

INDIA DEVELOPMENT AND RELIEF FUND, INC.

FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

INDIA DEVELOPMENT AND RELIEF FUND, INC.

FINANCIAL STATEMENTS

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DECEMBER 31, 2022 AND 2021

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CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of the India Development and Relief Fund, Inc., which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year 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 India Development and Relief Fund, Inc. 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. 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 India Development and Relief Fund, Inc. 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.

Prior Period Financial Statements

The financial statements of the India Development and Relief Fund, Inc. as of December 31, 2021 were audited by other auditors whose report dated July 22, 2022 expressed an unmodified opinion on those statements.

Responsibilities of Management 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, 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 India Development and Relief Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (Concluded)

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 India Development and Relief Fund, Inc.'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 India Development and Relief Fund, Inc.'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.



September 19, 2023

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

| | <u>2022</u> | <u>2021</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 1,354,755 | \$ 4,319,040 |
| Contributions receivable, net | 293,526 | 105,067 |
| Donated insurance policy - cash surrender value | 30,906 | 30,331 |
| Short term investments | <u>3,290,297</u> | <u>506,746</u> |
| Total Current Assets | <u>\$ 4,969,484</u> | <u>\$ 4,961,184</u> |
| PROPERTY AND EQUIPMENT, at cost: | | |
| Equipment | \$ 7,831 | \$ 7,831 |
| Accumulated amortization | <u>(7,748)</u> | <u>(7,661)</u> |
| Property and equipment, net | <u>\$ 83</u> | <u>\$ 170</u> |
| TOTAL ASSETS | <u><u>\$ 4,969,567</u></u> | <u><u>\$ 4,961,354</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES: | | |
| Payroll liabilities | <u>\$ -</u> | <u>\$ 4,128</u> |
| NET ASSETS: | | |
| Net assets without donor restrictions | \$ 2,611,012 | \$ 2,413,032 |
| Net assets with donor restrictions | <u>2,358,555</u> | <u>2,544,194</u> |
| Total Net Assets | <u>\$ 4,969,567</u> | <u>\$ 4,957,226</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 4,969,567</u></u> | <u><u>\$ 4,961,354</u></u> |

See accompanying notes and independent auditors' report.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | | 2021 | | |
|---------------------------------------|---|--|---|--|----------------------------|
| | Net Assets without Donor Restrictions | Net Assets with Donor Restrictions | Net Assets without Donor Restrictions | Net Assets with Donor Restrictions | Total |
| REVENUE: | | | | | |
| Contributions and grants | \$ 942,888 | \$ 2,834,309 | \$ 3,777,197 | \$ 5,037,925 | \$ 6,143,101 |
| Investment income (loss) | (27,947) | - | (27,947) | (5,144) | 85,013 |
| Net assets released from restrictions | 3,019,948 | (3,019,948) | - | (3,949,791) | - |
| Total Revenue | <u>\$ 3,934,889</u> | <u>\$ (185,639)</u> | <u>\$ 3,749,250</u> | <u>\$ 1,082,990</u> | <u>\$ 6,228,114</u> |
| EXPENSES: | | | | | |
| Program services | \$ 3,619,319 | - | \$ 3,619,319 | - | \$ 4,550,873 |
| Management and general | 112,848 | - | 112,848 | - | 112,509 |
| Fundraising | 4,742 | - | 4,742 | - | 2,294 |
| Total Expenses | <u>\$ 3,736,909</u> | <u>\$ -</u> | <u>\$ 3,736,909</u> | <u>\$ -</u> | <u>\$ 4,665,676</u> |
| CHANGE IN NET ASSETS | \$ 197,980 | \$ (185,639) | \$ 12,341 | \$ 1,082,990 | \$ 1,562,438 |
| NET ASSETS - BEGINNING OF YEAR | <u>2,413,032</u> | <u>2,544,194</u> | <u>4,957,226</u> | <u>1,461,204</u> | <u>3,394,788</u> |
| NET ASSETS - END OF YEAR | <u><u>\$ 2,611,012</u></u> | <u><u>\$ 2,358,555</u></u> | <u><u>\$ 4,969,567</u></u> | <u><u>\$ 2,413,032</u></u> | <u><u>\$ 4,957,226</u></u> |

