

**FINANCIAL STATEMENTS
OF**

Vibha Inc.

1030 East El Camino Real # 424

Sunnyvale, CA 94087

For the year ended December 31, 2018



ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

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VIBHA INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Vibha Inc.

We have audited the accompanying financial statements of Vibha Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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.

Auditor's 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 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 Vibha Inc., as of December 31, 2018, 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.

Neeka Corp, CPAs

Neeka Accountancy Corporations, CPAs

Milpitas, California

June 25, 2019

VIBHA INC.
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018

<u>ASSETS</u>		<u>DECEMBER 31,</u> <u>2018</u>
<u>Current Assets</u>		
Cash and cash equivalents	Note 2	\$ 886,078
Investments, at market	Note 3	466,321
Event advances		8,687
Accounts receivable		26,570
Total current assets		1,387,656
<u>Property and equipment, net</u>		250
Total Assets		\$ 1,387,906
 <u>LIABILITIES AND NET ASSETS</u> 		
<u>Current Liabilities</u>		
Accounts payable and other current liabilities	Note 4	\$ 27,942
Total Current Liabilities		27,942
<u>Net Assets</u>		
Without donor restrictions:		
Unrestricted and undesignated		1,359,964
Total Net Assets		1,359,964
Total Liabilities and Net Assets		\$ 1,387,906

See independent auditor's report and accompanying notes to the financial statements

VIBHA INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018		
	Without Donor Restrictions	With Donor Restrictions	TOTAL FUNDS
<u>REVENUES</u>			
Program income	\$ 1,569,008	\$ -	\$ 1,569,008
Dividend and interest income	8,981	-	8,981
Realized gain (loss) on investments	-	-	-
Capital gain	6,849	-	6,849
	<u>\$ 1,584,838</u>	<u>\$ -</u>	<u>\$ 1,584,838</u>
<u>EXPENSES</u>			
Program services	\$ 1,248,031	\$ -	\$ 1,248,031
Management and general	67,502	-	67,502
Fundraising	137,266	-	137,266
	<u>\$ 1,452,799</u>	<u>\$ -</u>	<u>\$ 1,452,799</u>
Excess (deficit) of revenue over expenses	132,039	-	132,039
Unrealized gain (loss) on trading securities	(34,930)	-	(34,930)
Net deficit of revenue and expenses	\$ 97,109	-	\$ 97,109
Net Assets, beginning of the year	1,262,855	-	1,262,855
Net Assets, end of the year	<u>\$ 1,359,964</u>	<u>\$ -</u>	<u>\$ 1,359,964</u>

See independent auditor's report and accompanying notes to the financial statements

VIBHA INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018			
	Program Services	Support Services		Total
		Management & General	Fundraising	
Administrative services	\$ 34,145	\$ 34,145	\$ -	\$ 68,290
Bank charges	2,079	214	-	2,293
Booth expenses			640	640
Capacity building	-	-	-	-
CFC boxes	-	-	370	370
Child relief program	686,990	-	-	686,990
Depreciation	-	348	-	348
Event expenses	378,236	-	-	378,236
Funds to local projects	95,200	-	-	95,200
Insurance	-	2,136	-	2,136
Internet and echo service fee	-	-	2,099	2,099
Investment expenses	-	3,843	-	3,843
Legal and professional fees	-	14,523	-	14,523
Mailing	-	56	33,903	33,959
Marketing & promotional	-	-	75,562	75,562
Meeting expenses	-	-	10,770	10,770
Miscellaneous	-	189	-	189
Office expenses	-	3,506	-	3,506
Project and program support	51,381	-	-	51,381
Rent	-	4,934	-	4,934
Merchant services fee	-	-	11,689	11,689
State registration fee	-	2,165	-	2,165
Stationery & printing	-	215	-	215
Telephone	-	1,208	-	1,208
Travel expenses	-	20	-	20
Volunteer appreciation	-	-	2,233	2,233
TOTAL EXPENSES	\$ 1,248,031	\$ 67,502	\$ 137,266	\$ 1,452,799

See independent auditor's report and accompanying notes to the financial statements

