

**THE AMERICAN INDIA FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2019 AND 2018**



**LUTZ AND GARR**

CERTIFIED PUBLIC ACCOUNTANTS, LLP

551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176

212-697-2299 FAX: 212-949-1768

## **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 statement of financial position as of March 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The accompanying financial statements of The American India Foundation as of March 31, 2018, were audited by other auditors whose report thereon dated February 12, 2019, expressed an unmodified opinion on those 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 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 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, 2019, 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.

*Lotz + Carr, LLP*

New York, New York  
October 28, 2019

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 4)	\$1,888,475	\$1,324,996
Investments (Notes 1e, 1f and 4)	4,879,932	4,585,304
Unconditional promises to give (Notes 1d and 6)	1,908,885	1,890,431
Advance to AIFT (Note 1b)	88,593	-
Prepaid expenses and other assets	336,269	195,095
Property and equipment, net of accumulated depreciation (Notes 1g and 7)	<u>17,674</u>	<u>18,577</u>
<b>Total Assets</b>	<u><u>\$9,119,828</u></u>	<u><u>\$8,014,403</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 449,622	\$ 686,212
Grant payable - AIFT (Note 1b)	-	55,688
Refundable event receipts	591,500	243,300
Refundable deposits held	<u>31,150</u>	<u>33,150</u>
Total Liabilities	<u>1,072,272</u>	<u>1,018,350</u>
Commitments (Notes 9 and 10)		
Net Assets		
Without Donor Restrictions	<u>3,455,876</u>	<u>1,747,972</u>
With Donor Restrictions		
Time and purpose restrictions (Note 3a)	3,991,680	4,648,081
Perpetual in nature (Note 3b)	<u>600,000</u>	<u>600,000</u>
Total With Donor Restrictions	<u>4,591,680</u>	<u>5,248,081</u>
Total Net Assets	<u>8,047,556</u>	<u>6,996,053</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$9,119,828</u></u>	<u><u>\$8,014,403</u></u>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED MARCH 31, 2019 AND 2018**

	2019				2018			
	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 1a)	\$ 752,899	\$ 1,689,745	\$ -	\$2,442,644	\$ 828,366	\$ 1,635,234	\$ -	\$2,463,600
Benefit income	4,314,930	532,853	-	4,847,783	5,465,468	971,599	-	6,437,067
Less: Direct benefit expenses	(626,878)	-	-	(626,878)	(1,096,107)	-	-	(1,096,107)
Net investment income	116,024	-	-	116,024	49,361	-	-	49,361
Other income	103,497	-	-	103,497	277,057	-	-	277,057
	<u>4,660,472</u>	<u>2,222,598</u>	<u>-</u>	<u>6,883,070</u>	<u>5,524,145</u>	<u>2,606,833</u>	<u>-</u>	<u>8,130,978</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	<u>2,878,999</u>	<u>(2,878,999)</u>	<u>-</u>	<u>-</u>	<u>2,168,869</u>	<u>(2,168,869)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>7,539,471</u>	<u>(656,401)</u>	<u>-</u>	<u>6,883,070</u>	<u>7,693,014</u>	<u>437,964</u>	<u>-</u>	<u>8,130,978</u>
Expenses								
Program Services	<u>4,664,475</u>	<u>-</u>	<u>-</u>	<u>4,664,475</u>	<u>6,038,571</u>	<u>-</u>	<u>-</u>	<u>6,038,571</u>
Supporting Services								
Management and general	419,339	-	-	419,339	512,786	-	-	512,786
Fundraising	747,753	-	-	747,753	984,759	-	-	984,759
Total Supporting Services	<u>1,167,092</u>	<u>-</u>	<u>-</u>	<u>1,167,092</u>	<u>1,497,545</u>	<u>-</u>	<u>-</u>	<u>1,497,545</u>
Total Expenses	<u>5,831,567</u>	<u>-</u>	<u>-</u>	<u>5,831,567</u>	<u>7,536,116</u>	<u>-</u>	<u>-</u>	<u>7,536,116</u>
Increase (decrease) in net assets	1,707,904	(656,401)	-	1,051,503	156,898	437,964	-	594,862
Net assets, beginning of year	<u>1,747,972</u>	<u>4,648,081</u>	<u>600,000</u>	<u>6,996,053</u>	<u>1,591,074</u>	<u>4,210,117</u>	<u>600,000</u>	<u>6,401,191</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,455,876</u>	<u>\$ 3,991,680</u>	<u>\$600,000</u>	<u>\$8,047,556</u>	<u>\$ 1,747,972</u>	<u>\$ 4,648,081</u>	<u>\$600,000</u>	<u>\$6,996,053</u>

