THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Financial Statements
For Years Ended
December 31, 2022
and
December 31, 2021

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Independent Auditor's Report

To the Board of Directors of
The Vellore Christian Medical College Foundation, Inc.

Opinion

We have audited the accompanying financial statements of The Vellore Christian Medical College Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2022 and the related statements of activities, functional expenses and cash flows for the year 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 the Foundation as of December 31, 2022 and the results of its activities and its cash flows for the year 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Foundation 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.

Prior Year Financial Statements

The Foundation's financial statements for the year ended December 31, 2021 were audited by other auditors whose report dated July 5, 2022 expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities 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 and *Government 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 judgment 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 the Foundation's 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 the Foundation's 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2023, on the Foundation's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its federal program on internal control over compliance. The purpose of that report is solely to describe the scope of our testing of internal control over compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control over compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation's internal control over compliance.

Condon O'Meara McGinty & Donnelly LLP

May 24, 2023

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Statement of Financial Position

Assets

	December 31	
	2022	**2021**
Cash and cash equivalents	$ 310,472	$ 517,077
Investments, at fair value	9,312,541	10,805,076
Contributions receivable	85,590	51,781
Prepaid expenses and other assets	23,930	49,876
Property and equipment, net	2,965	4,014
Total assets	**$9,735,498**	**$11,427,824**

Liabilities and Net Assets

Liabilities		
Accounts payable	$ 83,502	$ 99,592
Accrued expenses	56,379	63,989
Loan payable	149,678	150,000
Total liabilities	289,559	313,581
Net assets		
Without donor restrictions		
Operating	670,836	667,166
Board-designated	3,432,820	4,909,976
Total without donor restrictions	4,103,656	5,577,142
With donor restrictions		
Time and purpose restricted	3,195,155	3,519,973
Endowment in perpetuity	2,147,128	2,017,128
Total with donor restrictions	5,342,283	5,537,101
Total net assets	9,445,939	11,114,243
Total liabilities and net assets	**$9,735,498**	**$11,427,824**

See notes to financial statements.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Statement of Activities

	Year Ended December 31					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue						
Contributions						
Individual	$ 213,914	$ 466,998	$ 680,912	$ 833,692	$ 366,256	$ 1,199,948
Groups	2,975	41,902	44,877	9,990	337,381	347,371
Foundations, corporations and trusts	29,026	2,658,270	2,687,296	1,183	694,465	695,648
Institutional members	13,500	25,409	38,909	12,000	430,830	442,830
Board members	60,550	86,750	147,300	48,300	86,100	134,400
Alumni	51,101	348,285	399,386	68,551	311,169	379,720
Sub-total contributions	371,066	3,627,614	3,998,680	973,716	2,226,201	3,199,917
Contributions of nonfinancial assets	-	-	-	499,482	-	499,482
Government grants	-	635,868	635,868	124,200	-	124,200
Special and other fundraising events (net of costs of direct benefits to donors of $93,790 in 2022)	87,786	-	87,786	-	-	-
Investment earnings appropriated for operations	343,752	-	343,752	418,088	-	418,088
Net assets released from restrictions	4,115,508	(4,115,508)	-	1,975,137	(1,975,137)	-
Total support and revenue	4,918,112	147,974	5,066,086	3,990,623	251,064	4,241,687
Expenses						
Program services						
India	4,170,414	-	4,170,414	2,757,059	-	2,757,059
U.S.A.	300,597	-	300,597	295,462	-	295,462
Total program services	4,471,011	-	4,471,011	3,052,521	-	3,052,521
Supporting activities						
Management and general	247,570	-	247,570	207,233	-	207,233
Fund-raising	220,889	-	220,889	172,286	-	172,286
Total supporting activities	468,459	-	468,459	379,519	-	379,519
Total operating expenses	4,939,470	-	4,939,470	3,432,040	-	3,432,040
Increase (decrease) in net assets from operations	(21,358)	147,974	126,616	558,583	251,064	809,647
Non-operating activities						
Investment return, net	(1,116,576)	(334,592)	(1,451,168)	904,031	207,497	1,111,528
Appropriations for operations	(335,552)	(8,200)	(343,752)	(403,088)	(15,000)	(418,088)
Increase (decrease) in net assets	**(1,473,486)**	**(194,818)**	**(1,668,304)**	**1,059,526**	**443,561**	**1,503,087**
Net assets, beginning of year	**5,577,142**	**5,537,101**	**11,114,243**	**4,517,616**	**5,093,540**	**9,611,156**
Net assets, end of year	**$ 4,103,656**	**$ 5,342,283**	**$ 9,445,939**	**$ 5,577,142**	**$ 5,537,101**	**$ 11,114,243**

