INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS

FINANCIAL STATEMENTS

For the Year Ended December 31, 2021
## CONTENTS

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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 statements of financial position as of December 31, 2021 and the related statements of activities, 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 International Association of Yoga Therapists as of December 31, 2021, and the changes in its 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 Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of International Association of Yoga Therapists 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.

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, 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 International Association of Yoga Therapists’ ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor’s Responsibility 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 auditor’s 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 International Association of Yoga Therapists' 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 International Association of Yoga Therapists’ 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.

Certified Public Accountants
October 11, 2022
INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021  

ASSETS  

CURRENT ASSETS  
Cash $90,562  
Investments 407,623  
Prepaid Expenses 7,998  
Total Current Assets 506,183  

PROPERTY AND EQUIPMENT  
Office Art 4,795  
Office Equipment 1,643  
Less Accumulated Depreciation 6,438  
Total Property and Equipment 6,438  
Total Assets 506,183  

LIABILITIES AND NET ASSETS  

CURRENT LIABILITIES  
Accounts Payable $42  
Current Maturities of Long-Term Debt 3,405  
Total Current Liabilities 3,447  

LONG-TERM DEBT, Less Current Maturities  
SBA Loan 135,264  

NET ASSETS  
Without Donor Restrictions 367,472  
Total Net Assets 367,472  

Total Liabilities and Net Assets $506,183  

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, 2021

### UNRESTRICTED NET ASSETS
#### SUPPORT AND REVENUE:
<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>$20,136</td>
</tr>
<tr>
<td>Accreditation Fees</td>
<td>50,600</td>
</tr>
<tr>
<td>Certification</td>
<td>118,161</td>
</tr>
<tr>
<td>Conferences</td>
<td>291,497</td>
</tr>
<tr>
<td>Donations</td>
<td>37,607</td>
</tr>
<tr>
<td>Membership Fees</td>
<td>419,525</td>
</tr>
<tr>
<td>Membership Schools</td>
<td>41,048</td>
</tr>
<tr>
<td>Royalties and Subscriptions</td>
<td>670</td>
</tr>
<tr>
<td><strong>Total Support and Revenue</strong></td>
<td><strong>979,244</strong></td>
</tr>
</tbody>
</table>

### EXPENSES
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program and Support</td>
<td>920,384</td>
</tr>
<tr>
<td>Support Services:</td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>107,727</td>
</tr>
<tr>
<td>Fundraising</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>1,028,111</strong></td>
</tr>
</tbody>
</table>

#### Support and Revenue Over (Under) Expenses

#### OTHER INCREASES (DECREASES)
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>42</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(2,246)</td>
</tr>
<tr>
<td>Unrealized Gain (Loss) on Investments</td>
<td>(5,230)</td>
</tr>
<tr>
<td><strong>Total Other Increases (Decreases)</strong></td>
<td>(7,434)</td>
</tr>
</tbody>
</table>

### INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS

#### NET ASSETS, UNRESTRICTED, AT BEGINNING OF YEAR

#### NET ASSETS, UNRESTRICTED, AT END OF YEAR

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, 2021

<table>
<thead>
<tr>
<th>Support Services:</th>
<th>Program and Support</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$ 370,518</td>
<td>$ 60,317</td>
<td>-</td>
<td>$ 430,835</td>
</tr>
<tr>
<td>Publications</td>
<td>55,541</td>
<td>-</td>
<td>-</td>
<td>55,541</td>
</tr>
<tr>
<td>Website</td>
<td>11,074</td>
<td>5,455</td>
<td>-</td>
<td>16,529</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>36,209</td>
<td>36,209</td>
<td>-</td>
<td>72,418</td>
</tr>
<tr>
<td>Office Equipment and Furnishings</td>
<td>-</td>
<td>5,746</td>
<td>-</td>
<td>5,746</td>
</tr>
<tr>
<td>Travel</td>
<td>1,674</td>
<td>-</td>
<td>-</td>
<td>1,674</td>
</tr>
<tr>
<td>Marketing Expenses</td>
<td>71,326</td>
<td>-</td>
<td>-</td>
<td>71,326</td>
</tr>
<tr>
<td>Directors and Advisory Council</td>
<td>16,856</td>
<td>-</td>
<td>-</td>
<td>16,856</td>
</tr>
<tr>
<td>Conferences</td>
<td>43,094</td>
<td>-</td>
<td>-</td>
<td>43,094</td>
</tr>
<tr>
<td>Accreditation Standards</td>
<td>146,962</td>
<td>-</td>
<td>-</td>
<td>146,962</td>
</tr>
<tr>
<td>Certification</td>
<td>167,130</td>
<td>-</td>
<td>-</td>
<td>167,130</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$ 920,384</strong></td>
<td><strong>$ 107,727</strong></td>
<td>-</td>
<td><strong>$ 1,028,111</strong></td>
</tr>
</tbody>
</table>

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, 2021

OPERATIONS:
Increase (Decrease) in Unrestricted Net Assets $ (56,301)

Adjustments Needed to Reconcile to Net Cash Provided by Operations:
  Depreciation -
  Unrealized Loss on Investments 5,230

Change in Current Assets and Liabilities
  (Increase) Decrease in Prepaid Expense (590)
  Increase (Decrease) in Accounts Payable (4,885)
  Increase (Decrease) in Revenue Received in Advance (5,000)

Net Cash Inflows (Outflows) from Operations (61,546)

FINANCING ACTIVITIES:
Inflows (Outflows):
  Proceeds From EIDL Loan 61
  Net Cash Inflows (Outflows) from Financing 61

INVESTING ACTIVITIES
Net Proceeds from Disposition of Investment 2
  Net Cash Inflows (Outflows) from Investing Activities 2

Increase (Decrease) in Cash and Cash Equivalents (61,483)

Beginning Cash and Cash Equivalents 152,045

Ending Cash and Cash Equivalents $ 90,562

The accompanying notes are an integral part of these financial statements.
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.
NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property and Equipment
Property and equipment are 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, 2021, was $0.

