

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS

FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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COBB AND SUSKIE, LTD.

CERTIFIED PUBLIC ACCOUNTANTS

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Michael L. Cobb

Anne Suskie Pinyan

Independent Auditors' Report

Board of Directors
International Association of Yoga Therapists
Little Rock, Arkansas

We have audited the accompanying financial statements of International Association of Yoga Therapists (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
International Association of Yoga Therapists
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Association of Yoga Therapists as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Carl and Susie, Ltd

Certified Public Accountants
October 27, 2017

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

CURRENT ASSETS

Cash	\$	303,926
Investments		11,870
Prepaid Expenses		10,728
Total Current Assets		326,524

PROPERTY AND EQUIPMENT

Office Art		4,795
Office Equipment		1,643
		6,438
Less Accumulated Depreciation		6,438
Total Property and Equipment		-
Total Assets	\$	326,524

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	-
Payroll Liabilities		-
Total Current Liabilities		-

NET ASSETS

Unrestricted		326,524
Total Net Assets		326,524
Total Liabilities and Net Assets	\$	326,524

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016

UNRESTRICTED NET ASSETS	
<u>SUPPORT AND REVENUE</u>	
Advertising	\$ 45,880
Accreditation Fees	30,632
Certification	200,750
Conferences	230,819
Donations	14,671
Membership Fees	340,995
Membership Schools	43,802
Sales and Services	560
Royalties and Subscriptions	2,330
Miscellaneous	130
Total Support and Revenue	910,569
 <u>EXPENSES</u>	
Program and Support	631,468
Management and General	76,738
Fundraising	-
Total Expenses	708,206
Support and Revenue Over (Under) Expenses	202,363
 <u>OTHER INCREASES (DECREASES)</u>	
Interest Income	77
Total Other Increases (Decreases)	77
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	202,440
NET ASSETS, UNRESTRICTED, AT BEGINNING OF YEAR	124,084
NET ASSETS, UNRESTRICTED, AT END OF YEAR	\$ 326,524

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program and Support</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Personnel	\$ 166,938	\$ 27,345	\$ -	\$ 194,283
Professional Fees	10,483	10,483	-	20,966
Publications	40,861	-	-	40,861
Website	5,292	2,646	-	7,938
Office Expenses	32,457	32,456	-	64,913
Office Equipment and Furnishings	-	3,744	-	3,744
Travel	1,802	-	-	1,802
Marketing Expenses	17,589	-	-	17,589
Directors and Advisory Council	15,174	-	-	15,174
Conferences	171,290	-	-	171,290
Accreditation Standards	77,442	-	-	77,442
Certification	92,140	-	-	92,140
Miscellaneous	-	64	-	64
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	<u>\$ 631,468</u>	<u>\$ 76,738</u>	<u>\$ -</u>	<u>\$ 708,206</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

OPERATIONS:

Increase (Decrease) in Unrestricted Net Assets	\$ 202,440
Adjustments Needed to Reconcile to Net Cash Provided by Operations:	
Depreciation	-
Change in Current Assets and Liabilities	
(Increase) Decrease in Prepaid Expense	(10,728)
Increase (Decrease) in Accounts Payable	(184)
Increase (Decrease) in Payroll Liabilities	(2,263)
Increase (Decrease) in Deferred Revenue	-
Net Cash Inflows (Outflows) from Operations	189,265
<u>INVESTING ACTIVITIES</u>	
(Increase) Decrease in Certificates of Deposit	(21)
Net Cash Inflows (Outflows) from Investing Activities	(21)
Increase (Decrease) in Cash and Cash Equivalents	189,244
Beginning Cash and Cash Equivalents	114,682
Ending Cash and Cash Equivalents	\$ 303,926

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) Organization
The International Association of Yoga Therapists (the Association) is a nonprofit organization that seeks to develop the use of yoga for health, healing, and personal transformation through research and education. The Association derives 37% of its total support of revenue from membership fee income, and 25% from revenue associated with conferences.
- (b) Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis and, accordingly, include items not resulting from the outlay or receipt of cash.
- (c) Financial Statement Presentation
The statements were prepared on the accrual basis in accordance with generally accepted accounting principles (GAAP) for nonprofit organizations included in the Financial Accounting Standards Codifications (FASB ASC).
- (d) Cash Equivalents
For purposes of the statement of cash flows, the Association considers all certificates of deposit and all highly liquid investments with an original maturity of three months or less to be cash equivalents.
- (e) Investments
Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.
- (f) Accounts Receivable
Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end. Management closely monitors outstanding balances and writes off, as of year end all balances that are not expected to be collected.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property and Equipment
Property and equipment is stated at cost and depreciated utilizing the straight-line method over periods ranging from 3 to 20 years. Depreciation expense for the year ended December 31, 2016 was \$0.

(h) Contributions
Contributions received are recorded as unrestricted or temporarily restricted support depending on the existence or nature of any donor restrictions.

The Association reports gifts of cash, donated property and all other assets as unrestricted support unless explicit donor stipulations limit the use of the donated assets. When a donor restriction expires, that is, when the stipulated time restriction ends or the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated gifts are recorded at fair value at the time of donation and are reported as restricted support if it is received with donor imposed restrictions.

(i) Income Taxes
The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law and is classified as other than a private foundation.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Association and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2016. All tax returns from 2013 forward are open and subject to examination.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Basis of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(k) Fair Value Measurements

The International Association of Yoga Therapists determines the fair values of its financial assets and liabilities that are recognized or disclosed at fair value on a recurring basis based on a fair value hierarchy of three levels of inputs that may be used to measure fair value, which are as follows:

Level 1 Quoted prices in active markets for identical assets. Level 1 assets include equity securities that are traded in an active exchange market, as well as certain U.S. Treasury securities that are highly liquid and are actively traded in over-the-counter markets.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments. This category generally includes U.S. government and agency mortgage-backed debt securities and corporate debt securities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include items where the determination of fair value requires significant management judgment or estimation.

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 2: INVESTMENTS

Investments of \$11,870 at December 31, 2016, consist solely of certificates of deposit with maturities in excess of three months at the date of acquisition. These investments are recorded at fair value in accordance with GAAP. All investments are valued based on quoted prices in active markets and as such are considered Level 1 measurements. There were no transfers to or from Level 2 and Level 3 during the year ended December 31, 2016.

NOTE 3: SUBSEQUENT EVENTS

The Association did not have any recognized or nonrecognized subsequent events occur after December 31, 2016, the date of the statement of financial position. Subsequent events and transactions have been evaluated for potential recognition or disclosure through October 27, 2017, the date the financial statements were available to be issued.