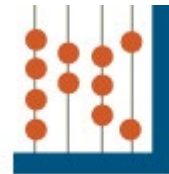


Rupani Foundation

Restated Financial Report (Audited)
December 31, 2022



PORTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

5525 N. MacArthur Blvd. Ste 135
Irving, TX 75038
P: (817) 261-2582
F: (817) 460-7609

www.MyTexasCPA.com

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Independent Auditors' Report on Restated Financial Statements

Board of Directors
Rupani Foundation
8303 Southwest Freeway #435
Houston, TX 77074

Report on the Financial Statements

We have audited the organizations restated financial statements of Rupani Foundation (A Nonprofit Organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2022 , and the related statements of operations – cash basis, changes in net assets – cash basis – cash basis and cash flows – cash flows for the years then ended, and the related notes to the restated financial statements – cash basis.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for presentation of the consolidated financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rupani Foundation as of December 31, 2022 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

We draw attention to Note 1 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Restatement of Financial Statements

During our audit of the 2023 financial statements, we identified a material error in the previously issued statements for the year ending December 31, 2022. The error involved income from a donor that was incorrectly classified as 2022 income. This amount should have been recorded as deferred revenue and recognized in 2023 as income. As a result, the 2022 income was overstated, and liabilities were understated on the original audit report.

As a result, the financial statements as of and for the year ended December 31, 2022, have been restated to correct this error. Accordingly, our audit opinion on the restated financial statements differs from the opinion expressed in our report dated February 2, 2024. The restated financial statements, which now correctly reflect the financial position, results of operations, and cash flows of Rupani Foundation as of December 31, 2022, have been presented, and our current opinion is based on these restated financial statements.



Porter & Company , CPAs
Irving, TX
August 22, 2024

Rupani Foundation

Statement of assets liabilities and net assets – cash basis

December 31, 2022

See Independent Auditors Report on restated financial statements

ASSETS	2022	2021
Current Assets		
Cash and cash equivalents	\$ 2,583,852	\$ 1,118,889
Pledge receivable	18,769	17,500
Total Current Assets	<u>2,602,621</u>	<u>1,136,389</u>
Total Assets	<u>\$ 2,602,621</u>	<u>\$ 1,136,389</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Payroll liabilities	4,801	-
Deferred Revenue	1,540,000	-
Current portion of debt	9,024	9,024
Total current liabilities	<u>1,553,825</u>	<u>9,024</u>
Long Term Liabilities		
Federal disaster loans proceeds	134,621	142,312
Total Long Term Liabilities	<u>134,621</u>	<u>142,312</u>
Total Liabilities	<u>1,688,446</u>	<u>151,336</u>
Net Assets		
Unrestricted net assets	985,053	267,695
Net Income	(70,878)	682,358
Total Net Assets	<u>914,175</u>	<u>985,053</u>
Total Liabilities and Net Assets	<u>\$ 2,602,621</u>	<u>\$ 1,136,389</u>

Rupani Foundation

Statement of Operations – cash basis

December 31, 2022

See Independent Auditors Report on restated financial statements

	2022			2021	
	Program Services	Management & General	Fundraising	Total	Total
REVENUE					
Grants	\$ 198,523	\$ -	\$ -	\$ 198,523	\$ 17,501
Direct Public Support	1,067,099	-	-	1,067,098	1,596,845
Total revenue	1,265,623	-	-	1,265,621	1,614,346
FUNCTIONAL EXPENSES					
Grants / Assistance	657,449	-	-	657,449	351,425
Bank Charges	-	2,686	-	2,686	1,361
Insurance	-	4,042	-	4,042	3,857
Payroll	445,792	-	-	445,792	292,843
Professional Fees	-	59,388	-	59,388	217,303
Public relations	-	94,885	-	94,885	-
Rent and occupancy	-	22,164	-	22,164	22,579
Office supplies	-	20,522	-	20,522	32,129
Telephone	-	2,973	-	2,973	1,598
Travel	19,471	-	-	19,471	5,949
Other functional expenses	-	7,128	-	7,128	2,944
Total functional expenses	(1,122,712)	(213,787)	-	(1,336,499)	(931,988)
Other Income	-	-	-	-	-
Operating Income	142,911	(213,787)	-	(70,878)	682,358
Net assets of fund balance	\$ 142,911	\$ (213,787)	\$ -	\$ (70,878)	\$ 682,358

