

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES

C O N T E N T S

	Page
<i>Independent Auditors' Report</i>	1-2
<i>Financial Statements</i>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statement	5-12

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

INDEPENDENT AUDITORS' REPORT

To:
Board of Directors
International Association for Human Values

Opinion

We have audited the accompanying financial statements of International Association for Human Values (a nonprofit organization), which comprises the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Association for Human Values (IAHV) as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Association for Human Values and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IAHV's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit 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 IAHV's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IAHV's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We previously audited IAHV's December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Balagan Inc

Beltsville, MD
November 25, 2022

FINANCIAL STATEMENTS

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Financial Position
December 31, 2021
(With Summarized Financial Information for December 31, 2020)

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Current Assets:		
Cash and equivalents	\$ 4,864,991	\$ 2,802,427
Accounts Receivable	126,263	161,031
Unbilled Receivable	133,902	-
Other Investments	528,607	236,365
Prepaid Expense	3,474	35,883
Other Current Assets	197,386	331,602
Total Current Assets	<u>5,854,623</u>	<u>3,567,308</u>
Fixed Assets:		
Furniture and equipment	17,794	17,794
Less: Accumulated Depreciation	<u>(17,794)</u>	<u>(17,794)</u>
Net Fixed Assets		
<u>TOTAL ASSETS</u>	<u><u>5,854,623</u></u>	<u><u>3,567,308</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 140,062	\$ 245,585
Payroll Liabilities	39,691	33,700
Deferred Revenue	4,945	6,815
Credit Card Payable	-	13,784
Total Current Liabilities	<u>184,698</u>	<u>299,884</u>
Non-current Liabilities		
<u>TOTAL LIABILITIES</u>	<u>184,698</u>	<u>299,884</u>
<u>NET ASSETS</u>		
Without Donor Restriction	2,947,384	2,076,794
With Donor Restriction	<u>2,722,541</u>	<u>1,190,630</u>
<u>TOTAL NET ASSETS</u>	<u>5,669,925</u>	<u>3,267,424</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u><u>5,854,623</u></u>	<u><u>3,567,308</u></u>

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Activities
For the Year Ended December 31, 2021
(with Summarized Financial Information for the Year Ended December 31, 2020)

			<u>2021</u>	<u>2020</u>
	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>	<u>Total</u>
<u>Support and Revenue:</u>				
Course and Conference Fees	\$ 1,249,649	\$ -	\$ 1,249,649	\$ 1,049,308
Grants and Contributions	2,700,671	1,654,335	4,355,006	1,596,731
Conditional Grant	125,026	-	125,026	103,132
Gross special events revenue	29,567	-	29,567	3,430
Net Investment Return	42,831	-	42,831	6,150
<u>Total Support and Revenue</u>	<u>4,147,744</u>	<u>1,654,335</u>	<u>5,802,079</u>	<u>2,758,751</u>
<u>Expenses</u>				
Program Service Expenses				
Community Development	143,702	-	143,702	100,500
Disaster & Trauma Relief	1,613,542	-	1,613,542	210,676
Human Values Campaigns	2,936	-	2,936	5,652
IAHV Peace Building Program	68,242	-	68,242	123,625
IAHV Prison Program	77,305	-	77,305	96,768
Project Welcome Home Troop	73,673	-	73,673	75,578
SKY Schools & Campus	1,128,905	-	1,128,905	921,466
SKY Community programs	142,330	-	142,330	297,915
	-	-	-	-
Program expenses	<u>3,250,634</u>	<u>-</u>	<u>3,250,634</u>	<u>1,832,180</u>
Supporting Service Expenses				
Management and general	86,033	-	86,033	64,852
Fundraising	62,912	-	62,912	40,717
Total Supporting Service Expense	<u>148,944</u>	<u>-</u>	<u>148,944</u>	<u>105,569</u>
<u>Total Expenses</u>	<u>3,399,579</u>	<u>-</u>	<u>3,399,579</u>	<u>1,937,749</u>
<u>Change in Net Assets</u>	<u>748,166</u>	<u>1,654,335</u>	<u>2,402,501</u>	<u>821,002</u>
<u>Net Assets, Beginning of Year</u>	<u>2,076,794</u>	<u>1,190,630</u>	<u>3,267,424</u>	<u>2,446,422</u>
<u>Net Assets, End of Year</u>	<u>2,824,960</u>	<u>2,844,965</u>	<u>5,669,925</u>	<u>3,267,424</u>