(h) Net Assets
In accordance with ASU 2016-14, net assets are reported in two distinct classifications:

- Net assets without donor restrictions
- Net assets with donor restrictions

There were no net assets with donor restrictions at December 31, 2021.

(i) Revenue Recognition
Revenues consist primarily of dues and fees from conventions and conferences. Membership revenue is recognized in the year of membership. The unearned amounts are carried as a liability on the statements of financial position as “Revenue Received in Advance.”

Effective for the year beginning January 1, 2019, the Association implemented the revenue disclosure requirements of ASU 2014-09, “Revenue From Contracts with Customers,” issued by Financial Accounting Standard Board (FASB). This standard requires an entity to recognize revenue when it transfers promised goods and services to the customer in an amount that reflects the consideration that entity expects to be entitled in exchange for those goods or services. Additional disclosures may be required to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.
NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) 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.

(k) 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, 2021. All tax returns from 2018 forward are open and subject to examination.
NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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.

(m) 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.

(n) Functional Expenses
The Association allocates its expenses on a functional basis among its various programs and supporting services. Expenses that can be identified with a specific program or support service are recoded directly according to their natural expenditure classification.
NOTE 2: INVESTMENTS

Investments are stated at fair value and are summarized as of December 31, 2021, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
<th>Fair Value</th>
<th>Unrealized Gain (Loss)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>$39,071</td>
<td>$39,071</td>
<td>$0</td>
</tr>
<tr>
<td>Corporate Debt Securities</td>
<td>370,339</td>
<td>368,552</td>
<td>(1,787)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$409,410</td>
<td>$407,623</td>
<td>$(1,787)</td>
</tr>
</tbody>
</table>

NOTE 3: FAIR VALUE DISCLOSURES

As discussed in Note 1, the Association defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. For additional information, refer to Note 1, “Summary of Significant Accounting Policies.”

The following tables reflect assets that are measured and carried at fair value on a recurring basis as of December 31, 2021.

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Fair Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money Market</td>
<td>$39,071</td>
<td>-</td>
<td>-</td>
<td>$39,071</td>
</tr>
<tr>
<td>Corporate Debt Securities</td>
<td>-</td>
<td>368,552</td>
<td>-</td>
<td>368,552</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$39,071</td>
<td>$368,552</td>
<td>-</td>
<td>$407,623</td>
</tr>
</tbody>
</table>

NOTE 4: EIDL LOAN

During the year ended December 31, 2020, the Association received an Economic Injury Disaster Loan (EIDL) from the Small Business Administration (SBA). The loan bears interest at 2.75% and installment payments, including principal and interest, of $598 monthly, will begin twelve months from the date of the promissory note. The balance of principal and interest are payable 30 years from the date of the promissory note. The SBA EIDL program provides working capital to small businesses suffering economic hardship.
NOTE 4: EIDL LOAN (CONTINUED)

Maturities of debt for the five years subsequent to December 31, 2021, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$3,405</td>
</tr>
<tr>
<td>2023</td>
<td>$3,500</td>
</tr>
<tr>
<td>2024</td>
<td>$3,598</td>
</tr>
<tr>
<td>2025</td>
<td>$3,698</td>
</tr>
<tr>
<td>2026</td>
<td>$3,801</td>
</tr>
</tbody>
</table>

NOTE 5: LIQUIDITY MANAGEMENT

The Association’s financial assets available for general expenditures within one year of the statement of financial position are as follows:

<table>
<thead>
<tr>
<th>Type of Asset</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$90,562</td>
</tr>
<tr>
<td>Investments</td>
<td>407,623</td>
</tr>
<tr>
<td>Total</td>
<td>$498,623</td>
</tr>
</tbody>
</table>

The Association has a goal to maintain cash balances on hand to meet 100 days of ordinary business expenses (exclusive of depreciation). The Association has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. As part of its liquidity management, the Association invests other cash in interest bearing money market accounts.

Expenses for the year ended December 31, 2021, were as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>$920,384</td>
</tr>
<tr>
<td>Supporting Services:</td>
<td></td>
</tr>
<tr>
<td>Management and General</td>
<td>107,727</td>
</tr>
<tr>
<td>Fundraising</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$1,028,111</td>
</tr>
</tbody>
</table>
NOTE 6: RISKS AND UNCERTAINTIES

In February 2020, the COVID-19 virus began spreading in the United States, including areas in which the Association operates. Business continuity and social activities have been severely impacted as government and citizens take significant and unprecedented measures to mitigate the consequences of the epidemic. Management has carefully monitored the situation and evaluated its options during this time. Although the effect of the outbreak is expected to be temporary, there is considerable uncertainty about its outcome, and the impact and duration cannot be reasonably estimated at this time.

NOTE 7: SUBSEQUENT EVENTS

The Association did not have any recognized or nonrecognized subsequent events occur after December 31, 2021, the date of the statement of financial position. Subsequent events and transactions have been evaluated for potential recognition or disclosure through October 11, 2022, the date the financial statements were available to be issued.