

**INTERNATIONAL ASSOCIATION  
FOR HUMAN VALUES**

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**FINANCIAL STATEMENTS**

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**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(With Comparative totals for the Year Ended December 31, 2009)

**WITH  
INDEPENDENT AUDITORS' REPORT**

**BALAGAN INC  
BALAGAN BUSINESS & TAX SERVICE  
CERTIFIED PUBLIC ACCOUNTANT**

# INTERNATIONAL ASSOCIATION FOR HUMAN VALUES

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**Balagan, Inc.**  
**DBA Balagan Business & Tax Service**  
**Certified Public Accountants**

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To:  
Board of Directors  
International Association for Human Values

**Independent Auditors' Report**

We have audited the accompanying statements of financial position of the International Association for Human Values (IAHV) as of December 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of IAHV management. Our responsibility is to express an opinion on these financial statements based on our audits. The prior year summarized comparative information has been derived from IAHV's 2009 financial statements and, in our report dated September 28, 2010, we expressed an unqualified opinion on those financial statements.

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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IAHV as of December 31, 2010 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 8 (under supplementary information) is presented for purposes of additional analysis and is not a required part of the 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 financial statements as a whole

*Balagan Inc*

Beltsville, MD  
September 23, 2011

# **FINANCIAL STATEMENTS**

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES**  
**Statement of Financial Position**  
**As of December 31, 2010**  
**(With Comparative Totals as of December 31, 2009)**

	<b>December 2010</b>	<b>December 2009</b>
	<hr/>	<hr/>
<b><u>ASSETS</u></b>		
<b><u>Current Assets:</u></b>		
Cash and equivalents	813,328	\$ 753,694
Employee Advance	914	-
<b><u>Total Current Assets</u></b>	<b><u>814,242</u></b>	<b><u>753,694</u></b>
<b><u>Fixed Assets:</u></b>		
Furniture and equipment	17,827	2,989
Less: Accumulated Depreciation	(1,910)	(498)
<b><u>Net Fixed Assets</u></b>	<b><u>15,917</u></b>	<b><u>2,491</u></b>
<b><u>TOTAL ASSETS</u></b>	<b><u>830,159</u></b>	<b><u>756,185</u></b>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>Current Liabilities:</u></b>		
Accounts Payable and Accrued Expenses	2,934	\$ -
<b><u>Total Current Liabilities</u></b>	<b><u>2,934</u></b>	<b><u>-</u></b>
<b><u>Net Assets</u></b>		
Unrestricted	425,917	390,599
Temporarily restricted	401,308	365,586
<b><u>Total Net Assets</u></b>	<b><u>827,225</u></b>	<b><u>756,185</u></b>
<b><u>TOTAL LIABILITIES AND NET ASSETS</u></b>	<b><u>830,159</u></b>	<b><u>756,185</u></b>

See accompanying notes to financial statements

See Independent Auditors' Report

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES**  
**Statement of Activities**  
**Year Ended December 31, 2010**  
**(With Comparative Totals for Year Ended December 31, 2009)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2010</u>	<u>Total 2009</u>
<b><u>Support and Revenue:</u></b>				
Contributions	\$ 75,829	\$ 427,094	\$ 502,923	\$ 488,748
Course Income	208,351	67,150	275,501	55,293
Investment Income	2,476	-	2,476	7,897
Released from Restrictions	458,522	(458,522)	-	-
<b><u>Total Support and Revenue</u></b>	<b><u>745,178</u></b>	<b><u>35,722</u></b>	<b><u>780,900</u></b>	<b><u>551,938</u></b>
<b><u>Expenses</u></b>				
Program expenses	681,627	-	681,627	561,726
Management and general	23,541	-	23,541	14,459
Fundraising	4,691	-	4,691	11,411
<b><u>Total Expenses</u></b>	<b><u>709,860</u></b>	<b><u>-</u></b>	<b><u>709,860</u></b>	<b><u>587,596</u></b>
<b><u>Change in Net Assets</u></b>	<b>35,319</b>	<b>35,722</b>	<b>71,041</b>	<b>(35,658)</b>
<b><u>Net Assets, Beginning of Year</u></b>	<b>390,599</b>	<b>365,586</b>	<b>756,184</b>	<b>791,842</b>
<b><u>Net Assets, End of Year</u></b>	<b><u>425,917</u></b>	<b><u>401,308</u></b>	<b><u>827,225</u></b>	<b><u>756,184</u></b>

