

HINDU AMERICAN FOUNDATION, INC.

FINANCIAL STATEMENTS

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hindu American Foundation, Inc.
Washington, D.C.

We have audited the accompanying financial statements of Hindu American Foundation, Inc., which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility


Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 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 Hindu American Foundation, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Wegner CPAs, LLP
Alexandria, Virginia
January 14, 2022

HINDU AMERICAN FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 320,972	\$ 350,504
Current portion of unconditional promises to give	100,000	156,601
Prepaid expenses	26,634	17,497
Total current assets	447,606	524,602
EQUIPMENT AND FURNITURE		
Equipment	44,234	20,823
Computer equipment	15,198	14,397
Furniture	11,834	11,834
Equipment and furniture	71,266	47,053
Less accumulated depreciation	(40,147)	(32,204)
Equipment and furniture, net	31,119	14,849
OTHER ASSETS		
Unconditional promises to give less current portion	185,774	274,622
Investments	3,477,730	2,517,420
Beneficial interest in assets held by Hindu Heritage Endowment	70,359	57,470
Security deposit	4,674	4,674
Total assets	\$ 4,217,262	\$ 3,393,637
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 9,075	\$ 6,208
Paycheck Protection Program loan	189,032	189,032
Total current liabilities	198,107	195,240
OTHER LIABILITIES		
Deferred rent	25,042	25,494
Total liabilities	223,149	220,734
NET ASSETS		
Without donor restrictions	3,708,339	2,748,281
With donor restrictions	285,774	424,622
Total net assets	3,994,113	3,172,903
Total liabilities and net assets	\$ 4,217,262	\$ 3,393,637

See accompanying notes.

HINDU AMERICAN FOUNDATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2021 and 2020

	2021	2020
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT AND REVENUE		
Contributions		
Individuals	\$ 1,747,489	\$ 1,775,126
Grants	6,000	10,000
Forgiveness of Paycheck Protection Program loan	189,032	-
Special event ticket revenue	-	45,442
Investment return, net	426,995	28,095
Change in value of beneficial interest in assets held by Hindu Heritage Endowment	12,890	(1,149)
Total support and revenue without donor restrictions	2,382,406	1,857,514
EXPENSES		
Program services		
Public policy	352,888	448,457
Education	358,250	269,034
Community relations	291,535	258,034
Total program services	1,002,673	975,525
Supporting activities		
Management and general	443,929	300,628
Fundraising	185,746	225,476
Total expenses	1,632,348	1,501,629
NET ASSETS RELEASED FROM RESTRICTIONS		
Expiration of time restrictions	150,000	100,000
Satisfaction of purpose restrictions	60,000	11,000
Net assets released from restrictions	210,000	111,000
Change in net assets without donor restrictions	960,058	466,885
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	71,152	63,739
Expiration of time restrictions	(150,000)	(100,000)
Satisfaction of purpose restrictions	(60,000)	(11,000)
Change in net assets with donor restrictions	(138,848)	(47,261)
Change in net assets	821,210	419,624
Net assets at beginning of year	3,172,903	2,753,279
Net assets at end of year	\$ 3,994,113	\$ 3,172,903

See accompanying notes.