Rupani Foundation

Statement of Cash Flow – cash basis

December 31, 2022

See Independent Auditors Report on restated financial statements

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Net Income	\$ (70,878)	\$ 682,358
Adjustments to reconcile Net Income to net cash provided by operations:		
Payroll liabilities	4,801	-
Deferred Revenue	1,540,000	
Pledge receivable	(1,269)	17,500
Net cash provided / (used) by Operating Activities	<u>1,472,654</u>	<u>699,858</u>
INVESTING ACTIVITIES		
Net cash provided by / (used by) Investing Activities	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES		
Federal Disaster	(7,691)	(1,282)
Net cash provided/(used) by Financing Activities	<u>(7,691)</u>	<u>(1,282)</u>
Net cash increase /(decrease) for period	1,464,963	698,576
Cash at beginning of period	1,118,889	420,313
Cash at end of period	<u>\$ 2,583,852</u>	<u>\$ 1,118,889</u>

Rupani Foundation

Statement of Changes in Net Assets – Cash Basis

December 31, 2022

See Independent Auditors Report on restated financial statements

	Unrestricted Net Assets	Total Net Assets
December 31, 2021	\$ 985,053	\$ 985,053
Net Income	(70,878)	(70,878)
	(70,878)	(70,878)
December 31, 2022	\$ 914,175	\$ 914,175

Note 1. Summary of Significant Accounting Policies

Nature of Operations

Rupani Foundation (the “Organization”) was formed in the State of Texas on July 2, 2007, as a non-profit corporation. The Organization is established to create employment, promote equity participation, and reduce poverty in the mountain communities of South Asia. The organization works with other national and international organization to promote and support one another for the social development of the people in the region. The Board of Directors has appointed a team of management staff to handle the day-to-day operations of the organization.

This summary of significant accounting policies of the Organization is presented to assist in understanding the Organization ’s financial statements. The financial statements and notes are representations of the Organization ’s management who is responsible for the integrity and objectivity of the financial statements.

Basis of accounting

The organizations financial statements have been prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Under the cash basis of accounting, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the Organization has not recognized accounts receivable from patients and donors, accounts payable to vendors, or their related effects on the change in net assets in the organization’s financial statements.

Basis of presentation

The Organization reports its statements of assets, liabilities, and net assets and statements of operations according to three classes of net assets: program services, management & general and fundraising. As of December 31, 2022, the Organization had no temporarily or permanently restricted net assets.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization maintains its cash primarily in financial institutions that it considers to be of high quality. At times, certain balances in these financial institutions are in excess of federally insured limits. Management monitors the credit ratings and concentration of risk with these financial institutions on a continuing basis to safeguard cash deposits.

Note 1. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments with an initial maturity date of three months or less. The Organization maintains its cash primarily in financial institutions that it considers to be of high quality. The amounts on deposit with these banks may exceed the federally insured limit of \$250,000 from time to time guaranteed by the Federal Deposit Insurance Corporation (“FDIC”). The terms of these deposits are on demand to minimize risk. At times, certain balances in these financial institutions are in excess of federally insured limits. The possibility of loss exists if a financial institution holding excess cash deposits was to fail. The Organization has not experienced any losses on such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

Income Taxes

Rupani Foundation is exempt from Federal income tax under Section 501c(3) of the Internal Revenue Code and are not private foundations. Gifts to Rupani Foundation are tax deductible. The Organization follows the guidance under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 740, Income Taxes. Management evaluated the Organization’s tax positions and concluded that the Organization had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of this guidance. With few exceptions, the Organization is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities for the years before 2007.