See notes to financial statements.

## THE AMERICAN INDIA FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED MARCH 31, 2019 WITH COMPARATIVE TOTALS FOR 2018

	Program Services						Supporting Services			2019	2018	
	Education	Livelihood	Public Health	Digital Equalizer	Clinton Fellows	Engage, Educate, Inform and Involve (EELL)	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Grants - direct to non-governmental organizations	\$ 315,348	\$ 352,681	\$387,359	\$ -	\$ -	\$ -	\$1,055,388	\$ -	\$ -	\$ -	\$1,055,388	\$1,407,053
Grants - Donor Advised Funds	29,222	58,898	-	-	-	-	88,120	-	-	-	88,120	254,815
Grants - program related - AIFT	136,398	190,989	336,337	502,375	352,721	-	1,518,820	-	-	-	1,518,820	1,794,442
Donor communications	-	-	-	-	-	-	-	-	60,839	60,839	60,839	-
Specific programs related expenses	-	-	-	-	77,366	-	77,366	-	-	-	77,366	118,338
Salaries	179,874	151,803	152,261	159,544	207,011	190,690	1,041,183	163,707	173,900	337,607	1,378,790	1,702,542
Payroll taxes and fringe benefits	52,140	47,142	43,329	45,975	59,931	54,688	303,205	44,564	61,764	106,328	409,533	569,466
Occupancy	27,073	22,723	22,859	23,953	31,457	87,261	215,326	25,045	32,546	57,591	272,917	266,581
Professional fees	-	-	-	-	-	-	-	95,906	21,282	117,188	117,188	111,353
Consulting fees	2,261	1,898	1,909	2,001	4,346	2,239	14,654	2,093	8,231	10,324	24,978	141,702
Telephone and internet	2,501	2,099	2,112	2,213	4,163	2,477	15,565	2,315	11,422	13,737	29,302	55,056
Office supplies and related expenses	2,133	1,240	1,247	1,307	22,912	2,313	31,152	1,364	28,687	30,051	61,203	193,532
Repairs and maintenance	2,618	2,198	2,211	2,317	3,006	2,593	14,943	2,422	3,135	5,557	20,500	20,083
Travel, entertainment and lodging	227	151	227	227	48,911	2,948	52,691	2,663	12,019	14,682	67,373	145,096
Cultivation, digital and Young Professional events	6,420	4,280	6,420	6,420	6,420	114,930	144,890	2,140	4,280	6,420	151,310	122,662
Leadership retreat - travel and lodging	-	-	-	-	-	38,446	38,446	-	-	-	38,446	36,296
Indirect benefit expenses	-	-	-	-	-	-	-	-	314,071	314,071	314,071	406,631
Depreciation	696	584	588	616	799	689	3,972	642	833	1,475	5,447	26,829
Miscellaneous	6,699	6,075	5,656	9,708	10,103	10,513	48,754	76,478	14,744	91,222	139,976	163,639
<b>Total Expenses</b>	<b>\$ 763,610</b>	<b>\$ 842,761</b>	<b>\$962,515</b>	<b>\$756,656</b>	<b>\$829,146</b>	<b>\$ 509,787</b>	<b>\$4,664,475</b>	<b>\$ 419,339</b>	<b>\$ 747,753</b>	<b>\$1,167,092</b>	<b>\$5,831,567</b>	<b>\$7,536,116</b>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED MARCH 31, 2018**

