Consolidated Financial Statements and Report of Independent Certified Public Accountants

Ashoka and Affiliates

August 31, 2024

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Ashoka and Affiliates

Opinion
We have audited the consolidated financial statements of Ashoka and Affiliates ("Ashoka"), which comprise the consolidated statement of financial position as of August 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Ashoka as of August 31, 2024, and the changes in its net assets 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 Ashoka and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter
The consolidated financial statements of Ashoka as and for the year ended August 31, 2023 were audited by other auditors, who expressed an unmodified opinion on those consolidated financial statements in their report dated December 20, 2024.

Responsibilities of management for the financial statements
Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ashoka's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

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Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 US GAAS 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 Ashoka'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ashoka'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.

Grant Thornton LLP

Arlington, Virginia
November 7, 2025

Ashoka and Affiliates

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31, 2024
(With Comparative Totals for 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 15,516,832	$ 20,365,419
Promises to give, net	19,848,678	18,094,607
Endowment and other investments	53,103,271	50,372,875
Right-of-use assets operating lease, net	6,401,499	6,906,422
Prepaid expenses and other assets	1,397,992	1,589,682
Property and equipment, net	784,404	953,190
Total assets	$ 97,052,676	$ 98,282,195
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses and other liabilities	$ 3,016,880	$ 3,602,496
Due to affiliate	1,849,952	-
Line of credit	2,095,752	-
Lease liability for operating lease, net	7,799,177	7,509,353
Stipends payable	6,942,932	7,522,741
Total liabilities	21,704,693	18,634,590
Commitments and contingencies (Notes 6 and 13)		
Net assets (deficit)		
Without donor restrictions	(877,743)	16,064,669
With donor restrictions	76,225,726	63,582,936
Total net assets	75,347,983	79,647,605
Total liabilities and net assets	$ 97,052,676	$ 98,282,195

The accompanying notes are an integral part of these consolidated financial statements.

Ashoka and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

August 31, 2024
(With Summarized Comparative Totals for 2023)

	2024			
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**2023 Total**
Support and revenue				
Contributions	$ 6,281,242	$ 32,734,833	$ 39,016,075	$ 28,471,531
Contributions of nonfinancial assets	1,780,532	-	1,780,532	1,154,275
Investment income, net	1,017,921	4,854,361	5,872,282	1,844,426
Miscellaneous income	1,460,884	-	1,460,884	1,271,956
Interest income from banks	237,619	-	237,619	400,539
Net assets released from restriction	23,867,959	(23,867,959)	-	-
Total support and revenue	34,646,157	13,721,235	48,367,392	33,142,727
Expenses				
Program services				
Core stakeholders	7,431,759	-	7,431,759	5,897,904
One community	12,744,636	-	12,744,636	9,882,168
One search	7,244,802	-	7,244,802	9,375,298
Each/new purposes	13,759,247	-	13,759,247	10,707,876
Total program services	41,180,444	-	41,180,444	35,863,246
Supporting services				
Management and general	7,868,275	-	7,868,275	14,062,048
Fundraising	2,277,420	-	2,277,420	1,785,672
Total supporting services	10,145,695	-	10,145,695	15,847,720
Total expenses	51,326,139	-	51,326,139	51,710,966
Change in net assets before gain on translation	(16,679,982)	13,721,235	(2,958,747)	(18,568,239)
Gain on translation of affiliate net assets	108,352	252,822	361,174	1,896,512
Change in net assets before deconsolidation	(16,571,630)	13,974,057	(2,597,573)	(16,671,727)
Deconsolidation of Youth Venture, Inc.	(370,782)	(1,331,267)	(1,702,049)	-
Change in net assets after deconsolidation	(16,942,412)	12,642,790	(4,299,622)	(16,671,727)
Net assets				
Beginning	16,064,669	63,582,936	79,647,605	96,319,332
Ending	$ (877,743)	$ 76,225,726	$ 75,347,983	$ 79,647,605

The accompanying notes are an integral part of these consolidated financial statements.

Ashoka and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

August 31, 2024
(With Summarized Comparative Totals for 2023)

	2024									
	Program Services					Supporting Services				
	Core Stakeholders	One Community	One Search	Each/ New Purposes	Total	Management and General	Fundraising	Total	Total Expenses	2023 Total Expenses
Salaries	$ 4,388,027	$ 6,254,545	$ 2,938,846	$ 5,769,571	$ 19,350,989	$ 2,523,860	$ 1,478,993	$ 4,002,853	$ 23,353,842	$ 21,013,345
Payroll taxes	171,745	280,137	121,198	170,126	743,206	194,730	87,386	282,116	1,025,322	2,762,124
Employee benefits	152,949	275,379	107,173	195,937	731,438	130,956	58,916	189,872	921,310	1,654,040
Consulting	869,333	1,746,709	384,222	1,774,543	4,774,807	1,150,860	40,044	1,190,904	5,965,711	5,036,397
Outside services	336,535	1,103,079	211,918	564,554	2,216,086	1,089,666	43,776	1,133,442	3,349,528	4,043,097
Total personnel and related expenses	5,918,589	9,659,849	3,763,357	8,474,731	27,816,526	5,090,072	1,709,115	6,799,187	34,615,713	34,509,003
Fellowship	-	11	2,838,980	-	2,838,991	-	-	-	2,838,991	6,237,853
Office supplies and expenses	1,622	3,249	3,102	2,884	10,857	44,350	7,034	51,384	62,241	199,641
Occupancy	32,453	27,182	13,440	64,665	137,740	1,528,588	15,542	1,544,130	1,681,870	1,476,651
Telephone, telex and facsimile	12,481	11,027	9,457	23,844	56,809	38,623	992	39,615	96,424	79,897
Postage and messenger	901	1,309	928	1,417	4,555	10,783	402,066	412,849	417,404	363,993
Printing and publications	1,518	3,215	1,088	6,060	11,881	12,655	848	13,503	25,384	125,132
Equipment rental and repair	13,027	16,121	6,760	18,886	54,794	5,098	-	5,098	59,892	58,031
Equipment expensed	52,662	83,444	35,585	89,061	260,752	13,705	10	13,715	274,467	437,947
Accounting and audit	106,664	151,669	64,877	169,119	492,329	328,029	2,727	330,756	823,085	855,149
Bad debt expense	206,873	470,571	33,992	1,062,350	1,773,786	-	-	-	1,773,786	259,004
Bank and brokerage fees	17,654	13,902	6,937	18,415	56,908	48,025	94	48,119	105,027	110,294
Travel	169,640	407,173	258,700	485,117	1,320,630	250,945	84,453	335,398	1,656,028	2,320,713
Conferences	44,903	277,533	59,423	300,086	681,945	77,825	43,221	121,046	802,991	1,083,236
Miscellaneous expenses	50,943	79,774	32,076	80,179	242,972	70,841	1,367	72,208	315,180	99,914
Awards	682,291	1,331,420	42,395	2,740,869	4,796,975	-	-	-	4,796,975	2,487,805
Dues, books, license fees and subscriptions	33,420	52,549	17,894	48,834	152,697	112,437	8,364	120,801	273,498	54,251
Training	10,089	8,323	1,540	15,205	35,157	23,862	69	23,931	59,088	59,178
Insurance	33,036	38,228	21,401	46,486	139,151	84,416	703	85,119	224,270	197,516
Taxes and penalties	3,757	46,895	6,792	47,506	104,950	51,941	221	52,162	157,112	372,287
Total expenses before depreciation of equipment	1,473,934	3,023,595	3,455,367	5,220,983	13,173,879	2,702,123	567,711	3,269,834	16,443,713	51,387,495
Depreciation of equipment	39,236	61,192	26,078	63,533	190,039	76,080	594	76,674	266,713	323,471
Total expenses	$ 7,431,759	$ 12,744,636	$ 7,244,802	$ 13,759,247	$ 41,180,444	$ 7,868,275	$ 2,277,420	$ 10,145,695	$ 51,326,139	$ 51,710,966