VIBHA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>December 31,</u> <u>2018</u>
<u>Cash Flow from operating activities</u>	
Excess (deficit) of revenue over expenses	\$ 97,109
Adjustments to reconcile change in Net Assets to net cash provided by operating activities:	
Event advances	(8,687)
Depreciation expense	348
Increase (decrease) in payables	(77,284)
(Increase) decrease in receivables	(8,550)
(Increase) decrease in investments	24,246
Net cash provided by operating activities	<u>\$ 27,182</u>
<u>Cash Flow from investing activities</u>	
Purchase of property and equipment	-
Net cash used by Investing activities	<u>\$ -</u>
Net increase (decrease) in cash and cash equivalents	27,182
Cash and cash equivalents at beginning of the year	<u>858,896</u>
Cash and cash equivalents at end of the year	<u><u>\$ 886,078</u></u>

Supplementary information

	<u>2018</u>
Interest expense paid	\$ -
Taxes paid	\$ -

See independent auditor's report and accompanying notes to the financial statements

VIBHA INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 1. Nature of Activities and Summary of Significant Accounting Policies

This summary of significant accounting policies of Vibha Inc. (a New Jersey non-profit corporation, hereafter “the organization”) is presented to assist in understanding the Organization’s financial statements. The financial statements and notes are representations of the Organization’s management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. The organization is primarily supported by donor contributions and grants.

A. The Organization

The Organization was originally formed as CRY-Child Relief and You, Inc., in 1991 under the laws of the State of New Jersey to help propagate its vision to ensure that every underprivileged child attains his or her right to education, health, and opportunity.

In 2002, the Organization changed its name to Help Them Grow, Inc., and formally ended its affiliation with the India based charitable organization, Cry India. Help Them Grow Inc. also ceased to use the Cry brand name from thereon.

In 2015, the Organization changed its name to Vibha Inc.

B. Basis of Presentation

The organization prepares its financial statements using the accrual basis method of accounting in accordance with Financial Accounting Standards Board (FASB) Statement ASC 958, Accounting for Contributions Received and Made, Financial Statements of Not-For-Profit Organizations.

C. Classes of Net Assets

In accordance with FASB ASC 958, where applicable, the financial statements report amounts separated by class of net assets:

- Without donor restrictions amounts are those currently available at the discretion of the Board for use in the Organization’s programs.
- Board-designated amounts are unrestricted net assets that are presently designated by the Board to a specific purpose. These amounts can be returned to an unrestricted status by action of the same Board.
- With donor restrictions amounts are those, which are restricted by donors for specific operating purposes or for the acquisition of land, buildings and equipment.

VIBHA INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 1. Organization and Summary of Significant Accounting Policies - continued

D. Revenue and Expenses

Support is recognized when cash is received or ownership of donated assets is transferred to the Organization. Revenue is recognized when earned.

Temporarily restricted contributions are recognized as contribution income in the Statement of Activities when cash or ownership of donated assets is transferred to the Organization. These contributions are subsequently transferred to the unrestricted fund to cover expenses that have been incurred in satisfaction of those restrictions.

E. Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

F. Fund Income Allocations- Unrestricted and Restricted

All gains and losses arising from the sale, collection or other disposition of investments and fixed assets are accounted for in the fund that owned such assets, according to restrictions placed on the original gift. Ordinary income derived from investments, receivables, and the like, is accounted for in the unrestricted fund.

G. Functional Allocation of Expenses

FASB ASC 958 requires all not-for-profit organizations to classify expenses so that the functional use of resources is shown in the financial statements. Functional classification allocates expenses according to the purpose for which the costs are incurred. Examples of functional classifications are program services (expenses directly related to the purpose for which the organization exists) and supporting activities (those indirectly related to the purposes for which the organization exists but necessary for its operations, i.e., general administrative and fund raising).

In order to comply with FASB requirements, the Organization estimates the costs of providing the various programs and supporting activities of the organization on a functional basis.

VIBHA INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 1. Organization and Summary of Significant Accounting Policies - continued

H. Cash and cash equivalents

Cash and cash equivalents includes all monies in banks and highly liquid investments with original maturity dates of less than three months.

I. Investments

In accordance with FASB ASC 958-320 *Accounting for Certain Investments Held by Not-for-profit Organizations*, the Organization records certain investment securities at estimated fair value. The unrealized gain or loss on investments is reflected in the statement of activities. Investment income and gains are reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions or by law that extends donor restrictions, in which case those amounts shall be reported as increase or decrease in net assets with donor restrictions. The Organization's investment accounts consist of certain actively managed assets allocation growth and income portfolios that invest in style-specific mutual funds which include domestic equities, fixed income securities, cash and money market securities.

