

THE AMERICAN INDIA FOUNDATION  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2003

**THE AMERICAN INDIA FOUNDATION**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
INDEPENDENT AUDITORS' REPORT .....	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Functional Expenses .....	5
Consolidated Statement of Cash Flows .....	6
Notes to the Consolidated Financial Statements .....	7-14
ADDITIONAL INFORMATION	
Consolidated Proforma Statement of Financial Position .....	15
Consolidated Proforma Statement of Activities .....	16



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## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF DIRECTORS OF THE AMERICAN INDIA FOUNDATION

We have audited the accompanying consolidated statement of financial position of The American India Foundation (a nonprofit organization) as of December 31, 2003, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Board of Directors. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The American India Foundation as of December 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

(CONTINUED)

The consolidated proforma statement of financial position and consolidated proforma statement of activities on pages 15 and 16 is not a required part of the basic financial statements, and we did not audit and do not express an opinion on such information. However, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. As a result of such limited procedures, we believe that the consolidated proforma statement of financial position and consolidated proforma statement of activities are not in conformity with generally accepted accounting principles but has been presented in a format requested by management of The American India Foundation to provide, what management believes is a more comprehensive statement of The American India Foundation's fundraising efforts.

  
WILKIN & GUTTENPLAN, P.C.  
Certified Public Accountants

**THE AMERICAN INDIA FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2003**

**ASSETS**

Cash and cash equivalents	\$ 2,539,570
Investments	3,056,012
Pledges receivable	56,245
Furniture, fixtures and equipment, net of accumulated depreciation of \$23,182	<u>31,256</u>

**TOTAL ASSETS** \$ 5,683,083

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Grants payable	\$ 380,968
Agency funds	240,896
Accounts payable and accrued expenses	9,596
Other liability	<u>10,000</u>

**TOTAL LIABILITIES** 641,460

**NET ASSETS**

Unrestricted	2,360,642
Temporarily restricted	2,080,981
Permanently restricted	<u>600,000</u>

**TOTAL NET ASSETS** 5,041,623

**TOTAL LIABILITIES AND NET ASSETS** \$ 5,683,083

The accompanying notes are an integral  
part of these financial statements.

THE AMERICAN INDIA FOUNDATION

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<b>PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS:</b>				
Contributions	\$ 1,302,398	\$ 1,236,210	\$ -	\$ 2,538,608
Events revenue	196,924	362,759	-	559,683
Other revenue	-	400,000	-	400,000
Donated services and facilities	400,477	-	-	400,477
Investment return	53,416	-	-	53,416
	<hr/>	<hr/>	<hr/>	<hr/>
Sub-Total	1,953,215	1,998,969	-	3,952,184
Less: Amounts held for or remitted to other organizations	-	(400,000)	-	(400,000)
Less: Costs of direct benefits to donors	(96,480)	(59,981)	-	(156,461)
Net assets released from restriction due to satisfaction of purpose restrictions	1,377,405	(1,377,405)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>	<b>3,234,140</b>	<b>161,583</b>	<b>-</b>	<b>3,395,723</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENSES:</b>				
Grant awarding activities	1,318,481	-	-	1,318,481
Program services	623,856	-	-	623,856
Fundraising	404,511	-	-	404,511
Management and general	332,395	-	-	332,395
	<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>2,679,243</b>	<b>-</b>	<b>-</b>	<b>2,679,243</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>INCREASE IN NET ASSETS</b>	<b>554,897</b>	<b>161,583</b>	<b>-</b>	<b>716,480</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,805,745</b>	<b>1,919,398</b>	<b>600,000</b>	<b>4,325,143</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,360,642</b>	<b>\$ 2,080,981</b>	<b>\$ 600,000</b>	<b>\$ 5,041,623</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

