

**THE AMERICAN INDIA FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022 AND 2021**



LUTZ AND GARR

CERTIFIED PUBLIC ACCOUNTANTS, LLP

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
The American India Foundation

### Opinion

We have audited the accompanying financial statements of The American India Foundation (a nonprofit organization), which comprise the statements of financial position as of March 31, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 The American India Foundation as of March 31, 2022 and 2021, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The American India Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 The American India Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditors' 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 auditors' 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 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.

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 The American India Foundation'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 The American India Foundation'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.

*Lotz + Carr, LLP*

New York, New York  
February 2, 2023

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 4)	\$10,531,208	\$ 3,764,743
Investments (Notes 1d, 1e and 5)	17,218,552	6,854,555
Contributions receivable (Notes 1c and 6)	10,000	502,885
Advance to AIFT (Note 1a)	6,974,329	-
Prepaid expenses and other assets	130,037	32,857
Property and equipment, net of accumulated depreciation (Notes 1f and 7)	9,007	14,481
Security deposit	33,686	-
	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<u><u>\$34,906,819</u></u>	<u><u>\$11,169,521</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 419,326	\$ 313,551
Deposits held	14,275	19,025
Refundable event receipts	879,703	-
Refundable contributions (Note 6b)	4,191,200	-
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>5,504,504</u>	<u>332,576</u>
Commitments (Notes 9 and 10)		
Net Assets		
Without Donor Restrictions	<u>9,108,758</u>	<u>5,969,608</u>
With Donor Restrictions		
Time and purpose restrictions (Note 3a)	19,693,557	4,267,337
Perpetual in nature (Note 3b)	600,000	600,000
	<u>                    </u>	<u>                    </u>
Total With Donor Restrictions	<u>20,293,557</u>	<u>4,867,337</u>
Total Net Assets	<u>29,402,315</u>	<u>10,836,945</u>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$34,906,819</u></u>	<u><u>\$11,169,521</u></u>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED MARCH 31, 2022 AND 2021**

	2022				2021			
	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)	\$ 4,466,257	\$37,922,249	\$ -	\$42,388,506	\$ 1,399,163	\$ 4,645,415	\$ -	\$ 6,044,578
Contribution - Paycheck Protection Program (Note 11)	-	-	-	-	326,600	-	-	326,600
Return of prior year grant funds	-	(112,975)	-	(112,975)	-	-	-	-
Benefit income	2,653,631	-	-	2,653,631	3,767,904	-	-	3,767,904
Less: Direct benefit expenses	(6,970)	-	-	(6,970)	-	-	-	-
Net investment income (Note 5)	41,022	-	-	41,022	119,721	-	-	119,721
Other income	10,868	-	-	10,868	70,915	-	-	70,915
	<u>7,164,808</u>	<u>37,809,274</u>	<u>-</u>	<u>44,974,082</u>	<u>5,684,303</u>	<u>4,645,415</u>	<u>-</u>	<u>10,329,718</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	<u>22,383,054</u>	<u>(22,383,054)</u>	<u>-</u>	<u>-</u>	<u>3,940,660</u>	<u>(3,940,660)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>29,547,862</u>	<u>15,426,220</u>	<u>-</u>	<u>44,974,082</u>	<u>9,624,963</u>	<u>704,755</u>	<u>-</u>	<u>10,329,718</u>
Expenses								
Program Services	<u>24,910,886</u>	<u>-</u>	<u>-</u>	<u>24,910,886</u>	<u>7,218,222</u>	<u>-</u>	<u>-</u>	<u>7,218,222</u>
Supporting Services								
Management and general	825,108	-	-	825,108	537,285	-	-	537,285
Fundraising	672,718	-	-	672,718	608,363	-	-	608,363
Total Supporting Services	<u>1,497,826</u>	<u>-</u>	<u>-</u>	<u>1,497,826</u>	<u>1,145,648</u>	<u>-</u>	<u>-</u>	<u>1,145,648</u>
Total Expenses	<u>26,408,712</u>	<u>-</u>	<u>-</u>	<u>26,408,712</u>	<u>8,363,870</u>	<u>-</u>	<u>-</u>	<u>8,363,870</u>
Increase in net assets	3,139,150	15,426,220	-	18,565,370	1,261,093	704,755	-	1,965,848
Net assets, beginning of year	<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>
<b>Net Assets, End of Year</b>	<u><u>\$ 9,108,758</u></u>	<u><u>\$19,693,557</u></u>	<u><u>\$600,000</u></u>	<u><u>\$29,402,315</u></u>	<u><u>\$ 5,969,608</u></u>	<u><u>\$ 4,267,337</u></u>	<u><u>\$600,000</u></u>	<u><u>\$10,836,945</u></u>

See notes to financial statements.

