

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

For the Year Ended December 31, 2022

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

**Financial Statements Together with
Report of Independent Public Accountants**

DECEMBER 31, 2022

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS

To the Board of Directors of
American Friends of HelpAge India, Inc.

Opinion

We have audited the statement of financial position of American Friends of HelpAge India, Inc. (AFHI) as of December 31, 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of AFHI as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls 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 AFHI's ability to continue as a going concern for one year after the date that the financial statements are available for to be issued.



Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 controls. 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 GAAS, 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 controls 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 AFHI’s internal controls. 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 AFHI’s ability to continue as a going concern for one year after the issuance or the date the financial statements are available for issuance.

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 controls-related matters that we identified during the audit.

Washington, D.C.
August 28, 2023

SB & Company, LLC

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

**Statement of Financial Position
As of December 31, 2022**

ASSETS

Cash	\$	111,404
Grants receivable		540,000
Total Assets	\$	651,404

NET ASSETS

Net Assets		
Without donor restrictions	\$	160,490
With donor restrictions		490,914
Total Net Assets	\$	651,404

The accompanying notes are an integral part of this financial statement.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

**Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2022**

NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue

Grants and contributions \$ 937,178

Expenses

Program services 780,114

Management and general 37,443

Fundraising 37,443

Total Expenses 855,000

Change in Net Assets Without Donor Restrictions 82,178

NET ASSETS WITH DONOR RESTRICTIONS

Grants and contributions 490,914

Changes in net assets 573,092

Net assets, beginning of year 78,312

Net Assets, End of Year \$ 651,404

The accompanying notes are an integral part of this financial statement.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

**Statement of Functional Expenses
For the Year Ended December 31, 2022**

	Program Services	Management and General	Fundraising	Total
Grants	\$ 730,193	\$ -	\$ -	\$ 730,193
Professional fees	48,293	36,220	36,220	120,733
Travel and meetings	880	661	661	2,202
Other	748	562	562	1,872
Total Expenses	\$ 780,114	\$ 37,443	\$ 37,443	\$ 855,000

The accompanying notes are an integral part of this financial statement.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

**Statement of Cash Flows
For the Year Ended December 31, 2022**

Cash Flows from Operating Activities	
Changes in net assets	\$ 573,092
Effect of changes in non-cash operating assets:	
Grants receivable	<u>(540,000)</u>
Net Cash from Operating Activities	33,092
Cash, beginning of year	<u>78,312</u>
Cash, End of Year	<u>\$ 111,404</u>

The accompanying notes are an integral part of this financial statement.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

Notes to the Financial Statements

December 31, 2022

1. DESCRIPTION OF THE ORGANIZATION

American Friends of HelpAge India, Inc. (AFHI) was established as a 501(c)(3) non-profit organization in 2019 to help India's disadvantaged and vulnerable elderly population lead healthy, active and dignified lives, free from poverty, suffering and abuse.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of AFHI are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue, support, and expenses during the reporting period. Accordingly, actual results could differ from those estimates and assumptions.

Grants receivable

Grants receivables represent unconditional commitments from grantors. Grants receivable consist of grants due to AFHI and are recorded at their estimated realizable value. AFHI establishes an allowance for doubtful accounts based on specific identification of uncollectible accounts. Management believes all receivables as of December 31, 2022, were fully collectible; therefore, no allowance for doubtful accounts is recorded.

Net Assets

Net assets without donor restrictions are assets and contributions that are not restricted by donors or for which restrictions have expired.

Net assets with donor restrictions are those whose use by AFHI has been limited by donors, primarily for a specific time period or purpose. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. If a donor restriction is met in the same reporting period in which the contribution is received, the contribution (to the extent that the restrictions have been met) is reported as net assets without donor restrictions. As of December 31, 2022, AFHI had \$490,914 of net assets with donor restrictions that were purpose restricted.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

Notes to the Financial Statements

December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Support and Revenue

AFHI recognizes contributions and grants when an unconditional promise to give is received. Conditional promises to give, with measurable performance or other barriers and right of return, are not recognized until the conditions on which they depend have been met.

Grants and contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restrictions.

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, which is, when some stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the accompanying statement of activities and changes in net assets and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and management and general that benefit from those costs.

Management and general expenses include those expenses not directly identified with any other specific function but to provide for the overall support and direction of AFHI. Shared costs are allocated based on level of effort.

Income Taxes

AFHI is a not-for-profit organization that is exempt from Federal income taxes, other than net unrelated business income taxes, under the provisions of section 501(c)(3) of the United States Internal Revenue Code (IRC) and is recognized as such by the Internal Revenue Service.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

Notes to the Financial Statements December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes (continued)

Accounting principles generally accepted in the United States of America provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition of tax positions taken or expected to be taken in a tax return. AFHI performed an evaluation of uncertain tax positions as of December 31, 2022, and determined that there were no matters that would require recognition in the accompanying financial statements or which may have any effect on its tax-exempt status.

As of December 31, 2022, the statute of limitations for fiscal years 2019 through 2022 remains open with the U.S. Federal jurisdiction and the various states and local jurisdictions in which AFHI files tax return. It is AFHI's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

Liquidity and Availability of Resources

As of December 31, 2022, AFHI's financial assets available to meet general operating expenses within one year were as follows:

	<u>Amounts</u>
Cash	\$ 111,404
Grants receivable	<u>540,000</u>
Total	<u>651,404</u>
Less: those unavailable for general expenditures within one year, due to:	
Donor restrictions	<u>490,914</u>
Financial assets available to meet cash needs for general expenses within one year	<u>\$ 160,490</u>

AFHI manages its liquidity following two guiding principles: operating within a prudent range of financial soundness and stability, and maintaining access to adequate liquid assets to fund near-term operating needs.

Subsequent Events

AFHI's management evaluated the accompanying financial statements for subsequent events and transactions through August 28, 2023, the date these financial statements were available for issue, and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

AMERICAN FRIENDS OF HELPAGE INDIA, INC.

Notes to the Financial Statements December 31, 2022

3. CONCENTRATION OF REVENUE

AFHI received contributions from one foundation, which made grants and contributions representing more than 10% of AFHI's total revenue. The total revenue from this foundation was \$1,340,000, approximately 94% of grants and contributions for the year ended December 31, 2022. As of December 31, 2022, the grants receivable from this foundation was \$540,000, which represented 100% of the grants receivable balance. A significant reduction in the level of support from this foundation, if it was to occur, may have a significant effect on AFHI's programs and activities. Though AFHI is linked with a well-established charity in India, AFHI is still a relatively new non-profit organization in the United States and began formal operations only in September 2021. The organization is striving to build its base of support amongst the general public, members of the Indian American diaspora, and foundations to help diversify its funding base.