See notes to financial statements.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Statement of Functional Expenses
Year Ended December 31, 2022
(With summarized comparative information for year ended December 31, 2021)

	2022							2021
	Program Services			Supporting Activities				
	India	U.S.A.	Total Program Services	Management and General	Fund-raising and Direct Benefit Costs	Total Supporting Services	Total	Total
Payroll and related								
Salaries	$ -	$ 208,870	$ 208,870	$ 107,101	$ 128,139	$ 235,240	$ 444,110	$ 416,240
Payroll taxes and employee benefits	-	34,336	34,336	17,607	21,066	38,673	73,009	69,624
Total payroll and related	-	243,206	243,206	124,708	149,205	273,913	517,119	485,864
Other								
Grants	4,143,119	-	4,143,119	-	-	-	4,143,119	2,739,619
Travel, meal and accommodations	8,276	2,468	10,744	17,079	1,834	18,913	29,657	744
Occupancy	-	11,552	11,552	5,984	7,087	13,071	24,623	25,629
Telephone and communications	-	5,733	5,733	3,085	1,147	4,232	9,965	9,549
Payroll processing fees	-	973	973	498	597	1,095	2,068	1,749
Transaction processing services	-	12,803	12,803	-	-	-	12,803	15,766
Professional fees	19,019	-	19,019	53,654	14,000	67,654	86,673	78,756
Office	-	901	901	9,249	3,449	12,698	13,599	11,388
Insurance	-	-	-	13,501	-	13,501	13,501	12,653
Printing and fund-raising fees	-	21,828	21,828	-	137,360	137,360	159,188	30,291
Depreciation	-	-	-	1,049	-	1,049	1,049	843
Other	-	1,133	1,133	18,763	-	18,763	19,896	19,189
Total expenses	4,170,414	300,597	4,471,011	247,570	314,679	562,249	5,033,260	3,432,040
Less: costs of direct benefit to donors	-	-	-	-	93,790	93,790	93,790	-
Total expenses per statement of activities	$ 4,170,414	$ 300,597	$ 4,471,011	$ 247,570	$ 220,889	$ 468,459	$ 4,939,470	$ 3,432,040

See notes to financial statements.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services			Supporting Activities			
	India	U.S.A.	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total
Payroll and related							
Salaries	$ -	$ 199,400	$ 199,400	$ 98,158	$ 118,682	$ 216,840	$ 416,240
Payroll taxes and employee benefits	-	33,353	33,353	16,419	19,852	36,271	69,624
Total payroll and related	-	232,753	232,753	114,577	138,534	253,111	485,864
Other							
Grants	2,739,619	-	2,739,619	-	-	-	2,739,619
Travel, meal and accommodations	-	-	-	744	-	744	744
Occupancy	-	11,766	11,766	6,860	7,003	13,863	25,629
Telephone and communications	-	5,805	5,805	2,597	1,147	3,744	9,549
Payroll processing fees	-	838	838	412	499	911	1,749
Transaction processing services	-	15,766	15,766	-	-	-	15,766
Professional fees	17,440	-	17,440	43,616	17,700	61,316	78,756
Office	-	1,092	1,092	6,797	3,499	10,296	11,388
Insurance	-	-	-	12,653	-	12,653	12,653
Printing and fund-raising fees	-	26,387	26,387	-	3,904	3,904	30,291
Depreciation	-	-	-	843	-	843	843
Other	-	1,055	1,055	18,134	-	18,134	19,189
Total expenses	$ 2,757,059	$ 295,462	$ 3,052,521	$ 207,233	$ 172,286	$ 379,519	$ 3,432,040

