

THE AMERICAN HIMALAYAN FOUNDATION

Financial Statements

For the Years Ended
December 31, 2025 and 2024

With Independent Auditor's Report Thereon

REGALIA BERGER & BERGER
CERTIFIED PUBLIC ACCOUNTANTS

THE AMERICAN HIMALAYAN FOUNDATION

(A California Not-For-Profit Corporation)
December 31, 2025 and 2024

CONTENTS

	Page
Independent Auditors' Report	1
Financial Statements:	
Statements of Financial Position	2
Statements of Activities and Changes in Net Assets	3 - 4
Statements of Cash Flows	5
Statements of Functional Expenses	6 - 7
Notes to Financial Statements	8 - 18

RB&B CPAs
Regalia Berger and Berger

CERTIFIED PUBLIC ACCOUNTANTS
103 TOWN & COUNTRY DRIVE, SUITE K, DANVILLE, CALIFORNIA 94526
SHAREHOLDERS: DOUGLAS REGALIA, CPA RACHEL BERGER, CPA DAVID BERGER, CPA
VALERIE REGALIA, CPA DANA CHAVARRIA, CPA LISA PARKER, CPA [inactive]
LISA CLOVEN, CPA JENNIFER JENSEN TRICIA WILSON
SHANNON MORELLI, CPA WILLIAM BRICKLER, CPA ANITA MALLOTT, CPA
BRENTON DU JAMIE JENSEN JOY TONTOH
WWW.MRCPA.COM OFFICE: 925-314-0390 FAX: 925-314-0469

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, 2025 and 2024, 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, 2025 and 2024, 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.

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.

2nd Draft

October 30, 2026
Danville, California

Statements of Financial Position
December 31, 2025 and 2024

	December 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$ 11,902,181	$ 9,742,936
Investments	10,577,763	13,555,029
Pledges receivable, net	330,000	320,000
Contributed Tibetan chests	10,000	10,000
Prepaid expenses	16,611	3,856
Total current assets	22,836,555	23,631,821
Pledges receivable - long term, net	1,444,632	1,703,914
Operating right of use asset - premises	673,818	83,840
Security deposit	10,134	-
Total noncurrent assets	2,128,584	1,787,754
Total assets	$ 24,965,139	$ 25,419,575
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued liabilities	$ 15,527	$ 27,676
Accrued employee vacation payable	27,104	212,925
Grants payable	1,676,757	1,608,881
Operating lease liability	68,216	88,902
Total current liabilities	1,787,604	1,938,384
Noncurrent liabilities:		
Operating lease liability	603,172	-
Total liabilities	2,390,776	1,938,384
Net assets:		
Without donor restrictions	19,631,515	20,419,532
With donor restrictions	2,942,848	3,061,659
Total net assets	22,574,363	23,481,191
Total liabilities and net assets	$ 24,965,139	$ 25,419,575

Statements of Activities and Changes in Net Assets
Years ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:						
Contributed income	$ 950,615	$ 1,114,961	$ 2,065,576	$ 804,909	$ 1,514,383	$ 2,319,292
Merchandise sales and other income	410	-	410	154,953	-	154,953
Special events	275,508	-	275,508	352,454	-	352,454
Investment income, net of expenses	1,698,721	-	1,698,721	1,567,434	-	1,567,434
Gain (loss) from sale of donated securities	(26)	-	(26)	369	-	369
Change in discount related to long-term receivables	-	60,718	60,718	-	68,269	68,269
Net assets released from restrictions	1,294,490	(1,294,490)	-	1,640,017	(1,640,017)	-
Total revenues, gains, and other support	4,219,718	(118,811)	4,100,907	4,520,136	(57,365)	4,462,771
Expenses:						
Program Expenses:						
I Education						
1 STOP Girl Trafficking	789,121	-	789,121	800,525	-	800,525
2 Mustang	128,840	-	128,840	132,953	-	132,953
3 Everest Area	35,987	-	35,987	3,700	-	3,700
4 Orphans and Children with Disabilities	43,639	-	43,639	53,600	-	53,600
5 Tibetan Refugees K-12	107,432	-	107,432	90,192	-	90,192
6 College Scholarships	102,319	-	102,319	85,494	-	85,494
II Health Care						
1 HRDC	409,000	-	409,000	563,533	-	563,533
2 Mustang	73,280	-	73,280	50,173	-	50,173
3 Everest Area	119,949	-	119,949	120,049	-	120,049
4 Tibetan Refugees	20,555	-	20,555	72,134	-	72,134