	Program Services						Supporting Services			Total Expenses	
	Education	Livelihood	Public Health	Digital Equalizer	Clinton Fellows	Engage, Educate, Inform and Involve (EELL)	Total	Management and General	Fundraising		Total
Grants - direct to non-governmental organizations	\$ 564,159	\$ 532,255	\$310,639	\$ -	\$ -	\$ -	\$1,407,053	\$ -	\$ -	\$ -	\$1,407,053
Grants - Donor Advised Funds	26,647	-	-	228,168	-	-	254,815	-	-	-	254,815
Grants - program related - AIFT	194,216	273,081	302,160	742,845	282,140	-	1,794,442	-	-	-	1,794,442
Donor communications	-	-	-	-	-	-	-	-	-	-	-
Specific programs related expenses	-	-	-	-	118,338	-	118,338	-	-	-	118,338
Salaries	218,423	172,532	151,969	191,031	242,921	241,829	1,218,705	304,797	179,040	483,837	1,702,542
Payroll taxes and fringe benefits	71,756	62,642	52,709	64,942	79,634	81,708	413,391	92,363	63,712	156,075	569,466
Occupancy	25,709	20,308	17,887	22,485	28,593	94,649	209,631	35,876	21,074	56,950	266,581
Professional fees	14,286	11,284	9,939	12,494	15,888	15,817	79,708	19,935	11,710	31,645	111,353
Consulting fees	4,753	3,754	3,307	4,157	19,361	20,412	55,744	6,632	79,326	85,958	141,702
Telephone and internet	4,033	3,186	2,807	3,527	4,781	4,490	22,824	5,628	26,604	32,232	55,056
Office supplies and related expenses	3,360	3,694	1,639	2,447	28,081	19,013	58,234	2,955	132,343	135,298	193,532
Repairs and maintenance	2,577	2,035	1,793	2,254	2,865	2,852	14,376	3,595	2,112	5,707	20,083
Travel, entertainment and lodging	5,537	4,373	3,852	4,842	77,725	12,955	109,284	7,726	28,086	35,812	145,096
Cultivation, digital and Young Professional events	3,651	2,884	2,540	3,193	4,060	98,248	114,576	5,094	2,992	8,086	122,662
Leadership retreat - travel and lodging	-	-	-	-	-	36,296	36,296	-	-	-	36,296
Indirect benefit expenses	-	-	-	-	-	-	-	-	406,631	406,631	406,631
Depreciation	3,442	2,719	2,395	3,010	3,828	3,811	19,205	4,803	2,821	7,624	26,829
Miscellaneous	18,756	13,236	11,658	14,655	35,092	18,552	111,949	23,382	28,308	51,690	163,639
<b>Total Expenses</b>	<b><u>\$1,161,305</u></b>	<b><u>\$1,107,983</u></b>	<b><u>\$875,294</u></b>	<b><u>\$1,300,050</u></b>	<b><u>\$943,307</u></b>	<b><u>\$ 650,632</u></b>	<b><u>\$6,038,571</u></b>	<b><u>\$ 512,786</u></b>	<b><u>\$ 984,759</u></b>	<b><u>\$1,497,545</u></b>	<b><u>\$7,536,116</u></b>

See notes to financial statements.

**THE AMERICAN INDIA FOUNDATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED MARCH 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 1,051,503	\$ 594,862
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities:		
Depreciation	5,447	26,829
Unrealized (gain) loss on investments	(31,894)	27,282
Donated securities on hand	(82,554)	-
(Increase) decrease in:		
Unconditional promises to give	(18,454)	(1,458,013)
Advance to AIFT	(88,593)	279,813
Prepaid expenses and other assets	(141,174)	(101,586)
Increase (decrease) in:		
Accounts payable and accrued expenses	(236,590)	408,844
Grant payable - AIFT	(55,688)	55,688
Refundable event receipts	348,200	74,290
Refundable deposits held	(2,000)	16,400
Net Cash Provided (Used) By Operating Activities	<u>748,203</u>	<u>(75,591)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(4,544)	(6,108)
Purchases of investments	(270,792)	(4,314,723)
Proceeds from sale of investments	90,612	4,024,026
Net Cash Used By Investing Activities	<u>(184,724)</u>	<u>(296,805)</u>
Net increase (decrease) in cash and cash equivalents	563,479	(372,396)
Cash and cash equivalents, beginning of year	<u>1,324,996</u>	<u>1,697,392</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,888,475</u>	<u>\$1,324,996</u>

