

ALL INDIA MOVEMENT FOR SEVA, INC.
(A Nonprofit Organization)
FINANCIAL STATEMENTS
TWO MONTHS ENDED DECEMBER 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
All India Movement for Seva, Inc.
Saylorsburg, Pennsylvania

We have audited the accompanying financial statements of All India Movement for Seva, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2014, and the related statements of support, revenue, expenses, and changes in net assets – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis for the two months 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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 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 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 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 assets, liabilities, and net assets of All India Movement for Seva, Inc. as of December 31, 2014, and its support, revenue, expenses, and changes in net assets, functional expenses, and cash flows for the two months then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script, appearing to read "Styer Associates", is positioned above the firm's name.

STYER ASSOCIATES
Certified Public Accountants

September 24, 2015
Souderton, Pennsylvania

**ALL INDIA MOVEMENT FOR SEVA, INC.
STATEMENT OF ASSETS, LIABILITIES,
AND NET ASSETS – MODIFIED CASH BASIS
DECEMBER 31, 2014**

ASSETS

Current Assets:

Cash and cash equivalents	\$ <u>365,989</u>
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Property and Equipment:

Computer and office equipment	57,325
Furniture and fixtures.....	6,666
Leasehold improvements	<u>30,630</u>
	94,621
Less accumulated depreciation	<u>80,458</u>
Property and Equipment – Net.....	<u>14,163</u>

Other Assets:

Loan receivable	<u>5,000</u>
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TOTAL ASSETS.....	\$ <u>385,152</u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Credit cards payable.....	\$ 5,797
Payroll liabilities	<u>1,580</u>
Total Current Liabilities.....	<u>7,377</u>

Net Assets:

Unrestricted.....	239,796
Temporarily restricted.....	<u>137,979</u>
Total Net Assets.....	<u>377,775</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u>385,152</u>
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The accompanying notes are an integral part of the financial statements.

ALL INDIA MOVEMENT FOR SEVA, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES,
AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS
TWO MONTHS ENDED DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support and Revenue:</u>			
Contributions	\$ 152,459	\$ 243,968	\$ 396,427
Interest income	67		67
Net assets released from restrictions:			
Restrictions satisfied by grants in aid ..	<u>896,765</u>	<u>(896,765)</u>	<u>0</u>
Total Support and Revenue	<u>1,049,291</u>	<u>(652,797)</u>	<u>396,494</u>
<u>Expenses:</u>			
Program services	1,045,578		1,045,578
Supporting services:			
General and administrative	17,752		17,752
Fundraising	<u>5,598</u>		<u>5,598</u>
Total Expenses	<u>1,068,928</u>	<u>0</u>	<u>1,068,928</u>
Change in Net Assets	(19,637)	(652,797)	(672,434)
NET ASSETS – BEGINNING	<u>259,433</u>	<u>790,776</u>	<u>1,050,209</u>
NET ASSETS – ENDING	<u>\$ 239,796</u>	<u>\$ 137,979</u>	<u>\$ 377,775</u>

The accompanying notes are an integral part of the financial statements.

ALL INDIA MOVEMENT FOR SEVA, INC.
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
TWO MONTHS ENDED DECEMBER 31, 2014

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Grants in aid.....	\$ 1,032,923	\$	\$	\$ 1,032,923
Auto expense.....	188	188		376
Bank fees.....	1,584			1,584
Fundraising expenses.....			5,036	5,036
Insurance.....	701	701		1,402
Office expense	1,486			1,486
Payroll taxes.....	321	321		642
Postage	347		562	909
Printing.....	2,923			2,923
Professional fees		10,566		10,566
Rent.....	250	250		500
Utilities.....	400	400		800
Wages.....	<u>4,200</u>	<u>5,071</u>		<u>9,271</u>
Total Expenses Before Depreciation.....	1,045,323	17,497	5,598	1,068,418
Depreciation.....	<u>255</u>	<u>255</u>		<u>510</u>
TOTAL EXPENSES.....	<u>\$ 1,045,578</u>	<u>\$ 17,752</u>	<u>\$ 5,598</u>	<u>\$ 1,068,928</u>

The accompanying notes are an integral part of the financial statements.

ALL INDIA MOVEMENT FOR SEVA, INC.
STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS
TWO MONTHS ENDED DECEMBER 31, 2014

Cash Flows From Operating Activities:

Cash received from contributions	\$ 396,427
Cash received from interest earnings	67
Cash disbursed for program expenses	(1,040,958)
Cash disbursed for general and administrative and fundraising expenses	(23,095)
Net Cash Used By Operating Activities	<u>(667,559)</u>

Cash Flows From Investing Activities:

Purchase of property and equipment	(4,519)
Collections on loan receivable	1,300
Net Cash Used By Investing Activities	<u>(3,219)</u>

DECREASE IN CASH (670,778)

CASH AND CASH EQUIVALENTS – BEGINNING OF PERIOD 1,036,767

CASH AND CASH EQUIVALENTS – END OF PERIOD \$ 365,989

RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES

Cash Flows From Operating Activities:

Change in net assets	\$ (672,434)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	510
Increase (decrease) in credit cards payable	4,096
Increase (decrease) in payroll liabilities	269
Net Cash Used By Operating Activities	<u>\$ (667,559)</u>

The accompanying notes are an integral part of the financial statements.