HINDU AMERICAN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2021

	Program Services				Supporting Activities		Total Expenses
	Public Policy	Education	Community Relations	Total Program Services	Management and General	Fundraising	
Salaries and wages	\$ 282,522	\$ 241,510	\$ 177,639	\$ 701,671	\$ 140,031	\$ 135,377	\$ 977,079
Payroll taxes	21,943	14,763	16,060	52,766	11,849	10,603	75,218
Health insurance and benefits	19,251	2,745	24,420	46,416	7,981	60	54,457
Accounting	-	-	-	-	28,639	100	28,739
Advertising	-	-	-	-	-	8,436	8,436
Bank fees	-	5	-	5	6,577	-	6,582
Consultants and outside services	-	67,635	-	67,635	52,085	4,651	124,371
Depreciation	100	6,706	220	7,026	917	-	7,943
Grant awards	-	-	23,817	23,817	-	-	23,817
Graphic design	2,673	-	-	2,673	15	1,321	4,009
Insurance	-	-	-	-	6,039	-	6,039
Legal	-	-	41,323	41,323	125,408	-	166,731
Materials and supplies	261	19	32	312	2,548	10	2,870
Meals	-	-	-	-	309	-	309
Payroll processing	-	-	-	-	7,298	-	7,298
Postage and shipping	16	27	-	43	675	314	1,032
Printing and copying	-	6,362	5,893	12,255	-	586	12,841
Rent	15,308	15,307	-	30,615	15,946	15,307	61,868
Repairs and maintenance	-	-	-	-	427	-	427
Subscriptions and registrations	4,436	1,407	665	6,508	27,951	6,346	40,805
Taxes and licenses	-	-	-	-	1,278	-	1,278
Telephone and internet	1,725	1,725	-	3,450	1,725	1,725	6,900
Travel	3,029	39	95	3,163	6,198	116	9,477
Website	1,624	-	1,371	2,995	33	794	3,822
Total expenses	\$ 352,888	\$ 358,250	\$ 291,535	\$ 1,002,673	\$ 443,929	\$ 185,746	\$ 1,632,348

See accompanying notes.

HINDU AMERICAN FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2020

	Program Services				Supporting Activities		Total Expenses
	Public Policy	Education	Community Relations	Total Program Services	Management and General	Fundraising	
Salaries and wages	\$ 267,671	\$ 184,520	\$ 164,194	\$ 616,385	\$ 146,382	\$ 132,154	\$ 894,921
Payroll taxes	21,104	14,548	12,946	48,598	11,542	10,420	70,560
Health insurance and benefits	10,093	6,958	6,191	23,242	5,520	4,983	33,745
Accounting	-	-	-	-	31,399	-	31,399
Advertising	-	-	-	-	-	9,735	9,735
Bank fees	-	-	-	-	4,254	15,304	19,558
Consultants and outside services	14,445	265	1,500	16,210	36,998	5,314	58,522
Depreciation	-	4,019	130	4,149	2,213	-	6,362
Event catering	19,897	3,837	-	23,734	440	6,550	30,724
Event rentals	17,040	300	330	17,670	-	5,074	22,744
Grant awards	-	-	50,109	50,109	-	-	50,109
Graphic design	608	39	-	647	105	772	1,524
Insurance	-	-	-	-	4,487	-	4,487
Materials and supplies	2,506	1,100	1,351	4,957	3,312	2,790	11,059
Meals	1,182	733	1,745	3,660	3,273	147	7,080
Payroll processing	-	-	-	-	7,134	-	7,134
Postage and shipping	495	170	55	720	377	1,455	2,552
Printing and copying	1,563	25,407	9,450	36,420	5,811	3,856	46,087
Rent	16,605	14,352	797	31,754	16,058	13,131	60,943
Repairs and maintenance	1,100	319	-	1,419	417	31	1,867
Subscriptions and registrations	25,389	3,114	1,285	29,788	9,434	1,054	40,276
Taxes and licenses	-	35	-	35	149	-	184
Telephone and internet	2,118	1,738	81	3,937	2,551	1,681	8,169
Travel	18,525	7,580	6,690	32,795	8,639	4,340	45,774
Website	28,116	-	1,180	29,296	133	6,685	36,114
Total expenses	\$ 448,457	\$ 269,034	\$ 258,034	\$ 975,525	\$ 300,628	\$ 225,476	\$ 1,501,629

See accompanying notes.

