



**THE AMERICAN  
HIMALAYAN FOUNDATION**

**FINANCIAL STATEMENTS**

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

# THE AMERICAN HIMALAYAN FOUNDATION

(A California Not-For-Profit Corporation)

December 31, 2024 and 2023

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Regalia Berger  
and Berger

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors

The American Himalayan Foundation

### *Opinion*

We have audited the accompanying financial statements of American Himalayan Foundation (a California nonprofit organization), which comprise the statements of financial position as December 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Himalayan Foundation as of December 31, 2024 and 2023, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Himalayan Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Himalayan Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## INDEPENDENT AUDITORS' REPORT

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### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American Himalayan Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Himalayan Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Regalia Berger & Berger*

October 24, 2025  
Danville, California

# THE AMERICAN HIMALAYAN FOUNDATION

## Statements of Financial Position December 31, 2024 and 2023

	December 31,	
	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 9,742,936	\$ 10,973,626
Investments	13,555,029	12,447,566
Pledges receivable, net	320,000	320,000
Accounts receivable and other	-	32,671
Contributed Tibetan chests	10,000	10,000
Prepaid expenses	3,856	3,861
Total current assets	23,631,821	23,787,724
Pledges receivable - long term, net	1,703,914	1,955,645
Operating right of use asset - premises	83,840	231,735
Total noncurrent assets	1,787,754	2,187,380
Total assets	\$ 25,419,575	\$ 25,975,104
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued liabilities	\$ 27,676	\$ 5,708
Accrued employee vacation payable	212,925	213,728
Grants payable	1,608,881	1,564,692
Operating lease liability	88,902	149,114
Total current liabilities	1,938,384	1,933,242
Noncurrent liabilities:		
Operating lease liability	-	89,234
Total liabilities	1,938,384	2,022,476
Net assets:		
Without donor restrictions	20,419,532	20,833,604
With donor restrictions	3,061,659	3,119,024
Total net assets	23,481,191	23,952,628
Total liabilities and net assets	\$ 25,419,575	\$ 25,975,104

# THE AMERICAN HIMALAYAN FOUNDATION

## Statements of Activities and Changes in Net Assets Years ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Contributed income	\$ 804,909	\$ 1,514,383	\$ 2,319,292	\$ 1,369,975	\$ 4,030,922	\$ 5,400,897
Merchandise sales and other income	154,953	-	154,953	12,592	-	12,592
Special events	352,454	-	352,454	458,497	-	458,497
Investment income	1,567,434	-	1,567,434	1,221,874	-	1,221,874
Gain (loss) from sale of donated securities	369	-	369	(24)	-	(24)
Change in discount related to long-term receivables	-	68,269	68,269	-	(303,895)	(303,895)
Net assets released from restrictions	1,640,017	(1,640,017)	-	1,752,282	(1,752,282)	-
Total revenues, gains, and other support	4,520,136	(57,365)	4,462,771	4,815,196	1,974,745	6,789,941
Expenses:						
Program Expenses:						
I Education						
1 STOP Girl Trafficking	800,525	-	800,525	568,800	-	568,800
2 Mustang	132,953	-	132,953	200,419	-	200,419
3 Everest Area	3,700	-	3,700	2,241	-	2,241
4 Orphans and Children with Disabilities	53,600	-	53,600	49,495	-	49,495
5 Tibetan Refugees K-12	90,192	-	90,192	74,231	-	74,231
6 College Scholarships	85,494	-	85,494	82,041	-	82,041
II Health Care						
1 HRDC	563,533	-	563,533	342,526	-	342,526
2 Mustang	50,173	-	50,173	78,649	-	78,649
3 Everest Area	120,049	-	120,049	209,954	-	209,954
4 Tibetan Refugees	72,134	-	72,134	11,782	-	11,782
III Community, Infrastructure, and Livelihood						
1 Mustang	42,438	-	42,438	52,789	-	52,789
2 Tibetans	136,553	-	136,553	69,759	-	69,759