Statements of Activities and Changes in Net Assets
Years ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
III Community, Infrastructure, and Livelihood						
1 Mustang	15,140	-	15,140	42,438	-	42,438
2 Tibetan refugees	14,019	-	14,019	136,553	-	136,553
IV Elder Care	122,347	-	122,347	170,970	-	170,970
V Cultural Conservation	172,590	-	172,590	153,560	-	153,560
VI Environmental Conservation	298,966	-	298,966	28,000	-	28,000
VI Crisis Response	380,621	-	380,621	139,586	-	139,586
VI Kathmandu Based Technical Support	103,365	-	103,365	141,203	-	141,203
IX Program Technical Assistance	384,918	-	384,918	306,266	-	306,266
X Program Oversight	542,446	-	542,446	517,234	-	517,234
XI Currency Fluctuation	141	-	141	(2,320)	-	(2,320)
Total Program Expenses	3,864,675	-	3,864,675	3,605,843	-	3,605,843
Special event expenses direct	133,176	-	133,176	162,106	-	162,106
Other fundraising expenses	541,998	-	541,998	647,258	-	647,258
Total fundraising expenses	675,174	-	675,174	809,364	-	809,364
Management and administrative expenses	467,886	-	467,886	519,001	-	519,001
Total expenses	5,007,735	-	5,007,735	4,934,208	-	4,934,208
Increase (decrease) in net assets	(789,630)	(117,198)	(906,828)	(414,072)	(57,365)	(471,437)
Net assets at beginning of year	20,419,532	3,061,659	23,481,191	20,833,604	3,119,024	23,952,628
Net assets at end of year	$ 19,629,902	$ 2,944,461	$ 22,574,363	$ 20,419,532	$ 3,061,659	$ 23,481,191

Statements of Cash Flows
Years ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Decrease in net assets	$ (906,828)	$ (471,437)
Adjustments to reconcile increase in net assets to		
net cash provided by operating activities:		
Loss (gain) on sale of donated securities	26	(369)
Change in discount related to long-term receivables	(60,718)	(68,269)
Unrealized investment gains	(1,285,697)	(1,115,188)
Amortization of operating right of use asset and lease liabilities	(7,492)	(1,551)
Changes in operating assets and liabilities:		
Pledges receivable	310,000	320,000
Accounts receivable and other	-	32,671
Prepaid expenses	(12,755)	5
Security deposit	10,134	-
Accounts payable and accrued liabilities	(12,149)	21,968
Accrued employee vacation payable	(185,821)	(803)
Grants payable	67,876	44,189
Net cash used for operating activities	(2,083,424)	(1,238,784)
Cash flows from investing activities:		
Disposition of investments, net	4,242,669	8,094
Net cash provided by investing activities	4,242,669	8,094
Net increase (decrease) in cash and cash equivalents	2,159,245	(1,230,690)
Cash and cash equivalents at beginning of year	9,742,936	10,973,626
Cash and cash equivalents at end of year	$ 11,902,181	$ 9,742,936
Supplemental disclosure for noncash operating activities		
State registration fees paid	$ 400	$ 400
ROU asset obtained in exchange for a new lease liability	$ 669,966	$ -

