

**THE AMERICAN INDIA FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2021 AND 2020**



**LUTZ AND CARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The American India Foundation

We have audited the accompanying financial statements of The American India Foundation (a not-for-profit organization), which comprise the statements of financial position as of March 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's 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 audits. We conducted our audits 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American India Foundation as of March 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 12 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. Our opinion is not modified with respect to this matter.

*Lotz + Carr, LLP*

New York, New York  
February 11, 2022

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 4)	\$3,764,743	\$2,157,844
Investments (Notes 1d, 1e and 5)	6,854,555	6,187,339
Contributions receivable (Notes 1c and 6)	502,885	1,257,750
Prepaid expenses and other assets	32,857	266,057
Property and equipment, net of accumulated depreciation (Notes 1f and 7)	<u>14,481</u>	<u>22,738</u>
<b>Total Assets</b>	<u><u>\$11,169,521</u></u>	<u><u>\$9,891,728</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 313,551	\$ 345,981
Deposits held	19,025	35,524
Refundable event receipts	-	439,126
Refundable grant	-	200,000
Total Liabilities	<u>332,576</u>	<u>1,020,631</u>
Commitments and Contingency (Notes 9, 10 and 12)		
Net Assets		
Without Donor Restrictions	<u>5,969,608</u>	<u>4,708,515</u>
With Donor Restrictions		
Time and purpose restrictions (Note 3a)	4,267,337	3,562,582
Perpetual in nature (Note 3b)	<u>600,000</u>	<u>600,000</u>
Total With Donor Restrictions	<u>4,867,337</u>	<u>4,162,582</u>
Total Net Assets	<u>10,836,945</u>	<u>8,871,097</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$11,169,521</u></u>	<u><u>\$9,891,728</u></u>

See notes to financial statements.

## THE AMERICAN INDIA FOUNDATION

## STATEMENTS OF ACTIVITIES

YEARS ENDED MARCH 31, 2021 AND 2020

	2021				2020			
	Without Donor Restrictions	With Donor Restrictions Time and Purpose Restrictions	Perpetual in Nature	Total	Without Donor Restrictions	With Donor Restrictions Time and Purpose Restrictions	Perpetual in Nature	Total
<b>Changes in Net Assets</b>								
Support and Revenue								
Contributions and grants (Note 1c)	\$ 1,399,163	\$ 4,645,415	\$ -	\$ 6,044,578	\$ 903,427	\$ 2,748,428	\$ -	\$3,651,855
Contribution - Paycheck Protection Program (Note 11)	326,600	-	-	326,600	-	-	-	-
Benefit income	3,767,904	-	-	3,767,904	4,683,624	93,000	-	4,776,624
Less: Direct benefit expenses	-	-	-	-	(379,558)	-	-	(379,558)
Net investment income (Note 5)	119,721	-	-	119,721	169,599	-	-	169,599
Other income	70,915	-	-	70,915	91,661	-	-	91,661
	<u>5,684,303</u>	<u>4,645,415</u>	<u>-</u>	<u>10,329,718</u>	<u>5,468,753</u>	<u>2,841,428</u>	<u>-</u>	<u>8,310,181</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	3,940,660	(3,940,660)	-	-	3,270,526	(3,270,526)	-	-
	<u>9,624,963</u>	<u>704,755</u>	<u>-</u>	<u>10,329,718</u>	<u>8,739,279</u>	<u>(429,098)</u>	<u>-</u>	<u>8,310,181</u>
Total Support and Revenue								
Expenses								
Program Services	7,218,222	-	-	7,218,222	6,041,867	-	-	6,041,867
Supporting Services								
Management and general	537,285	-	-	537,285	490,814	-	-	490,814
Fundraising	608,363	-	-	608,363	953,959	-	-	953,959
Total Supporting Services	<u>1,145,648</u>	<u>-</u>	<u>-</u>	<u>1,145,648</u>	<u>1,444,773</u>	<u>-</u>	<u>-</u>	<u>1,444,773</u>
Total Expenses	<u>8,363,870</u>	<u>-</u>	<u>-</u>	<u>8,363,870</u>	<u>7,486,640</u>	<u>-</u>	<u>-</u>	<u>7,486,640</u>
Increase (decrease) in net assets	1,261,093	704,755	-	1,965,848	1,252,639	(429,098)	-	823,541
Net assets, beginning of year	4,708,515	3,562,582	600,000	8,871,097	3,455,876	3,991,680	600,000	8,047,556
	<u>\$ 5,969,608</u>	<u>\$ 4,267,337</u>	<u>\$600,000</u>	<u>\$10,836,945</u>	<u>\$ 4,708,515</u>	<u>\$ 3,562,582</u>	<u>\$600,000</u>	<u>\$8,871,097</u>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2021 WITH COMPARATIVE TOTALS FOR 2020**