The accompanying notes are an integral part of these consolidated financial statements.

Ashoka and Affiliates

CONSOLIDATED STATEMENT OF CASH FLOWS

August 31, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	$ (4,299,622)	$ (16,671,727)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	266,713	323,471
Amortization of right-of-use assets	504,923	537,646
Realized/unrealized gain on investments, net	(4,798,214)	(1,220,839)
Bad debt expense	1,773,786	259,004
(Decrease) increase in discount for pledge receivables	(370,680)	180,870
Contributions restricted for long-term investment	(182,156)	(164,256)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Promises to give	(3,157,177)	11,911,990
Prepaid expenses and other assets	(2,325,726)	(191,915)
Increase (decrease) in:		
Accounts payable and accrued expenses and other liabilities	1,931,800	1,493,028
Due to affiliate	1,849,952	-
Lease liability for operating lease	289,824	65,285
Stipends payable	(579,809)	2,741,544
Net cash used in operating activities	(9,096,386)	(735,899)
Cash flows from investing activities		
Purchases of property and equipment	(97,927)	(247,696)
Purchases of investments	(2,458,801)	(2,244,965)
Sales of investments	4,526,619	2,778,620
Net cash provided by investing activities	1,969,891	285,959
Cash flows from financing activities		
Proceeds from the line of credit	6,585,752	-
Repayments to the line of credit	(4,490,000)	-
Collection of endowment fund support	182,156	164,256
Net cash provided by financing activities	2,277,908	164,256
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,848,587)	(285,684)
Cash and cash equivalents:		
Beginning	20,365,419	20,651,103
Ending	$ 15,516,832	$ 20,365,419
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 240,658	$ -
Cash paid for taxes	$ 148,160	$ -
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	$ -	$ 7,444,068
Cash paid for amounts included in measurement of operating lease liabilities	$ 165,819	$ 362,958

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF ACTIVITIES

Nature of activities

Ashoka and Affiliates (Ashoka) is a nonprofit organization headquartered in Arlington, Virginia, with offices throughout the world. Ashoka is a nonprofit, publicly supported corporation incorporated on June 3, 1980, under the laws of the District of Columbia. Ashoka envisions a global community that responds quickly and effectively to social challenges, where everyone has the freedom, confidence and societal support to address any societal problem and make change. This global community spreads innovation and the desire to change, such that everyone finds within themselves the potential to be changemakers.

Social entrepreneurs are the engines of change and role models for the citizen sector. Ashoka identifies and invests in Leading Social Entrepreneurs (Fellows) entrepreneurs working to achieve positive social impact supporting the individual, idea and institution through all phases of their career. Through Group Entrepreneurship programs, Ashoka engages communities of entrepreneurs and develops patterns of effective collaborations that accelerate and spread social impact. Ashoka encourages the creation of sustainable social solutions by developing New Architecture for the sector to support and accelerate progress within the community. Systems include access to social financing, bridges to business and academic sectors and frameworks for strategic partnerships that deliver social and financial value.

Ashoka works to define and strengthen the field of social entrepreneurship through Idea Spread and Education programs, including spreading the innovations of both individual social entrepreneurs and those developed cooperatively among social entrepreneurs working on common or related problems. This includes publications, professional training of social entrepreneurs in communications and Ashoka's web presence. Ashoka makes disbursements of funds in support of these objectives directly to individuals and groups as well as through affiliated groups and its own regional and country branches in East Asia, Southeast Asia, South Asia, Africa, South America, Mexico/the Caribbean Basin/Central America, Europe, North America and Middle East/North Africa.

Affiliates

The accompanying consolidated financial statements include the operations of the following international nonprofit affiliates that are represented by a control and economic interest:

Ashoka Arab World (Egypt)	Ashoka Indonesia	Ashoka Singapore and Malaysia
Ashoka Belgium	Ashoka Israel	Ashoka Southern Africa
Ashoka Brazil	Ashoka Italia	Ashoka Spain
Ashoka Canada	Ashoka Japan	Ashoka Switzerland
Ashoka CEE (Austria)	Ashoka Korea	Ashoka Thailand
Ashoka Chile	Ashoka Mexico	Ashoka Turkiye (Turkey)
Ashoka Colombia	Ashoka Netherlands	Ashoka UK
Ashoka Conosur Este (Argentina)	Ashoka Nordics	Ashoka USA
Ashoka Deutschland (Germany)	Ashoka Philippines	Ashoka Venezuela
Ashoka East Africa (Kenya)	Ashoka Poland	Ashoka West Africa (Nigeria)
Ashoka France	Ashoka Romania	
Ashoka India	Ashoka Sahel (Senegal)	

Additionally, Ashoka is the sole member of Ashoka LLC. Accordingly, all financial activities of Ashoka LLC and the international nonprofit affiliates summarized above have been consolidated with Ashoka. Ashoka LLC was incorporated in order to serve Ashoka donors in a more transaction-oriented way, as well as to raise funding without restrictions for Ashoka. Ashoka LLC is a disregarded entity for tax purposes.