HINDU AMERICAN FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 821,210	\$ 419,624
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Amortization of discount on unconditional promises to give	(11,152)	(13,739)
Depreciation	7,943	6,362
Paycheck Protection Program loan forgiveness	(189,032)	-
Net realized and unrealized gain on investments	(405,009)	(813)
Change in value of beneficial interest in assets held by Hindu		
Heritage Endowment	(14,221)	(690)
(Increase) decrease in assets		
Unconditional promises to give	156,601	77,672
Prepaid expenses	(9,137)	5,513
Increase (decrease) in liabilities		
Accounts payable	2,867	(10,423)
Deferred rent	(452)	1,941
Net cash flows from operating activities	359,618	485,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment and furniture	(24,313)	(4,265)
Purchases of investments	(1,575,510)	(1,421,664)
Proceeds from sales of investments	1,020,310	723,422
Distributions from beneficial interest in assets held by Hindu		
Heritage Endowment	1,331	1,839
Net cash flows from investing activities	(578,182)	(700,668)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	189,032	189,032
Net change in cash	(29,532)	(26,189)
Cash at beginning of year	350,504	376,693
Cash at end of year	<u>\$ 320,972</u>	<u>\$ 350,504</u>

See accompanying notes.

HINDU AMERICAN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hindu American Foundation, Inc. (HAF), is a non-profit advocacy organization for the Hindu American community. Founded in 2003, HAF's work impacts a range of issues — from the portrayal of Hinduism in K-12 textbooks to civil and human rights to addressing contemporary problems, such as environmental protection and inter-religious conflict, by applying Hindu philosophy. HAF educates the public about Hinduism, speaks out about issues affecting Hindus worldwide, and builds bridges with institutions and individuals whose work aligns with HAF's objectives. HAF's three areas of focus are education, policy, and community. Through its advocacy efforts, HAF promotes dignity, mutual respect, and pluralism in order to ensure the well-being of Hindus and for all people and the planet to thrive. HAF is non-partisan organization.

During the year ended June 30, 2021, HAF provided 4,000 Pakistani Hindu refugees with basic medical care and vaccinations, trained over 1,000 people on Hinduism 101, connected with lawmakers in over 30 states, and engaged with over 100 reporters on issues ranging from domestic hate crimes to Kashmir and its exiled Hindus. HAF's support comes primarily from individual contributions.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Equipment and Furniture

Purchased equipment and furniture are carried at cost. Donated equipment and furniture are carried at fair value on the date of donation. Depreciation is computed using the straight-line method.

Investments

HAF reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position.

HINDU AMERICAN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. The expenses that are allocated include salaries and wages, payroll taxes, health insurance and benefits, consultants and outside services, depreciation, event catering, event rentals, graphic design, materials and supplies, meals, postage and shipping, printing and copying, subscriptions and registrations, and travel, which are allocated on the basis of estimates of time and effort.

Income Tax Status

Hindu American Foundation, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through January 14, 2022, the date which the financial statements were available to be issued.

NOTE 2—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	2021	2020
Receivable in less than one year	\$ 100,000	\$ 156,601
Receivable in one to five years	200,000	300,000
	300,000	456,601
Unconditional promises to give	300,000	456,601
Less discounts to net present value	(14,226)	(25,378)
	\$ 285,774	\$ 431,223
Unconditional promises to give, net		

Unconditional promises to give receivable in more than one year are discounted at 3%.

HINDU AMERICAN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 3—INVESTMENTS

Investments are comprised of the following:

	2021	2020
Cash equivalents held by investment managers	\$ 1,156,878	\$ 1,065,573
Common stock	1,140,937	827,623
Certificates of deposit	-	251,438
Exchange traded funds	267,902	181,544
Mutual funds	416,600	191,242
Corporate fixed income	495,413	-
	\$ 3,477,730	\$ 2,517,420

Fair values of common stock, exchange traded funds, and mutual funds are determined by reference to quoted market prices and other relevant information generated by market transactions, which are Level 1 fair value measurements. Fair values for certificates of deposit and corporate fixed income have been provided by HAF's investment managers and custodian banks who use a variety of pricing sources and technologies to determine market valuations, including indexes for each sector of the market, which are Level 2 fair value measurements.