	2021								2020				
	Program Services						Engage, Educate, Inform and Involve (EEII)		Supporting Services			Total Expenses	Total Expenses
	Education	Livelihood	Public Health	Digital Equalizer	Clinton Fellows	COVID	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses	
Grants - program related - AIFT	\$ 644,255	\$ 115,093	\$ 596,992	\$384,921	\$195,829	\$2,165,527	\$ -	\$4,102,617	\$ -	\$ -	\$ -	\$4,102,617	\$3,970,396
Grants - direct to non-governmental organizations	99,998	85,741	206,014	9,816	-	334,692	-	736,261	-	-	-	736,261	45,070
Grants - Donor Advised Funds	52,724	36,000	-	-	-	-	-	88,724	-	-	-	88,724	25,700
Program and donor communications	-	-	-	-	-	-	-	-	-	-	-	-	185,533
Stipends	-	-	-	-	21,675	-	-	21,675	-	-	-	21,675	70,582
Salaries	175,220	200,141	205,180	195,678	209,564	288,534	195,265	1,469,582	227,477	212,598	440,075	1,909,657	1,435,904
Payroll taxes and fringe benefits	58,391	63,367	63,003	61,447	77,512	77,502	60,068	461,290	75,711	70,196	145,907	607,197	464,816
Occupancy	20,102	22,962	23,540	22,449	23,548	33,103	22,402	168,106	26,097	24,391	50,488	218,594	285,222
Professional fees	-	-	-	-	-	-	-	-	119,742	30,101	149,843	149,843	152,049
Consulting fees	7,625	8,709	8,929	8,515	9,869	12,556	8,497	64,700	9,899	9,251	19,150	83,850	187,460
Telephone and internet	1,407	1,607	1,647	1,571	11,676	2,316	1,567	21,791	1,826	18,548	20,374	42,165	29,837
Office supplies and related expenses	2,619	2,992	3,067	2,925	8,182	4,313	3,359	27,457	3,399	24,021	27,420	54,877	53,851
Repairs and maintenance	931	1,063	1,090	1,039	1,113	1,533	1,037	7,806	1,208	1,129	2,337	10,143	18,649
Travel, entertainment and lodging	-	-	-	-	18,411	-	2,432	20,843	2,433	5,381	7,814	28,657	81,205
Cultivation, digital and Young Professional events	336	672	672	672	672	1,681	672	5,377	672	2,972	3,644	9,021	79,589
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	204,283	204,283	204,283	235,687
Depreciation	932	1,064	1,091	1,041	1,114	1,534	1,038	7,814	1,210	1,131	2,341	10,155	5,531
Miscellaneous	1,675	1,914	1,962	1,871	2,131	2,759	1,867	14,179	67,611	4,361	71,972	86,151	159,559
<b>Total Expenses, 2021</b>	<b>\$1,066,215</b>	<b>\$ 541,325</b>	<b>\$1,113,187</b>	<b>\$691,945</b>	<b>\$581,296</b>	<b>\$2,926,050</b>	<b>\$ 298,204</b>	<b>\$7,218,222</b>	<b>\$ 537,285</b>	<b>\$ 608,363</b>	<b>\$1,145,648</b>	<b>\$8,363,870</b>	
<b>Total Expenses, 2020</b>	<b>\$1,397,335</b>	<b>\$1,841,380</b>	<b>\$1,122,734</b>	<b>\$672,006</b>	<b>\$683,666</b>	<b>\$ -</b>	<b>\$ 324,746</b>	<b>\$6,041,867</b>	<b>\$ 490,814</b>	<b>\$ 953,959</b>	<b>\$1,444,773</b>		<b>\$7,486,640</b>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2020**