## THE AMERICAN INDIA FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2022 WITH COMPARATIVE TOTALS FOR 2021

	2022								2021				
	Program Services						Engage, Educate, Inform and Involve (EEII)		Supporting Services				
	Education	Livelihood	Public Health	Digital Equalizer	Banyan Impact Fellowship	COVID Relief	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses	
Grants - program related - AIFT	\$ 34,717	\$ 46,967	\$ 465,753	\$203,993	\$ 23,588	\$ 9,758,650	\$ -	\$10,533,668	\$ -	\$ -	\$ -	\$10,533,668	\$4,102,617
Grants - direct to non-governmental organizations	353,049	178,325	410,620	-	24,000	11,052,974	-	12,018,968	-	-	-	12,018,968	736,261
Grants - Donor Advised Funds	-	18,000	-	-	-	-	-	18,000	-	-	-	18,000	88,724
Grants - program related shipping costs	-	-	-	-	-	139,096	-	139,096	-	-	-	139,096	-
Stipends	-	-	-	-	-	-	-	-	-	-	-	-	21,675
Salaries	166,919	193,199	193,696	189,067	151,155	372,796	170,756	1,437,588	245,302	203,005	448,307	1,885,895	1,909,657
Payroll taxes and fringe benefits	46,627	48,444	47,818	46,617	32,665	81,031	45,374	348,576	62,499	57,273	119,772	468,348	607,197
Occupancy	14,417	16,687	16,730	16,330	13,056	32,200	14,749	124,169	21,188	17,534	38,722	162,891	218,594
Professional fees	-	-	-	-	-	-	-	-	288,616	45,146	333,762	333,762	149,843
Consulting fees	1,974	2,285	2,291	2,236	1,788	4,410	2,020	17,004	2,902	95,354	98,256	115,260	83,850
Telephone and internet	4,313	4,992	5,005	4,885	3,905	9,632	4,412	37,144	6,338	7,464	13,802	50,946	42,165
Office supplies and related expenses	8,576	9,927	9,952	9,714	25,908	19,154	8,773	92,004	12,605	24,789	37,394	129,398	54,877
Repairs and maintenance	1,403	1,624	1,628	1,589	1,271	3,134	1,435	12,084	2,063	1,706	3,769	15,853	10,143
Travel, entertainment and lodging	-	-	-	-	-	-	5,882	5,882	4,701	33,570	38,271	44,153	28,657
Cultivation, digital and Young Professional events	3,335	3,335	5,002	5,002	-	5,002	64,069	85,745	3,334	43,445	46,779	132,524	9,021
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	133,154	133,154	133,154	204,283
Depreciation	485	561	562	549	439	1,082	496	4,174	711	589	1,300	5,474	10,155
Bank charges and credit card fees	-	-	-	-	-	-	-	-	168,482	-	168,482	168,482	47,663
Miscellaneous	4,271	4,943	4,956	4,838	3,868	9,539	4,369	36,784	6,367	9,689	16,056	52,840	38,488
Total Expenses, 2022	<u>\$ 640,086</u>	<u>\$ 529,289</u>	<u>\$1,164,013</u>	<u>\$484,820</u>	<u>\$ 281,643</u>	<u>\$21,488,700</u>	<u>\$ 322,335</u>	<u>\$24,910,886</u>	<u>\$ 825,108</u>	<u>\$ 672,718</u>	<u>\$1,497,826</u>	<u>\$26,408,712</u>	
Total Expenses, 2021	<u>\$1,066,215</u>	<u>\$ 541,325</u>	<u>\$1,113,187</u>	<u>\$691,945</u>	<u>\$ 581,296</u>	<u>\$ 2,926,050</u>	<u>\$ 298,204</u>	<u>\$ 7,218,222</u>	<u>\$ 537,285</u>	<u>\$ 608,363</u>	<u>\$1,145,648</u>		<u>\$8,363,870</u>

See notes to financial statements.