HAF's beneficial interest in assets held by Hindu Heritage Endowment represents an agreement between HAF and the Endowment in which HAF transfers assets to the Endowment in exchange for future distributions. The beneficial interest is not actively traded and significant other observable inputs are not available.

The fair value of the beneficial interest is based on the fair value of the underlying assets as reported to HAF by the Endowment. Little information about those assets is released publicly. The estimated fair value does not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

NOTE 4—CONCENTRATION OF CREDIT RISK

HAF maintains its cash balances in one financial institution located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, the HAF's cash balances exceed the FDIC Insurance amount. Management believes the risk in these situations to be minimal.

NOTE 5—NET ASSETS

HAF's board of directors has designated \$1,200,000 of net assets without donor restrictions for liquidity reserve purposes as of June 30, 2021 and 2020.

At June 30, 2021 and 2020, net assets with donor restrictions are restricted for subsequent years' activities.

HINDU AMERICAN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 6—LEASING ARRANGEMENT

HAF is obligated under an operating lease for its office in Washington, DC. The lease commenced August 1, 2014 and continues through April 30, 2025. HAF received an abatement for the first four months of the lease, creating a deferred rent liability. For financial statement reporting purposes, rent expense will be recognized evenly across the term of the lease, taking the total lease payments divided by the total months of the lease. Rent expense includes a base rent plus a proportionate share of building expenses and real estate taxes. Rent expense under the lease was \$61,868 and \$60,943, respectively, for the years ended June 30, 2021 and 2020. In December 2021, HAF amended the lease and downsized from a 1,438 sq. feet office to a 574 sq. feet office within the same building at \$1,900 per month. The lease provides for annual increases of 4% per year. Due to the lease amendment, HAF incurred a \$37,243 lease termination fee in December 2021.

Future minimum lease payments under the lease for the years ending June 30 are as follows:

2022	\$ 48,643
2023	22,952
2024	23,870
2025	<u>20,550</u>
	<u>\$ 116,015</u>

NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN

HAF received loans totaling \$378,064 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loans accrue interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. During the year ended June 30, 2021, HAF received preliminary forgiveness on its first draw PPP loan of \$189,032. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by HAF during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. HAF must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review HAF's good-faith certification concerning the necessity of its loan request, whether HAF calculated the loan amount correctly, whether HAF used loan proceeds for the allowable uses specified in the CARES Act, and whether HAF is entitled to loan forgiveness in the amount claimed on its application. If SBA determines HAF was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

NOTE 8—RISKS AND UNCERTAINTIES

In March 2020, the United States economy began suffering adverse effects from the COVID-19 virus global crisis. In response to the crisis, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law on March 27, 2020. As noted in Note 8, HAF was approved for a loan under the Paycheck Protection Program (PPP), established by the CARES Act. Management is continuously monitoring the situation to appropriately address the impact on the business.

HINDU AMERICAN FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 9—LIQUIDITY AND AVAILABILITY

The following table reflects HAF’s financial assets as of the date of the statements of financial position reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions or internal board designations.

	2021	2020
Financial assets at end of year		
Cash	\$ 320,972	\$ 350,504
Unconditional promises to give	285,774	431,223
Investments	3,477,730	2,517,420
Beneficial interest in assets held by Hindu Heritage Endowment	70,359	57,470
Total financial assets at end of year	4,154,835	3,356,617
Less amounts unavailable for general expenditures within one year		
Beneficial interest in assets held by Hindu Heritage Endowment	(70,359)	(57,470)
Investments held for long-term purposes	(1,200,000)	(1,200,000)
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,884,476	\$ 2,099,147

As part of HAF’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Amounts not available for general expenditures include \$1,200,000 set aside by the board of directors for liquidity reserve purposes. However, the board-designated amounts could be made available if necessary.