

**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**(A Nonprofit Organization)**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2016**

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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 financial position as of December 31, 2016, 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.

### 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 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 financial position of All India Movement for Seva, Inc. as of December 31, 2016, 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.



STYER ASSOCIATES  
Certified Public Accountants

Souderton, Pennsylvania  
September 8, 2017

**ALL INDIA MOVEMENT FOR SEVA, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2016**

**ASSETS**

**Current Assets:**

Cash and cash equivalents .....	\$ 1,409,504
Accounts receivable .....	9,757
Prepaid expenses .....	<u>39,184</u>
Total Current Assets .....	<u>1,458,445</u>

**Property and Equipment:**

Computer and office equipment .....	59,380
Furniture and fixtures .....	6,666
Leasehold improvements .....	<u>30,630</u>
	96,676
Less accumulated depreciation .....	<u>85,224</u>
Property and Equipment – Net .....	<u>11,452</u>

<b>TOTAL ASSETS .....</b>	<b>\$ <u>1,469,897</u></b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable .....	\$ 6,772
Accrued expenses .....	<u>2,955</u>
Total Current Liabilities .....	<u>9,727</u>

**Net Assets:**

Unrestricted .....	330,556
Temporarily restricted .....	<u>1,129,614</u>
Total Net Assets .....	<u>1,460,170</u>

<b>TOTAL LIABILITIES AND NET ASSETS .....</b>	<b>\$ <u>1,469,897</u></b>
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The accompanying notes are an integral part of the financial statements.



**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><u>Support and Revenue:</u></b>			
Contributions .....	\$ 1,393,130	\$ 2,665,246	\$ 4,058,376
Interest income .....	57		57
Net assets released from restrictions:			
Restrictions satisfied by grants in aid ..	<u>1,897,818</u>	<u>(1,897,818)</u>	<u>0</u>
Total Support and Revenue .....	<u>3,291,005</u>	<u>767,428</u>	<u>4,058,433</u>
<b><u>Expenses:</u></b>			
Program services .....	2,770,600		2,770,600
Supporting services:			
General and administrative .....	113,975		113,975
Fundraising .....	<u>317,706</u>		<u>317,706</u>
Total Expenses .....	<u>3,202,281</u>	<u>0</u>	<u>3,202,281</u>
Change in Net Assets .....	88,724	767,428	856,152
<b>NET ASSETS – BEGINNING .....</b>	<u>241,832</u>	<u>362,186</u>	<u>604,018</u>
<b>NET ASSETS – ENDING .....</b>	<u>\$ 330,556</u>	<u>\$ 1,129,614</u>	<u>\$ 1,460,170</u>

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

**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2016**

	Program Services	General and Administrative	Fundraising	Total
Grants in aid .....	\$ 2,608,992	\$	\$	\$ 2,608,992
Advertising and publicity .....	4,197			4,197
Auto expense .....	2,433	2,433		4,866
Bank fees .....	26,236			26,236
Fundraising expenses .....			237,985	237,985
Insurance .....	8,121	8,121		16,242
Membership fees .....	184			184
Miscellaneous .....		569		569
Office expense .....	8,603			8,603
Payroll taxes .....	4,627	4,627	4,980	14,234
Postage .....	1,130		4,741	5,871
Printing .....	5,502			5,502
Professional fees .....	22,736	22,736		45,472
Rent .....	3,000	3,000		6,000
Repairs and maintenance .....	1,300	1,300		2,600
Travel .....	2,350			2,350
Utilities .....	4,291	4,291		8,582
Wages .....	<u>65,024</u>	<u>65,024</u>	<u>70,000</u>	<u>200,048</u>
Total Expenses Before				
Depreciation .....	2,768,726	112,101	317,706	3,198,533
Depreciation .....	<u>1,874</u>	<u>1,874</u>		<u>3,748</u>
<b>TOTAL EXPENSES .....</b>	<b>\$ <u>2,770,600</u></b>	<b>\$ <u>113,975</u></b>	<b>\$ <u>317,706</u></b>	<b>\$ <u>3,202,281</u></b>

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

**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2016**

**Cash Flows From Operating Activities:**

Change in net assets .....	\$ 856,152
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation .....	3,748
(Increase) decrease in assets:	
Accounts receivable .....	4,585
Prepaid expenses .....	(35,562)
Increase (decrease) in liabilities:	
Accounts payable .....	4,965
Accrued expenses .....	564
Net Cash Provided By Operating Activities .....	<u>834,452</u>
 <b>INCREASE IN CASH .....</b>	 <b>834,452</b>
 <b>CASH AND CASH EQUIVALENTS – BEGINNING OF YEAR .....</b>	 <b><u>575,052</u></b>
 <b>CASH AND CASH EQUIVALENTS – END OF YEAR .....</b>	 <b><u>\$ 1,409,504</u></b>

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



**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**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 populations 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 accompanying financial statements have been prepared using the accrual basis of accounting.