Ashoka entered into an affiliation agreement with an affiliate, Get America Working! (GAW!), which is a separately incorporated 501(c)(3) organization. The majority of funds raised for GAW! come via Ashoka, both from Ashoka donors or via efforts managed by Ashoka employees. Ashoka exercises both control and economic interest over GAW!, as a result the financial statements of Ashoka include the accounts of GAW! on a consolidated basis.

Ashoka entered into an affiliation agreement with Youth Venture, Inc. (Youth Venture), a separately incorporated 501(c)(3) organization. The mission of Youth Venture is to assist disadvantaged urban youths with the establishment and operation of business and civic projects, so as to instill in the youths an entrepreneurial spirit and to develop community ties. There are programmatic overlaps between Ashoka and Youth Venture, including sharing of staff and resources. Until August 31, 2023, Ashoka maintained control and economic interest over Youth Venture. Accordingly, all financial activities of Youth Venture were consolidated with Ashoka for the year ended August 31, 2023. Effective September 1, 2023, changes in governance resulted in Ashoka no longer exercising control over Youth Venture. As a result, Youth Venture was deconsolidated from Ashoka's financial statements beginning on that date.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

A summary of Ashoka's significant accounting policies follows:

Basis of accounting

Ashoka's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). As such, the timing of cash receipts and cash disbursement may not align with the recognition of revenue and expenses under U.S. GAAP.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of Ashoka and its affiliates. All inter-entity transactions between Ashoka and its affiliates have been eliminated in consolidation.

Basis of presentation

Ashoka reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net assets

Net assets, support and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

<u>Net assets without donor restrictions</u>

Represent funds that are not restricted by donor-imposed stipulations. Certain amounts have been designated by Ashoka's board to function as an endowment. As August 31, 2024 and 2023 the board designated balance was $1,299,343 and $1,492,051, respectively.

<u>Net assets with donor restrictions</u>

Result from unconditional contributions whose use is limited by donor-imposed stipulations. Net assets with donor restrictions may be temporary in nature for various purposes, such as use in future periods or use for specified purposes. When a restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as assets released from restrictions. Net assets with donor restrictions may be permanent in nature whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by Ashoka's actions. The donors of these assets permit Ashoka to use the income and gains earned on related investments for operations or for specific purposes stipulated by donors.

Cash and cash equivalents

Cash consists of balances in interest-bearing and non-interest-bearing accounts as well as demand deposits. Cash equivalents consist of highly liquid investments, with original maturities of less than 91 days.

Cash held in international offices primarily represents cash in foreign bank accounts that will be used for program activities. Cash held in international offices includes both cash advanced to field offices by headquarters and cash disbursed directly to field offices by donors.

Investments

Investments are carried at estimated fair value in the accompanying consolidated statement of financial position. Unrealized gains and losses are recorded in the accompanying consolidated statement of activities as a component of investment income. Dividend and interest income is recorded as earned net of investment fees. Donated securities are recorded at their fair value at the date of donation.

Leases

Ashoka determines if an arrangement contains a lease at inception based on whether there is an identified asset and whether Ashoka controls the use of the identified asset throughout the period of use. Ashoka classifies leases as either financing or operating. Right-of-use (ROU) assets are recognized at the lease commencement date and represent Ashoka's right to use an underlying asset for the lease term and lease liabilities represent Ashoka's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the remaining lease term. Present value of lease payments are discounted based on the risk-free rate. Expenses related to leases determined to be operating leases are recognized on a straight-line basis, while those determined to be finance leases are recognized following a front-loaded expense pattern in which interest and amortization are presented separately in the consolidated statements of activities.

Ashoka assesses whether a lease is classified as an operating lease or a finance lease at lease commencement. Ashoka's ROU assets are initially measured based on the corresponding lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred and (iii) lease incentives under the lease. Options to renew or terminate the lease are recognized as part of our ROU assets and lease liabilities when it is reasonably certain the options will be exercised. ROU assets are also assessed for impairments consistent with the long-lived asset guidance.

Ashoka does not allocate consideration between lease and non-lease components, such as operating costs, as Ashoka has elected to not separate lease and non-lease components for any leases within its existing classes of assets. Operating lease expense for fixed lease payments is recognized on a straight-line basis over the lease term. Variable lease payments for usage-based fees are not included in the measurement of the ROU assets or lease liabilities and are expensed as incurred. Ashoka recognizes ROU assets on the statement of financial position for all leases with terms longer than 12 months. The ROU asset is reduced by the lease incentives.

Concentration of credit and market risk

Ashoka maintains its cash and cash equivalents in various bank accounts and money market funds that, at times, may exceed federally insured limits. Ashoka's cash and cash equivalent accounts are placed with high credit quality financial institutions. Ashoka had $14,150,172 and $16,203,133 in foreign accounts, some of which are not insured as of August 31, 2024 and 2023, respectively. Ashoka has not experienced, nor does it anticipate, any losses in such accounts.

Ashoka's endowment investment committee invests in a professionally managed portfolio that contains various securities which are exposed to various risks, such as market, interest and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near-term could materially affect investment balances and the amounts reported in the consolidated financial statements.

Miscellaneous income

Ashoka applies Accounting Standards Codification (ASC) Topic 606, *Revenue from Contracts with Customers*. Revenue is recognized when the organization satisfies its performance obligations by transferring promised goods or services to customers. If payments are received in advance of fulfilling these obligations, the amounts are deferred and recognized in the appropriate reporting period. All goods and services are transferred over time, reflecting continuous delivery of value throughout the contract period.

Contributions and promises to give

Ashoka records unconditional promises to give as a receivable and revenue when donors make a promise to give. Contributions received are classified as net assets with or without donor restrictions depending on the existence or nature of any donor restriction.