Statement of Functional Expenses
Year Ended December 31, 2025

	Programs	General and Adminstrative	Fundraising	2025 Total
Program grants/support/development	$ 2,937,169	$ 141	$ -	$ 2,937,310
Salaries, payroll taxes, benefits	761,471	273,378	402,247	1,437,096
Special events	-	-	133,176	133,176
Insurance	786	464	536	1,786
Occupancy	48,386	28,671	33,024	110,081
Office expenses	5,851	24,796	22,387	53,034
Travel and transportation	67,200	2,230	16,448	85,878
Credit card/bank service fees	-	15,599	-	15,599
Professional fees	13,366	95,142	7,146	115,654
Graphic design/printing/copying	1,142	2,785	37,675	41,602
Information technology	29,162	24,433	22,535	76,130
Taxes and fees	-	389	-	389
	$ 3,864,533	**$ 468,028**	**$ 675,174**	**$ 5,007,735**

Statement of Functional Expenses
Year Ended December 31, 2024

	Programs	General and Adminstrative	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
	$ 3,605,843	**$ 519,001**	**$ 809,364**	**$ 4,934,208**

Notes to Financial Statements
December 31, 2025 and 2024

1. Organization

The American Himalayan Foundation (AHF) is a 501(c)(3) nonprofit organization dedicated to helping people in need across the Himalaya. Since 1981, AHF has supported essential projects in healthcare, education, cultural preservation, and climate adaptation throughout the region. Guided by a deep respect for local traditions, AHF works closely with a trusted network of long-term partners to improve daily life, expand opportunities, and help communities adapt to a changing world. 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, 2025.

Investments

AHF follows the provisions of *ASC 958.321 and ASC 820*. When quoted market prices are unavailable, AHF estimates fair value using information provided by the investee, including net asset value per share, redemption value, and other relevant information. Because these valuation inputs are not observable in an active market, the investments are classified within Level 3 of the fair value hierarchy. Changes in fair value are reported as unrealized gains or losses in the accompanying statements of activities and changes in net assets and are classified within net assets without donor restrictions unless their use is restricted by donor stipulation or law. Upon disposition or redemption, any difference between the proceeds received and the investment's carrying amount is recognized as a realized gain or loss.

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, 2025 and 2024.

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.

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.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Contributions of Nonfinancial Assets

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, 2025 and 2024, AHF does not have any uncertain tax positions for which a reserve or an accrual for a tax liability would be necessary.

3. Cash and Cash Equivalents

Included in cash and cash equivalents of $11,902,181 and $9,742,936 at December 31, 2025 and 2024, 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 $5,032,699 and $1,232,178 at December 31, 2025 and 2024, respectively, were housed in noninterest-bearing depository accounts at financial institutions. Other balances were domiciled in an account bearing interest at 3.43% per annum at December 31, 2025.

Notes to Financial Statements

4. Investments and Fair Value Measurements

Investments consist of the following at December 31:

		2025	2024
Private investment fund	[Level 3]	$ 10,577,763	$ 13,432,544
Stocks	[Level 1]	-	122,485
Total investments		$ 10,577,763	$ 13,555,029

Investment income (interest and dividends, and unrealized adjustments) amounted to $1,698,721 and $1,567,434 for the years ended December 31, 2025 and 2024, respectively. Of these amounts, unrealized gains amounted to $1,285,697 and $1,115,188 for the years ended December 31, 2025 and 2024, 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 $1,960,000 and $2,280,000 at December 31, 2025 and 2024, 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:

	2025	2024
Year ending December 31, 2025	$ -	$ 320,000
Year ending December 31, 2026	330,000	320,000
Year ending December 31, 2027	320,000	320,000
Year ending December 31, 2028	320,000	320,000
Thereafter	1,000,000	1,320,000
Subtotal	1,970,000	2,280,000
Less: unamortized discount	(195,368)	(256,086)
Less: amounts due within one year	(320,000)	(320,000)
Amounts due after one year, discounted at 3%	$ 1,454,632	$ 1,703,914

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 $60,718 and $68,269 during the years ended December 31, 2025 and 2024, respectively, and is shown as a component of net assets with donor restrictions on the statements of activities and changes in net assets.

6. Furniture and Equipment

Furniture and equipment consist of the following at December 31:

	2025	2024
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, 2025 and 2024.