See notes to financial statements.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Statement of Cash Flows

	Year Ended December 31 2022	Year Ended December 31 2021
Cash flows from operating activities		
Increase (decrease) in net assets	$(1,668,304)	$1,503,087
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Donated stock	(128,660)	-
Proceeds from sale of donated stock	128,660	-
Forgiveness of Paycheck Protection Program loan	-	(124,200)
Contribution to perpetual endowment	(130,000)	-
Realized and unrealized (gain) loss on investments	1,558,072	(1,020,026)
Depreciation	1,049	843
(Increase) decrease in contributions receivable	(33,809)	132,459
(Increase) decrease in prepaid expenses and other assets	25,946	(31,052)
Increase (decrease) in accounts payable	(16,090)	12,641
Increase (decrease) in accrued expenses	(7,610)	10,335
Net cash provided by (used in) operating activities	(270,746)	484,087
Cash flows from investing activities		
Proceeds from sale and maturities of investments	2,081,793	1,978,653
Purchases of investments	(2,147,330)	(2,535,117)
Purchases of property and equipment	-	(2,273)
Net cash (used in) investing activities	(65,537)	(558,737)
Cash flows from financing activities		
Proceeds from Paycheck Protection Program loan	-	65,700
Contribution to perpetual endowment	130,000	-
Repayment of loan payable	(322)	-
Net cash provided by (used in) financing activities	129,678	65,700
Net (decrease) in cash and cash equivalents	**(206,605)**	**(8,950)**
Cash and cash equivalents, beginning of year	**517,077**	**526,027**
Cash and cash equivalents, end of year	**$ 310,472**	**$ 517,077**
Supplemental disclosure of cash flows information:		
Cash paid for interest	$ 7,371	$ -

See notes to financial statements.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements
December 31, 2022 and December 31, 2021

Note 1 – Nature of organization and summary of significant accounting policies

Nature of organization

The Vellore Christian Medical College Foundation, Inc. (the "Foundation") is a non-profit organization (formed in New York) exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation's mission is to provide a focus for excellence and integrity at Christian Medical College, Vellore ("CMC") through participation in and continuing support of CMC's drive to provide universal access to quality medicine and compassionate healthcare.

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Net assets

The Foundation maintains its net assets under the following two classes:

Without donor restrictions - Net assets without donor restrictions represent the portion of net assets of the Foundation that are not restricted by donor-imposed stipulations. Contributions are considered without donor restricted use unless specifically restricted by the donor. Net assets without donor restrictions include amounts designated for use by the Board as a quasi-endowment.

With donor restrictions - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. In addition, earnings on endowment assets are classified as net assets with donor restrictions until appropriated for operations by the Board. When such stipulations end or are fulfilled, net assets with donor restrictions are reported in the statement of activities as net assets released from restrictions.

Cash equivalents

Cash equivalents include all highly liquid instruments with maturities of three months or less when acquired, except cash equivalents held as part of the Foundation's investment portfolio.

Investments

Investments are stated at their fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur. Investment purchases and sales are recorded on a trade date basis. Dividend income is recognized on the date dividends are declared. Discounts/premiums received to par on fixed income securities are capitalized and accreted or amortized into income over the life of the securities. Any remaining discount/premium is accreted or amortized into income upon early maturity or sale of the instrument.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices in active exchange markets for identical assets.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets that are subject to this accounting standard. For the year ended December 31, 2022, the application of valuation techniques applied to similar assets has been consistent with that of 2021. The fair value of investment securities is based on quoted market prices, when available, or market prices provided by recognized broker-dealers or fund managers.

Contributions receivable

Contributions are recorded as revenue when received as unconditionally promised. It is the Foundation's practice to discount pledges receivable due in more than one year to present value unless the amount is immaterial. Historically, the Foundation has not experienced significant bad debt losses. The Foundation bases its allowance for doubtful accounts on its historical loss experience, the age of the receivables, and an evaluation of the creditworthiness of the donor. Contributions receivable are written off against the allowance for doubtful pledges when all reasonable collection efforts have been exhausted. The Foundation has determined that no allowance was necessary as of December 31, 2022 and December 31, 2021.