ALL INDIA MOVEMENT FOR SEVA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1 – Summary of Significant Accounting Policies:

Nature of Activities:

All India Movement for SEVA, Inc. (AIM) is a non-profit corporation, established in 2000, organized under the laws of the State of New York and registered in the Commonwealth of Pennsylvania. It is headquartered in Pennsylvania. The mission of AIM is to reach and educate every child across India through the concept of a free student home and to offer primary health care to rural and tribal population through hospitals, clinics, and mobile medical units. The mission extends to conducting women empowerment programs and community training to encourage and to develop self-sufficiency among rural and tribal populations. Assistance is also provided in the U.S. and around the world toward disaster recovery efforts and toward other efforts consistent with our mission.

Basis of Accounting:

The records of AIM are maintained on the modified cash basis of accounting and the accompanying financial statements have been prepared on that basis. Except for capital asset purchases and credit card activity all transactions are recognized as either revenues or expenses. Noncash transactions, except depreciation and donated materials, are not recognized. The modified cash basis differs from generally accepted accounting principles primarily because certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Basis of Presentation:

AIM follows the presentation requirements of Financial Accounting Standards Board Codification of ASC Topic 958-Not for Profit Entities. Under ASC Topic 958, AIM is required to report information regarding its combined financial position and activities according to three classes of net assets; permanently restricted (net assets which cannot be spent due to donor-imposed permanent restrictions on the use of funds), temporarily restricted (net assets can be expended but only in accordance with donor-imposed restrictions), or unrestricted (net assets may be spent in accordance with management and Board of Trustees' wishes).

Contributions:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donation restrictions. In kind contributions are recorded at fair market value.

ALL INDIA MOVEMENT FOR SEVA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued):

Support and Revenue Recognition:

Almost all operating support and revenue received was designated as temporarily restricted. In cases where donor restricted resources are received, funds are segregated until the related restriction is complied. Certain donations and fundraising may be designated by Board of Trustees' resolution. Other organizations hold various fundraising events on behalf of AIM throughout the United States of America. AIM retains a percentage of all contributions, restricted and unrestricted, for general purposes.

Contributed Services:

Contributed services are recorded when a specialized skill is required, and the person contributing the service has the specialized skill. No such services were contributed during the two months ended December 31, 2014, and no amounts have been reflected in the financial statements for contributed services.

Allocation of Disbursements:

The costs of providing program services and other costs were reported on a functional basis in the statement of functional expenses – modified cash basis. Accordingly, certain costs were allocated between program and supporting service functions that benefit from such costs. Disbursements including salaries and employee benefits that can be identified with a certain program or supporting service were allocated directly according to their natural classification. Other disbursements that are common to most functions were allocated based on staff time dedicated to each functional area.

Property and Equipment:

Property and equipment are valued at cost if purchased or fair market value if donated. Significant improvements which extend the life of property and equipment are capitalized. Normal repairs are expensed when incurred. Depreciation is computed by the straight-line method based on the following useful lives:

	<u>Years</u>
Computer and office	5
Furniture and fixtures	5-7
Leasehold improvements	10

Depreciation expense for the two months ended December 31, 2014 was \$510.

ALL INDIA MOVEMENT FOR SEVA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 1 – Summary of Significant Accounting Policies (Continued):

Cash and Cash Equivalents:

For the purpose of the statement of assets, liabilities, and net assets – modified cash basis and cash flows – modified cash basis, AIM defines cash as consisting of cash on hand, demand deposits and certificates of deposit at banks.

Federal Income Taxes:

AIM is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

In addition, AIM has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code.

Date of Management Evaluation of Subsequent Events:

Management has evaluated subsequent events through September 24, 2015, the date on which the financial statements were available to be issued.

Change in Accounting Year End:

AIM changed its accounting year end from October 31 to December 31. These financial statements are for the two month short period November 1, 2014 to December 31, 2014.

Note 2 – Cash and Cash Equivalents:

The following is a detailed breakdown of AIM's cash and cash equivalent balances as of December 31, 2014:

Checking accounts	\$ 33,026
Money Market accounts.....	249,539
Undeposited funds	83,424
	<u>\$ 365,989</u>

Note 3 – Loan Receivable:

AIM has a loan receivable due from Janet Falk, the Director. The loan is non-interest bearing and was repaid in full during February, 2015.

ALL INDIA MOVEMENT FOR SEVA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014

Note 4 – Operating Leases:

AIM has an oral month-to-month lease with Arsha Vidya Gurukulam for office space. According to FASB Statement 13, *Accounting for Leases*, rent expense is charged when incurred, and is usually reflected in a straight-line basis over the lease term; AIM follows this methodology. Monthly rent expense is \$500.

Note 5 – Affiliated International Organizations:

AIM is affiliated with like organizations located in India, Brazil, Canada, Singapore, and the United Arab Emirates. Generally, grants in aid are paid directly to its affiliated organization in India for distribution to the intended programs for which the contributions were solicited or received.

Note 6 – Temporarily Restricted Net Assets:

Temporarily restricted net assets as of December 31, 2014 were available for the following:

Child sponsorship.....	\$ 46,715
Domestic charities.....	369
Dnorth India	68
Dbrahma Vidya Kuteer Swami TV.....	4,610
Dclinic in Alwai AP.....	5
DJawahar Dharmarth Chikitsalay	5
Dkankanpur Chatralaya	4,850
Dkrupa.....	2,547
DKhilanani Eye Hospital	15
Dshamiaji Hospital.....	10,767
Dspecial Days Meals.....	485
Daduthuai (G.S.) Tiruvidaimarudu	14,551
Dudupi Taluk	971
Fundraising monies to designate.....	52,021
	<u>\$ 137,979</u>