	Program Services						Supporting Services					Total Expenses
	Education	Livelihood	Public Health	Digital Equalizer	Clinton Fellows	COVID	Engage, Educate, Inform and Involve (EEII)	Total	Management and General	Fundraising	Total	
Grants - program related - AIFT	\$1,044,441	\$1,492,176	\$ 840,628	\$399,009	\$194,142	\$ -	\$ -	\$3,970,396	\$ -	\$ -	\$ -	\$3,970,396
Grants - direct to non-governmental organizations	36,070	-	-	-	-	-	9,000	45,070	-	-	-	45,070
Grants - Donor Advised Funds	-	25,700	-	-	-	-	-	25,700	-	-	-	25,700
Program and donor communications	37,226	53,172	29,954	14,220	6,919	-	-	141,491	-	44,042	44,042	185,533
Stipends	-	-	-	-	70,582	-	-	70,582	-	-	-	70,582
Salaries	174,344	171,159	160,973	163,130	212,590	-	190,316	1,072,512	174,164	189,228	363,392	1,435,904
Payroll taxes and fringe benefits	58,097	57,160	49,664	52,475	60,908	-	71,216	349,520	58,699	56,597	115,296	464,816
Occupancy	26,864	26,431	22,965	24,265	28,757	-	32,930	162,212	28,165	94,845	123,010	285,222
Professional fees	-	-	-	-	-	-	-	-	82,788	69,261	152,049	152,049
Consulting fees	6,150	6,150	9,225	9,225	9,225	-	9,225	49,200	10,700	127,560	138,260	187,460
Telephone and internet	1,910	1,879	1,633	1,725	2,211	-	2,342	11,700	6,470	11,667	18,137	29,837
Office supplies and related expenses	1,435	-	-	-	19,804	-	-	21,239	5,310	27,302	32,612	53,851
Repairs and maintenance	2,312	2,275	1,977	2,089	2,424	-	2,835	13,912	2,425	2,312	4,737	18,649
Travel, entertainment and lodging	645	800	552	583	57,344	-	791	60,715	676	19,814	20,490	81,205
Cultivation, digital and Young Professional events	2,018	2,018	3,027	3,027	3,027	-	3,027	16,144	2,015	61,430	63,445	79,589
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	235,687	235,687	235,687
Depreciation	242	239	207	219	254	-	297	1,458	1,331	2,742	4,073	5,531
Miscellaneous	5,581	2,221	1,929	2,039	15,479	-	2,767	30,016	118,071	11,472	129,543	159,559
<b>Total Expenses</b>	<b>\$1,397,335</b>	<b>\$1,841,380</b>	<b>\$1,122,734</b>	<b>\$672,006</b>	<b>\$683,666</b>	<b>\$ -</b>	<b>\$ 324,746</b>	<b>\$6,041,867</b>	<b>\$ 490,814</b>	<b>\$ 953,959</b>	<b>\$1,444,773</b>	<b>\$7,486,640</b>

See notes to financial statements.

## THE AMERICAN INDIA FOUNDATION

## STATEMENTS OF CASH FLOWS

YEARS ENDED MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$1,965,848	\$ 823,541
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	10,155	5,531
Realized gain on investments	(68,139)	-
Unrealized (gain) loss on investments	14,403	(39,094)
Donated securities on hand	-	(29,876)
Decrease in:		
Contributions receivable	754,865	651,135
Prepaid expenses and other assets	233,200	70,212
Advance to AIFT	-	88,593
Increase (decrease) in:		
Accounts payable and accrued expenses	(32,430)	(103,641)
Deposits held	(16,499)	4,374
Refundable event receipts	(439,126)	(152,374)
Refundable grant	<u>(200,000)</u>	<u>200,000</u>
Net Cash Provided By Operating Activities	<u>2,222,277</u>	<u>1,518,401</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(1,898)	(10,595)
Purchases of investments	(2,480,489)	(1,295,523)
Proceeds from sale of investments	<u>1,867,009</u>	<u>57,086</u>
Net Cash Used By Investing Activities	<u>(615,378)</u>	<u>(1,249,032)</u>
Net increase in cash and cash equivalents	1,606,899	269,369
Cash and cash equivalents, beginning of year	<u>2,157,844</u>	<u>1,888,475</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$3,764,743</u></u>	<u><u>\$2,157,844</u></u>

See notes to financial statements.