Note 2. Revenues

Direct public support and grants are recognized at the time of deposit as revenue. The Organization also recognizes interest income at the end of the year on the loan.

During our audit of the 2023 financial statements, we identified a material error in the previously issued statements for the year ending December 31, 2022. The error involved income from a donor that was incorrectly classified as 2022 income in the amount of \$1,540,000. This amount should have been recorded as liability account , deferred revenue and recognized in 2023 as income. As a result, the 2022 income was overstated, and liabilities were understate on the original audit report. The report accurate reflect income and liabilities.

Total revenue in 2022 was \$1,265,621. As of December 31, 2022, the organization received \$1,067,098 from public support. Of the \$2,607,098 of public support none was restricted by donors.

Note 3. Deferred Revenues

As referenced in note 2 and the our audit report, during our audit of the 2023 financial statements, we identified a material error in the previously issued statements for the year ending December 31, 2022. The error involved income from a donor that was incorrectly classified as 2022 income in the amount of \$1,540,000. This amount should have been recorded as liability account , deferred revenue and recognized in 2023 as income. As a result, the 2022 income was overstated, and liabilities were understate on the original audit report. The report accurate reflect income and liabilities.

Rupani Foundation
December 31, 2022
Notes to Restated Financial Statements – cash basis

Note 4. Grants / Assistance

The organization paid \$657,449 in 2022 for grants and assistance to other organizations in the manner below –

Pakistan Alliance for Early childhood	334,352
Rural & Urban Poverty Alleviation Nations	246,775
Rupani Foundation & Other	57,551
Various and other	12,531
Total Grants / Assistance	657,449

The organization has supported programs for early childhood development to promote education to underprivileged children in Pakistan. Initiatives include Agah Walidain (informed parents) for children 0-3 years of age and Project Umeed (Hope) for children 3-6 years old. Both programs are designed to engage families and children together for a positive holistic result.

The organization supports the Rupani Foundation affiliates that were established in both Gilgit, Pakistan and Kabul, Afghanistan. These organizations are separate from the organization, known as Rupani Foundation – USA, and provide initiatives to support skills developments of underprivileged adults in the countries of Pakistan and Afghanistan.

Note 5. Payroll expenses

The organization has development a school readiness program or Early Childhood Education. The program is geared toward families in low socio-economic backgrounds or immigrants and refugees. The program strives to facilitate the children to enhance their language and literacy skills by making learning materials available to the targeted children. The \$445,792 of payroll expenses relates to the staff members of the organization that go to the families in need to provide the help related to the school readiness program.

Note 6. Commitments and contingencies

Operating Lease:

The organization operates under an operating lease, total annual rent expense related to that operating lease was \$22,164 for the year ended December 31, 2022 .

The annual obligations for rent are detailed as follows:

Time Period	Annual Rent
Jan - Dec 2022	\$ 22,164
Jan - Dec 2023	\$ 22,572
Jan - Dec 2024	\$ 22,572
Jan - Dec 2025	\$ 22,572

Rupani Foundation
December 31, 2022
Notes to Restated Financial Statements – cash basis

Note 7. Notes payable

In June 2020 , the Organization took disaster relief loan of \$153,900 with the Small Business Administration. The loan is an unsecured loan This loan bears interest at the rate of 4.00%. Beginning in November 2022, the monthly debt obligation is \$752/month. This loan is financed for 30 years. As of December 31, 2022 , the total outstanding balance on this loan was \$143,645

Current maturity of notes payable as of December 31, 2022 , consist of the following:

	<u>December-22</u>	<u>December-21</u>
Notes payable	143,645	151,336
Less : Current portion	(9,024)	(9,024)
Notes payable , net of current portion	<u>\$ 134,621</u>	<u>\$ 142,312</u>

Note 8. Subsequent events

The Organization has evaluated subsequent events through February 2, 2024, which is the date these financial statements were available for issuance. There were no subsequent events requiring recognition or disclosure in its statements as of and for the years ended December 31, 2022