J. Property and Equipment

All acquisitions of property and equipment, and all expenditures or improvements that significantly prolong the useful lives of the assets are capitalized. Purchases of property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of gift.

The net book values of Property and Equipment at December 31, 2018 are as follows:

	Beginning Balance	Addition	Depreciation	Ending Balance
Property and equipment	\$ 598	\$ -	\$ 348	\$ 250

Depreciation is computed using the straight-line method over a 5 - 7 year period.

K. Non-Cash Contributions and Use of Volunteers

Volunteers have contributed significant amounts of time to the activities of the Organization. The financial statements do not reflect the value of these contributed services because they do not meet the recognition criteria of FASB Statement 116.

Donated goods and services for capital projects are recorded at their fair market value at the date of gift or service.

L. 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

VIBHA INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 1. Organization and Summary of Significant Accounting Policies - continued

amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

M. Tax Exempt Status

Vibha Inc. is exempt from Federal income taxes under Internal Revenue Code §501(c) (3). Furthermore, the Organization is classified as a publicly supported organization than a private foundation. The Organization moved its corporate domicile from New Jersey to California in October 2003.

The organization's Form 990, *Return of Organization Exempt from Income Tax*, for the years ending 2016, 2017 and 2018 are subject to examination by the IRS, generally for three years after they were filed. The organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

Note 2. Cash and Cash Equivalents

As of December 31, 2018, cash funds were held on deposit at several financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 in the event of financial institution's failure. FDIC insurance does not however, cover other financial products that the financial institutions may offer such as stocks, bonds, mutual fund shares, life insurance policies, annuities and (or) municipal securities.

	<u>2018</u>
Cash available for operations	\$ 841,856
Deposit in transit	<u>44,222</u>
	<u>\$ 886,078</u>

Note 3. Investments

Investments consist of cash equivalents and marketable trading securities at national financial institutions.

VIBHA INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 3. Investments - continued

	<u>2018</u>
Cash equivalents	\$ 189,706
Marketable securities	52,858
Mutual Funds	215,975
Precious metals	7,782
	\$ 466,321

The organization, through its broker, invests primarily in trading securities held for the purpose of selling them in the near future. Trading securities are recorded at fair value on the balance sheet in current assets, with the change in fair value during the period included in earnings. All gains and losses on the investments are included in the general operating funds.

Short-term investments are reported at fair value on a recurring basis determined by reference to quoted market prices and other relevant information generated by market transactions. Long-term investments are reported at fair value on a recurring basis determined by reference to yield curves and quoted prices for similar assets.

Cash equivalents are insured by FDIC limit up to \$250,000. The Securities Investor Protection Corporation (SIPC) insures investment balances up to \$500,000, which includes a \$250,000 limit for cash. In general, SIPC covers notes, stocks, bonds, mutual fund and other investment company shares, and other registered securities. It does not cover instruments such as unregistered investment contracts, unregistered limited partnerships, fixed annuity contracts, currency, and interests in gold, silver, or other commodity futures contracts or commodity options.

Note 4. Current Liabilities

Current liabilities consist of credit card, accounts payable, and accrued expenses. The balances for current liabilities as of December 31, 2018 are as follows:

	<u>2018</u>
Accounts payable	\$ 24,790
Credit card	3,152
	\$ 27,942

VIBHA INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018

Note 5. Fair Value of Financial Instruments

Cash equivalents and accounts receivable are carried at cost as this approximates fair value due to their short term nature. The fair value of liabilities and debt are carried at cost as this approximates fair value due to their short term nature.

Note 6. Net Assets

Cash set aside by the Board of Directors for a specific purpose is considered designated funds. Designated funds are expended prior to the use of general operating funds for that purpose. As of December 31, 2018 there were no designated funds.

Note 7. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2018</u>
Financial assets at year-end	\$ 1,352,399
Less Unavailable for general expenditures within one year due to:	
Donor restrictions	-
Financial assets available to meet cash needs for general expenditure within one year	<u>1,352,399</u>

Note 8. Concentrations

The Organization's donor base is maintained through various fundraising activities held at 18 autonomously operated action centers staffed by volunteers throughout the United States.

Note 9. Related Party Transactions

During 2018, there were no related party transactions.

Note 10. Subsequent Events

The Organization has evaluated subsequent events through June 25, 2019, the date which the financial statements were available to be issued.