THE AMERICAN INDIA FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2003

	Program Services			Supporting Services		
	Digital Equalizer	Service Corps	Total	Fundraising	Management and General	Total
Salaries	\$ 33,428	\$ 81,455	\$ 114,883	\$ 168,439	\$ 115,682	\$ 399,004
Payroll related expenses	-	7,409	7,409	13,315	21,137	41,861
Fellowships	-	54,138	54,138	-	-	54,138
Learning Centers	144,155	-	144,155	-	-	144,155
Occupancy costs	38,776	13,012	51,788	77,261	75,878	204,927
Consulting	68,949	8,053	77,002	36,970	20,472	134,444
Travel	6,250	53,550	59,800	5,355	6,709	71,864
Office expenses	3,354	1,298	4,652	13,486	4,477	22,615
Professional fees	46,139	5,300	51,439	38,976	29,669	120,084
Insurance	5,044	22,577	27,621	5,938	1,344	34,903
Advertising, marketing and promotions	9,202	318	9,520	12,823	-	22,343
Depreciation	-	-	-	-	13,308	13,308
Telephone	7,592	5,420	13,012	8,419	5,333	26,764
Printing and publications	1,871	1,445	3,316	8,315	4,938	16,569
Supplies	916	1,002	1,918	1,500	3,556	6,974
Miscellaneous	-	-	-	-	628	628
Chapter development	-	-	-	10,187	-	10,187
Postage and shipping	267	436	703	1,507	4,835	7,045
Subscriptions	-	-	-	2,020	329	2,349
Bank charges/processing fees	-	-	-	-	16,017	16,017
Conferences	2,000	500	2,500	-	1,041	3,541
Repairs and maintenance	-	-	-	-	7,042	7,042
<b>TOTAL</b>	<u>\$ 367,943</u>	<u>\$ 255,913</u>	<u>\$ 623,856</u>	<u>\$ 404,511</u>	<u>\$ 332,395</u>	<u>\$ 1,360,762</u>

The accompanying notes are an integral part of these financial statements.

**THE AMERICAN INDIA FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Increase in net assets	\$ 554,897	\$ 161,583	\$ -	\$ 716,480
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:				
Contribution of investments	(412,933)	-	-	(412,933)
Loss on sale of donated securities	8,371	-	-	8,371
Depreciation expense	13,308	-	-	13,308
Due to/from other funds	170,325	(170,325)	-	-
Changes in assets and liabilities:				
Pledges receivable	(21,245)	60,000	-	38,755
Grants payable	(37,367)	-	-	(37,367)
Agency funds	240,896	-	-	240,896
Accounts payable and accrued expenses	(34,789)	-	-	(34,789)
Other liability	10,000	(9,500)	-	500
<b>TOTAL ADJUSTMENTS</b>	<u>(63,434)</u>	<u>(119,825)</u>	<u>-</u>	<u>(183,259)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>491,463</u>	<u>41,758</u>	<u>-</u>	<u>533,221</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchases of furniture, fixtures and equipment	(16,404)	-	-	(16,404)
Purchases of investments	(1,862,826)	-	-	(1,862,826)
Sale of investments	869,543	-	-	869,543
Maturity of investments	103,163	-	-	103,163
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(906,524)</u>	<u>-</u>	<u>-</u>	<u>(906,524)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(415,061)</u>	<u>41,758</u>	<u>-</u>	<u>(373,303)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>2,912,873</u>	<u>-</u>	<u>-</u>	<u>2,912,873</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,497,812</u>	<u>\$ 41,758</u>	<u>\$ -</u>	<u>\$ 2,539,570</u>

The accompanying notes are an integral part of these financial statements.



THE AMERICAN INDIA FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

**NOTE 1 - NATURE OF ACTIVITIES:**

The mission of the The American India Foundation (AIF) is to provide financial, technological, and managerial resources toward helping the people of India realize their full potential and strengthening the bonds between the United States of America (US) and India. An adjunct mission of AIF is to provide assistance within the US during times of need. AIF's support comes primarily from individual and corporate donors' contributions and has offices in New York, California and India.

The American India Foundation Trust is an affiliated organization located in India and shares a common Board of Directors with AIF. The American India Foundation Trust's activity for 2003 consisted of approximately \$42,000 in temporarily restricted contributions which have been included in the accompanying financial statements.

Program activities include awarding grants and two (2) major programs in India -- Service Corps and Digital Equalizer. The AIF focuses its grants primarily on Livelihood and Education, along with Rehabilitation, Health and Human Services. The Service Corps program sends qualified and skilled individuals to India for nine months of volunteer development work with nongovernmental organizations (NGO's) throughout India. The Digital Equalizer program seeks to bridge the digital and educational divide in India through the development of computerized learning centers.

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires the Board (or management) to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Basis of Presentation** - The consolidated financial statements of AIF are prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 *Financial Statements of Not-for-Profit Organizations*, issued by the Financial Accounting Standards Board (FASB). As such, the financial statements are presented on the basis of unrestricted, temporarily restricted and permanently restricted net assets as follows:

(CONTINUED)

THE AMERICAN INDIA FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Unrestricted Net Assets – Net assets that are not subject to any donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions on their use that may be met either by actions of the Organization or the passage of time

Permanent Restricted Net Assets – Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization. Generally, the donors permit the Organization to use all or part of the income earned for either general or donor-specified purposes.