See accompanying notes and independent auditors' report.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

| | Program Services | Management and General | Fundraising | Total |
|------------------------------|---------------------|------------------------------|-----------------|---------------------|
| Advertising and marketing | \$ - | \$ 48 | \$ - | \$ 48 |
| Application fees | - | - | 3,804 | 3,804 |
| Bank charges | - | 125 | - | 125 |
| Outside services | - | 97,641 | - | 97,641 |
| Dues and subscriptions | - | 960 | - | 960 |
| Depreciation | - | 87 | - | 87 |
| Grants | 3,619,319 | - | - | 3,619,319 |
| Internet | - | 700 | - | 700 |
| License and permits | - | 300 | - | 300 |
| Office expenses and supplies | - | 371 | - | 371 |
| Other | - | 25 | - | 25 |
| Postage and delivery | - | 423 | - | 423 |
| Printing and copying | - | 1,300 | 938 | 2,238 |
| Professional fees | - | 9,600 | - | 9,600 |
| Telephone | - | 918 | - | 918 |
| Utilities | - | 350 | - | 350 |
| Total Functional Expenses | <u>\$ 3,619,319</u> | <u>\$ 112,848</u> | <u>\$ 4,742</u> | <u>\$ 3,736,909</u> |

See accompanying notes and independent auditors' report.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

| | Program Services | Management and General | Fundraising | Total |
|------------------------------|---------------------|------------------------------|-----------------|---------------------|
| Advertising and marketing | \$ - | \$ 46 | \$ - | \$ 46 |
| Application fees | - | - | 2,285 | 2,285 |
| Bank charges | - | 310 | - | 310 |
| Outside services | - | 49,438 | - | 49,438 |
| Dues and subscriptions | - | 1,150 | - | 1,150 |
| Depreciation | - | 303 | - | 303 |
| Grants | 4,550,873 | - | - | 4,550,873 |
| Internet | - | 700 | - | 700 |
| License and permits | - | 300 | - | 300 |
| Office expenses and supplies | - | 106 | - | 106 |
| Other | - | 70 | - | 70 |
| Payroll taxes and benefits | - | 3,689 | - | 3,689 |
| Postage and delivery | - | 211 | 9 | 220 |
| Printing and copying | - | 2,359 | - | 2,359 |
| Professional fees | - | 7,475 | - | 7,475 |
| Salary and wages | - | 44,820 | - | 44,820 |
| Telephone | - | 1,068 | - | 1,068 |
| Travel | - | 164 | - | 164 |
| Utilities | - | 300 | - | 300 |
| Total Functional Expenses | <u>\$ 4,550,873</u> | <u>\$ 112,509</u> | <u>\$ 2,294</u> | <u>\$ 4,665,676</u> |

See accompanying notes and independent auditors' report.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

| | 2022 | 2021 |
|---|-----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 12,341 | \$ 1,562,438 |
| Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities: | | |
| Net (gain) loss on investments | 60,989 | (62,592) |
| Depreciation | 87 | 303 |
| Changes in assets and liabilities: | | |
| (Increase) Decrease in contributions receivable | (188,459) | 173,009 |
| (Increase) Decrease in cash surrender value of insurance policy | (575) | (633) |
| Increase (Decrease) in payroll liabilities | (4,128) | 1,530 |
| | <u>\$ (119,745)</u> | <u>\$ 1,674,055</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments | \$ (3,044,540) | \$ (726,990) |
| Sale of investments | 200,000 | 342,616 |
| | <u>\$ (2,844,540)</u> | <u>\$ (384,374)</u> |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | \$ (2,964,285) | \$ 1,289,681 |
| CASH and CASH EQUIVALENTS - BEGINNING OF YEAR | 4,319,040 | 3,029,359 |
| CASH and CASH EQUIVALENTS - END OF YEAR | \$ 1,354,755 | \$ 4,319,040 |

See accompanying notes and independent auditors' report.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

Note 1. **Organization and Summary of Significant Accounting Policies:**

Organization

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.

IDRF raises tax-exempt donations in the USA to help the needy, disabled, underprivileged or impoverished people mainly in India, and, only to a limited extent in Nepal, Sri Lanka and the United States, 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 manmade disasters. IDRF's support comes primarily from individual, corporate and foundation donations.

Financial Statement Presentation and Basis of Accounting

The accompanying financial statement presentation follows the recommendations under the Not-for-Profit Entities Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Under this ASC, IDRF is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

IDRF maintains its books and records on the accrual basis of accounting, whereby revenue is recorded when earned and expenses are recorded when incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings, and money market accounts. Cash and cash equivalents that are held in a separate investment account are classified as short-term investments and are not included in cash and cash equivalents for presentation in the statement of cash flows.