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on outstanding promises to give are computed using a risk-adjusted rate applicable to the years in which the promises are received.

Amortization of the discounts is included within contribution revenue in the accompanying consolidated statement of activities. Conditional promises to give are not included as support until the conditions are substantially met.

Ashoka determines whether an allowance for uncollectible promises to give should be provided for outstanding promises to give receivable. Such estimates are based on managements assessment of the aged basis of receivables, current economic conditions, subsequent cash receipts and historical information. Receivables are written off against the allowance for uncollectible promises to give when all reasonable collection efforts have been exhausted.

Contributions of nonfinancial assets

Contributions of nonfinancial assets consist of goods and services provided by various organizations related to Ashoka's mission as well as in the fields of law, publications, television and strategic planning. The nonfinancial asset contributions are recorded at their fair value as of the date the goods or services are provided.

The contributed nonfinancial assets were valued at price Ashoka would have paid if it had purchased a similar quantity of the same supplies from a local vendor.

Property and equipment

Property and equipment is recorded at cost or, in the case of donated items, at fair value as of the date of donation, less accumulated depreciation. Ashoka capitalizes assets that cost more than $500 and have an estimated useful life greater than one year. Purchases with an acquisition cost of less than $500 or a useful life of less than one year are expensed in the year of purchase and allocated to functional areas based upon actual usage. Depreciation of assets is provided based upon the estimated useful lives of the assets (five to 10 years) using the straight-line method.

Leasehold improvements are amortized over the shorter of the lease term, inclusive of expected renewals, or the estimated useful lives of the assets. Software implementation costs are amortized over a 10-year period.

Valuation of long-lived assets

Ashoka reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell.

Stipends payable

Ashoka makes unconditional commitments to support new and existing Fellows for periods ranging from one to four years. The total commitment to senior Fellows, Fellows, associates and affiliates elected was $6,942,932 and $7,522,741 as of August 31, 2024 and 2023, respectively.

Functional allocation of expenses

The costs of providing Ashoka's various programs and supporting services have been summarized on a functional basis in the consolidated statement of activities. Direct costs associated with specific programs are recorded as program expenses. Certain expenses are allocated among the programs and supporting services benefited in the consolidated statement of functional expenses and consolidated statement of activities. Those expenses include depreciation, rent, information technology and leadership team cost which are allocated based on a weighted-average of global program salaries. Remaining management and general expenses are unallocated in the consolidated statement of activities.

Foreign currency translation and transactions

The functional currency of Ashoka is the U.S. Dollar. Gains and losses resulting from translations of foreign currencies into U.S. Dollars are recognized as a nonoperating activity in the consolidated statement of activities. Where local currencies are used, financial assets and financial liabilities are translated into U.S Dollars at the consolidated statement of financial position date at the exchange rate in effect at year-end. Translation gains amounted to $361,174 and $1,896,512 for the years ended August 31, 2024 and 2023, respectively.

Use of estimates

The preparation of consolidated financial statements, generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Income taxes

Ashoka and GAW! follow guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

Ashoka and GAW! are each exempt from federal income tax under IRC section 501(c)(3), though they are subject to tax on income unrelated to the its exempt purpose, unless that income is otherwise excluded by the Code. Both have processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The organizations have determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Prior period information

The consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, such information should be read in conjunction with Ashoka's consolidated financial statements for the year ended August 31, 2023, from which the summarized information was derived.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326)*, which changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. ASU 2016-13 replaces the existing incurred loss impairment model with a forward-looking expected credit loss model, which will result in earlier recognition of credit losses. While Ashoka adopted ASU 2016-13 as of September 1, 2023 using the modified retrospective basis, it had no material impact on the consolidated financial statements.

Subsequent events

Ashoka has evaluated subsequent events through November 7, 2025, the date on which the consolidated financial statements were available to be issued. Ashoka is not aware of any material subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

NOTE 3 - PROMISES TO GIVE

Unconditional promises to give expected to be collected within one year are recorded at their net realizable value. Those expected to be collected in future years are recorded at the present value of estimated future cash flows. The present value of estimated future cash flows has been measured utilizing a rate of return in the appropriate period during which the outstanding promises are expected to be collected.

Unconditional promises to give as of August 31, 2024 and 2023, are due as follows:

	2024	2023
Within one year	$ 18,530,480	$ 13,126,710
Two to five years	1,519,606	5,670,517
Gross pledges receivable	20,050,086	18,797,227
Allowance for uncollectible pledges	(98,031)	(228,563)
Discount to present value (between 4% to 7%)	(103,377)	(474,057)
Net pledges receivable	$ 19,848,678	$ 18,094,607

NOTE 4 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

As of August 31, 2024 and 2023, the fair value of investments were as follows:

	2024	2023
Cash and money market funds	$ 2,708,388	$ 5,599,491
Certificates of deposit	14,544,976	4,757,895
Equities - common stocks	13,589,693	11,444,600
Mutual funds	5,624,662	4,642,097
Exchange traded funds	1,285,663	1,064,471
Real estate investment trusts	8,183	187,364
U.S. treasuries	15,341,706	22,676,957
	$ 53,103,271	$ 50,372,875

Investment income for the years ended August 31, 2024 and 2023, consist of the following:

	2024	2023
Realized and unrealized gain, net	$ 4,560,728	$ 1,197,459
Interest and dividends	1,311,687	650,689
Investment management fees	(133)	(3,722)
	$ 5,872,282	$ 1,844,426

The ASC Topic on Fair Value Measurement establishes a framework for measuring fair value in accordance with U.S. GAAP and expands disclosures about fair market value measurements. This enables the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking quality and reliability of the information used to determine fair value.

The provision applies to all assets and liabilities that are being measured and reported on a fair value basis, and are disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

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

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

In determining the appropriate levels, Ashoka performs a detailed analysis of the assets and liabilities that are subject to the Fair Value Measurement Topic. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs are classified as Level 3.

There were no Level 3 inputs for any assets held by Ashoka at August 31, 2024 and 2023.