Property and Equipment – Acquisitions of furniture and fixtures are capitalized and are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

Investments – Investment in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Agency/Intermediary Funds - The Foundation has entered into various arrangements whereby it accepts contributions from donors and agrees to transfer those assets to entities that are specified by the donors. If the donors explicitly grant the Foundation variance power, the Foundation will recognize the fair value of assets it received as a contribution. Otherwise, the Foundation will recognize the fair value of those assets as a liability to the specified beneficiary.

Revenue Recognition - Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Grants and other contributions of cash or other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(CONTINUED)

**THE AMERICAN INDIA FOUNDATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):**

**Income Taxes** - AIF is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, AIF has made no provision for federal income taxes in the accompanying financial statements. In addition, AIF has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code and qualifies for deductible contributions.

**Functional Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Donated Services and Facilities** - Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributions of facilities (i.e., office space) is recorded at fair value.

In addition, AIF receives a significant amount of donated services from unpaid volunteers who assist in carrying out the mission of the Organization. These services have not been recognized in the statement of activities because the criteria for recognition under SFAS 116 noted above has not been satisfied.

**Cash Equivalents** - For the purpose of the statement of cash flows, the Organization considers money market mutual funds to be cash equivalents.

**NOTE 3 - OTHER MATTERS:**

Prior to the legal formation of AIF, certain individuals, comprising of the current management of AIF, were instrumental in the fundraising activities for Gujarat Earthquake Relief Efforts. Such funds were contributed to the United Community Appeal of India (UCA), a donor advised fund for Gujarat Earthquake Relief efforts and are held by Community Foundation of Silicon Valley (the "Foundation"), a 501(c)(3) entity, who is an unrelated party of AIF.

Since the inception of UCA, AIF's management has identified, qualified and advised the Foundation as to which non-governmental organizations (NGO's) working on the rehabilitation of India should receive funding. AIF management was also instrumental in the efforts to manage the approval process and determine the appropriate grants. Approximately \$2,700,000 was raised for such purposes and was disbursed to various non-governmental organizations during 2001, 2002 and 2003.

THE AMERICAN INDIA FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

**NOTE 4 - INVESTMENTS:**

Investments as of December 31, 2003 are carried at fair value which approximates cost and is summarized as follows:

	<u>Fair Value</u>
Unrestricted:	
Marketable equity securities	\$ 456,012
Municipal bonds	1,275,000
Money market and auction instruments	<u>1,325,000</u>
	<u>\$3,056,012</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2003:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest and dividends	\$61,787	\$ -	\$ -	\$61,787
Realized losses on sale of donated securities	<u>( 8,371)</u>	<u>-</u>	<u>-</u>	<u>(8,371)</u>
	<u>\$53,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$53,416</u>

**NOTE 5 - PLEDGES RECEIVABLE:**

Unconditional promises to give at December 31, 2003 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Pledges receivable due in less than one year	<u>\$56,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$56,245</u>

THE AMERICAN INDIA FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

**NOTE 6 - FURNITURE, FIXTURES AND EQUIPMENT:**

The following is a summary of furniture, fixtures and equipment as of December 31, 2003:

Computers, software and server	\$47,888
Furniture and fixtures	<u>6,550</u>
	54,438
Less: Accumulated depreciation	<u>(23,182)</u>
TOTAL	<u>\$31,256</u>

**NOTE 7 - GRANTS PAYABLE/COMMITMENTS:**

AIF has entered into various Memorandums of Understanding (MOUs) with several non-governmental organizations (NGOs). These organizations are responsible for carrying out developmental activities with funds provided by AIF, and, if applicable, with matching contributions provided by other organizations. The amounts due to the NGOs are generally payable in installments based on certain criteria and/or milestones achieved as contained within the MOU. If at any stage AIF is not satisfied with the quantity or quality of the work on the project, it can withhold payment of subsequent installment amounts. Amounts totaling \$380,968 were included in grants payable which represents the amounts due to NGOs as of December 31, 2003.

In addition, AIF has commitments to various NGO's (through MOUs) totaling approximately \$1,000,000. The payment of such amounts to those NGOs is conditional on work being performed, and/or reaching milestones and therefore, has not been included in the accompanying financial statements.