Property and equipment

Property and equipment is stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Property and equipment is depreciated on a straight-line basis over the estimated useful life of the assets over 5 years. The Foundation capitalizes property and equipment having a cost of $1,000 or more and a useful life of at least one year.

Contributions

Contributions are recognized when a donor makes a promise to give to the Foundation, that is, in substance, unconditional. Contributions received are recorded as net assets with or without donor restrictions depending on the existence and/or nature of any donor restrictions.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Contributions (continued)

Bequests are recorded as revenue when a legally binding obligation is received and when a fair value can reasonably be determined.

Revenue recognition

The Foundation recognizes government grant revenue, up to the maximum amount of each grant award, as the various performance obligations specified in each grant agreement are satisfied. Revenue from special events is recognized when the event occurs.

Contributed non-financial assets

Contributed goods are recognized at their fair values on the dates of donation. Contributions of services are recorded as both revenue and expense in the year in which they are received, provided that the services: (i) create or enhance nonfinancial assets; or (ii) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not donated. (see note 9).

Members of the Board and other volunteers have donated significant amounts of their time and support through fund-raising and organizing and participating in events in furtherance of the Foundation's mission. The value of this donated volunteer time is not reported in the accompanying financial statements as it does not meet the criteria for recognition.

Functional allocation of expenses

The Foundation allocates expenses on a functional basis among its various programs and supporting services. Expenses that can be identified as belonging to a specific program and/or supporting service are allocated directly according to their natural expenditure classification. Certain costs have been allocated among the program and supporting services benefited. The expenses that are allocated include salaries and payroll taxes and employee benefits, which are allocated on the basis of estimates of time and effort.

Grant expense

Grants made, including unconditional promises to give, are recognized as an expense in the period made.

Operating measure

The Foundation includes in its definition of operations all revenues and expenses that are an integral part of its programs and supporting activities. Investment returns are recognized as nonoperating activities.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 1 – Nature of organization and summary of significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of credit risk

The Foundation's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents and investments. At December 31, 2022, the Foundation's cash and cash equivalents are maintained in various accounts at what the Foundation believes to be a quality financial institution. The Foundation's cash balances were in excess of the FDIC insurance limit, however, the Foundation has not experienced any losses in such accounts to date. Investments are exposed to various risks such as market volatility, liquidity, interest rate and credit. Due to the level of uncertainty related to these risks, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the statement of financial position at December 31, 2022. The Foundation does not believe that there are significant concentrations of credit risk with respect to its cash, cash equivalents and investments.

Reclassifications

Certain items in the 2021 financial statements have been reclassified for comparative purposes.

Subsequent events

The Foundation has evaluated events and transactions for potential recognition or disclosure through May 24, 2023, which is the date the financial statements were available to be issued.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 2 – Liquidity and availability of resources for operating expenses

The Foundation receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the purpose of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities, as well as services undertaken to support those activities, to be general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operate within a prudent range of financial soundness and stability, maintain adequate liquid assets to fund near-term operating needs, and maintain sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation's liquidity policy requires it to maintain its working capital, or its current assets less its current liabilities, at a minimum of 90 days of operating expenses. The Foundation has a policy to target a year-end balance of reserves of undesignated net assets without donor restrictions sufficient to meet 15 to 30 days of expected expenditures. To achieve these targets, the Foundation forecasts its future cash flows and monitors its liquidity quarterly and monitors its reserves annually. During the years ended December 31, 2022 and December 31, 2021, the level of liquidity and reserves was managed in accordance with the policy requirements.

The financial assets are as follows as of December 31, 2022 and December 31, 2021:

	2022	2021
Financial assets		
Cash and cash equivalents	$ 310,472	$ 517,077
Investments, at fair value	9,312,541	10,805,076
Contributions receivable	85,590	51,781
Total financial assets	9,708,603	11,373,934
Less amounts that are not available for:		
Cash held for disbursement to Bayer endowment	(70,000)	(70,000)
Endowment (see note 8)	(2,147,128)	(2,017,128)
Board-designated funds	(3,432,820)	(4,909,976)
Financial assets available to meet cash needs for general expenditures within one year	$ 4,058,655	$ 4,376,830