# THE AMERICAN HIMALAYAN FOUNDATION

## Statements of Activities and Changes in Net Assets Years ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
IV Elder Care	170,970	-	170,970	134,605	-	134,605
V Cultural Conservation	153,560	-	153,560	122,231	-	122,231
VI Environmental Conservation	28,000	-	28,000	69,350	-	69,350
VII Crisis Response	139,586	-	139,586	41,303	-	41,303
VII Kathmandu Based Technical Support	141,203	-	141,203	182,999	-	182,999
IX Program Technical Assistance	306,266	-	306,266	380,938	-	380,938
X Program Oversight	517,234	-	517,234	674,648	-	674,648
XI Currency Fluctuation	(2,320)	-	(2,320)	(4,090)	-	(4,090)
Total Program Expenses	3,605,843	-	3,605,843	3,344,670	-	3,344,670
Special event expenses direct	162,106	-	162,106	201,858	-	201,858
Other fundraising expenses	647,258	-	647,258	472,053	-	472,053
Total fundraising expenses	809,364	-	809,364	673,911	-	673,911
Management and administrative expenses	519,001	-	519,001	382,856	-	382,856
Total expenses	4,934,208	-	4,934,208	4,401,437	-	4,401,437
Increase (decrease) in net assets	(414,072)	(57,365)	(471,437)	413,759	1,974,745	2,388,504
Net assets at beginning of year	20,833,604	3,119,024	23,952,628	20,419,845	1,144,279	21,564,124
Net assets at end of year	\$ 20,419,532	\$ 3,061,659	\$ 23,481,191	\$ 20,833,604	\$ 3,119,024	\$ 23,952,628

# THE AMERICAN HIMALAYAN FOUNDATION

## Statements of Cash Flows Years ended December 31, 2024 and 2023

	2024	2023
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets	\$ (471,437)	\$ 2,388,504
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Loss on sale of donated securities	(369)	24
Change in discount related to long-term receivables	(68,269)	303,895
Unrealized investment gains	(1,115,188)	(784,296)
Amortization of operating right of use asset and lease liabilities	(1,551)	1,175
Changes in operating assets and liabilities:		
Pledges receivable	320,000	(2,473,191)
Accounts receivable and other	32,671	323
Prepaid expenses	5	(3,317)
Accounts payable and accrued liabilities	21,968	(40,142)
Accrued employee vacation payable	(803)	10,675
Grants payable	44,189	(96,522)
Net cash used for operating activities	<u>(1,238,784)</u>	<u>(692,872)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from the sale of donated securities	369	(24)
Disposition (acquisition) of investments, net	7,725	(28,147)
Net cash provided by (used for) investing activities	<u>8,094</u>	<u>(28,171)</u>
Net decrease in cash and cash equivalents	(1,230,690)	(721,043)
Cash and cash equivalents at beginning of year	<u>10,973,626</u>	<u>11,694,669</u>
Cash and cash equivalents at end of year	<u>\$ 9,742,936</u>	<u>\$ 10,973,626</u>
<b>Supplemental disclosure for noncash operating activities</b>		
State registration fees paid	\$ 400	\$ 400
Donated securities	<u>\$ -</u>	<u>\$ -</u>



# THE AMERICAN HIMALAYAN FOUNDATION

## Statement of Functional Expenses Year Ended December 31, 2024

	Programs	General and Administrative	Fundraising	2024 Total
Program grants/support/development	\$ 2,782,342	\$ -	\$ -	\$ 2,782,342
Salaries, payroll taxes, benefits	627,128	368,639	466,700	1,462,467
Special events	-	-	152,522	152,522
Insurance	7,374	4,287	5,487	17,148
Occupancy	64,771	39,633	79,314	183,718
Office expenses	3,992	19,961	21,915	45,868
Travel and transportation	93,279	1,325	4,844	99,448
Credit card/bank service fees	25	8,055	6,015	14,095
Professional fees	-	57,060	-	57,060
Graphic design/printing/copying	1,727	4,215	50,666	56,608
Information technology	24,423	14,841	21,318	60,582
Taxes and fees	782	985	583	2,350
	<b>\$ 3,605,843</b>	<b>\$ 519,001</b>	<b>\$ 809,364</b>	<b>\$ 4,934,208</b>