7. Operating Right of Use Asset and Leases

AHF leases its corporate office premises in San Francisco under a multi-year operating lease agreement which expires December 31, 2032. The lease requires a monthly rental payment of $8,487 as of December 31, 2025, with stipulated annual increases of 3.0% each January 1st. AHF is responsible for its proportionate share of building, maintenance, and operating expenses. Occupancy expense amounted to $110,081 and $183,718 for the years ended December 31, 2025 and 2024, 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 3.95%. AHF had no finance leases in effect during the year ended December 31, 2025.

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, 2025:

Gross operating right of use asset – premises	$ 689,960
Accumulated amortization operating right of use asset – premises	(16,142)
Total operating right of use asset, net	$ 673,818
Operating lease liability – short term	$ 68,216
Operating lease liability – long term	603,172
Total operating lease liability	$ 671,388

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, 2025:

Amortization of operating lease asset	$	103,374
Interest component		7,243
Operating lease cost	$	110,617

The following summarizes cash flow information related to operating leases as of December 31, 2025:

Principal payments applied to lease liability	$	88,902
Interest component		7,243
Total cash paid for amounts included in measurement of lease liabilities	$	96,145

As of December 31, 2025, future minimum payments under lease agreements are as follows:

Year ending December 31, 2026	$	93,357
Year ending December 31, 2027		104,899
Year ending December 31, 2028		108,046
Year ending December 31, 2029		111,288
Year ending December 31, 2030		114,626
Thereafter		239,672
Less: interest		(100,500)
Present value of lease liabilities	$	671,388

The following table represents the weighted-average remaining lease term and discount rate for the operating lease as of December 31, 2025:

Weighted average remaining lease terms (years)	6.0
Weighted average discount rate	3.95%

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 $27,104 and $212,925 at December 31, 2025 and 2024, respectively.

9. Grants Payable

Grants payable of $1,676,757 and $1,608,881 at December 31, 2025 and 2024, 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:

	2025	2024
Cash and cash equivalents	$ 11,902,181	$ 9,742,936
Investments	10,577,763	13,555,029
Pledges receivable (current)	330,000	320,000
Subtotal	22,809,944	23,617,965
Less: amounts not available to be used within one year:		
Net assets with donor restrictions for programs	(2,942,848)	(3,061,659)
Financial assets available to meet general expenditures over the next twelve months	$ 19,867,096	$ 20,556,306

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.

Notes to Financial Statements

11. Refundable Advance and Government Grants

Operating Agreement with USAID/ASHA

Prior to January 1, 2025, AHF operated 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 for the year ended December 31, 2024. There was no government funding for the year ended December 31, 2025.

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 $35,960 and $33,798 on behalf of participating employees to the plan for the years ended December 31, 2025 and 2024, respectively.

13. Net Assets

Net Assets Without Donor Restrictions: Net assets without donor restrictions of $19,631,515 and $20,419,532 at December 31, 2025 and 2024, 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:

	2025	2024
Restricted for projects	$ 3,138,216	$ 3,317,745
Discount related to long-term pledges receivable	(195,368)	(256,086)
Net Assets With Donor Restrictions	$ 2,942,848	$ 3,061,659

Contributions to net assets with donor restrictions amounted to $1,114,961 and $1,514,383 for the years ended December 31, 2025 and 2024, respectively. Net assets released from restrictions amounted to $1,294,490 and $1,640,017 for the years ended December 31, 2025 and 2024, respectively. As reflected in Note 5, the change in discount related to long-term receivables amounted to $60,718 and $68,269 during the years ended December 31, 2025 and 2024, 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. Related Party Transactions

During the years ended December 31, 2025 and 2024, certain members of the Board of Directors, management, and other related parties made contributions totaling $71,707 and $104,123, respectively.

15. 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.

16. Subsequent Events

In compliance with *ASC 855, Subsequent Events*, AHF has evaluated subsequent events through October 30, 2026, the date the financial statements were available to be issued. In the opinion of management, there are no subsequent events which necessitate disclosure.