**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2020**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a - Organization

The American India Foundation (“AIF” or the “Organization”) is a not-for-profit organization formed 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 and India.

AIF has a memorandum of understanding (“MOU”) with The American India Foundation Trust (“the Trust” or “AIFT”) located in India. The MOU includes licensing and general grant administration agreements. The Trust will carry out developmental activities with funds provided by AIF. AIF and the Trust do not share any common members on their respective Boards of Directors, and accordingly, the transactions of the Trust have not been included in the accompanying financial statements.

Grants to the Trust from AIF, to support program related expenses, totaled \$4,102,617 and \$3,970,396 for the years ended March 31, 2021 and 2020, respectively (Note 8). In addition, \$736,261 and \$45,070 was awarded to non-governmental organizations during the years ended March 31, 2021 and 2020, respectively.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, except for those short-term investments and cash managed by AIF’s investment managers as part of their long-term investment strategies.

c - Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization, that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional promises to give, that have a measurable performance or other barrier and a right of return, are not recognized as support until the conditions have been met.

The Organization uses the allowance method to determine uncollectible promises to give, if any. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2020**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

d - Fair Value Measurements

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels.

Unadjusted quoted prices in active markets for identical assets and liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly and reasonably available are referred to as Level 2 inputs. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3 inputs.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The investment managers use judgment in determining fair value of assets and liabilities. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets or liabilities.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating the fair value of each investment's underlying assets and liabilities.

All of the Organization's marketable investments are classified within Level 1 (prices in active markets for identical assets or liabilities) of the fair value hierarchy.

e - Investments

The Organization reflects its marketable investments at fair value in the statement of financial position. Restricted stock is reflected at the appraised value at the time of donation. Interest, dividends, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

Purchases and sales of investments reflected in the statement of cash flows are reported net of short-term investments with maturities of three months or less.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2020**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

f - Property and Equipment

Property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset.

g - Grants Awarded

Unconditional grants are recorded when awarded to the grantee organization.

h - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States, which require the Organization 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 the Organization's management and Board of Directors.

Net Assets With Donor Restrictions

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

i - Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j - Income Taxes

The American India Foundation is a not-for-profit organization exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

k - Subsequent Events

The Organization has evaluated subsequent events through February 11, 2022, the date that the financial statements are considered available to be issued.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2020**

**Note 1 - Organization and Summary of Significant Accounting Policies (continued)**

**l - Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization's expenses are directly related to program activities. The expenses that are allocated include payroll and benefits, occupancy, consulting fees, telephone and internet, office supplies, repairs and maintenance, depreciation, and certain miscellaneous expenses which are allocated on the basis of staff time and effort.

**m - Recent Accounting Pronouncement**

In February 2016, the FASB issued ASU 2016-02, *Leases* ("Topic 842"). The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statements of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. The Organization is currently evaluating the impact of ASU 2016-02 on its financial statements.

**Note 2 - Information Regarding Liquidity and Availability**

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of annual revenue is comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs, and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and certificates of deposit.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2020**

**Note 2 - Information Regarding Liquidity and Availability (continued)**

The Organization's financial assets as of March 31, 2021 and 2020 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 3,764,743	\$2,157,844
Investments	6,854,555	6,187,339
Contributions receivable	<u>502,885</u>	<u>1,257,750</u>
Total Financial Assets	11,122,183	9,602,933
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(4,267,337)	(3,562,582)
Plus: Net assets with donor restrictions expected to be met in less than one year	3,663,867	2,015,289
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	<u>(600,000)</u>	<u>(600,000)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 9,918,713</u>	<u>\$7,455,640</u>