# THE AMERICAN HIMALAYAN FOUNDATION

## Statement of Functional Expenses Year Ended December 31, 2023

	Programs	General and Administrative	Fundraising	2023 Total
Program grants/support/development	\$ 2,293,174	\$ -	\$ -	\$ 2,293,174
Salaries, payroll taxes, benefits	826,680	249,496	340,487	1,416,663
Insurance	2,865	864	1,180	4,909
Special events	-	-	201,858	201,858
Occupancy	103,915	31,325	42,800	178,040
Travel	72,855	-	-	72,855
Graphic design/printing/copying	2,382	3,308	16,644	22,334
Professional fees	3,544	36,588	-	40,132
Information technology	39,315	15,699	17,714	72,728
Office expenses	4,029	5,003	35,165	44,197
Credit card/bank service fees	-	365	18,064	18,429
Legal fees	-	1,108	-	1,108
Taxes and fees	-	39,100	-	39,100
	<b>\$ 3,348,759</b>	<b>\$ 382,856</b>	<b>\$ 673,912</b>	<b>\$ 4,405,527</b>

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements December 31, 2024 and 2023

### 1. Organization

The American Himalayan Foundation (AHF) is a private not-for-profit corporation dedicated to helping the people and ecology of the Himalayas. AHF was founded in 1981 to respond to some of the basic problems affecting the people living in the Himalayan region, supporting vital education, health care, and cultural and environmental preservation throughout the Himalayan region. Funds are raised primarily through contributions and special events. AHF has received rulings from the Internal Revenue Service under Section 501(c)(3) and the State of California Franchise Tax Board under RTC Section 23701d granting exemption from federal income and state franchise taxation.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of AHF have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles ("US GAAP") and, accordingly, reflect all receivables, payables, and other liabilities. Many of AHF's disbursements are converted to local Himalayan currency. However, all financial results reflected in the financial statements are reported in United States dollars.

#### Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to AHF's ongoing operations which include a variety of programmatic activities. Nonoperating activities are limited to resources that generate return from interest-bearing deposits and other activities considered to be of a more unusual or nonrecurring nature.

#### Cash and Cash Equivalents

Cash and cash equivalents include savings, cash deposits and money market accounts with maturity dates of three months or less. Occasionally, AHF is the recipient of donated securities. Investments and other securities received by gift are recorded at market value at the date of contribution in accordance with *ASC 958.320, Investments – Debt and Equity Securities of Not-For-Profit Organizations*. AHF converts such securities to liquid assets, and any realized gains or losses are separately stated on the statements of activities and changes in net assets.

#### Concentrations of Credit Risk

Financial instruments that potentially subject AHF to concentrations of credit risk consist principally of cash and cash equivalents and deposits. AHF maintains its cash and cash equivalents in various accounts at financial institutions that, at times, may exceed federally insured limits. AHF manages deposit concentration risk by placing cash and money market accounts with financial institutions believed to be creditworthy.

To date, AHF has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and grants receivable are considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from reputable organizations and foundations supportive of AHF's mission.

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

#### Receivables and Credit Policies

AHF records contributions receivable that are expected to be collected within one year at net realizable value. When material, contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

In subsequent years, amortization of the discounts (when applicable) will be included in contribution revenue in the statement of activities.

AHF periodically assesses the need for an allowance for doubtful uncollectible accounts based on historical experience, an assessment of economic conditions, and a review of subsequent collections. It is the policy of AHF to determine proper carrying value to ensure amounts are fairly stated.

#### Furniture and Equipment

AHF's policy is to record acquisitions of property and equipment at cost or, if donated, at fair market value on the date of donation. Depreciation expense is calculated using the straight-line method over the estimated useful lives of the assets (primarily three to seven years).