The methods and assumptions used to estimate the fair value of assets and liabilities in the consolidated financial statements, including a description of the methodology used for classification within the fair value hierarchy, are as follows:

Investments

All of Ashoka's marketable securities are valued by nationally recognized third-party pricing services. Ashoka gives highest priority to quoted prices in active markets for identical assets accessed at the measurement date. An active market for the asset is a market in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis and Ashoka classifies all such assets as Level 1. Ashoka gives a Level 2 priority to valuation prices where the valuation process involves inputs other than quoted prices in Level 1 that are observed for the assets, either directly or indirectly. Level 2 inputs included quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there is not sufficient activity, and/or where price quotations vary substantially either over time or among market makers. Inputs that are observable for the assets classified as Level 2 include commonly quoted interest rates, credit risks, default rates and other inputs that are derived principally from or corroborated by observable market data. Mid-market pricing or other pricing conservation may be used for fair value measurements within a bid-ask spread.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Ashoka believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The table below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of August 31, 2024:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and money market funds	$ 2,708,388	$ -	$ -	$ 2,708,388
Certificates of deposit	-	14,544,976	-	14,544,976
Equities - common stocks	13,589,693	-	-	13,589,693
Mutual funds	5,624,662	-	-	5,624,662
Exchange traded funds	1,285,663	-	-	1,285,663
Real estate investment trusts	8,183	-	-	8,183
U.S. treasuries	15,341,706	-	-	15,341,706
Total investments in the fair value hierarchy	$ 38,558,295	$ 14,544,976	$ -	$ 53,103,271

The table below present the balances of assets measured at fair value on a recurring basis by level within the hierarchy as of August 31, 2023:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and money market funds	$ 5,599,491	$ -	$ -	$ 5,599,491
Certificates of deposit	-	4,757,895	-	4,757,895
Equities - common stocks	11,444,600	-	-	11,444,600
Mutual funds	4,642,097	-	-	4,642,097
Exchange traded funds	1,064,471	-	-	1,064,471
Real estate investment trusts	187,364	-	-	187,364
U.S. treasuries	22,676,957	-	-	22,676,957
Total investments in the fair value hierarchy	$ 45,614,980	$ 4,757,895	$ -	$ 50,372,875

NOTE 5 - PROPERTY AND EQUIPMENT, NET

Property and equipment as of August 31, 2024 and 2023, are comprised of the following:

	2024	2023
Furniture and equipment	$ 1,264,057	$ 1,123,592
Leasehold improvements	169,708	169,708
Software	2,377,229	2,432,505
	3,810,994	3,725,805
Less accumulated depreciation and amortization	(3,026,590)	(2,772,615)
	$ 784,404	$ 953,190

Depreciation and amortization expense was $266,713 and $323,471 for the years ended August 31, 2024 and 2023, respectively.

NOTE 6 - LINE OF CREDIT

In 2011, Ashoka entered into a $12,000,000 line of credit agreement with a bank which bears interest at the variable London Interbank Offered Rate for deposits having a maturity of 30 days, adjusted daily, plus 1.5% (6.96% at August 31, 2024 and 6.92% at August 31, 2023). The line of credit is secured by Ashoka's investment accounts. As of August 31, 2024, the outstanding balance payable under the agreement was $2,095,752. There was no amount outstanding under the line of credit as of August 31, 2023. Interest incurred on the line of credit was $235,752 and $97,374 for the years ending August 31, 2024 and 2023, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods at August 31, 2024 and 2023:

	2024	2023
Core stakeholders	$ 10,045,102	$ 4,804,423
One community	7,297,987	9,561,938
One search	13,453,043	5,908,163
Each/new purposes	10,958,989	11,881,657
Social entrepreneurs within emerging market countries	1,147,769	1,147,769
Fellows	772,207	772,207
Fellows within a specific country	722,420	722,420
Fellows who are women	240,334	240,334
Fellows for education and social development	822,943	822,943
Fellows for health and hunger	248,342	248,342
Fellows for the environment	159,355	159,355
Fellows for justice and peace	936,518	936,518
Accumulated earnings and other endowment	29,420,717	26,376,867
Total net assets with donor restrictions	$ 76,225,726	$ 63,582,936

Net assets were released from donor restrictions during the years ended August 31, 2024 and 2023, by incurring expenses satisfying the restricted purposes as follows:

	2024	2023
Core stakeholders	$ 6,276,363	$ 6,854,445
One community	7,184,835	7,655,261
One search	1,973,968	5,972,622
Each/new purposes	8,432,793	8,218,787
Total restrictions released	$ 23,867,959	$ 28,701,115

NOTE 8 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

Ashoka reports contributions of nonfinancial assets as contribution revenue and expense upon receipt. Ashoka reports contributions of nonfinancial assets as restricted support if they are received with donor-imposed time or purpose restrictions. When a donor restriction expires or is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the accompanying consolidated statement of activities as net assets released from restrictions. None of the contributed nonfinancial assets received were restricted in use.

For the years ended August 31, 2024 and 2023, Ashoka received contributed nonfinancial assets primarily consisting of legal and consulting services, valued at $1,780,532 and $1,154,285, respectively. These contributions were classified within management and general expenses in the accompanying consolidated statement of functional expenses. These contributed services are valued and reported at estimated fair value based on current rates for similar services and are included in the consulting and outside services lines on the accompanying consolidated statements of functional expenses.

NOTE 9 - ENDOWMENTS

Ashoka has consistently promised endowment donors and its broader constituencies that it will maintain the real (inflation-adjusted) value of endowment gifts (this is one of the reasons the board put control in the hands of separate endowment trustees). This is both a contractual obligation and Ashoka policy.

Moreover, management has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) in Virginia as requiring the preservation of the fair value of original donor cash-restricted contributions as of the date of the gift, absent explicit donor stipulations to the contrary. In adhering to Ashoka's longstanding policy and its commitment to its endowment donors, in addition to following this interpretation of UPMIFA, Ashoka classifies as donor-restricted net assets that are permanent in nature the original value of the perpetually restricted contributions plus whatever adjustment for inflation is necessary to maintain the original whole value. Any amount above the inflation-adjusted real value of the endowments are classified as donor-restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard prudence prescribed by UPMIFA.