See accompanying notes to financial statements

See Independent Auditors' Report

**INTERNATIONAL ASSOCIATION OF HUMAN VALUES**  
**Statement of Cash Flows**  
**For Year Ended December 31, 2010**  
**(With Comparative Totals for Year Ended December 31, 2009)**

	<u>December 2010</u>	<u>December 2009</u>
<b>Cash flows from operating activities</b>		
<b>Change in Net Assets</b>	<b>\$71,041</b>	<b>\$ (35,658)</b>
<b>Adjustments to reconcile change in Net Assets     to Net Cash provided by operating activities:</b>		
Depreciation	1,412	498
(Increase)/Decrease in Pledge Receivable	(914)	5,200
Increase/(Decrease) in Accounts Payable	2,934	(78)
	<hr/>	<hr/>
<b>Net cash provided (used) by operating activities</b>	<b>74,472</b>	<b>(30,038)</b>
<b>Net Cash provided by Investing Activities:</b>		
Purchase of Fixed Assets	(14,838)	(2,989)
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<b>Net Cash provided by Investing Activities:</b>	<b>(14,838)</b>	<b>(2,989)</b>
	<hr/>	<hr/>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>59,634</b>	<b>(33,026)</b>
<b>Cash and equivalents, beginning of the year</b>	<b>753,694</b>	<b>786,720</b>
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<b>Cash and equivalents, end of the year</b>	<b>813,328</b>	<b>753,694</b>
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See accompanying notes to financial statements

See Independent Auditors' Report

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
**Notes to the Financial Statements**  
**December 31, 2010**

**(1) Description of the Organization**

International Association for Human Values (IAHV) is a Colorado non-profit corporation chartered on October 07, 1998. The organization is exempted from Federal and State income Taxes under the Internal Revenue Service Code Section 501(c)(3). It is organized to foster on a global scale deeper understanding of the values that unite people as a human community. The IAHV develops and promotes programs of personal development to encourage the practice of human values in everyday life. It also has programs of community education that foster greater awareness of the shared values among the diverse cultures in a number of countries around the world.

Program Services

Most popular projects of IAHV are 5H (Health, Homes, Hygiene, Human values, Harmony in diversity), YLTP (Youth, Leadership, Training, Program), Disaster relief programs, Youth Empowerment Seminars, Education and Trauma relief courses. The aim of the 5H program is to uplift individuals and communities so that they become socially and economically self-reliant. 5H works to raise standards of living in the most impoverished areas, educate on every level: mental, emotional, spiritual; create a grassroot model for progressive social change; give every human being a chance for a disease free body and stress free mind and foster harmony in diversity and cultural tolerance. YLTP program is a revolutionary program which was started to effectively channel a large number of youths to assume responsibility for their own lives and communities. Additionally, IAHV undertakes programs for rural development, women empowerment and tribal education and welfare. IAHV also conducts courses on innovative breathing techniques that will reduce stress and increase one's mental clarity and awareness through special events (seminars, courses, symposiums) for raising human values and human abilities.

Management and Governance

The General Body of the organization elects minimum five and maximum nine board members who in turn elect the following principal officers, namely, the President, the Secretary and the Treasurer. At present, the following principal officers are holding their offices as follows:

President	: Mr. Dean Harmison	Jul 1, 2010-June 30, 2012
Secretary	: Ms. William Hayden	Jul 1, 2010-June 30, 2012
Treasurer	: Mr. Madhu Kadari	Jul 1, 2010-June 30, 2012
Executive Director	: Ms. Filiz Odabas-Geldiy	Jul 1, 2010-June 30, 2012
Board Member	: Mr. Sneh Khanna	Jul 1, 2010-June 30, 2012
Board Member	: Mr. Beeta Grover	Jul 1, 2010-June 30, 2012

The members of the board and the principal officers are holding their tenure of office for two years and are eligible for re-election. All the members of the administration are rendering honorary services except Filiz Odabas-Geldiy, the Executive Director. The General Body meets normally twice in a year.

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
**Notes to the Financial Statements**  
**December 31, 2010**

(2) **Summary of Significant Accounting Policies**

Following is a summary of significant accounting policies of IAHV in the preparation of their financial statements.

**Basis of Accounting and Presentation**

IAHV records revenues and expenses on accrual basis. All accruals are reported in the balance sheet accordingly.

