes to the Financial Statements

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### (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, 2020 was zero.

### (6) Net Assets

Net assets with donor restrictions were as follows for the year ended December 31, 2020:

	2020
Specific Purpose	
Disaster & Trauma Relief	\$ 734,091
Community Development	141,226
Education Fund	80,267
Prison Smart Program	22,542
SKY Schools and Campus	212,504
Passage of Time	
Contributions	None
Total	<u>\$ 1,190,630</u>

Net assets without donor restrictions for the year ended December 31, 2020 are as follows:

	2020
Undesignated	\$ 2,076,784
Board-designated net assets	None
	<u>\$ 2,076,784</u>

Net assets released from net assets with donor restrictions for the year ended December 31, 2020 are as follows:

Satisfaction of Purpose Restrictions	2020
Community Development	\$ 2,904
Prison Smart Program	16,347
Total	<u>\$ 19,251</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, 2020 the organization had \$ 2,447,441 in excess of FDIC insured limit of \$ 250,000. Management believes that the risk associated with such excess deposit is very minimal.



# **INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**

## **Notes to the Financial Statements**

**December 31, 2020**

**(7) Concentrations/ of Risks (contd)**

**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.

**(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 2023. IAHV also pays rent for various other locations on short-term basis to conduct its courses.

**(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 made 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) Forgivable Loan - Paycheck Protection Program**

On May 1, 2020, IAHV was granted a loan from Bank of America ("Lender") in the amount of \$103,132 pursuant to the Paycheck Protection Program ("PPP") under the federal Cares Act. The PPP loan, which is in the form of a note dated May 1, 2020, matures on May 1, 2022, bears interest at a rate of 1.0% per annum, and is payable monthly beginning on February 24, 2021. IAHV may prepay the note at any time prior to maturity with no prepayment penalty. IAHV may be eligible for forgiveness of all or a portion of the loan amount, including accrued interest on the forgiven portion, by providing evidence that the loan proceeds were used to fund eligible costs, during either an eight or twenty-four week period, and that additional criteria for forgiveness have been met. Any amount not forgiven will be payable, in full and including interest, on May 1, 2022.

IAHV is accounting for the proceeds as a conditional contribution under FASB ASC 958-605 Not-for-Profit Entities - Revenue Recognition Under this guidance, the loan forgiveness is recognized as contribution revenue as the conditions of forgiveness are substantially met. As of December 31, 2020, IAHV has expended 100% of the proceeds for eligible expenses during the covered period of the loan and fulfilled the additional forgiveness criteria under the Program, including FTE and wage reduction requirements and exceptions. IAHV submitted the loan forgiveness application to the Lender and the loan was forgiven on February 24, 2021. As a result, IAHV has recognized grant revenue in the amount of \$ 103,132 for the year ended December 31, 2020.

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**(10) Subsequent Events**

The organization has evaluated events and transactions occurring subsequent to December 31, 2020 through October 16, 2021 by which date, the financial statements are being issued. Subsequent events occurring after October 16, 2021 have not been evaluated by the management. No subsequent events, other than as described below, have occurred that require recognition or disclosure in the financial statements.

IAHV was notified in February 2021 that its Paycheck Protection Program loan was forgiven.

In February 2021, IAHV applied and received loan proceeds in the amount of \$ 125,026 under the Paycheck Protection Program II ("PPP II"). The PPP II, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight or twenty four week covered period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for the purposes consistent with the PPP and has accordingly submitted for forgiveness of this loan in September 2021.