Costs of maintenance and repairs are expensed currently. AHF reviews the carrying values of all assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated economic utility and/or future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. AHF has determined that no long-lived assets were impaired during the year ended December 31, 2024.

#### Investments

AHF follows the provisions of *ASC 958.321, Not-for-Profit Entities - Investments* and has estimated the fair value of its investments using available market information and other valuation methodologies. Accordingly, the estimates presented are not necessarily indicative of the amounts that AHF could realize in a current market exchange.

#### Fair Value Measurements

Fair value measurements – Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions.

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

#### Fair Value Measurements (continued)

The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). AHF groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.

Level 2: Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets;
- Inputs other than quoted prices that are observable for the asset/liability; and,
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3: Unobservable inputs that cannot be corroborated by observable market data.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing model of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset or liability.

**Net Assets** - Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Thus, net assets and changes therein are classified and reported as follows:

#### Net Assets Without Donor Restrictions

Net assets without donor restrictions represent funds which are available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has the ability to designate, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, but it has opted not to do so as of December 31, 2024 and 2023.

#### Net Assets With Donor Restrictions

Net assets with donor restrictions consist of donations which are subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions can be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

#### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

#### Revenue and Revenue Recognition

Revenue is recognized in accordance with authoritative guidance, including *ASU 2018-08, Not-for-Profit Entities (Topic 605)* and *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. A transfer of funds with a conditional promise to contribute are accounted for as a refundable advance until the conditions have been substantially met. Certain payments received include both elements of contributed income and earned income, and management evaluates such transactions to determine the proper revenue rules to apply and to bifurcate the revenue components. When applicable, revenue earned under a contractual arrangement (an "exchange transaction") is recognized when earned and therefore measured as services are provided in accordance with *Topic 606*.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

#### Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities in accordance with the requirements of *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, which requires AHF to report expenses by their natural classification. Every natural expense must be broken out into individual functional categories on an analysis of expenses by their nature and function. Accordingly, certain costs have been allocated among services and supporting services benefited. Such allocations are determined by management on an equitable basis. Expenses have been allocated based on time and effort using AHF's payroll allocations.

#### Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

#### Donated Services and In-Kind Contributions

Contributed services and costs are reflected at the fair value of the contribution received. The contributions of services and costs are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Volunteers contribute significant amounts of time to AHF which includes administration, fundraising, and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

#### Income Taxes

AHF is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), allowing donors to qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A)(vi). This exemption is subject to periodic review by the federal and state taxing authorities and management is confident that AHF continues to satisfy all federal and state statutes in order to qualify for continued tax-exempt status. AHF may periodically receive unrelated business income requiring AHF to file separate tax returns under federal and state statutes.

Financial statement presentation follows the recommendations of *ASC 740, Income Taxes*. Under ASC 740, AHF is required to report information regarding its exposure to various tax positions taken by the organization and requires a two-step process that separates recognition from measurement. The first step is determining whether a tax position has met the recognition threshold; the second step is measuring a tax position that meets the recognition threshold. Management believes that AHF has adequately evaluated its current tax positions and has concluded that as of December 31, 2024 and 2023, AHF does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

#### Recent and Relevant Accounting Pronouncements

The following pronouncements represent relevant current accounting guidance applicable to nonprofit organizations:

In August 2016, the FASB issued *ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. AHF has followed the recommendation of the update to ensure presentation conformity of its financial statements.

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842) Accounting for Leases*, which requires lessees to recognize leases on-balance sheet and disclose key information about leasing arrangements. Topic 842 was subsequently amended by *ASU No. 2018-01*, *ASU No. 2018-10*, and *ASU No. 2018-11*. This standard establishes a right-of-use model (ROU) that requires a lessee to recognize a ROU asset and lease liability on the statements of financial position for all leases with a term longer than 12 months. Leases are required to be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statements of activities and changes in net assets.



## Notes to Financial Statements

### 2. Summary of Significant Accounting Policies (continued)

In August 2014, the FASB issued *ASU 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40) Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*, which requires an organization's management to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about an entity's ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued, when applicable). As of August 30, 2024 (the date of the Independent Auditors' Report), management has made this evaluation and has determined that AHF has the ability to continue as a going concern.