In accordance with UPMIFA, Ashoka considers the following factors in making a determination to appropriate or accumulate donor-restricted cash contributions:

- The purposes of Ashoka and the donor-restricted endowment fund
- The duration and preservation of the fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other available financial resources of Ashoka
- Investment policies of Ashoka

All earnings from the donor-restricted endowment funds are reflected as net assets with donor restrictions, until appropriated for expenditure.

Ashoka's endowment consists of individual endowments established over many years for a variety of purposes. The endowment includes permanent endowments, as well as funds without donor restrictions designated by the board of trustees to function as an endowment. The endowment is managed by the endowment trustees, and they shall be responsible for the maintenance, investment and preservation of the funds.

Ashoka maintains donor-restricted and board-designated funds whose purpose is to provide long-term support for programs. In classifying such funds for financial statement purposes as either net assets with or without donor restrictions, the endowment trustees look to the explicit directions of the donor where applicable and the provisions of the law. The intent is that these funds are to be conservatively invested to minimize unrealized losses. It is the intent of the board of trustees that income shall not be withdrawn but remain for future growth; therefore, spending for these funds are determined by the endowment trustees on an annual basis. Ashoka has the following donor-restricted endowment funds as of August 31, 2024 and 2023:

- **The Amaterasu Endowment:** This was set up for the support of women Fellows working outside the Americas in the areas of women's reproductive rights, women's empowerment or sustainable community.

- **The Henry Beal Endowment:** This was set up in memory of Henry Beal, a founding friend of Ashoka and an inspired national environmental leader. The fund is for environment issues and HIV/AIDS.

- **The E. Noel Bergere Endowment:** Set up in memory of Noel Bergere who, crippled by polio at three years old, became Master of the High Court and a leader of the disabled. The fund supports a Fellow who is handicapped and/or whose work relates either to education or the law.

- **The Joan Bergere Endowment:** The fund set up in memory of Joan Bergere, a loving parent and a citizen of the world with broad interests. Joan Bergere came to America as a young musician and later helped other young musicians get their key career openings and first major New York City public concerts.

- **The Benjamin and Anne Bloom Endowment:** Ben Bloom was a successful lawyer and businessman who, as the son of immigrant parents, believed strongly in creating opportunities for others to succeed as he had succeeded. This Fund has been established to honor his desire to provide opportunities for those who are willing to work hard but need a chance in life. Anne, his lifelong partner, passed away in 2019 and thoroughly agreed with him about providing opportunities for others. She would be honored to add her name to this Fund.

- **The Columbia Ashoka Fellowships I and II:** The Columbia Foundation created two Funds to enable Ashoka to elect more women as Fellows.

- **The C.M. Cresta Endowment:** The C.M. Cresta Fund was established in 1986.

- **The Padma Rag Datta Endowment:** Established In memory of Dr. Padma Rag Datta and his father, Parasuram Datta, by their family to continue their legacy and allow Ashoka Fellows to find their own paths to the simple and profound acts that make a difference.

- **The Sarah Dunbar Endowment:** Sarah Dunbar had an enduring concern for downtrodden people whose environment had been destroyed or reduced by modern times, especially war and industry and a passion for maintaining a people-friendly environment.

- **The General Endowment for Ashoka:** The General Fund for Ashoka was established in 1998 from numerous individual contributions.

- **The Ashoka Endowment B:** In late 1999 and early 2000, Ashoka received a major anonymous Fund gift.

- **The Michael Fein Honorary Endowment:** In memory of Michael Fein and his ability to touch so many lives. He was very passionate about the social enterprises that Ashoka fulfilled.

- **The Maurice Fitzgerald Ashoka Fellowship:** Maurice Fitzgerald taught in the Philippines after the Spanish American War. The Fund was set up for a teaching and education fellowship.

- **The John and Eleanor Forrest Fellowship:** This Fellowship was established in 1986.

- **The Fort Hill Endowment:** The Fort Hill Fund was established in 1993.

- **The Fox Peace Endowment:** Inspired by the Peace Testimony articulated by George Fox in 1651 and by the commitment of Tom Fox, who was killed in Iraq in 2006, while serving as a witness for peace. This was set up for identifying and launching social entrepreneurs dedicated to the development of structure, conditions and communities that nurture peace.

- **The Buckminster Fuller Ashoka Fellowship:** For Fellows working to alleviate hunger in South Asia.

- **The Sanjoy Ghose Endowment:** This Fund is a tribute to the work and sacrifice that Ashoka Fellow Sanjoy Ghose made in building a culture of volunteerism and a sense of citizen responsibility among the youth in India's northeastern state of Assam.

- **William T. Golden Ashoka Endowment:** Bill Golden helped launch Ashoka in 1980 and was a close partner, advisor and Fund trustee for over three decades. In common with Ashoka, Bill brought opportunity to people with ideas for highly constructive ends.

- **The James P. Grant Ashoka Endowment:** Named for the late Executive Director of the UNICEF and created by his friends, colleagues and family to continue his life's work and world vision of supporting social development among children and the disadvantaged.

- **The Jeroen Hehuwat Endowment:** In memory of Jeroen Hehuwat who lost his life in a landslide caused by an earthquake while hiking in Nepal's Langtang Valley. For Ashoka Fellows and Youth Venturers in Indonesia.

- **The Albert O. Hirschman Fellowship:** Given to honor Professor Hirschman's long leadership in the field of practical, grassroots development.

- **The Jimmy Hopkins Fellowship:** Jimmy Hopkins was a Judge in the New York State Supreme Court, Appellate Division. The Fellowship was created for a Fellow in the legal or judicial arena.

- **The Harris and Eliza Kempner Endowment Ashoka Fellowship:** The Fellowship is to support Fellows working in Mexico.

- **The Abdul Waheed Khan Memorial Endowment:** In memory of Abdul Waheed Khan, an Ashoka Fellow in Pakistan who was assassinated in 2013, following death threats for his work in education in poor communities.

- **The Martin Klitzner Endowment:** Marty Klitzner was a loved and respected man in the financial community. Known for his integrity, the Fund hopes to reverse greed and excesses in the financial community in Marty's honor.

- **Svayam Krishi Endowment:** The Svayam Krishi Fund was created to support social entrepreneurs and changemakers to build models for sustainable villages and self-reliance among villagers and to spread the models across villages in India.

- **The W. Arthur Lewis Ashoka Fellowship:** Given to honor Professor Lewis's remarkably broad contributions to our understanding of development and of key areas of the world.