See accompanying notes to financial statements

International Association For Human Values
Schedule of Functional Expenses
For Year Ended December 31, 2021
(with Summarized Financial Information for the Year Ended December 31, 2020)

EXPENSE CATEGORY	PROGRAM SERVICES									SUPPORTING SERVICES			TOTAL PROGRAM & SUPPORTING SERIVCES 2021	TOTAL PROGRAM & SUPPORTING SERIVCES 2020
	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		-			40,750	52,200	618,873	55,200	767,023	39,851	23,528	63,379	830,402	756,555
Employee & Volunteer Benefits			2,005	824	16,974	16,235	152,861	10,000	198,899	26,547	3,057	29,604	228,503	175,177
Consultants & Other Professional Fees	1,058	14,250		62,318	4,934	499	208,746	39,192	330,997	7,921	24,971	32,891	363,889	310,446
Office Expenses	686	23,631	79	1,151	1,744	1,895	26,773	5,109	61,068	5,045	1,335	6,380	67,448	41,600
Insurance							4,214		4,214	502		502	4,716	12,301
Grants	141,500	1,313,205						-	1,454,705			-	1,454,705	308,500
Travel & Meetings		252	629		1,351		15,156		17,389	82	750	832	18,220	42,473
Bank and Credit Card Charges	10	228		67	756		2,942	4,793	8,795	1,453		1,453	10,248	12,901
Occupancy Costs					2,032	1,800	5,400	1,800	11,032	1,200		1,200	12,232	14,453
Registration Fees				199	100		4,507		4,806	295	455	750	5,556	6,756
Cost of Direct Benefits to Donors		114	223		287		23,201		23,825			-	23,825	3,684
Marketing & Advertisement				1,839	202	1,044	16,269	2,977	22,330	1,608	8,816	10,424	32,754	23,581
Royalties	349			1,844	3,395		48,525	16,513	70,624	1,529		1,529	72,153	81,450
Program Supplies	100	261,862			4,697				266,659			-	266,659	-
Course Expenses					85		1,438	6,745	8,269			-	8,269	147,871
2021 TOTAL	143,702	1,613,542	2,936	68,242	77,305	73,673	1,128,905	142,330	3,250,634	86,033	62,912	148,944	3,399,579	
2020 TOTAL	100,500	210,676	5,652	123,625	96,768	75,578	921,466	297,915	1,832,180	64,852	40,717	105,569		1,937,749

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Cash Flows
For the Year Ended December 31, 2021
(with Summarized Financial Information for the Year Ended December 31, 2020)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in Net Assets	\$ 2,402,501	\$ 821,002
Adjustments to reconcile change in Net Assets to Net Cash provided by operating activities:		
Unrealized (Gain)/ Loss	(3,388)	(15,158)
Realized Loss	(15,815)	19,875
(Increase)/Decrease in Accounts Receivable Billed & Unbilled	(99,134)	(24,656)
(Increase)/Decrease in Prepaid Expenses	32,408	(5,032)
(Increase)/Decrease in Other current assets	134,216	(89,674)
Increase/(Decrease) in Accounts Payable	(105,523)	34,142
Increase/(Decrease) in Deferred Revenue	(1,870)	750
Increase/(Decrease) in Payroll Liabilities	5,992	9,263
<i>Net cash provided (used) by operating activities</i>	(53,115)	(70,489)
Net Cash provided by Financing Activities:		
Increase/(decrease) in Credit Card Payables	(13,784)	3,424
<i>Net Cash provided (used) by Financing Activities</i>	(13,784)	3,424
Net Cash provided by Investing Activities:		
Sale of Securities	57,608	87,253
Purchase of Securities	(330,647)	(45,156)
<i>Net Cash provided (used) by Investing Activities</i>	(273,039)	42,097
Net Increase in Cash and Cash Equivalents	2,062,563	796,034
Cash and equivalents, beginning of the year	2,802,427	2,006,393
Cash and equivalents, end of the year	<u>4,864,991</u>	<u>2,802,427</u>

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)

Notes to the Financial Statements

December 31, 2021

(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, 2021

(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, 2021

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">▪ 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. |

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 2020 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, 2021

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, 2021, the organization's tax returns for 2018, 2019 and 2020 are open to examination by the tax authorities. With few exceptions, as of December 31, 2021, the Organization is no longer subject to U.S. Federal or State examinations by tax authorities for years prior to 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 2020 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 2020 financial statements, from which the summarized information were derived.