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 605) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The FASB issued this update to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this Update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. Accordingly, AHF has incorporated these clarifying standards within the audited financial statements.

In May 2014, the FASB completed its Revenue Recognition project by issuing *ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606)*. This guidance establishes the principles to report useful information to users of financial statements about the nature, timing, and uncertainty of revenue from contracts with customers. The guidance (1) removes inconsistencies and weaknesses in existing revenue requirements, (2) provides a more robust framework for addressing revenue issues, (3) improves comparability of revenue recognition practices across entities, industries, jurisdictions, and capital markets, (4) provides more useful information to users of financial statements through improved disclosure requirements, and (5) simplifies the preparation of financial statements by reducing the number of requirements to which an organization must refer.

### 3. Cash and Cash Equivalents

Included in cash and cash equivalents of \$9,742,936 and \$10,973,626 at December 31, 2024 and 2023, respectively, were funds on deposit with financial institutions which were in excess of the amounts covered by insurance provided by the federal government. It is the opinion of management that the solvency of the referenced financial institutions is satisfactorily strong and that AHF's financial position will not be compromised.

Certain funds totaling \$1,191,059 and \$562,852 at December 31, 2024 and 2023, respectively, were housed in noninterest-bearing depository accounts at financial institutions. Other balances were domiciled in accounts bearing interest at rates ranging from 4.14% to 4.88% per annum at December 31, 2024.



# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 4. Investments and Fair Value Measurements

Investments consist of the following at December 31:

		2024	2023
Private investment fund	[Level 3]	\$ 13,432,544	\$ 12,348,247
Stocks	[Level 1]	122,485	99,319
Total investments		<u>\$ 13,555,029</u>	<u>\$ 12,447,566</u>

Investment income (interest and dividends, and unrealized adjustments) amounted to \$1,567,434 and \$1,221,874 for the years ended December 31, 2024 and 2023, respectively. Of these amounts, unrealized gains amounted to \$1,115,188 and \$784,296 for the years ended December 31, 2024 and 2023, respectively.

AHF's management team has the responsibility for establishing AHF's return objectives and to define the risk parameters. The committee routinely oversees investment performances and reviews cash flows necessary to sustain AHF's operating activities.

### 5. Receivables

Total pledges receivable of \$2,600,000 and \$130,000 at December 31, 2024 and 2023, respectively, represent funds due from various individuals, foundations, and other organizations and are reflected at their discounted (for long-term) net realizable value. Pledges receivable are expected to be collected as follows:

	2024	2023
Year ending December 31, 2024	\$ 320,000	\$ 320,000
Year ending December 31, 2025	320,000	320,000
Year ending December 31, 2026	320,000	320,000
Thereafter	1,320,000	1,640,000
Subtotal	2,280,000	2,600,000
Less: unamortized discount	(256,086)	(324,355)
Less: amounts due within one year	(320,000)	(320,000)
Amounts due after one year, discounted at 3%	<u>\$ 1,703,914</u>	<u>\$ 1,955,645</u>

Accounts receivable of \$32,671 at December 31, 2023 consist of other short-term assets. There were no accounts receivable at December 31, 2024. Management has evaluated the collectability of all receivables and has determined that no allowance for doubtful accounts is necessary based on an evaluation of payment history and the credit worthiness of the payees. The change in discount related to long-term receivables amounted to \$68,269 and (\$303,895) during the years ended December 31, 2024 and 2023, respectively, and is shown as a component of net assets with donor restrictions on the statements of activities and changes in net assets.

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 6. Furniture and Equipment

Furniture and equipment consist of the following at December 31:

	2024		2023
Computer equipment	\$ 5,544	\$	5,544
Accumulated depreciation	(5,544)		(5,544)
Furniture and equipment	\$ -	\$	-

There was no depreciation expense for the years ended December 31, 2024 and 2023.

