

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY FINANCIAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2011**

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**

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AND  
SUPPLEMENTARY FINANCIAL INFORMATION**

**YEAR ENDED DECEMBER 31, 2011**

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**Desai & Shah, PC, CPAs**  
Established In 1981

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
India Development and Relief Fund, Inc.  
North Bethesda, Maryland

We have audited the accompanying statement of financial position of the India Development and Relief Fund, Inc., (IDRF) (a nonprofit organization) as of December 31, 2011, and the related statements of activities and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the India Development and Relief Fund, Inc. as of December 31, 2011 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 basic financial statements of India Development and Relief Fund, Inc. taken as a whole. The accompanying statement of functional expenses is presented for the purpose of additional analysis and is not a required part of the basic 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 basic 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 basic financial statements taken as a whole.

May 31, 2012

*Desai & Shah PC CPAs*

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2011**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,057,332	
Total Current Assets	<u>                    </u>	\$ 1,057,332

**FIXED ASSETS**

Equipment	1,397	
Less: Accumulated Depreciation	<u>(994)</u>	
Total Fixed Assets		403

**OTHER ASSETS**

Investments in Non Public Entity - Note 2	<u>137,413</u>	
Total Other Assets		137,413

<b>Total Assets</b>		<b><u><u>\$ 1,195,148</u></u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable & Accruals	\$ 1,957	
Total Current Liabilities	<u>                    </u>	\$ 1,957

**NET ASSETS**

Unrestricted	36,242	
Temporarily Restricted - Note 3	1,156,949	
Permanently Restricted	<u>-</u>	
Total Net Assets		1,193,191

<b>Total Liabilities and Net Assets</b>		<b><u><u>\$ 1,195,148</u></u></b>
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**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>				
Contribution Income	\$ 204,047	\$ 612,722	\$ -	\$ 816,769
Investment Income	(18,442)	-	-	(18,442)
Special Events	-	23,873	-	23,873
	<u>185,605</u>	<u>636,595</u>	<u>-</u>	<u>822,200</u>
<b>EXPENSES</b>				
Program Services				
Grants	<u>136,015</u>	<u>903,765</u>	<u>-</u>	<u>1,039,780</u>
	136,015	903,765	-	1,039,780
Functional Expenses				
Management and General	35,952	-	-	35,952
Fund Raising	<u>10,107</u>	<u>-</u>	<u>-</u>	<u>10,107</u>
	182,074	903,765	-	1,085,839
<b>Increase (Decrease) in Net Assets</b>	<b>3,531</b>	<b>(267,170)</b>	<b>-</b>	<b>(263,639)</b>
Net Assets - Beginning of Year	32,711	1,384,448	-	1,417,159
Unrealized Gains	<u>-</u>	<u>39,671</u>	<u>-</u>	<u>39,671</u>
Net Assets - End of Year	<u>\$ 36,242</u>	<u>\$ 1,156,949</u>	<u>\$ -</u>	<u>\$ 1,193,191</u>

See Auditors' Report  
See Notes to Financial Statements

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**(SUPPLEMENTARY FINANCIAL INFORMATION)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>&amp; General</u>	<u>Fund</u> <u>Raising</u>	<u>Total</u>
Accounting & Auditing	\$ -	\$ 13,839	\$ -	\$ 13,839
Bank Charges	-	82	40	122
Depreciation	-	268	-	268
Dues & Subscription	-	296	-	296
General & Administrative-Other	-	742	-	742
Internet Expense	-	852	284	1,136
Legal Fees	-	3,150	-	3,150
Outside Services	-	15,481	5,160	20,641
Postage & Shipping	-	233	-	233
Printing and Reproduction	-	-	4,079	4,079
Supplies - Office	-	265	-	265
Telephone	-	544	544	1,088
Travel & Meals	-	200	-	200
<b>Total Functional Expenses</b>	<b>\$ -</b>	<b>\$ 35,952</b>	<b>\$ 10,107</b>	<b>\$ 46,059</b>

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in net assets		\$ (263,639)
Adjustments to Reconcile Decrease in Net Assets to Net Cash Used in Operating Activities		
Depreciation	\$ 268	
Decrease in Accounts Payable	500	
Total Adjustments	<u>768</u>	768
Net Cash Used by Operating Activities		<u>(262,871)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceed from Sale of Stocks	<u>70,345</u>	
Net Cash Provided by Investing Activities		70,345

**CASH FLOWS FROM FINANCING ACTIVITIES**

Distributions from Bhutada Ltd. Partnership	<u>84,131</u>	
Net Cash Provided by Financing Activities		84,131

