

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY FINANCIAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2013**

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**

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AND  
SUPPLEMENTARY FINANCIAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2013**

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**Desai & Shah, PC, CPAs**  
Established In 1981

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
India Development and Relief Fund, Inc.  
North Bethesda, Maryland

We have audited the accompanying financial statements of India Development and Relief Fund, Inc., (IDRF) (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, changes in net assets, and cash flows for the year 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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount 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 auditors consider 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 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 India Development and Relief Fund, Inc. as of December 31, 2013 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matter**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The statement of functional expenses on page 5 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Desai & Shah PC CPAs*

April 24, 2014

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2013**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,376,633	
Total Current Assets	<u>                    </u>	\$ 1,376,633

**FIXED ASSETS**

Equipment	1,997	
Less: Accumulated Depreciation	<u>(1,337)</u>	
Total Fixed Assets		660

<b>Total Assets</b>		<b><u><u>\$ 1,377,293</u></u></b>
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**NET ASSETS**

**NET ASSETS**

Unrestricted	\$ 193,073	
Temporarily Restricted - Note 3	1,184,220	
Permanently Restricted	<u>-</u>	
Total Net Assets		\$ 1,377,293

<b>Total Net Assets</b>		<b><u><u>\$ 1,377,293</u></u></b>
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**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Contribution Income	\$ 398,348	\$ 1,180,489	\$ -	\$ 1,578,837
Investment Income	8,911	-	-	8,911
Total Support and Revenue	<u>407,259</u>	<u>1,180,489</u>	<u>-</u>	<u>1,587,748</u>
<b>EXPENSES</b>				
Program Services				
Grants	<u>306,683</u>	<u>981,444</u>	<u>-</u>	<u>1,288,127</u>
Total Program Services	306,683	981,444	-	1,288,127
Functional Expenses				
Management and General	35,250	-	-	35,250
Fund Raising	<u>11,246</u>	<u>-</u>	<u>-</u>	<u>11,246</u>
Total Functional Expenses	46,496	-	-	46,496
Total Expenses	<u>353,179</u>	<u>981,444</u>	<u>-</u>	<u>1,334,623</u>
<b>Increase in Net Assets</b>	<b><u>54,080</u></b>	<b><u>199,045</u></b>	<b><u>-</u></b>	<b><u>253,125</u></b>
Net Assets - Beginning of Year	138,993	1,070,469	-	1,209,462
Unrealized Gain/ Loss	<u>-</u>	<u>(85,294)</u>	<u>-</u>	<u>(85,294)</u>
Net Assets - End of Year	<u>\$ 193,073</u>	<u>\$ 1,184,220</u>	<u>\$ -</u>	<u>\$ 1,377,293</u>

See Auditors' Report and Accompanying Notes to Financial Statements

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**(SUPPLEMENTARY FINANCIAL INFORMATION)**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fund Raising</u>	<u>Total</u>
Accounting & Auditing	\$ -	\$ 6,200	\$ -	\$ 6,200
Bank Charges	-	88	-	88
Depreciation	-	182	-	182
General & Administrative-Other	-	2,679	-	2,679
Internet Expense	-	370	-	370
Outside Services	-	23,032	9,842	32,874
Postage & Shipping	-	218	658	876
Printing and Reproduction	-	734	746	1,480
Telephone	-	1,264	-	1,264
Travel & Meals	-	483	-	483
<b>Total Functional Expenses</b>	<b>\$ <u>-</u></b>	<b>\$ <u>35,250</u></b>	<b>\$ <u>11,246</u></b>	<b>\$ <u>46,496</u></b>

See Auditors' Report and Accompanying Notes to Financial Statements

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in net assets	\$	253,125
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided Operating Activities		
Depreciation	\$	182
Donation Received (Non Cash)		(5,131)
Net unrealized gain on sale of Stocks (Non Cash Contributions)		<u>(85,196)</u>
Total Adjustments		<u>(90,145)</u>
Net Cash Provided by Operating Activities		162,980

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Equipment		(600)
Proceeds from Sale of Stocks		<u>9,946</u>
Net Cash Provided by Investing Activities		9,346

**CASH FLOWS FROM FINANCING ACTIVITIES**

Received Investment Return		<u>140,920</u>
Net Cash Provided by Financing Activities		140,920

**INCREASE IN CASH AND CASH EQUIVALENTS**

		<u>313,246</u>
Cash and Cash Equivalents - Beginning of the Year		<u>1,063,387</u>
<b>Cash and Cash Equivalents - End of the Year</b>		<b><u><u>\$ 1,376,633</u></u></b>

**SUPPLEMENTAL INFORMATION:**

**Noncash investing activities:**

Gift of paid up life insurance cash surrender value	\$	897
Interst paid	\$	0

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

**NOTE 1: NATURE OF ACTIVITIES & SIGNIFICANT ACCOUNTING POLICIES**

India Development and Relief Fund, Inc ("IDRF") was established by Dr. Vinod Prakash and other members of the Board, as a nonprofit organization, in the state of Maryland in 1987. In 1988, IDRF was approved by the Internal Revenue Service as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code. The organization aims to help the needy, disabled, underprivileged or impoverished people in India, and, to a limited extent in Nepal, United States, and other countries, to become self-reliant and modernized, yet rooted in the culture and civilization of their respective countries, by raising tax-exempt contributions in the United States.

These objectives are achieved through various types of assistance, including but not limited to: (a) value-based education and vocational training for children and adults; (b) health care; (c) eco-friendly rural development and environmental protection; (d) women's empowerment through micro-credit and other means; (e) tools for improving governance; and (f) relief and rehabilitation of victims of natural or man-made disasters

Use of 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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising From Cash Deposits

The Organization's cash funds are located in various financial institutions. The amount of deposits as of December 31, 2013 in bank accounts, per bank records is \$394,299 and \$628,066 which is in excess of FDIC insurance limit of \$250,000.

Property and Equipment

Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Depreciation, Repairs and Maintenance

Depreciation is calculated using the double declining method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expenses as incurred. Major renewals and betterments are capitalized. When equipment is sold or retired the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in the statement of activities.



**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2013

Contributions

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

Promise to Give

Support is recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified as unrestricted net assets. As of December 31, 2013, temporarily restricted net assets were \$1,184,220. There were no permanently restricted net assets as of December 31, 2013.

Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses which can be identified with a specific program or supporting activity are allocated directly to that activity. Other expenses that are common to several functions are allocated among the programs, supporting services and fund raising.

Income Taxes

The Organization is exempt from the income taxes under Section 501(c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization that is not a private foundation. Accordingly, no provision has been made for income taxes in the financial statements. Also, as of December 31, 2013 the company had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. Additionally, the company had no interest and penalties related to income taxes. The company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2010.

**NOTE 2: INVESTMENTS**

The organization received all of the equity balance from Bhutada Limited Partnership as Bhutada Limited Partnership issued Final K-1 to IDRf during 2013. Therefore, all unrealized gain from Bhutada Limited Partnership as of December 31, 2012 was realized in 2013 and is recorded as income.

**NOTE 3: RESTRICTIONS ON NET ASSETS**

Temporarily Restricted net assets are available for the following purposes:

Bhutada Ltd. Fund - Development Projects (India & USA)	\$ 147,826
Other Donor Advised - Development Projects (India)	565,772
Multiyear Development Projects – (India)	<u>470,622</u>
Total	<u>\$1,184,220</u>

**NOTE 4: SUSEQUENT EVENTS:**

Management has evaluated subsequent events through April 24, 2014, the date the financial statements were available to be issued. No significant subsequent events have been identified that would require adjustments to, or disclosure in, the accompanying financial statements.