### 7. Operating Right of Use Asset and Leases

AHF leases its corporate office premises in San Francisco under a multi-year operating lease agreement with Blum Capital (a related party) which expires July 31, 2025. The lease requires a monthly rental payment of \$12,408 as of December 31, 2024, with stipulated annual increases of 3.0% each August 1st. AHF is responsible for its proportionate share of building, maintenance, and operating expenses. Office rent expense amounted to \$147,548 and \$147,548 for the years ended December 31, 2024 and 2023, respectively.

In accordance with [ASU 2016-02, Leases](#), AHF is required to reflect the present value of future operating lease payments (discounted at an appropriate borrowing rate) as an "Operating Right of Use" asset and a corresponding operating lease liability. The weighted average discount rate is based on the discount rate implicit in the lease. If the implicit rate is not readily determinable from the lease, AHF estimates an applicable incremental borrowing rate. The incremental borrowing rate is estimated using AHF's applicable borrowing rates and the contractual lease term. The estimated effective incremental borrowing rate for the lease was determined to be 1.04%. AHF had no finance leases in effect during the year ended December 31, 2024.

When applicable, AHF has elected the short-term lease exemption for all leases with a term of 12 months or fewer for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Total operating right of use asset and operating lease liabilities on the statement of financial position consist of the following at December 31:

	2024		2023
Gross operating right of use asset – premises	\$ 689,960	\$	507,791
Accumulated amortization operating right of use asset – premises	(606,120)		(276,056)
Total operating right of use asset, net	\$ 83,840	\$	231,735
Operating lease liability – short term	\$ 88,902	\$	149,114
Operating lease liability – long term	-		89,234
Total operating lease liability	\$ 88,902	\$	238,348

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 7. Operating Right of Use Asset and Leases *(continued)*

Total operating lease cost recognized within occupancy expense on the statement of functional expenses is summarized as follows for the years ended December 31:

	2024	2023
Amortization of operating lease asset	\$ 147,895	\$ 144,382
Interest on lease liability	-	3,166
Operating lease cost	<u>\$ 147,895</u>	<u>\$ 147,548</u>

The following summarizes cash flow information related to operating leases as of December 31:

	2024	2023
Principal payments applied to lease liability	\$ 149,446	\$ 143,208
Interest on lease liability	-	3,166
Total cash paid for amounts included in measurement of lease liabilities	<u>\$ 149,446</u>	<u>\$ 146,374</u>

As of December 31, 2024, future minimum payments under lease agreements are as follows:

Year ending December 31, 2025	\$ 88,902
Total lease payments	240,231
Less: interest	-
Present value of lease liabilities	<u>\$ 88,902</u>

The following table represents the weighted-average remaining lease term and discount rate for the operating lease as of December 31, 2024:

Weighted average remaining lease terms (years)	0.6
Weighted average discount rate	1.04%

### 8. Compensated Absences (Accrued Payroll and Related Benefits)

Financial statement presentation follows the recommendations of *ASC 710.25, Compensated Absences*. Under ASC 710.25, AHF is required to record a liability for the estimated amounts of compensation for future absences. Employees are permitted to accrue a specific number of hours of vacation which is payable upon termination of the employee. Sick leave is not paid upon termination. Annual leave accruals are recorded in the financial statements as an accrued liability on the statements of financial position based on hourly rates in effect at the end of the fiscal year. Accrued employee vacation payable amounted to \$212,925 and \$213,728 at December 31, 2024 and 2023, respectively.

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 9. Grants Payable

Grants payable of \$1,608,881 and \$1,564,692 at December 31, 2024 and 2023, respectively, represent amounts authorized by the organization's Board of Directors to be distributed during the next fiscal year for numerous projects in the Himalayas undertaken by the organization's management team.

### 10. Liquidity

AHF regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the safeguarding of its available funds. AHF has various sources of liquidity at its disposal, including cash and cash equivalents and other sources (including the future collection of receivables).