- **The Mack Lipkin Sr. Memorial Endowment:** In memory of Dr. Mack Lipkin, a leader in the medical profession and a founding friend to Ashoka. The Fund was set up for innovations in the effectiveness and humane quality of healthcare.

- **The Jan Schmidt Marmor Endowment:** The Fund was set up In memory of Jan Marmor, a fine poet and artist and a close friend to Ashoka from its launch.

- **The Francisco Chico Mendes Endowment:** The Fund was set up In memory of Chico Mendes, a friend and early Ashoka Fellow, who created a grassroots approach to organizing in the Amazon basin. This is to support grassroots work and environmental issues.

- **The Helen Meresman Fellowship:** In memory of Helen Meresman, the personification of breaking boundaries with determination, grace and charm.

- **The Jawaharlal Nehru Endowment:** In memory of the first prime minister in India, Jawaharlal Nehru.

- **The Nguyen-Phuong Family Endowment:** Dedicated to supporting social entrepreneurs who operate in emerging markets; a permanent symbol of the family's keen commitment to social services in the developing world.

- **The Jacob H. Oxman Memorial Endowment:** In memory of Dr. Jacob H. Oxman, a devoted husband and father and a kind, caring, generous and principled man.

- **Diane Pierce Phillips Ashoka Fellowship Endowment:** Diane Pierce Phillips led an exemplary life of spiritual integrity and servant leadership.

- **The Eiler Ravnholt Ashoka Endowment:** In memory of Eiler Ravnholt, a dedicated public servant and active citizen, generous with his time, voice and heart. The Fund is for programs devoted to social justice.

- **The Daniel Saks Ashoka Fellowship:** In memory of Daniel Saks, one of Ashoka's earliest creators beginning in 1963 and a leader in changing U.S. employment policies. This supports fellows for creating work opportunities for the poor or otherwise disadvantaged.

- **The Morton Sand Memorial Endowment:** Mort Sand, long a highly successful business entrepreneur, turned his energy and creativity to solving society's ills over his last decades. The Fund will give priority to enabling disadvantaged young people through opportunities in business.

- **The Richard H. Ullman Endowment:** Dick Ullman cared deeply about others from the wellbeing of the world (reflected in his scholarly and journalistic work in the difficult field of international relations) to that of his students (who repeatedly rated him the best professor). As a young professor in the 1960s, he encouraged one of his undergraduate students in the early thinking that eventually led to Ashoka. Over the ensuing decades he was always with Ashoka sharing ideas, opening doors and serving on the North America Council. Why was Ashoka such a close fit for Dick? One reason was that he believed in and helped develop young people of values. This belief plus, in the words of his students, his combination of rigor and candor, his dry wit and his genuine kindness changed many lives and, as a result, many important foreign policy decisions. He intuitively knew why the Ashoka Fellows are so powerful, and he recognized the importance of supporting them. These qualities also allowed him to change the country's course more directly. In addition to teaching at Princeton University for 35 years, he headed the 1980s Project of the Council on Foreign Relations, helped lead *Foreign Policy* magazine, and served on the Editorial Board of the *New York Times*. Established in 2014.

- **The Father Eugene Watrin Endowment**: In memory of Father Watrin, a remarkable educational founder and builder for over 50 years in Nepal and Ashoka's volunteer representative there for our first 15 years. The Fund supports Fellows working in Nepal.

- **The Ibrahim Sobhan Endowment**: In memory of Muhammed Ibrahim Sobhan, the first Ashoka Fellow in Bangladesh. He launched the innovative Association for School Based Education to improve rural primary education for Bangladeshi children attending government, non-government and community schools.

- **Nancy Hamilton Endowment**: In memory of Nancy Hamilton, she loved what Ashoka stood for and its ability to empower extraordinary individuals to help so many.

Ashoka's endowment funds consist of the following at August 31, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 35,787,820	$ 35,787,820
Board- designated endowment funds	1,492,051	-	1,492,051
	$ 1,492,051	$ 35,787,820	$ 37,279,871

Ashoka's endowment funds consist of the following at August 31, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 32,710,436	$ 32,710,436
Board- designated endowment funds	1,299,343	-	1,299,343
	$ 1,299,343	$ 32,710,436	$ 34,009,779

Return objectives and risk parameters

Ashoka has adopted investment and spending policies for endowment assets that attempt to provide a stream of returns that would be utilized to maintain the purchasing power of the endowment assets and with the endowment trustees consent, to fund various programs and supporting services. Endowment assets include those assets of donor-restricted funds that Ashoka must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

Under this policy, as approved by the endowment trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the relevant market indices while assuming a moderate level of investment risk. Ashoka expects its endowment funds, over time, to provide an average rate that will keep pace with or exceed inflation annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives

To satisfy its long-term rate-of-return objectives, Ashoka relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Ashoka targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy

Ashoka invests all endowment funds, including board-designated endowments, in a pooled fund managed by an investment manager according to the objectives and guidelines of the Ashoka's Statement of Investment Policy. The Finance Committee is specifically charged with conducting periodic reviews of the performance and mix of the investments as well as determining if and when to appropriate endowment funds for spending.

Funds with deficiencies

If an endowment falls in value beneath the inflation-adjusted value of the original gift, the endowment trustees must build it back up so that Ashoka's commitment to maintain at least the original endowment value in real terms is honored; however, everything the endowment trustees do is on a five-year rolling basis. This allows judgment about what to do and when to do it. On August 31, 2024 and 2023, there are no underwater endowment funds in the Ashoka portfolio.