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 3 – Investments, at fair value

Investments consist of financial assets carried at fair value as of December 31, 2022 and December 31, 2021 as follows:

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 641,412	$ -	$ -	$ 641,412
Equities	5,338,803	-	-	5,338,803
Fixed income	2,583,427	748,899	-	3,332,326
Total	$ 8,563,642	$ 748,899	$ -	$ 9,312,541

	2021			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 1,357,614	$ -	$ -	$ 1,357,614
Equities	6,981,452	-	-	6,981,452
Fixed income	1,485,519	980,491	-	2,466,010
Total	$ 9,824,585	$ 980,491	$ -	$10,805,076

Investments are subject to market volatility, which could substantially change the carrying value in the near-term.

The components of investment return were as follows for the years ended December 31, 2022 and December 31, 2021:

	2022	2021
Interest and dividends	$ 158,695	$ 140,614
Unrealized gain (loss)	(1,582,812)	552,771
Realized gain	24,740	467,255
Investment management fees	(51,791)	(49,112)
Investment return, net	$(1,451,168)	$ 1,111,528

Note 4 – Contributions receivable

Contributions receivable are scheduled to be received within one year of the date of the statement of financial position as of December 31, 2022 and December 31, 2021.

Note 5 – Property and equipment

The summary of the property and equipment as of December 31, 2022 and December 31, 2021 is as follows:

	2022	2021
Furniture, fixtures and equipment, at cost	$ 9,784	$ 9,784
Less: accumulated depreciation	6,819	5,770
Property and equipment, net	$ 2,965	$ 4,014

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 6 – Loans payable

Economic Injury Disaster Loan

On June 10, 2020, the Foundation received an Economic Injury Disaster Loan ("EIDL") of $150,000, through the Small Business Administration ("SBA"). The loan bears interest at a fixed rate of 2.75% per annum and is collateralized by a continuing security interest in all tangible and intangible personal property of the Foundation. The Foundation may prepay this note in part or in full at any time, without notice or penalty. The Foundation must pay a monthly amount of $641 through maturity on June 10, 2050, with payments first applied to accrued interest. Payments were deferred for the first 2 years, during which interest was accrued, and payments of principal and interest are made over the remaining 28 years.

The following is a summary of the required annual principal payments on the loan payable as of December 31, 2022:

Year	Amount
2023	$ 3,621
2024	3,711
2025	3,826
2026	3,932
2027	4,042
2028 and thereafter	130,546
Total	$ 149,678

Paycheck protection program loans

On April 7, 2020, the Foundation received a $58,500 term note under the Paycheck Protection Program (the "PPP Loan"), which is a small business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Foundation was eligible for forgiveness of up to 100% of the PPP Loan, upon meeting certain requirements as outlined in the PPP Loan documents.

On February 18, 2021, the Foundation received a second draw PPP Loan in the amount of $65,700 at terms substantially similar to the first draw PPP Loan.

The Foundation applied for forgiveness and the full amount of both PPP loans was forgiven during 2021. The Foundation recorded the forgiveness in the 2021 statement of activities.

Note 7 – Commitments and contingencies

The Foundation has a lease agreement for the rental of its New York office space which expires in 2023. The future minimum lease commitment due in 2023 is estimated to be $25,000.

The Foundation had $70,000 held for CMC under an agency agreement as of December 31, 2022 and December 31, 2021 (Bayer endowment, see note 2). Such amounts are recorded as cash and cash equivalents and accounts payable in the statement of financial position.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 8 – Net assets with donor restrictions

Net assets with donor restrictions consist of the following as of December 31, 2022 and December 31, 2021:

	2022	2021
Health programs	$ 809,398	$ 916,587
Education programs	213,115	247,056
Assisted living residence	170,014	220,014
Capital/other programs	305,721	89,836
Time restricted	-	6,781
Unappropriated endowment earnings	1,696,907	2,039,699
Endowment net assets – perpetually restricted	2,147,128	2,017,128
Total	$ 5,342,283	$ 5,537,101

Net assets released from restrictions amounted to $4,115,508 and $1,975,137 during the years ended December 31, 2022 and December 31, 2021, respectively. In addition, $8,200 and $15,000 of accumulated endowment earnings were appropriated for operations during the years ended December 31, 2022 and December 31, 2021, respectively, and classified as net assets without donor restrictions.