THE AMERICAN INDIA FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED MARCH 31, 2021

	Program Services							Supporting Services			Total Expenses	
	Education	Livelihood	Public Health	Digital Equalizer	Banyan Impact Fellowship	COVID Relief	Engage, Educate, Inform and Involve (EEII)	Total	Management and General	Fundraising		Total
Grants - program related - AIFT	\$ 644,255	\$ 115,093	\$ 596,992	\$384,921	\$ 195,829	\$2,165,527	\$ -	\$4,102,617	\$ -	\$ -	\$ -	\$4,102,617
Grants - direct to non-governmental organizations	99,998	85,741	206,014	9,816	-	334,692	-	736,261	-	-	-	736,261
Grants - Donor Advised Funds	52,724	36,000	-	-	-	-	-	88,724	-	-	-	88,724
Grants - program related shipping costs	-	-	-	-	-	-	-	-	-	-	-	-
Stipends	-	-	-	-	21,675	-	-	21,675	-	-	-	21,675
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
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
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
Professional fees	-	-	-	-	-	-	-	-	119,742	30,101	149,843	149,843
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
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
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
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
Travel, entertainment and lodging	-	-	-	-	18,411	-	2,432	20,843	2,433	5,381	7,814	28,657
Cultivation, digital and Young Professional events	336	672	672	672	672	1,681	672	5,377	672	2,972	3,644	9,021
Indirect benefit expenses	-	-	-	-	-	-	-	-	-	204,283	204,283	204,283
Depreciation	932	1,064	1,091	1,041	1,114	1,534	1,038	7,814	1,210	1,131	2,341	10,155
Bank charges and credit card fees	-	-	-	-	-	-	-	-	47,663	-	47,663	47,663
Miscellaneous	1,675	1,914	1,962	1,871	2,131	2,759	1,867	14,179	19,948	4,361	24,309	38,488
<b>Total Expenses</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>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MARCH 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$18,565,370	\$ 1,965,848
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	5,474	10,155
Realized gain on investments	(3,179)	(68,139)
Unrealized (gain) loss on investments	(977)	14,403
(Increase) decrease in:		
Contributions receivable	492,885	754,865
Advance to AIFT	(6,974,329)	-
Prepaid expenses and other assets	(97,180)	233,200
Security deposit	(33,686)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	105,775	(32,430)
Deposits held	(4,750)	(16,499)
Refundable event receipts	879,703	(439,126)
Refundable contributions	4,191,200	(200,000)
Net Cash Provided By Operating Activities	<u>17,126,306</u>	<u>2,222,277</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of investments	(10,897,604)	(2,480,489)
Proceeds from sale of investments	537,763	1,867,009
Purchase of property and equipment	-	(1,898)
Net Cash Used By Investing Activities	<u>(10,359,841)</u>	<u>(615,378)</u>
Net increase in cash and cash equivalents	6,766,465	1,606,899
Cash and cash equivalents, beginning of year	<u>3,764,743</u>	<u>2,157,844</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$10,531,208</u>	<u>\$ 3,764,743</u>

See notes to financial statements.



**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022 AND 2021**

**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 \$10,533,668 and \$4,102,617 for the years ended March 31, 2022 and 2021, respectively (Note 8). In addition, \$12,018,968 and \$736,261 was awarded to non-governmental organizations during the years ended March 31, 2022 and 2021, respectively. The outstanding advance to the Trust was \$6,974,329 at March 31, 2022.

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.

AIF received 20% of its contributions from one donor during the year ended March 31, 2022.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2022 AND 2021**

**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, 2022 AND 2021**

**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 2, 2023, the date that the financial statements are considered available to be issued.

**THE AMERICAN INDIA FOUNDATION****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2022 AND 2021****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 - Prior Year Information**

Certain prior year amounts have been reclassified for comparative purposes.

**n - 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.

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

The Organization's financial assets as of March 31, 2022 and 2021 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$10,531,208	\$ 3,764,743
Investments	17,218,552	6,854,555
Contributions receivable	<u>10,000</u>	<u>502,885</u>
Total Financial Assets	27,759,760	11,122,183
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	(19,693,557)	(4,267,337)
Plus: Net assets with donor restrictions expected to be met in less than one year	12,702,630	3,663,867
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>\$20,168,833</u>	<u>\$ 9,918,713</u>

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

a - Time and Purpose Restrictions

Net assets with time and purpose restrictions at March 31, 2022 and 2021 are restricted for the following purposes:

	<u>2022</u>	<u>2021</u>
COVID relief	\$15,724,628	\$ 519,960
Education	949,428	986,412
Public health	940,798	1,091,735
Livelihood	507,201	542,330
Banyan Impact Fellowship	494,139	331,615
Donor advised funds	441,310	85,140
Digital equalizer	392,947	508,041
Relief programs	175,100	164,218
Circle of Hope	68,006	28,337
Young professionals	<u>-</u>	<u>9,549</u>
	<u>\$19,693,557</u>	<u>\$4,267,337</u>

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**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, 2022 and 2021 are summarized as follows:

	<u>2022</u>		
	<u>Investment Income Above Original Gift Amount</u>	<u>Investment in Perpetuity</u>	<u>Total</u>
Endowment funds, beginning of year	\$ -	\$600,000	\$600,000
Investment return	153	-	153
Appropriation of endowment assets to operations	<u>(153)</u>	<u>-</u>	<u>(153)</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>2021</u>		
	<u>Investment Income Above Original Gift Amount</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>

*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>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Carrying Value</u>	<u>Cost</u>	<u>Carrying Value</u>
Cash and money market funds	\$15,724,952	\$15,724,952	\$4,108,754	\$4,108,754
Certificates of deposit	-	-	1,288,000	1,289,260
Government securities	363,569	353,421	605,155	609,821
Corporate bonds	320,912	307,803	60,601	60,744
Mutual funds	365,753	368,317	352,652	365,553
Equities	245,019	272,813	246,869	259,292
REIT	<u>106,384</u>	<u>133,906</u>	<u>101,538</u>	<u>103,791</u>
Investments, Level 1, carried at fair value	17,126,589	17,161,212	6,763,569	6,797,215
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>\$17,183,929</u>	<u>\$17,218,552</u>	<u>\$6,820,909</u>	<u>\$6,854,555</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>2022</u>	<u>2021</u>
Interest and dividend income	\$ 44,692	\$ 77,623
Realized gain on investments	3,179	68,139
Unrealized gain (loss) on investments	977	(14,403)
Investment fees	<u>(7,826)</u>	<u>(11,638)</u>
	<u>\$41,022</u>	<u>\$119,721</u>



**THE AMERICAN INDIA FOUNDATION**  
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**Note 6 - Contributions Receivable**

a - Contributions Receivable

Contributions receivable to give at March 31, 2022 and 2021 are due as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Less than one year, 2022	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Less than one year, 2021	<u>\$175,000</u>	<u>\$327,885</u>	<u>\$502,885</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

- 1) At March 31, 2022, the Organization was awarded approximately \$8,175,000 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.
- 2) At March 31, 2022, the Organization received funding of \$4,191,200 that has barriers that were not met by year end and, accordingly, are recorded as liabilities in the accompanying financial statements.

**Note 7 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Computer equipment	3-5 years	\$106,535	\$106,535
Website	3 years	<u>50,507</u>	<u>50,507</u>
		157,042	157,042
Less: Accumulated depreciation		<u>(148,035)</u>	<u>(142,561)</u>
		<u>\$ 9,007</u>	<u>\$ 14,481</u>

**Note 8 - Grant Making Activities**

AIF awards grants to AIFT in support of its programs for Education, Livelihood, Public Health, Digital Equalizer, Banyan Impact Fellowship, and COVID relief (during the pandemic).

**THE AMERICAN INDIA FOUNDATION**  
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**Note 8 - Grant Making Activities (continued)**

During the year ended March 31, 2022, AIF also provided grants to Indian non-governmental organizations (NGO's) that are executing development projects in India. AIF is committed to improving the lives of India's underprivileged, with a special focus on women, children, and youth. AIF does this through high impact interventions in education, health, and livelihoods, because poverty is multidimensional. During fiscal year 2022, AIF undertook major COVID relief efforts given the pandemic.

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, 2022, which has not been accrued in the accompanying financial statements, amounted to:

COVID relief	\$1,489,798
Public Health	459,021
Banyan Impact Fellowship	106,000
Education	86,985
Livelihood	<u>49,784</u>
	<u>\$2,191,588</u>

**Note 9 - Commitments**

AIF leases office space in New York. The lease provides for minimum annual payments as follows:

<b><u>Year Ending March 31,</u></b>	
2023	\$123,514
2024	127,219
2025	131,035
2026	147,604
2027	152,032
Thereafter, through June 30, 2027	39,051

Rent expense for the years ended March 31, 2022 and 2021 was \$148,046 and \$204,989 respectively.

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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 2022 and 2021 was \$90,722 and \$74,709, respectively.

**Note 11 - Contribution - 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.