

# Rupani Foundation

Financial Report (Audited)  
December 31, 2023



**PORTER & COMPANY**  
CERTIFIED PUBLIC ACCOUNTANTS

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## **Independent Auditors' Report**

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

### ***Report on the Financial Statements***

We have audited the organizations financial statements of Rupani Foundation (A Nonprofit Organization), which comprise the statement of assets, liabilities, and net assets as of December 31, 2023, and the related statements of operations, changes in net assets and cash flows for the years 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 the accrual basis of accounting described in Note 1; this includes determining that the accrual 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, 2023 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.



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

## Rupani Foundation

### Statement of Assets, Liabilities, and Net Assets December 31, 2023 See Independent Auditors' Report

<b>ASSETS</b>	<b>2023</b>
Current Assets	
Cash and cash equivalents	\$ 1,170,702
Pledge receivable	81,760
Total Current Assets	<u>1,252,462</u>
Fixed assets net of depreciation	
	<u>23,275</u>
Total Fixed assets	<u>23,275</u>
Total Assets	<u>\$ 1,275,737</u>
<b>LIABILITIES AND NET ASSETS</b>	
Current Liabilities	
Program Expenses	\$ 128,552
Payroll liabilities	3,828
Deferred Revenue	883,446
Current portion of debt	7,692
Total current liabilities	<u>1,023,518</u>
Long Term Liabilities	
Federal disaster loans proceeds	<u>128,261</u>
Total Long Term Liabilities	<u>128,261</u>
Total Liabilities	<u>1,151,779</u>
Net Assets	
Unrestricted net assets	214,175
Net Income	<u>(90,217)</u>
Total Net Assets	<u>123,958</u>
Total Liabilities and Net Assets	<u>\$ 1,275,737</u>

**Rupani Foundation**

**Statement of Operations**

**December 31, 2023**

**See Independent Auditors' Report**

	<b>2023</b>			
REVENUE	Program Services	Management & General	Fundraising	Total
Grants	\$ 1,456,281	\$ -	\$ -	\$ 1,456,281
Public Support	1,061,380	-	-	1,061,380
Total revenue	<u>2,517,662</u>	<u>-</u>	<u>-</u>	<u>2,517,662</u>
FUNCTIONAL EXPENSES				
Grants / Assistance	1,146,980	-	43	1,147,023
Depreciation		1,403	-	1,403
Bank Charges	-	0	-	0
Insurance	-	39,312	-	39,312
Payroll	733,855	-	-	733,855
Professional Fees	-	148,898	-	148,898
Public relations	-	174,960	240,896	415,857
Rent and occupancy	-	44,162	-	44,162
Office supplies	-	33,136	-	33,136
Telephone	-	12,259	-	12,259
Travel	13,600	-	-	13,600
Staff Development	-	10,300	-	10,300
Meals	-	6,729	-	6,729
Other functional expenses	-	1,346	-	1,346
Total functional expenses	<u>(1,894,435)</u>	<u>(472,505)</u>	<u>(240,939)</u>	<u>(2,607,879)</u>
Operating Income	623,227	(472,505)	(240,939)	(90,217)
Net assets of fund balance	<u>\$ 623,227</u>	<u>\$ (472,505)</u>	<u>\$ (240,939)</u>	<u>\$ (90,217)</u>

**Rupani Foundation**

**Statement of Cash Flow**

**December 31, 2023**

**See Independent Auditors' Report**

	<u>2023</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	\$ (90,217)
Adjustments to reconcile Net Income to net cash provided by operations:	
Program Expenses	128,552
Depreciation	1,402
Payroll liabilities	(972)
Deferred revenues	(1,356,554)
Pledge receivable	(62,991)
<b>Net cash provided / (used) by Operating Activities</b>	<u>(1,380,780)</u>
<b>INVESTING ACTIVITIES</b>	
Fixed assets	(24,677)
<b>Net cash provided by / (used by) Investing Activities</b>	<u>(24,677)</u>
<b>FINANCING ACTIVITIES</b>	
Federal Disaster	(7,692)
<b>Net cash provided/(used) by Financing Activities</b>	<u>(7,692)</u>
<b>Net cash increase /(decrease) for period</b>	(1,413,150)
<b>Cash at beginning of period</b>	<u>2,583,852</u>
<b>Cash at end of period</b>	<u>\$ 1,170,702</u>

**Rupani Foundation**

**Statement of Changes in Net Assets**

**December 31, 2023**

**See Independent Auditors' Report**

	Unrestricted Net Assets	Total Net Assets
December 31, 2022	\$ 214,175	\$ 214,175
Net Income	(90,217)	(90,217)
	(90,217)	(90,217)
December 31, 2023	\$ 123,958	\$ 123,958

## Rupani Foundation

### Notes to Financial Statements

December 31, 2023

See Independent Auditors' Report

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#### Note 1. Summary of Significant Accounting Policies

##### Nature of Operations

The Rupani Foundation (the "Organization") was formed in the State of Texas on July 2, 2007, as a non-profit corporation with a mission to empower individuals and communities to achieve their full potential by advancing holistic human development. Using Early Childhood Development (ECD) as a tool for socio-economic change in underprivileged communities, the Organization helps parents and children to reach their full potential, physical, mental, and emotional health, while addressing interrelated social and economic factors through a convergence of interculturally competent, family centered Direct Services, Coalition Building and Advocacy. The Board of Directors has appointed a Chief Executive officer 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 organization's financial statements have been prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues and related assets are recognized when earned, regardless of when received, and expenses are recognized when the obligation is incurred, regardless of when paid. Consequently, the organization has recognized accounts receivable from donors, accounts payable to vendors, and 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, 2023, 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 by the U.S. Federal, state or local tax authorities for the years before 2007.