See notes to financial statements.



**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**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 received 13% and 36% of its contributions from one donor during the years ended March 31, 2019 and 2018, respectively.

b - Related Organization

In January 2016, AIF updated its 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 \$1,518,820 and \$1,794,442 for the years ended March 31, 2019 and 2018, respectively (see Note 8). The outstanding advance or (payable) to the Trust was \$88,593 and \$(55,688) at March 31, 2019 and 2018, respectively.

c - 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.

d - Contributions and Unconditional Promises to Give

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.

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, 2019 AND 2018**

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

e - 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.

f - 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, 2019 AND 2018**

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

g - 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.

h - Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, 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 October 28, 2019, the date that the financial statements are considered available to be issued.

**THE AMERICAN INDIA FOUNDATION****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2019 AND 2018****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 2019, the Organization adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions"; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; (d) modifying the presentation of underwater endowment funds and related disclosures; and (e) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. As permitted under the ASU in the year of adoption, the Organization opted to not disclose liquidity and availability information for 2018.

**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, 2019 AND 2018**

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

The Organization's financial assets as of March 31, 2019 and those available within one year to meet cash needs for general expenditures within one year are summarized as follows:

Financial Assets at Year End:	
Cash and cash equivalents	\$1,888,475
Investments	4,879,932
Unconditional promises to give	<u>1,908,885</u>
Total Financial Assets	8,677,292
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	(3,991,680)
Plus: Net assets with donor restrictions expected to be met in less than one year	1,940,026
Net assets with donor restrictions for endowment, subject to spending policy and appropriation	<u>(600,000)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$6,025,638</u>

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

a - Time and Purpose Restrictions

Net assets with time and purpose restrictions at March 31, 2019 and 2018 are restricted for the following purposes:

	<u>2019</u>	<u>2018</u>
Public health	\$1,674,512	\$2,539,177
Livelihood	750,432	423,375
LAMP- learning and migration program	703,934	196,739
Donor advised funds	278,769	387,853
Digital equalizer	267,064	519,375
Clinton fellows	117,719	127,599
Gender program	58,789	117,978
Kerala rehabilitation	48,873	-
Uttarakhand relief fund	28,947	50,805
Chennai flood fund	26,292	49,639
Advocacy	24,161	85,000
Kashmir flood fund	5,237	8,786
Future periods and gala	3,001	54,501
Taplin friend's fund	2,450	2,450
IIMPACT	1,500	42,570
Education	-	42,234
	<u>\$3,991,680</u>	<u>\$4,648,081</u>

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**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

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

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

b - Endowment Funds (continued)

Changes in the Organization's endowment funds for the years ended March 31, 2019 and 2018 are summarized as follows:

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$ -	\$600,000	\$600,000
Investment Return	5,813	-	5,813
Appropriation of endowment assets to operations	<u>(5,813)</u>	<u>-</u>	<u>(5,813)</u>
Endowment Funds, End of Year	<u>\$ -</u>	<u>\$600,000</u>	<u>\$600,000</u>
	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$ -	\$600,000	\$600,000
Investment Return	5,748	-	5,748
Appropriation of endowment assets to operations	<u>(5,748)</u>	<u>-</u>	<u>(5,748)</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.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

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

b - Endowment Funds (continued)

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.