Concentration of Credit Risk:

Demand deposits with financial institutions at times exceeded federally insured limits. IDRF has not experienced any losses in such accounts, and management believes IDRF is not exposed to any significant credit risks.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

Note 1. **Organization and Summary of Significant Accounting Policies: (Continued)**

Short term investments

Investment in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

IDRF has evaluated its investment policies consistent with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 320, Investments – Debt and Equity Securities. It is IDR management's intent to maintain a liquid portfolio to take advantage of investment opportunities, and therefore, all securities are considered to be available-for-sale and are classified as current assets. Available-for-sale securities are carried at fair value, with the gains and losses and declines in value judged to be other-than-temporary, and are included in the statements of activities and changes in net assets. The cost of securities sold is based on the specific identification method.

Property and Equipment:

Property and equipment are recorded at cost and depreciated using the double declining balance method over the estimated useful lives of the related assets. IDR capitalizes property and equipment with a unit cost in excess of \$1,000.

Contributions Receivable and Bad Debts

IDRF recognizes bad debts when, in the opinion of management, specific accounts become uncollectible.

Revenue Recognition

IDRF recognizes contributions and unconditional promises to give as revenue in the period received or promised, whichever is earlier.

Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Functional Expenses

IDRF allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program, fundraising, or general and administrative service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases or management's estimate of time spent on each function.

INDIA DEVELOPMENT AND RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2022 AND 2021

Note 1. **Organization and Summary of Significant Accounting Policies: (Concluded)**

Income Taxes

IDRF is a tax exempt, publicly supported organization under Section 501(c)(3) of the Internal Revenue Code. IDRF had no unrelated business taxable income during the years ended December 31, 2022 and 2021. IDRF believes that it has appropriate support for any income tax positions taken and, as such, does not have any uncertain income tax positions that are material to the financial statements.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

Note 2. **Investments**

ASC 820, Fair Value Measurements, establishes a fair value hierarchy that prioritizes the inputs used to measure fair value into three broad categories: levels 1, 2 and 3. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (level 1) and lowest priority to unobservable inputs (level 3). In some cases, the inputs used to measure fair value might fall into different levels of the fair value hierarchy. The level in the fair value hierarchy that the assets or liability falls under is based on the lowest input level that is significant to the fair value measurement in its entirety. The fair value of the IDRF's investments is based on quoted market prices in active markets (level 1 inputs).

Investments measured at fair value on a recurring basis consist of the following as of December 31,

| | <u>2022</u> | <u>2021</u> |
|-------------------|---------------------|-------------------|
| Cash equivalents | \$ 25,353 | \$ 122,045 |
| Stocks | 241,755 | - |
| Fixed income | <u>3,023,189</u> | <u>384,701</u> |
| Total investments | <u>\$ 3,290,297</u> | <u>\$ 506,746</u> |

INDIA DEVELOPMENT AND RELIEF FUND, INC.

NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

DECEMBER 31, 2022 AND 2021

Note 2. Investments (Concluded)

Investment income consists of the following for the years ended December 31,

| | <u>2022</u> | <u>2021</u> |
|---------------------------|--------------------|------------------|
| Interest and dividends | \$ 33,042 | \$ 22,421 |
| Realized gains (losses) | 6,784 | (37,023) |
| Unrealized gains (losses) | <u>(67,773)</u> | <u>99,615</u> |
| Total investment income | <u>\$ (27,947)</u> | <u>\$ 85,013</u> |

Note 3. Net Assets with Donor Restrictions:

Net assets with donor restrictions consisted of the following at December 31,

| Purpose restrictions: | <u>2022</u> | <u>2021</u> |
|--------------------------------|---------------------|---------------------|
| Education/Skill Development | \$ 622,546 | \$ 977,652 |
| Health | 395,129 | 405,567 |
| Women/Community Empowerment | 146,947 | 99,003 |
| Environmental Sustainability | 123,104 | 115,919 |
| Governance and Innovation | 28,005 | 51,306 |
| Disaster Relief/Rehabilitation | 31,183 | 154,422 |
| Donor Preference | <u>1,011,641</u> | <u>740,325</u> |
| Total | <u>\$ 2,358,555</u> | <u>\$ 2,544,194</u> |

Note 4. Liquidity and Availability of Financial Assets:

The following reflects IDRF's financial assets as of December 31, 2022 and 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Financial assets at year-end | \$ 4,969,484 | \$ 4,961,184 |
| Donor restricted | <u>(2,358,555)</u> | <u>(2,544,194)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 2,610,929</u> | <u>\$ 2,416,990</u> |

IDRF has a policy to structure its financial assets to be available throughout the year as general expenditures become due.

Note 5. Subsequent Events:

Management has evaluated subsequent events through September 19, 2023, the date the financial statements were available to be issued.