Endowment net assets

The Foundation recognizes that New York State adopted as law the New York Prudent Management of Institutional Funds Act ("NYPMIFA"). In addition, the Foundation recognizes that NYPMIFA permits the Board of Directors to appropriate for expenditure all earnings of endowment funds (both realized and unrealized) with a presumption of prudence to a ceiling of 7% annually based on a quarterly rolling five-year average of the endowment's fair market value. The investments of the Foundation include those assets of donor restricted funds that it must hold in perpetuity or for a donor specified period as well as board designated funds. In accordance with NYPMIFA, any unappropriated earnings on endowment funds that would otherwise be considered as net assets without donor restrictions by the donor should be reflected as net assets with donor restrictions until appropriated by the Board of Directors.

The Foundation's Board has interpreted NYPMIFA as allowing the Foundation to appropriate for expenditure or accumulate so much of an endowment fund as the Foundation determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

The Foundation's Board has approved a spending policy that appropriates for spending 5.5% of the 5-year average of endowment assets without donor restrictions, accumulated earnings from endowment assets with perpetual donor restrictions and designated gifts from donors awaiting disbursement.

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 8 – Net assets with donor restrictions (continued)

Endowment net assets (continued)

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. It is the Foundation's policy that deficiencies of this nature are reported in net assets without donor restrictions. The Foundation has not incurred such deficiencies in its endowment funds as of December 31, 2022 and December 31, 2021.

The Foundation has adopted investment and spending policies that attempt to achieve total investment return, or aggregate return from appreciation or depreciation of capital, earnings from dividends, and interest income. The Foundation evaluates investment managers' performance against weighted market indices and volatility metrics.

Changes in endowment net assets for the year ended December 31, 2022, are as follows:

	Board-Designated	Unappropriated Earnings	Endowment Funds	Total
Endowment assets, beginning of year	$ 4,909,976	$ 2,039,699	$2,017,128	$ 8,966,803
Investment activity	(1,116,604)	(334,592)	-	(1,451,196)
Contributions	-	-	130,000	130,000
Release	(25,000)	-	-	(25,000)
Appropriated for spending	(335,552)	(8,200)	-	(343,752)
Endowment assets, end of year	$ 3,432,820	$ 1,696,907	$2,147,128	$ 7,276,855

As of December 31, 2022, principal on endowment funds is available as follows:

Principal balance with income with donor restrictions as to use	$1,949,449
Principal balance with income without donor restrictions as to use	197,679
Total	$2,147,128

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	Board-Designated	Unappropriated Earnings	Endowment Funds	Total
Endowment assets, beginning of year	$ 4,194,070	$ 1,847,202	$2,017,128	$ 8,058,400
Investment activity	903,994	207,497	-	1,111,491
Contributions	465,000	-	-	465,000
Release	(250,000)	-	-	(250,000)
Appropriated for spending	(403,088)	(15,000)	-	(418,088)
Endowment assets, end of year	$ 4,909,976	$ 2,039,699	$2,017,128	$ 8,966,803

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Financial Statements (continued)
December 31, 2022 and December 31, 2021

Note 8 – Net assets with donor restrictions (continued)

As of December 31, 2021, principal on endowment funds is available as follows:

Principal balance with income with donor restrictions as to use	$1,819,449
Principal balance with income without donor restrictions as to use	197,679
Total	$2,017,128

Note 9 – Contributed non-financial assets

During the year ended December 31, 2021, the Foundation received the following donated goods:

	2021
PPE supplies	$ 499,482

The Foundation recognizes contributed nonfinancial assets within revenue, including contributed goods. Contributed nonfinancial assets do not have donor-imposed restrictions. Contributed goods are used for supplying CMC with medical supplies. The goods were valued based on estimates of retail values that would be received for selling similar products.

Note 10 – Retirement plan

The Foundation participates in a defined contribution retirement plan with the United Church of Christ for all of its qualified employees. Contributions to the plan are based upon a percentage of earnings of eligible employees. Employer contributions during the years ended December 31, 2022 and December 31, 2021 amounted to $13,883 and $12,839, respectively.

