# INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS

## FINANCIAL STATEMENTS

**For the Year Ended December 31, 2011**

# CONTENTS

**COBB AND SUSKIE, LTD.**
CERTIFIED PUBLIC ACCOUNTANTS

One Financial Centre • Suite 400 • P. O. Box 21675 • Little Rock, Arkansas 72221-1675
(501) 225-2133 • Fax (501) 223-2839

Michael L. Cobb

Anne Suskie Pinyan

## Independent Auditors' Report

Board of Directors
International Association of Yoga Therapists
Prescott, Arizona

We have audited the accompanying statement of financial position of the International Association of Yoga Therapists (a non-profit organization) as of December 31, 2011, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the International Association of Yoga Therapists' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the International Association of Yoga Therapists as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Cobb and Suskie, Ltd.
Certified Public Accountants
February 28, 2012

INTERNATIONAL ASSOCIATION OF YOGA THERAPISTS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

## ASSETS

| | | |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash | $ | 24,563 |
| Investments | | 31,827 |
| Accounts Receivable | | 1,334 |
| Total Current Assets | | 57,724 |
| | | |
| **PROPERTY AND EQUIPMENT** | | |
| Office Art | | 4,795 |
| Office Equipment | | 1,643 |
| | | 6,438 |
| Less Accumulated Depreciation | | 6,288 |
| Total Property and Equipment | | 150 |
| | | |
| Total Assets | $ | 57,874 |

## LIABILITIES AND NET ASSETS

| | | |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| Accounts Payable | $ | 400 |
| Payroll Liabilities | | 35 |
| Total Current Liabilities | | 435 |
| | | |
| **NET ASSETS** | | |
| Unrestricted | | 57,439 |
| Total Net Assets | | 57,439 |
| | | |
| Total Liabilities and Net Assets | $ | 57,874 |

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, 2011

| | | |
|---|---|---|
| UNRESTRICTED NET ASSETS | | |
| SUPPORT AND REVENUE | | |
| Advertising | $ | 17,499 |
| Conferences | | 32,491 |
| Donations | | 21,259 |
| Grants | | 1,950 |
| Membership Fees | | 226,059 |
| Membership Schools | | 14,770 |
| Sales and Services | | 833 |
| Royalties and Subscriptions | | 1,835 |
| Total Support and Revenue | | 316,696 |
| EXPENSES | | |
| Program and Support | | 243,928 |
| Management and General | | 34,807 |
| Fundraising | | 5,171 |
| Total Expenses | | 283,906 |
| Support and Revenue Over (Under) Expenses | | 32,790 |
| OTHER INCREASES (DECREASES) | | |
| Interest Income | | 101 |
| Total Other Increases (Decreases) | | 101 |
| INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS | | 32,891 |
| NET ASSETS, UNRESTRICTED, AT BEGINNING OF YEAR | | 24,548 |
| NET ASSETS, UNRESTRICTED, AT END OF YEAR | $ | 57,439 |

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, 2011

| | Program and Support | Management and General | Fundraising | Total Expenses |
|---|---|---|---|---|
| Personnel | $ 125,162 | $ 8,448 | $ - | $ 133,610 |
| Professional Fees | 20,066 | 6,650 | - | 26,716 |
| Publications | 35,368 | - | - | 35,368 |
| Website | - | 1,610 | - | 1,610 |
| Office Expenses | 17,315 | 15,972 | 1,800 | 35,087 |
| Office Equipment and Furnishings | - | 1,595 | - | 1,595 |
| Travel | 5,787 | - | - | 5,787 |
| Marketing Expenses | 8,967 | - | 3,371 | 12,338 |
| Directors and Advisory Council | 20,624 | - | - | 20,624 |
| Development | - | 500 | - | 500 |
| Conferences | 166 | - | - | 166 |
| Council of Schools | 10,473 | - | - | 10,473 |
| Depreciation | - | 32 | - | 32 |
| Total Expenses | $ 243,928 | $ 34,807 | $ 5,171 | $ 283,906 |

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, 2011

| | |
|---|---|
| OPERATIONS: | |
| Increase (Decrease) in Unrestricted Net Assets | $ 32,891 |
| Adjustments Needed to Reconcile to Net Cash Provided by Operations: | |
| Depreciation | 32 |
| Change in Current Assets and Liabilities | |
| (Increase) Decrease in Investments | (10,101) |
| (Increase) Decrease in Accounts Receivable | 7,005 |
| Increase (Decrease) in Accounts Payable | (8,506) |
| Increase (Decrease) in Payroll Liabilities | 35 |
| Increase (Decrease) in Deferred Revenue | (14,485) |
| Net Cash Inflows (Outflows) from Operations | 6,871 |
| INVESTING ACTIVITIES: | |
| Inflows (Outflows): | |
| Purchase of Equipment | (162) |
| Net Investing Inflows (Outflows) | (162) |
| Increase (Decrease) in Cash and Cash Equivalents | 6,709 |
| Beginning Cash and Cash Equivalents | 17,854 |
| Ending Cash and Cash Equivalents | $ 24,563 |

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 67% of its total support of revenue from membership fee income.

(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. Based on management's assessment of the credit history with clients having outstanding balances and its current relationships with them, it has concluded that realization losses on balances outstanding as of December 31, 2011, will be immaterial.

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, 2011 was $32.

(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, 2011. All tax returns from 2008 forward are open and subject to examination.

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.

NOTE 2: INVESTMENTS

Investments of $31,827 at December 31, 2011, 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, 2011.

NOTE 3: GRANTS

Conference income of $32,491 for the year ended December 31, 2011 includes an award of $30,000 from the National Institute of Health (NIH) passed through the National Center for Complementary and Alternative Medicine.

NOTE 4: SUBSEQUENT EVENTS

The Association did not have any recognized or nonrecognized subsequent events occur after December 31, 2011, the date of the statement of financial position. Subsequent events and transactions have been evaluated for potential recognition or disclosure through February 28, 2012, the date the financial statements were available to be issued.