

**INTERNATIONAL ASSOCIATION
FOR HUMAN VALUES**

**FINANCIAL STATEMENTS AND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
REPORTS IN ACCORDANCE WITH OMB CIRCULAR A-133 THEREON**

FOR THE YEAR ENDED DECEMBER 31, 2014

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES

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

Independent Auditors' Report

To:
Board of Directors
International Association for Human Values

We have audited the accompanying financial statements of International Association for Human Values (a nonprofit organization) which comprise the statement of financial position as of December 31, 2014 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Managements' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 auditor considers 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 International Association for Human Values as of December 31, 2014 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.

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

Other Matter

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 12 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated, September 30, 2015, on our consideration of International Association for Human Value's (IAHV) internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering IAHV's internal control over financial reporting or compliance.

Report on Summarized Comparative Information

We have previously audited IAHV's 2013 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated September 29, 2014. In our opinion, the summarized comparative information presented herein as and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Balagan Inc

Beltsville, MD
September 30, 2015

FINANCIAL STATEMENTS

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Financial Position
December 31, 2014
(With Summarized Financial Information for December 31, 2013)

	2014	2013
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and equivalents	\$ 1,067,896	\$ 976,438
Accounts Receivable	213,392	144,069
Grants Receivable	243,432	282,594
Overpaid Payroll Taxes	5,796	5,796
Prepaid Expense	27,601	19,612
<u>Total Current Assets</u>	1,558,116	1,428,508
<u>Fixed Assets:</u>		
Furniture and equipment	17,794	17,794
Automobile	7,811	7,811
Less: Accumulated Depreciation	(21,336)	(16,107)
<u>Net Fixed Assets</u>	4,269	9,498
<u>TOTAL ASSETS</u>	1,562,385	1,438,006
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable and Accrued Expenses	\$ 140,307	\$ 32,712
Payroll Liabilities	13,865	-
Credit Card Payable	16,515	1,184
<u>Total Current Liabilities</u>	170,687	33,896
<u>Net Assets</u>		
Unrestricted	978,669	911,452
Temporarily restricted	413,029	492,658
<u>Total Net Assets</u>	1,391,698	1,404,110
<u>TOTAL LIABILITIES AND NET ASSETS</u>	1,562,385	1,438,006

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Activities
For the Year Ended December 31, 2014
(with Summarized Financial Information for the Year Ended December 31, 2013)

			2014	2013
	Unrestricted	Temporarily Restricted	Total	Total
<u>Support and Revenue:</u>				
Donations and Contributions	\$ 576,454	\$ 158,294	\$ 734,748	\$ 926,713
Federal Awards	1,119,457		1,119,457	647,086
Course Fee Income	754,023		754,023	557,352
Investment Income	134		134	417
In-kind Income	229,312		229,312	34,205
Net Assets Released from Restrictions	237,924	(237,924)	-	-
<u>Total Support and Revenue</u>	<u>2,917,303</u>	<u>(79,630)</u>	<u>2,837,673</u>	<u>2,165,772</u>
<u>Expenses</u>				
Program expenses	2,769,405	-	2,769,405	1,593,967
Management and general	47,420	-	47,420	41,304
Fundraising	33,260	-	33,260	32,768
<u>Total Expenses</u>	<u>2,850,086</u>	<u>-</u>	<u>2,850,086</u>	<u>1,668,039</u>
<u>Change in Net Assets</u>	67,218	(79,630)	(12,412)	497,734
<u>Net Assets, Beginning of Year</u>	911,452	492,658	1,404,110	906,376
<u>Net Assets, End of Year</u>	<u>978,669</u>	<u>413,029</u>	<u>1,391,698</u>	<u>1,404,110</u>

See accompanying notes to financial statements

INTERNATIONAL ASSOCIATION FOR HUMAN VALUES
Statement of Cash Flows
For the Year Ended December 31, 2014
(with Summarized Financial Information for the Year Ended December 31, 2013)

	2014	2013
Cash flows from operating activities		
Change in Net Assets	\$ (12,412)	\$ 497,734
 Adjustments to reconcile change in Net Assets to Net Cash provided by operating activities:		
Depreciation	5,229	5,229
(Increase)/Decrease in Accounts Receivable	(69,323)	(38,372)
(Increase)/Decrease in Grants Receivable	39,161	(234,184)
(Increase)/Decrease in Employee Advances	-	2,164
(Increase)/Decrease in Overpaid Payroll Taxes	-	5,938
(Increase)/Decrease in Prepaid Expenses	(7,989)	(16,612)
Increase/(Decrease) in Payroll Liabilities	13,865	-
Increase/(Decrease) in Accounts Payable	107,596	(24,682)
<i>Net cash provided (used) by operating activities</i>	76,127	197,216
 Net Cash provided by Investing Activities:	-	-
 Net Cash provided by Investing Activities:		
Increase/(decrease) in Credit Card Payables	15,331	(5,651)
<i>Net Cash provided (used) by Investing Activities</i>	15,331	(5,651)
 Net Increase in Cash and Cash Equivalents	91,458	191,565
 Cash and equivalents, beginning of the year	976,438	784,873
 Cash and equivalents, end of the year	1,067,896	976,438

See accompanying notes to financial statements