For purposes of analyzing resources available to meet general expenditures over a 12-month period, AHF considers all expenditures related to its mission, as well as the conduct of services undertaken, to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, AHF anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The following table shows the total financial assets held by AHF and the amounts of those financial assets readily available within one year of the balance sheet date to meet general expenditures:

	2024	2023
Cash and cash equivalents	\$ 9,742,936	\$ 10,973,626
Investments	13,555,029	12,447,566
Pledges receivable (current)	320,000	320,000
Accounts receivable and other	-	32,671
Subtotal	23,617,965	23,763,863
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	(3,061,659)	(3,119,024)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 20,556,306</u>	<u>\$ 20,644,839</u>

AHF receives a substantial amount of support by way of restricted contributions. Because donor restrictions require resources to be used in a particular manner or in a future period, AHF must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets from these restricted contributions may not be available for general expenditures within one year.

As part of AHF's liquidity management, the organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

# THE AMERICAN HIMALAYAN FOUNDATION

## Notes to Financial Statements

### 11. Refundable Advance and Government Grants

#### Operating Agreement with USAID/ASHA

AHF operates programmatic activities under a cost-reimbursement contract with United States Agency for International Development (USAID) American Schools and Hospitals Abroad (ASHA). Under this contract, AHF received government funding amounting to \$163,533 and \$18,929 for the years ended December 31, 2024 and 2023, respectively.

### 12. Retirement Plan

AHF offers employees the opportunity to participate in a retirement plan qualified under Internal Revenue Code Section 401(k) which allows participants to defer a portion of their salary into a tax-deferred account. The plan has certain eligibility requirements and accepts rollover contributions, allows hardship distributions, and is otherwise regulated by Federal statutes which are periodically modified by Congress. The Plan also allows employer contributions, and AHF contributed \$33,798 and \$40,553 on behalf of participating employees to the plan for the years ended December 31, 2024 and 2023, respectively.

### 13. Net Assets

Net Assets Without Donor Restrictions: Net assets without donor restrictions of \$20,419,532 and \$20,833,604 at December 31, 2024 and 2023, respectively, represent the cumulative net surpluses of AHF since its inception.

Net Assets With Donor Restrictions: AHF recognizes support from restricted donations when the conditions imposed by the donors have been satisfied or expired. Net assets with donor restrictions consist of the following at December 31:

	2024	2023
Restricted for projects	\$ 3,317,745	\$ 3,443,379
Discount related to long-term pledges receivable	(256,086)	(324,355)
Net Assets With Donor Restrictions	<u>\$ 3,061,659</u>	<u>\$ 3,119,024</u>

Contributions to net assets with donor restrictions amounted to \$1,514,383 and \$4,030,922 for the years ended December 31, 2024 and 2023, respectively. Net assets released from restrictions amounted to \$1,640,017 and \$1,752,282 for the years ended December 31, 2024 and 2023, respectively. As reflected in Note 5, the change in discount related to long-term receivables amounted to \$68,269 and (\$303,895) during the years ended December 31, 2024 and 2023, respectively, and is shown as a component of net assets with donor restrictions on the statements of activities and changes in net assets.

Notes to Financial Statements

**14. Commitments and Contingencies**

In the normal course of business AHF could be subject to certain commitments and contingencies which might not be fully reflected in the financial statements. Such commitments and contingencies also include risks associated with various economic and operating factors, which could include (a) grant restrictions and donor conditions which obligate AHF to fulfill certain requirements as set forth in grant instruments, (b) funding levels which vary based on factors beyond AHF's control, such as generosity of donors and general economic conditions, (c) employment and service agreements with key management personnel, and (d) financial risks associated with funds on deposit at bank and investment brokerage accounts. Management believes that such commitments, contingencies, and risks will not have a material adverse effect on the financial statements. Certain of the grants and contracts (including current and prior costs) are subject to audit and final acceptance by the granting entities.

**15. Subsequent Events**

In compliance with *ASC 855, Subsequent Events*, AHF has evaluated subsequent events through October 24, 2025, the date the financial statements were available to be issued. In the opinion of management, there are no subsequent events which necessitate disclosure.