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not provide sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the organization's audited financial statements for the year ended December 31, 2009, from which the summarized information was derived.

**Revenue Recognition**

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted support that increases those net asset classes. Conditional promises to give are not included as support until such time as the conditions are substantially met. When the donor restriction expires (that is, when a stipulated time limit ends or purpose of restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities, accordingly.

Income earned from self-development seminars are part of the program revenue.

**Use of Estimates**

Financial statements are prepared in conformity with the accounting principles generally accepted in the United States of America which require the management to make estimates and assumptions that may affect certain reported amounts and disclosures. Accordingly, the actual results could differ from those estimates in the financial statements.

**Income Taxes**

IAHV is exempt from the payment of income taxes on its exempt activities under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision is being made for income taxes. Donations to IAHV are tax deductible.

IAHV is subject to income tax return filing requirements (Form 990) in the U.S. and various relevant States jurisdictions. As of December 31, 2010, the organization's tax returns for 2007, 2008 and 2009 are open to examination by the tax authorities. With few exceptions, as of December 31, 2010, the Organization is no longer subject to U.S. Federal or State examinations by tax authorities for years before 2007.

**Cash and Cash Equivalents**

The Organization considers all high-liquid investments with an original or remaining maturity of three months or less from the date of purchases to be cash equivalents. The cash and cash Equivalent also includes \$ 16,761 and \$ 2,533 of un-deposited credit card funds and checks as of December 31, 2010 and 2009, respectively.

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**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
**Notes to the Financial Statements**  
**December 31, 2010**

**Pledges Receivable**

Pledges receivable represent commitments or promises to give, which have been made by donors but not yet received by IAHV. At the end of 2010 and 2009 there were no pledges outstanding to be received by the organization.

**Property and Equipment**

Property and equipments are recorded at cost. Furniture and Equipments are being depreciated using the straight-line method over the estimated useful lives as follows, with no salvage value:

Furniture, fixtures and equipment	3 years
Automobile	7 years

Depreciation expense for the year ending December 31, 2010 and 2009 were \$ 1,412 and \$ 498, respectively.

**Accounts Payables and Accrued Expenses**

At the end of 2010 there were \$ 2,934 of accounts payables and accrued expenses outstanding to be paid by IAHV.

At the end of 2009 there were no payables or expenses outstanding to be paid by IAHV.

**Net Assets**

Net assets consist of the following:

*Unrestricted:* Net assets, which are neither permanently nor temporarily restricted by donor stipulations.

*Temporarily restricted:* Net assets, which are associated with donor or board imposed restrictions, will be used only for specified purposes.

On December 31, 2010 and 2009, IAHV had restricted net assets as follows:

	<b>Dec 31, 2010</b>	<b>Dec 31, 2009</b>
Disaster Relief	\$ 290,115	\$ 246,426
One World Family	\$ 0	\$ 2,198
Women Empowerment	\$ 0	\$ 200
5H Program	\$ 5,694	\$ 0
Prison Smart Program	\$ 0	\$ 9,123
YES Program	\$ 24,174	\$ 24,070
Youth Program	\$ 81,325	\$ 78,878
Human Value Campaign	\$ 0	\$ 4,692
<b>TOTAL</b>	<b>\$ 401,308</b>	<b>\$ 365,587</b>

**(3) Donated goods and services**

IAHV receives donation only in cash and cash equivalents, which are used in program activities. The management does not report in-kind contributions and expenses. It is suggested to record the in-kind service values in the books.

See Independent Auditors' Report

**INTERNATIONAL ASSOCIATION FOR HUMAN VALUES (IAHV)**  
**Notes to the Financial Statements**  
**December 31, 2010**

**(4) Concentrations/Risks**

The Organization maintains its cash in bank accounts that, at times, may exceed federally insured limits. The Organization has not experienced any such losses in past and does not believe it is exposed to any significant financial risk. At December 31, 2010 and 2009 the organization had \$ 547,260 and \$ 501,161, respectively in excess of Federal Deposit Insurance Corporation (FDIC) insured limits of \$ 250,000. The Organization has not incurred any loss in such accounts.

**(5) Related Party Transactions**

The organization has not reported related party transactions. However, the organization had received and given grants from and to Sri Sri Ravi Shankar University India, Art of Living Foundation Pakistan, IAHV St Lucia and Ved Vignan Mahavidya Peeth India. These organizations do not have common Board Members but they work together on common projects and share their volunteer base. The organization also shares its volunteer bases with Art of Living Foundation, USA.