**DECREASE IN CASH AND CASH EQUIVALENTS**

		<u>(108,395)</u>
Cash and Cash Equivalents - Beginning of the Year		<u>1,165,727</u>
<b>Cash and Cash Equivalents - End of the Year</b>		<b><u><u>\$ 1,057,332</u></u></b>

**SUPPLEMENTAL INFORMATION:**

Interest Paid		0
Income Tax Paid		0

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**NOTE 1: NATURE OF ACTIVITIES & SIGNIFICANT ACCOUNTING POLICIES**

The India Development and Relief Fund, Inc (the "IDRF") was established by Dr. Vinod Prakash and other members of the Board, as a nonprofit organization in 1987, in the state of Maryland. IDRF was approved by the Internal Revenue Service as a tax-exempt organization under Section 501(c) (3) of the Internal Revenue Code, in 1988. It is an all-voluntary organization, operating since its inception. The organization aims to help the needy, disabled, underprivileged or impoverished people in India, and only to a limited extent in United States and other countries, towards becoming self-reliant and modernized, yet rooted in the culture and civilization of their respective countries, by raising tax-exempt contributions in the United States.

These objectives are achieved through various types of assistance, including but not limited to: (a) value-based education and vocational training to children and adults; (b) medical care and family planning; (c) ecological awareness and environmental protection; (d) self-empowerment of women through micro-credit and other means; (e) agricultural, rural, and tribal development; (f) relief and rehabilitation of victims of natural or man-made disasters such as a cyclone, earthquake, drought, flood, insurgency, or terrorism; and (g) financial assistance to families in distress and needing educational or medical help.

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 disclosure of 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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk Arising From Cash Deposits

The Organization's cash funds are located in various financial institutions. The amount of deposits as of December 31, 2011 in Bank 1 and Bank 2, per bank records, exceeded the federally insured limit of \$250,000 per bank.

Property and Equipment

Purchased property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

Depreciation, Repairs and Maintenance

Depreciation is calculated using the double declining method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expenses as incurred. Major renewals and betterments are capitalized. When equipment is sold or retired the related cost and accumulated depreciation are removed from the accounts, and the resulting gain or loss is included in the statement of activities.

Contributions

The Organization has adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Accordingly, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Promise to Give

Support is recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, restricted net assets are reclassified as unrestricted net assets. As of December 31, 2011, temporarily restricted net assets were \$1,156,949. There were no permanently restricted net assets as of December 31, 2011.

Allocation of Expenses

The Organization allocates its expenses on a functional basis among its various programs and supporting services. Expenses which can be identified with a specific program or supporting activity are allocated directly to that activity. Other expenses that are common to several functions are allocated among the programs, supporting services and fund raising.

Income Taxes

The Organization is exempt from the income taxes under Section 501(c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization that is not a private foundation. Accordingly, no provision has been made for income taxes in the financial statements.

**NOTE 2: INVESTMENTS**

During the year 2000, the Organization had received a donor advised temporarily restricted contribution of 99% equity interest in a non-public limited partnership, the Contributor, in support of organizations engaged in the fulfillment of IDRFB's objectives. Because the Contributor is a closely held company and the main asset of the Contributor is loan due from related party, the Fair Market Value of such investments is not materially different than the cost of the investments.

Income from investments, including both realized and unrealized gains are treated as an increase in unrestricted, temporarily restricted or permanently restricted net assets, as required by the gift instrument. Losses from investments, including both realized and unrealized losses, are treated as reduction in unrestricted, temporarily restricted or permanently restricted net assets, as required by the gift instrument

**INDIA DEVELOPMENT AND RELIEF FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONT)**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

Investments as of December 31, 2011 consist of the following:

	FMV at <u>Date of Gift</u>	FMV at <u>Dec 31, 2011</u>	Unrealized Gain <u>As of Dec 31, 2011</u>
Temporarily Restricted/Unrestricted:	\$ 52,907	\$ 137,413	\$ 84,506

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2011.

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Investment Int/Div	\$ (18,442)	\$ -	\$ -	\$ (18,442)
Unrealized Gain	<u>\$ 39,671</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,671</u>
Total Invest. Earnings	<u>\$ 21,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,229</u>

**NOTE 3: RESTRICTIONS ON NET ASSETS**

Temporarily Restricted net assets are available for the following purposes:

Bhutada Ltd. Fund - Development Projects (India & USA)	\$ 137,413
Other Donor Advised - Development Projects (India)	218,319
Multiyear Development Projects – (India)	<u>801,217</u>
Total	<u>\$1,156,949</u>

**NOTE 4: SUSEQUENT EVENTS:**

No events have occurred subsequent to the balance sheet date and through the date of this report that would require adjustment to, or disclosure in, the financial statements.