**NOTE 8 - AGENCY FUNDS:**

During 2003, UCA transferred to AIF the balance of the monies it had designated for the NGOs in connection with the rehabilitation of India. As of December 31, 2003, AIF had not transferred all of these monies to the NGOs. Accordingly, such amounts totaling \$240,896 have been included in agency funds in the accompanying statement of net assets.

**THE AMERICAN INDIA FOUNDATION**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2003**

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS:**

Temporarily restricted net assets are available for the following purposes or periods:

Gujarat Earthquake Relief	\$1,120,548
Gurjarat Earthquake Relief – Digital Equalizer	<u>200,000</u>
Total Gujarat Earthquake Relief	1,320,048
Education	241,215
General and Administrative	168,855
Digital equalizer	151,826
Communal Harmony	105,354
Victims of September 11	48,425
Donor advised funds	<u>3,000</u>
	<u>\$2,039,223</u>

**NOTE 10 - PERMANENTLY RESTRICTED NET ASSETS:**

In the previous year, AIF received two permanent restricted endowments totaling \$600,000. The investment income generated from these endowments is unrestricted and can be used for general purposes.

**NOTE 11 - DONATED SERVICES AND FACILITIES:**

Donated services and facilities consist of the following:

Rent – New York	\$140,000
Legal fees	106,804
Executive Director Salary	105,673
Rent – California	<u>48,000</u>
	<u>\$400,477</u>

During 2003, AIF occupied office space in New York City. No rent was paid by AIF for the New York City location. The estimated approximate fair value of the annual rental is \$140,000. AIF also utilizes a portion of an office located in California at no cost. The estimated fair value of the annual rental is \$48,000.

In addition, Citibank, N.A. designated a full-time employee to be utilized by The American India Foundation to act as Executive Director. The salary expense of this employee was paid by Citibank, N.A. for the period January 1, 2003 through May 31, 2003.

(CONTINUED)

THE AMERICAN INDIA FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

**NOTE 11 - DONATED SERVICES AND FACILITIES: (CONTINUED)**

These amounts have been reflected as donated services and facilities and expenses in the statement of activities.

The Executive Director worked on a voluntary basis after May 31, 2003. The value of his services after such date has not been included as donated services.

**NOTE 12 - GRANT MAKING ACTIVITIES:**

AIF provides grants to reputable Indian non-governmental organizations (NGO's) that are executing development projects in India. The initial focus of the grant making activities was to provide relief and rehabilitation assistance to victims of the Gujarat earthquake. The grant making activities have since expanded to focus on accelerating social and economic development in all of India, focusing mainly on two areas: Education and Livelihood.

AIF focuses its Education grants on basic education, including both primary education and adult literacy. The Organization supports both formal and nonformal educational initiatives in both urban and rural environments.

Within the area of Livelihood, AIF is currently focusing on supporting microcredit activities throughout India. Microcredit is a poverty alleviation tool that has been developed more recently. It rests on the principal that one of the primary causes of rural poverty is a villager's lack of access to credit at reasonable terms and provides loans to poor people to conduct village level business activities.

During 2003, AIF awarded grants and incurred expenses in administrating such grants as follows:

Grants awarded:		
Education	\$ 542,369	
Gujarat Earthquake Assistance	267,262	
Livelihood	194,092	
Communal Harmony	14,785	
Other grants	<u>124,463</u>	
<b>TOTAL GRANTS AWARDED</b>		<b>\$1,142,971</b>

(CONTINUED)

THE AMERICAN INDIA FOUNDATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003

**NOTE 12 - GRANT MAKING ACTIVITIES: (CONTINUED)**

Grant administration expenses:		
Salaries and fringes	84,283	
Consulting	36,403	
Travel	32,270	
Occupancy	20,782	
Other	<u>1,772</u>	
TOTAL GRANT ADMINISTRATION EXPENSES		<u>175,510</u>
TOTAL GRANT AWARDING ACTIVITIES		<u>\$1,318,481</u>

**NOTE 13 - CONCENTRATION OF CREDIT RISK:**

The Organization maintains cash balances at one financial institution, which exceeds federally insured limits by approximately \$178,000 at December 31, 2003.