Endowment fund activity for the year ended August 31, 2024, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, August 31, 2023	$ 1,299,343	$ 32,710,436	$ 34,009,779
Interest and dividends	31,159	784,428	815,587
Net appreciation (realized and unrealized)	161,549	4,066,933	4,228,482
Contributions	-	182,156	182,156
Appropriation for expenditure	-	(1,956,000)	(1,956,000)
Investment fees	-	(133)	(133)
Endowment net assets, August 31, 2024	$ 1,492,051	$ 35,787,820	$ 37,279,871

Endowment fund activity for the year ended August 31, 2023, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, August 31, 2022	$ 300,000	$ 32,289,494	$ 32,589,494
Interest and dividends	1,013	108,967	109,980
Net appreciation (realized and unrealized)	1,407	151,446	152,853
Contributions	-	164,256	164,256
Board designations	996,923	-	996,923
Investment fees	-	(3,727)	(3,727)
Endowment net assets, August 31, 2023	$ 1,299,343	$ 32,710,436	$ 34,009,779

NOTE 10 - STIPENDS PAYABLE

Stipends payable at August 31, 2024 and 2023, were as follows:

	2024	2023
Prior year Fellows	$ 2,582,743	$ 1,742,653
New Fellows and extensions in 2024	4,360,189	5,780,088
	$ 6,942,932	$ 7,522,741

As of August 31, 2024, stipends payable within one year totaled $4,886,898 and stipends due between two and three years amounted to $2,056,034. Stipends payable based on locations at August 31, 2024 and 2023, were as follows:

	2024	2023
Global	$ 5,373,218	$ 5,842,489
East and Southeast Asia	2,851	2,870
South Asia	87,508	164,173
Africa	-	8,289
MENA	14,739	26,180
Latin America	173,599	176,877
North America	17,942	136,938
Europe	1,273,075	1,164,925
	$ 6,942,932	$ 7,522,741

NOTE 11 - LEASE OBLIGATIONS

Ashoka has negotiated operating leases for office space across different countries with varying tenures, including office locations under operating lease agreements that have initial terms ranging from two to eleven years. Some leases include one or more options to renew, generally at Ashoka's sole discretion. In addition, certain leases contain termination options, where the rights to terminate are held by either Ashoka, the lessor or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Ashoka will exercise that option. Ashoka's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the statement of financial position are as follows as of August 31, 2024:

Years Ending August 31:	Total Cash Payment
2025	$ 929,249
2026	968,501
2027	964,016
2028	985,316
2029	1,000,393
Thereafter	5,078,135
Total minimum payments required	9,925,610
Less amounts representing interest	(2,126,433)
Present value of minimum lease payments	$ 7,799,177

As of August 31, 2024 and 2023, the weighted-average remaining lease term for operating leases was 9.14 years and 3.91 years, respectively. The weighted-average discount rate applied to these leases was 3.97% for both reporting periods. Operating lease cost is recognized on a straight-line basis over the lease term.

The components of lease expense are summarized as follows for the year ending August 31, 2024 and 2023:

	2024	2023
Operating lease cost	$ 794,746	$ 659,584
Short-term lease cost	827,728	755,516
Variable lease cost	59,397	61,551
Total lease cost	$ 1,681,871	$ 1,476,651

NOTE 12 - RETIREMENT PLAN

Ashoka operates a 403(b) retirement plan in the US-based global office and statutory based retirement plans in four country offices: Germany, Argentina, Sahel (Senegal), Mexico and India. Effectively all employees of these offices are eligible to participate. No match is provided under the US-based global office plan. Matching for the other five offices is provided as required by law. Total expenses and matching costs under the plan were minimal for the years ended August 31, 2024 and 2023. Contributions to the 403(b) Plan for the years ended August 31, 2024 and 2023 totaled $290,859 and $271,923, respectively.

NOTE 13 - COMMITMENTS BUDGET

Ashoka commits to provide financial support to its Fellows for an average of three years. It therefore budgets for that average three-year commitment and tries to keep outlays plus commitments balanced by income plus future promises. The commitments budget reflects as expenses the full new commitments made to the Fellows elected in the current year, including several much smaller multiyear commitments, plus all other payments made in that year only.

Ashoka uses this commitments budget as the basis of its management and planning. Ashoka believes that Ashoka must raise as much each year as it spends and commits to spend. This commitments budget is managed on a worldwide basis, inclusive of all Ashoka affiliates.

During the fiscal year ended August 31, 2024 and 2023, Ashoka spent (not including payments to Fellows committed to and funded in prior years) and committed (to new Fellows) $47,623,529 and $46,166,659, respectively. Ashoka raised $45,669,690 and $36,683,270 (new donations received for the current year for the years ended August 31, 2024 and 2023, respectively). Ashoka's utilization of commitments budget allowed it to grow its board spread, or surplus, into future years.

A reconciliation of Ashoka's expenditures not including payments to Fellows committed to and funded in prior years and committed to new Fellows for the years ended August 31, 2024 and 2023 are as follows:

	2024	2023
Total expenses per statement of activities	$ 51,326,139	$ 51,710,966
Less:		
Affiliates related expenses	(1,922,078)	(4,390,032)
Contributions of nonfinancial assets	(1,780,532)	(1,154,275)
	$ 47,623,529	$ 46,166,659

A reconciliation of Ashoka's new donations received for the current year for the years ended August 31, 2024 and 2023 are as follows:

	2024	2023
Total revenue per statement of activities	$ 48,367,392	$ 33,142,727
Less:		
Affiliates related revenue	(300,481)	(3,365,254)
Contributions of nonfinancial assets	(1,780,532)	(1,154,275)
Board allocation to future years	(13,406,044)	(5,819,550)
Plus:		
Revenue from prior years allocated to current year	12,789,355	13,879,622
	$ 45,669,690	$ 36,683,270

NOTE 14 - LIQUIDITY

Ashoka regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. Financial assets available for general expenditure, this is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of August 31, 2024 and 2023:

	2024	2023
Cash and cash equivalents	$ 15,516,832	$ 20,365,419
Promises to give, net	19,848,678	18,094,607
Endowment and other investments	53,103,271	50,372,875
	88,468,781	88,832,901
Less: those unavailable for general expenditure within one year due to:		
Contractual or imposed restrictions:		
Board - designated endowment funds	(1,492,051)	(1,299,343)
Net assets with donor restrictions	(76,225,726)	(63,582,936)
Financial assets available to meet cash needs for general expenditures within one year	$ 10,751,004	$ 23,950,622

Ashoka's various sources of liquidity, includes cash, investments, and cash collections from promise to give. As part of liquidity management, Ashoka invests cash in excess of daily requirements in short-term investments. As disclosed in Note 6, Ashoka maintains a line of credit to support short-term liquidity needs and working capital requirements. Ashoka assesses its operating budget and cash flow projections monthly to monitor the availability of resources to support operations.