Note 11 – Tax status

The Foundation, a not-for-profit organization, is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"). In addition, the Foundation is a Section 509(a)(1) organization as defined in the Code and is, therefore, not a private foundation. The Foundation thereby qualifies for the maximum charitable contribution deduction for donors.

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Independent Auditor's Report on the Audit of the Schedule of Expenditures of Federal Awards

To the Board of Directors of
The Vellore Christian Medical College Foundation, Inc.

Opinion

We have audited the schedule of expenditures of federal awards for the United States Agency for International Development (USAID) 2018 American Schools and Hospitals Abroad (ASHA) Grant (the "2018 ASHA Grant") of The Vellore Christian Medical College Foundation, Inc. (the "Foundation") for the year ended December 31, 2022, and the related notes (the "schedule").

In our opinion, the accompanying schedule of expenditures of federal awards presents fairly, in all material respects, the expenditures of federal awards for the 2018 ASHA Grant of the Foundation for the year ended December 31, 2022, 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the schedule 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 the schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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, *Government Auditing Standards*, and the Uniform Guidance will always detect 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 judgment made by a reasonable user based on the schedule.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the schedule, 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 schedule.

- 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 the Foundation's 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 schedule.

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.

Condon O'Meara McGinty & Donnelly LLP

May 24, 2023

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing	Pass-through to Subrecipients	Federal Expenditures
U.S. Agency for International Development (USAID)			
American Schools and Hospitals Abroad (ASHA) Bureau for Development, Democracy and Innovation	98.006	$ 131,330	$ 131,330

THE VELLORE CHRISTIAN MEDICAL COLLEGE FOUNDATION, INC.

Notes to Schedule of Expenditures of Federal Awards
December 31, 2022

Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of The Vellore Christian Medical College Foundation, Inc. (the "Foundation") under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Foundation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Foundation.

Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect cost rate

The Foundation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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Independent Auditor's Report on Compliance for a Federal Program and Report on Internal Control Over Compliance

To the Board of Directors of
The Vellore Christian Medical College Foundation, Inc.

Report on Compliance for the United States Agency for International Development (USAID) 2018 American Schools and Hospitals Abroad (ASHA) Grant

Opinion on Compliance for United States Agency for International Development (USAID) 2018 American Schools and Hospitals Abroad (ASHA) Grant

We have audited The Vellore Christian Medical College Foundation, Inc.'s (the "Foundation") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on its United States Agency for International Development (USAID) 2018 American Schools and Hospitals Abroad (ASHA) Grant (the "2018 ASHA Grant") for the year ended December 31, 2022.

In our opinion, the Foundation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on 2018 ASHA Grant for the year ended December 31, 2022.

Basis for Opinion on 2018 ASHA Grant

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the 2018 ASHA Grant. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the 2018 ASHA Grant.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Foundation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Foundation's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, 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 Foundation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Foundation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Condon O'Meara McGinty & Donnelly LLP

May 24, 2023

THE VELLORE CHRISTIAN MEDICAL COLLEGE, INC.

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2022

<u>Section I – Summary of Auditor's Results</u>

<u>Financial Statements</u>

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	______ yes	√ no
Significant deficiency(ies) identified not considered to be material weaknesses?	______ yes	√ none reported
Noncompliance material to financial statements noted?	______ yes	√ no

<u>Federal Awards</u>

Internal control over major programs:		
Material weakness(es) identified?	______ yes	√ no
Significant deficiency(cies) identified not considered to be material weaknesses?	______ yes	√ none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	______ yes	√ no

Identification of major program:

Assistance Listing Number	Name of Federal Program or Cluster
98.006	American Schools and Hospitals Abroad (ASHA) Bureau for Development, Democracy and Innovation

Auditee qualified as low-risk auditee?	______ yes	√ no*

* - Program specific audits were not required the previous two years and therefore, the Foundation does not qualify as a low-risk auditee.

THE VELLORE CHRISTIAN MEDICAL COLLEGE, INC.

Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2022

Section II –Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2022.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs for the year ended December 31, 2022.