**(6) Operating Lease**

The organization leases its office located at 2401 15th Street NW, Ste 108, Washington DC 20009 from Art of Living Foundation Inc, for a monthly rent of \$ 500. The lease expires on December 31, 2012 and provides for renewal options for up to two years.

**(7) Subsequent Events**

The organization has evaluated events and transaction occurring subsequent to December 31, 2010 through September 23, 2011, which was the date the financial statements were issued. Subsequent events occurring after September 23, 2011 has not been evaluated by management.

Following material events have occurred since December 31, 2010 that requires recognition or disclosure in the financial statements:

1. The Organization has provided in-kind grant in the form technical and professional services to the Haiti Earthquake victims in channelizing the cash grant from the US Aid for about \$96,000 in 2011.
2. The automobile shown as asset on organization's balance sheet as of December 31, 2010 was stolen in March 2011 and is under Haitian police investigation. IAHV's management is expecting to recover the automobile in the near future.

## **SUPPLEMENTARY INFORMATION**

International Association For Human Values  
Statement of Functional Expenses  
For Year Ended December 31, 2010  
(With Comparative Totals for Year Ended December 31, 2009)

EXPENSE CATEGORY	PROGRAM SERVICES										SUPPORTING SERVICES			2010	TOTAL PROGRAM & SUPPORTING SERVICES 2009
	5H Program	Disaster Relief Fund	Education Fund	Human Values Campaigns	Prison Smart	Trauma Relief	YES Program	Women Empowerment	Transformational Leadership for Excellence	Youth Leadership Training	TOTAL	MANAGEMENT & GENERAL EXPENSE	FUNDRAISING EXPENSES		
Grants	1,432	18,902	168,400								188,734		-	188,734	285,500
Salary and Wages		17,000		18,000	8,000	6,750	500	500			50,750	7,250	7,250	58,000	28,875
Consultants & Other Professional Fees	8,309	25,664		11,155		97,754		926			143,808	200	40	240	144,048
Payroll Taxes and Fees		1,650		1,706	732	590	46	46			4,770	1,716		1,716	6,486
Course Expenses	387	8,166		1,641	159	3,126		5,596			19,355	76	76	19,430	10,125
Travel & Meetings	970	52,351		4,381	2,307	10,129	42,929	17,703	7,104		137,875	2,353	2,353	140,228	115,976
Materials & Supplies	2,818	17,135			553	19		86			20,612	666		666	21,279
Mail & Telephone		9,062		170	1,005	1,498	25	115			11,876	2,484	2,484	14,360	3,652
Printing & copying		593		6,260		2,047	2,825	6,080			17,805	61	61	17,866	4,221
Insurance											-	61	61	61	7,343
Training and Certification											-		-	-	1,840
Webhosting and Development				549		60					609	368	50	418	1,027
Occupancy Costs		6,050		3,000		14,500					23,550	3,000	300	3,300	26,850
Depreciation		610									610	802	802	1,412	498
Bank and Credit Card Charges	412	4,350				7	1,118	187	90		6,163	2,454	1,278	3,732	9,895
Books & Tapes						528					528		-	528	859
Equipment Rental						500					500	500	500	1,000	-
Event Related Expense				10,682		855	9,620				21,156		1,523	1,523	22,680
Promotions & Advertising											-		-	-	12,993
Registration Fees		1,438		770	300	50	4,425	7,753			14,736	2,049	1,000	3,049	17,785
Stipend		16,209							1,981		18,190		-	-	18,190
<b>TOTAL 2010</b>	<b>14,329</b>	<b>179,181</b>	<b>168,400</b>	<b>58,315</b>	<b>13,056</b>	<b>14,943</b>	<b>184,690</b>	<b>8,572</b>	<b>33,037</b>	<b>7,104</b>	<b>681,627</b>	<b>23,541</b>	<b>4,691</b>	<b>28,233</b>	<b>709,860</b>
<b>TOTAL 2009</b>	<b>19,898</b>	<b>92,537</b>	<b>270,244</b>	<b>10,370</b>	<b>3,277</b>	<b>12,608</b>	<b>107,023</b>		<b>42,756</b>	<b>3,011</b>	<b>561,726</b>	<b>14,459</b>	<b>11,411</b>	<b>25,870</b>	<b>587,596</b>

See accompanying notes to financial statements

See Independent Auditors' Report