**Note 3 - Net Assets With Donor Restrictions**

a - Time and Purpose Restrictions

Net assets with time and purpose restrictions at March 31, 2021 and 2020 are restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Public health	\$1,091,735	\$1,235,004
Education	986,412	600,305
Livelihood	542,330	504,452
COVID-19	519,960	-
Digital equalizer	508,041	306,197
Clinton fellows	331,615	455,961
Relief programs	124,318	158,624
Donor advised funds	85,140	197,165
IIMPACT	39,900	-
Circle of Hope	28,337	103,373
Young professionals	9,549	-
Future periods and gala	<u>-</u>	<u>1,501</u>
	<u>\$4,267,337</u>	<u>\$3,562,582</u>

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2021 AND 2020**

**Note 3 - Net Assets With Donor Restrictions (continued)**

b - Endowment Funds

The Organization's endowment consists of two funds established for general support. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with New York Prudent Management of Institutional Funds Act (NYPMIFA), the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment that is not for investment in perpetuity is classified as endowment subject to spending policy and appropriation until those amounts are appropriated for expenditure by the Organization.

In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of the Organization and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of the Organization;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization; and
- (viii) the investment policy of the Organization

Changes in the Organization's endowment funds for the years ended March 31, 2021 and 2020 are summarized as follows:

	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$ -	\$600,000	\$600,000
Investment return	4,737	-	4,737
Appropriation of endowment assets to operations	<u>(4,737)</u>	<u>-</u>	<u>(4,737)</u>
Endowment Funds, End of Year	<u>\$ -</u>	<u>\$600,000</u>	<u>\$600,000</u>

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**Note 3 - Restrictions on Assets (continued)**

b - Endowment Funds (continued)

	<u>2020</u>		
	<u>Without Donor Restrictions</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$ -	\$600,000	\$600,000
Investment return	17,503	-	17,503
Appropriation of endowment assets to operations	<u>(17,503)</u>	<u>-</u>	<u>(17,503)</u>
Endowment Funds, End of Year	<u>\$ -</u>	<u>\$600,000</u>	<u>\$600,000</u>

*Return Objective and Risk Parameters*

The primary investment objective of AIF is to preserve and protect its assets by earning a total return for each fund appropriate to each fund's time horizon, liquidity needs, and risk tolerance. AIF seeks to eliminate any excess interest rate risk by limiting the type and the time horizons of its investments.

*Strategies Employed for Achieving Objectives and Spending Policy*

**Asset Quality**

Fixed income securities - The quality rating of bonds and notes must be "A" or better, as rated by Standard & Poor's and Moody's. The portfolio may consist of only transitional principal and interest obligations (no derivatives) with maturities of seven years or less.

Cash/Cash equivalents - The quality rating of commercial paper must be A-1, as rated by Standard & Poor's, P-1, as rated by Moody's, or better. The assets of any money market mutual funds must comply with rule 2a-7.

AIF has taken a conservative view of protecting capital and has been primarily investing in money markets, corporate bonds and FDIC insured CD's based on the guidelines set by the Finance Committee.

The Organization has a policy of appropriating 100% of endowment earnings.

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**Note 4 - Concentration of Credit Risk**

The Organization maintains cash and cash equivalent balances in financial institutions, which, from time to time, may exceed the Federal Depository Insurance Corporation limit and subject the Organization to concentration of credit risk.

**Note 5 - Investments**

Investments are reflected at the carrying value and consist of the following at March 31:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Carrying Value</u>	<u>Cost</u>	<u>Carrying Value</u>
Cash and money market funds	\$4,108,754	\$4,108,754	\$ 266,239	\$ 266,239
Certificates of deposit	1,288,000	1,289,260	3,911,000	3,918,571
Government securities	605,155	609,821	809,244	852,289
Municipal bonds	-	-	256,689	271,962
Corporate bonds	60,601	60,744	412,203	420,688
Mutual funds	352,652	365,553	396,699	379,427
Equities	246,869	259,292	29,876	20,823
REIT	101,538	103,791	-	-
Investments, Level 1, carried at fair value	<u>6,763,569</u>	<u>6,797,215</u>	<u>6,081,950</u>	<u>6,129,999</u>
Restricted stock, valued at appraised value at time of donation	<u>57,340</u>	<u>57,340</u>	<u>57,340</u>	<u>57,340</u>
	<u>\$6,820,909</u>	<u>\$6,854,555</u>	<u>\$6,139,290</u>	<u>\$6,187,339</u>

In fiscal year 2012, The American India Foundation received a donation of stock in a privately held company, which is not marketable. The shares are reflected at the appraisal value at the date of donation. Sale of this stock is subject to restrictions.