Reclassifications

Certain 2020 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 2022. 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, 2021

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, 2021</u>
Cash	\$ 4,036,639
Money Market Funds	828,352
Total	<u>\$ 4,864,991</u>

Account Receivable

Account receivable consists of educational course fees billed and unbilled 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, 2021 and accordingly has not made any provision for doubtful accounts.

Of the total Accounts Receivable, \$ 65,027 were over 90 days old as of December 31, 2021. Of the total Accounts Receivable \$ 133,902 were unbilled at December 31, 2021.

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 2021, all accounts payable were less than thirty days old.

Advertising Costs

Advertising and marketing costs are expensed as incurred approximating \$ 32,754 for the year ended December 31, 2021.

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)
Notes to the Financial Statements
December 31, 2021

(3) Availability and Liquidity

The following represents IAHV's financial assets available for general expenditure within one year of December 31, 2021:

Financial assets at year-end:	2021
Cash and equivalents	\$ 4,864,991
Accounts Receivable	260,165
Other Investments	528,607
Other Current Assets	197,386
Total financial assets	5,851,148
Less amounts not available to be used within one year:	
Net assets with donor restrictions	2,722,541
Less net assets with purpose restrictions to be met in less than a year	-
Board-designated funds for future use	-
	2,722,541
Financial assets available to meet general expenditures	\$ 3,128,607

(4) Other Investments

The following is a summary of investments at December 31, 2021:

	Dec 31, 2021
Mutual Funds	\$ 528,607
Total	\$ 528,607

As of December 31, 2021, 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:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest, dividends and Capital Gains distributions	\$ 24,862	\$ -	\$ 24,862
Realized gain on investments	3,388		3,388
Unrealized gain on investments	15,815		15,815
Investment fees	(1,234)		(1,234)
Net investment Income	\$ 42,831	\$ -	\$ 42,831

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)

Notes to the Financial Statements

December 31, 2021

(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, 2021 was zero.

(6) Net Assets

Net assets with donor restrictions were as follows for the year ended December 31, 2021:

	2021
Specific Purpose	
Disaster & Trauma Relief	\$ 1,936,737
Community Development	391,090
Education Fund	114,264
Peace Building Project	53,217
Prison Smart Program	25,576
SKY Schools and Campus	281,712
Welcome Home Troop	42,369
Passage of Time	
Contributions	None
Total	<u>\$ 2,844,965</u>

Net assets without donor restrictions for the year ended December 31, 2021 are as follows:

	2021
Undesignated	\$ 2,824,960
Board-designated net assets	None
	<u>\$ 2,824,960</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, 2021 the organization had \$ 4,364,991 in excess of FDIC insured limit of \$ 250,000. Management believes that the risk associated 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, 2021

(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 100% of medical insurance premiums, and Long Term /Short Term Disability and basic Life Insurance coverage. Additionally, employees can select dental & vision coverage (IAHV covers 60% of the premium). The employees can also participate in Health Savings account (HSA).

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 March 16, 2021, IAHV was granted a loan from Bank of America ("Lender") in the amount of \$125,026 pursuant to the Paycheck Protection Program ("PPP") under the federal Cares Act. The PPP loan, which is in the form of a note dated March 16, 2021, matures on March 16, 2022, bears interest at a rate of 1.0% per annum, and was payable monthly beginning on December 16, 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 September 21, 2021.

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, 2021, 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 September 21, 2021. As a result, IAHV has recognized grant revenue in the amount of \$ 125,026 for the year ended December 31, 2021.

(10) Subsequent Events

The organization has evaluated events and transactions occurring subsequent to December 31, 2021 through November 25, 2022 by which date, the financial statements are being issued. Subsequent events occurring after November 25, 2022 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.