Property and Equipment

Property and Equipment are carried at cost less accumulated depreciation. Depreciation for financial reporting purposes is calculated using straight line basis of accounting over estimated useful lives of 3 to 39 years. Expenditures for major additions and improvements, which extend the useful lives of assets, are capitalized. Minor replacements, which do not improve or extend the useful life of such assets, are charged to expense as incurred. Disposals are removed at cost less accumulated depreciation, and any resulting gain or loss is reflected in other income.

The Company reviews the carrying value of its property and equipment for possible impairment whenever events or circumstances indicate that the carrying amount of the assets may not be fully recoverable. In management's opinion, there was no impairment of any property and equipment at December 31, 2023. See note 7.

**Note 2. Prior period adjustment**

During the current reporting period, the Organization identified an adjustment to its Statement of Assets, Liabilities, and Net Assets related to the conversion of its financial reporting basis from cash to accrual accounting. This adjustment resulted in a prior period adjustment of \$700,000, which is reflected on the Statement of Changes in Net Assets.

The adjustment was necessary to properly recognize revenues and expenses in the appropriate periods under the accrual basis, aligning with generally accepted accounting principles (GAAP). Specifically, the adjustment accounts for previously unrecorded receivables, payables, and other accruals that were not recognized under the cash basis of accounting.

This adjustment has been applied retroactively, and the beginning net assets for the prior period have been restated accordingly to reflect the \$700,000 adjustment.

**Rupani Foundation**  
**December 31, 2023**  
**Notes to Financial Statements**

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**Note 3. Revenues**

Direct public support and grants are recognized at the time of deposit as revenue.

Total revenue in 2023 was \$2,517,662 as of December 31, 2023, the organization received \$1,061,380 from public support. The \$1,061,380 of public support was restricted by donors.

**Note 4. Grants / Assistance**

The organization paid \$1,147,023 in 2023 for grants and assistance to other organizations in the manner below –

Meadows Mental Health Policy Institute	400,000
Rupani Foundation & Other	150,546
International Baccalaureate Organization	109,881
Various and other	486,596
Total Grants / Assistance	1,147,023

The organization has supported programs for early childhood development to promote education to underprivileged children in Pakistan and Houston. Initiatives include Thriving Together (school readiness program- Houston) for children 0- 3 years of age and their parents, Agah Walidain (informed parents- Pakistan), and Project Umeed (Hope- Pakistan) for children 3- 6 years old. These 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 \$733,855 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.

**Rupani Foundation**  
**December 31, 2023**  
**Notes to Financial Statements**

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**Note 6. Commitments and contingencies**

Operating Lease:

The organization operates under an operating lease at 8303 Southwest Freeway Ste 495 and Suite 440, Houston, TX 77074, total annual rent expense related to both operating leases were \$44,162 for the year ended December 31, 2023.

The annual obligations for rent are detailed as follows:

<b>Time Period</b>	<b>Annual Rent</b>
Jan - Dec 2023	\$ 44,162
Jan - Dec 2024	\$ 48,324
Jan - Dec 2025	\$ 48,324
Jan - Dec 2026	\$ 48,324

**Note 7. Fixed assets, net of depreciation**

Fixed assets as of December 31, 2023, were:

	<u>Dec-23</u>
Computer equipment	14,158
Furniture and fixtures	<u>10,519</u>
Gross fixed assets	24,677
Less : Accumulated Depreciation	<u>(1,403)</u>
Fixed assets net of depreciation	<u><u>23,275</u></u>

Depreciation expenses totaled \$1,403 for the years ended December 31, 2023. See Note 1 for depreciation methods.

**Note 8. Notes payable**

In June 2020, the organization took out a disaster relief loan of \$150,000 with the Small Business Administration. The loan is an unsecured loan. This loan bears interest at the rate of 2.75%. The monthly debt obligation is \$641/month. This loan is financed for 30 years. As of December 31, 2023, the total outstanding balance on this loan was \$135,953

Current maturity of notes payable as of December 31, 2023, consist of the following:

	<u>December-23</u>
Notes payable	135,953
Less : Current portion	<u>(7,692)</u>
Notes payable , net of current portion	<u><u>\$ 128,261</u></u>

**Note 9. Subsequent events**

The Organization has evaluated subsequent events through August 22, 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, 2023.