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).

Fair Value Measurements:

The Organization reports the fair value of financial assets and liabilities that are required to be disclosed at fair value on a recurring basis, in accordance with FASB ASC 820-10, *Fair Value Measurements*. FASB ASC 820-10 defines fair value as the price that would be received upon the sale of an asset or paid upon the transfer of a liability in the most advantageous market for the exchange in an orderly transaction between market participants at the measurement date.

FASB ASC 820-10 expands the disclosure requirements regarding fair value and establishes a framework for measuring fair value by providing a fair value hierarchy that prioritizes the valuation inputs into three broad levels. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to measurements involving significant unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:



**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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

Fair Value Measurements (Continued):

- Level 1 inputs are based upon quoted market prices for identical assets or liabilities traded in active markets.
- Level 2 inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active or model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or the liability.
- Level 3 inputs are generally unobservable and typically require the reporting entity to develop its own estimates of assumptions that market participants would utilize in pricing the asset or liability. The fair values would be determined using various model-based techniques.

Cash, accounts receivable, prepaid expenses, deposits, accounts payable, and short-term accrued expenses are reflected in the financial statements at historical value, which approximates fair value, because of the short-term duration of these instruments, and are considered to be Level 1 inputs.

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.

Support and Revenue Recognition:

A significant percentage of 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 year ended December 31, 2016, and no amounts have been reflected in the financial statements for contributed services.

**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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

Allocation of Disbursements:

The costs of providing program services and other costs were reported on a functional basis in the statement of functional expenses. 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 year ended December 31, 2016 was \$3,748.

Cash and Cash Equivalents:

For the purpose of the statements of financial position and cash flows, AIM defines cash as consisting of cash on hand, demand deposits, and money market accounts 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.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.



**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

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

Date of Management Evaluation of Subsequent Events:

Management has evaluated subsequent events through September 8, 2017, the date on which the financial statements were available to be issued.

**Note 2 – Cash and Cash Equivalents:**

The following is a detailed breakdown of AIM's cash and cash equivalent balances as of December 31, 2016:

Checking accounts .....	\$ 882,562
Money Market accounts.....	111,891
Undeposited funds .....	415,051
	<u>\$ 1,409,504</u>

**Note 3 – Concentration of Credit Risk - Cash Balances at a Single Financial Institution:**

AIM maintains their cash balances in one financial institution. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2016, AIM has uninsured cash balances totaling \$745,274.

**Note 4 – Operating Leases:**

AIM has an oral month-to-month lease with Arsha Vidya Gurukulam for office space. According to FASB ASC Topic 840, *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.



**ALL INDIA MOVEMENT FOR SEVA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**Note 6 – Prior Period Adjustment:**

For the current year financial statements, AIM has adopted the accrual basis of accounting for financial statement reporting. The following prior period adjustments were made to the beginning unrestricted net asset balance regarding the change in the accounting method from the modified cash basis to accrual.

Balance 12/31/15 before adjustment.....	\$ 224,370
Recording accounts receivable .....	14,342
Recording prepaid expenses .....	3,620
Recording accounts payable .....	(500)
Adjusted Balance at 12/31/2015 .....	<u>\$ 241,832</u>

**Note 7 – Temporarily Restricted Net Assets:**

Temporarily restricted net assets as of December 31, 2016 were available for the following:

Child sponsorship.....	\$ 316,396
Dpeddapadu .....	950
Andhra Pradesh – Other .....	1,900
Dnagaland .....	380
DPujya Swamiji's Choice .....	4,750
DUS Donation.....	369
Dkankanpur Chatralaya .....	2,898
Dbodidra (Girls).....	427
Dshamlaji Hospital.....	46,719
Dswami Pratyagbodhananda-Ddungri .....	903
Dbagepalli .....	4,775
Ddharwad II .....	618
Karnataka – Other .....	1,473
Dharipad.....	475
Dnorth India .....	133
Dchikali .....	142
Dkolhapur .....	7,006
Dwardha.....	2,056
Maharashtra – Other .....	4,870
Dudaipur (Boys).....	4,864
Danaikatti .....	427

ALL INDIA MOVEMENT FOR SEVA, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016

**Note 7 – Temporarily Restricted Net Assets (Continued):**

DKanyakumari .....	1,211
Dmanjakuddi – Other .....	9,552
Dmulvoy .....	9,500
Dkadalur Classroom .....	5,700
Dpolur .....	950
Duchimedu .....	428
Tamil Nadu – Other .....	1,092
Dmahbubnagar .....	49,400
Dmehboob Nagar .....	1,378
Ddehradun FSH .....	451
Dkarnprayag .....	855
Fundraising monies to designate .....	<u>646,566</u>
	<u>\$1,129,614</u>