Net investment income is summarized as follows for the years ended March 31:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 77,623	\$130,505
Realized gain on investments	68,139	-
Unrealized gain on investments	(14,403)	39,094
Investment fees	<u>(11,638)</u>	<u>-</u>
	<u>\$119,721</u>	<u>\$169,599</u>



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**Note 6 - Contributions Receivable**

a - Contributions Receivable

Contributions receivable to give at March 31, 2021 and 2020 are due as follows:

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Less than one year	<u>\$175,000</u>	<u>\$327,885</u>	<u>\$502,885</u>
	<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Less than one year	\$339,791	\$726,570	\$1,066,361
One to three years	-	203,209	203,209
Less: Discount to present value	-	(11,820)	(11,820)
Total	<u>\$339,791</u>	<u>\$917,959</u>	<u>\$1,257,750</u>

Uncollectible contributions receivable are expected to be insignificant. Unconditional contributions receivable that are due in more than one year are discounted to net present value using a rate of 3%.

b - Conditional Contributions Receivable

At March 31, 2021, the Organization was awarded approximately \$1,372,000 of contributions that have barriers that were not met by year end, and accordingly have not been recognized as support in the accompanying financial statements.

**Note 7 - Property and Equipment**

Property and equipment consist of the following:

	<b>Life</b>	<b>2021</b>	<b>2020</b>
Computer equipment	3-5 years	\$106,535	\$104,637
Website	3 years	<u>50,507</u>	<u>50,507</u>
		157,042	155,144
Less: Accumulated depreciation		(142,561)	(132,406)
		<u>\$ 14,481</u>	<u>\$ 22,738</u>

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**Note 8 - Grant Making Activities**

AIF awards grants to AIFT in support of its programs for Education, Livelihood, Public Health, Digital Equalizer, Clinton Fellows, and COVID.

During the year ended March 31, 2021, AIF also provided grants to 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.

AIF enters into Memorandums of Understanding ("MOU") with the NGO's. The NGO's 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 NGO's 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. Therefore, the unpaid balance is not reflected in these financial statements.

MOUs are written in which each installment to be paid to a NGO is contingent upon the NGO's compliance with the requirements. The contingent balance of these MOU's as of March 31, 2021, which has not been accrued in the accompanying financial statements, amounted to:

Education	\$ 44,061
Livelihood	49,991
Public Health	613,098
Digital Equalizer	2,389
COVID	<u>144,031</u>
	<u>\$853,570</u>

**Note 9 - Commitments**

a - AIF leases office space in New York. The lease provides for future minimum payments of \$49,043 through June 30, 2021. Rent expense for the years ended March 31, 2021 and 2020 was \$204,989 and \$202,846, respectively. AIF is currently leasing office space on a month-to-month basis.

b - AIF sublets part of its office space in New York. Future rental income under sub-leases is expected to be \$8,676 through June 30, 2021.

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**Note 10 - Pension Plan**

AIF maintains a defined contribution pension plan for all eligible employees. The Organization contributes 6% of annual compensation after one year of service. The total contribution to the plan for the years ended March 31 2021 and 2020 was \$74,709 and \$59,550, respectively.

**Note 11 - Loan Forgiveness - Paycheck Protection Program**

In May 2020, AIF received a loan totaling \$326,600 under the Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration. The full amount of the loan was forgiven in January 2021 and, accordingly, has been recognized as contribution revenue on the Statement of Activities for the year ended March 31, 2021.

**Note 12 - Risks and Uncertainties**

In March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, AIF has suspended or adapted some of its program activities at the direction of state and local governmental authorities. The American India Foundation believes that its current financial assets are sufficient to support its operations on an ongoing basis.