**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>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Carrying Value</u>	<u>Cost</u>	<u>Carrying Value</u>
Cash and money market funds	\$ 37,909	\$ 37,909	\$ 318,635	\$ 318,635
Certificates of deposit	2,863,000	2,863,183	2,406,000	2,405,071
Government securities	771,173	776,373	677,913	670,469
Municipal bonds	246,945	251,836	252,226	250,768
Corporate bonds	442,263	444,355	458,082	451,017
Mutual funds	369,535	369,110	435,047	431,997
Equities	<u>82,812</u>	<u>79,826</u>	<u>3,000</u>	<u>7</u>
Investments, Level 1, carried at fair value	4,813,637	4,822,592	4,550,903	4,527,964
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>\$4,870,977</u>	<u>\$4,879,932</u>	<u>\$4,608,243</u>	<u>\$4,585,304</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.



**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**Note 5 - Investments (continued)**

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

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 84,130	\$76,643
Unrealized gain (loss) on investments	<u>31,894</u>	<u>(27,282)</u>
	<u>\$116,024</u>	<u>\$49,361</u>

**Note 6 - Promises to Give**

a - Unconditional promises to give at March 31, 2019 and 2018 are summarized as follows:

	<u>2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Less than one year	\$893,459	\$ 803,545	\$1,697,004
One to three years	-	224,785	224,785
Less: Discount to present value	<u>-</u>	<u>(12,904)</u>	<u>(12,904)</u>
Total	<u>\$893,459</u>	<u>\$1,015,426</u>	<u>\$1,908,885</u>
	<u>2018</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Less than one year	\$1,143,322	\$138,974	\$1,282,296
One to three years	-	635,636	635,636
Less: Discount to present value	<u>-</u>	<u>(27,501)</u>	<u>(27,501)</u>
Total	<u>\$1,143,322</u>	<u>\$747,109</u>	<u>\$1,890,431</u>

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**Note 6 - Promises to Give (continued)**

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

**Note 7 - Property and Equipment**

Property and equipment consist of the following:

	<u>Life</u>	<u>2019</u>	<u>2018</u>
Computer equipment	3-5 years	\$ 94,042	\$ 89,497
Website	3 years	<u>50,507</u>	<u>50,507</u>
		144,549	140,004
Less: Accumulated depreciation		<u>(126,875)</u>	<u>(121,428)</u>
		<u>\$ 17,674</u>	<u>\$ 18,576</u>

**Note 8 - 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.

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.

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**Note 8 - Grant Making Activities (continued)**

AIF awarded grants and incurred expenses in administrating such grants. The grants were awarded in the following areas:

	<u>2019</u>	<u>2018</u>
Grants awarded (including Donor Advised Fund Awards)		
Education	\$ 344,570	\$ 590,806
Livelihood	411,579	532,255
Public Health	387,359	310,639
Digital Equalizer	-	<u>228,168</u>
	<u>1,143,508</u>	<u>1,661,868</u>
 Grants awarded to AIF Trust		
Education	136,398	194,216
Livelihood	190,989	273,081
Public Health	336,337	302,160
Digital Equalizer	502,375	742,845
Clinton Fellows	<u>352,721</u>	<u>282,140</u>
	<u>1,518,820</u>	<u>1,794,442</u>
	<u>\$2,662,328</u>	<u>\$3,456,310</u>

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, 2019, which has not been accrued, amounted to:

Education	\$ 76,966
Livelihood	306,658
Public Health	<u>119,514</u>
	<u>\$503,138</u>

**Note 9 - Commitments**

a - AIF, as landlord, entered into various sublease agreements for the rental of office space in New York. Rental income under existing leases is expected to be received as follows:

Year ending March 31, 2020	\$84,875
Thereafter, through April 30, 2020	7,100

**THE AMERICAN INDIA FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2019 AND 2018**

**Note 9 - Commitments (continued)**

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

Year ending March 31, 2020	\$195,736
Thereafter, through April 30, 2020	16,348

Rent expense for the years ended March 31, 2019 and 2018 was \$195,330 and \$185,948, respectively.

**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 2019 and 2018 was \$59,676 and \$64,107, respectively.