**ADDITIONAL INFORMATION**

THE AMERICAN INDIA FOUNDATION

CONSOLIDATED PROFORMA STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2003

	<u>The American India Foundation</u>	<u>Funds held by United Community Appeal for India</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,539,570	\$ -	\$ 2,539,570
Investments	3,056,012	-	3,056,012
Pledges receivable	56,245	-	56,245
Furniture, fixtures and equipment, net of accumulated depreciation of \$23,182	31,256	-	31,256
<b>TOTAL ASSETS</b>	<u>\$ 5,683,083</u>	<u>\$ -</u>	<u>\$ 5,683,083</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Grants payable	\$ 380,968	\$ -	\$ 380,968
Agency funds	240,896	-	240,896
Accounts payable and accrued expenses	9,596	-	9,596
Other liability	10,000	-	10,000
<b>TOTAL LIABILITIES</b>	<u>641,460</u>	<u>-</u>	<u>641,460</u>
<b>NET ASSETS</b>			
Unrestricted net assets	2,360,642	-	2,360,642
Temporarily restricted net assets	2,080,981	-	2,080,981
Permanently restricted net assets	600,000	-	600,000
<b>TOTAL NET ASSETS</b>	<u>5,041,623</u>	<u>-</u>	<u>5,041,623</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 5,683,083</u>	<u>\$ -</u>	<u>\$ 5,683,083</u>

The proforma financial statements presented is not intended to be in accordance with generally accepted accounting principles.

**THE AMERICAN INDIA FOUNDATION**

**CONSOLIDATED PROFORMA STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED DECEMBER 31, 2003**

	UNRESTRICTED			TEMPORARILY RESTRICTED			PERMANENTLY	GRAND
	UNITED			UNITED			RESTRICTED	
	THE AMERICAN	COMMUNITY	TOTAL	THE AMERICAN	COMMUNITY	TOTAL	THE AMERICAN	
	INDIA	APPEAL		INDIA	APPEAL	TEMPORARILY	INDIA	
FOUNDATION	FOR INDIA	UNRESTRICTED	FOUNDATION	FOR INDIA	RESTRICTED	FOUNDATION	TOTAL	
<b>PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS:</b>								
Contributions	\$ 1,302,398	\$ -	\$ 1,302,398	\$ 1,236,210	\$ -	\$ 1,236,210	\$ -	\$ 2,538,608
Events revenue	196,924	-	196,924	362,759	-	362,759	-	559,683
Other revenue	-	-	-	400,000	-	400,000	-	400,000
Donated services and facilities	400,477	-	400,477	-	-	-	-	400,477
Investment return	53,416	-	53,416	-	1,907	1,907	-	55,323
Sub-Total	1,953,215	-	1,953,215	1,998,969	1,907	2,000,876	-	3,954,091
Less: Amounts held for or remitted to other organizations	-	-	-	(400,000)	-	(400,000)	-	(400,000)
Less: Costs of direct benefits to donors	(96,480)	-	(96,480)	(59,981)	-	(59,981)	-	(156,461)
Net assets released from restriction due to satisfaction of purpose restrictions	1,377,405	534,198	1,911,603	(1,377,405)	(534,198)	(1,911,603)	-	-
<b>TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS</b>	<b>3,234,140</b>	<b>534,198</b>	<b>3,768,338</b>	<b>161,583</b>	<b>(532,291)</b>	<b>(370,708)</b>	<b>-</b>	<b>3,397,630</b>
<b>EXPENSES:</b>								
Grant awarding activities	1,318,481	534,198	1,852,679	-	-	-	-	1,852,679
Program services	623,856	-	623,856	-	-	-	-	623,856
Fundraising	404,511	-	404,511	-	-	-	-	404,511
Management and general	332,395	-	332,395	-	-	-	-	332,395
<b>TOTAL EXPENSES</b>	<b>2,679,243</b>	<b>534,198</b>	<b>3,213,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,213,441</b>
<b>INCREASE (DECREASE) IN NET ASSETS AND NET ASSETS AT END OF YEAR</b>	<b>554,897</b>	<b>-</b>	<b>554,897</b>	<b>161,583</b>	<b>(532,291)</b>	<b>(370,708)</b>	<b>-</b>	<b>184,189</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>1,805,745</b>	<b>-</b>	<b>1,805,745</b>	<b>1,919,398</b>	<b>532,291</b>	<b>2,451,689</b>	<b>600,000</b>	<b>4,857,434</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 2,360,642</b>	<b>\$ -</b>	<b>\$ 2,360,642</b>	<b>\$ 2,080,981</b>	<b>\$ -</b>	<b>\$ 2,080,981</b>	<b>\$ 600,000</b>	<b>\$ 5,041,623</b>

The proforma financial statements presented is not intended to be in accordance with generally accepted accounting principles.