

# **Ashoka and Affiliates**

Consolidated Financial Report  
August 31, 2021

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## Independent Auditor's Report

Board of Directors  
Ashoka

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Ashoka and Affiliates (Ashoka), which comprise the consolidated statement of financial position as of August 31, 2021, the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashoka and Affiliates as of August 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Ashoka's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 3, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*RSM US LLP*

McLean, Virginia  
October 7, 2022

## Ashoka and Affiliates

### Consolidated Statement of Financial Position August 31, 2021 (With Comparative Totals for 2020)

	2021	2020
<b>Assets</b>		
Cash and cash equivalents	\$ 18,317,112	\$ 16,367,740
Promises to give, net	28,640,487	27,791,828
Endowment and other investments	58,364,355	35,311,664
Prepaid expenses and other assets	1,760,708	2,026,470
Property and equipment, net	908,244	1,470,391
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<b>Total assets</b>	<b>\$ 107,990,906</b>	<b>\$ 82,968,093</b>
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<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,102,195	\$ 1,360,669
Stipends payable	6,987,162	5,374,521
<b>Total liabilities</b>	<b>8,089,357</b>	<b>6,735,190</b>
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Commitments and contingencies (Notes 6, 10, 12 and 14)		
Net assets:		
Without donor restrictions	21,603,631	10,246,397
With donor restrictions	78,297,918	65,986,506
<b>Total net assets</b>	<b>99,901,549</b>	<b>76,232,903</b>
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<b>Total liabilities and net assets</b>	<b>\$ 107,990,906</b>	<b>\$ 82,968,093</b>
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See notes to consolidated financial statements.

## Ashoka and Affiliates

### Consolidated Statement of Activities Year Ended August 31, 2021 (With Comparative Totals for 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 29,525,354	\$ 28,655,308	\$ 58,180,662	\$ 43,505,892
Investment income, net	2,105,144	8,879,204	10,984,348	2,480,107
Miscellaneous income	1,187,882	-	1,187,882	2,217,697
Net assets released from restriction	25,294,526	(25,294,526)	-	-
<b>Total support and revenue</b>	<b>58,112,906</b>	<b>12,239,986</b>	<b>70,352,892</b>	<b>48,203,696</b>
Expenses:				
Program services:				
Leading social entrepreneurship	13,022,968	-	13,022,968	10,592,312
Empathy and young changemaking	4,046,516	-	4,046,516	6,220,265
Organizing for changemaking	10,075,359	-	10,075,359	8,477,520
Idea spread and framework change	4,912,426	-	4,912,426	4,557,009
<b>Total program services</b>	<b>32,057,269</b>	<b>-</b>	<b>32,057,269</b>	<b>29,847,106</b>
Supporting services:				
Management and general	13,409,608	-	13,409,608	9,594,036
Fundraising	1,319,406	-	1,319,406	1,743,375
<b>Total supporting services</b>	<b>14,729,014</b>	<b>-</b>	<b>14,729,014</b>	<b>11,337,411</b>
<b>Total expenses</b>	<b>46,786,283</b>	<b>-</b>	<b>46,786,283</b>	<b>41,184,517</b>
<b>Change in net assets before gain on translation</b>	<b>11,326,623</b>	<b>12,239,986</b>	<b>23,566,609</b>	<b>7,019,179</b>
Gain on translation of affiliate net assets	30,611	71,426	102,037	1,174,233
<b>Change in net assets</b>	<b>11,357,234</b>	<b>12,311,412</b>	<b>23,668,646</b>	<b>8,193,412</b>
Net assets:				
Beginning	10,246,397	65,986,506	76,232,903	68,039,491
Ending	\$ 21,603,631	\$ 78,297,918	\$ 99,901,549	\$ 76,232,903

See notes to consolidated financial statements.

## Ashoka and Affiliates

### Consolidated Statement of Functional Expenses Year Ended August 31, 2021 (With Comparative Totals for 2020)

	2021										2020 Total Expenses
	Program Services					Supporting Services				Total Expenses	
	Leading Social Entrepreneurship	Empathy and Young Changemaking	Organizing for Changemaking	Idea Spread and Framework Change	Total	Management and General	Fundraising	Total			
Salaries	\$ 3,204,146	\$ 1,731,225	\$ 5,158,613	\$ 1,674,368	\$ 11,768,352	\$ 3,154,049	\$ 490,682	\$ 3,644,731	\$ 15,413,083	\$ 15,324,529	
Payroll taxes	547,862	220,503	1,094,487	256,579	2,119,431	815,204	98,123	913,327	3,032,758	2,934,639	
Employee benefits	359,395	183,762	524,767	238,484	1,306,408	375,664	117,005	492,669	1,799,077	1,782,745	
Consulting	1,944,485	1,125,364	1,642,785	990,793	5,703,427	4,839,482	118,786	4,958,268	10,661,695	7,535,289	
Outside services	614,032	300,692	748,134	804,975	2,467,833	842,005	76,782	918,787	3,386,620	3,192,442	
<b>Total personnel and related expenses</b>	<b>6,669,920</b>	<b>3,561,546</b>	<b>9,168,786</b>	<b>3,965,199</b>	<b>23,365,451</b>	<b>10,026,404</b>	<b>901,378</b>	<b>10,927,782</b>	<b>34,293,233</b>	<b>30,769,644</b>	
Fellowship	5,255,472	-	-	-	5,255,472	-	-	-	5,255,472	2,975,805	
Office supplies and expenses	5,895	18,896	13,458	4,856	43,105	37,282	342	37,624	80,729	79,754	
Occupancy	43,776	81,612	181,064	315,099	621,551	1,003,164	27,283	1,030,447	1,651,998	1,684,804	
Telephone, telex and facsimile	11,685	5,110	13,332	15,948	46,075	55,926	670	56,596	102,671	154,281	
Postage and messenger	3,750	2,026	11,201	2,727	19,704	17,915	272,278	290,193	309,897	61,181	
Printing and publications	2,192	6,800	846	4,670	14,508	4,069	697	4,766	19,274	65,641	
Equipment rental and repair	1,399	442	930	838	3,609	36,608	-	36,608	40,217	31,896	
Equipment expensed	23,812	62,844	94,309	31,170	212,135	121,881	2,454	124,335	336,470	310,345	
Accounting and audit	45,804	36,658	140,879	35,793	259,134	409,712	4,534	414,246	673,380	290,376	
Bank and brokerage fees	6,196	2,586	3,336	2,416	14,534	68,815	289	69,104	83,638	102,377	
Travel	22,956	16,208	12,740	9,225	61,129	51,838	871	52,709	113,838	1,337,456	
Conferences	24,946	7,167	19,278	6,201	57,592	33,677	1,918	35,595	93,187	396,066	
Miscellaneous expenses	7,511	1,825	14,568	20,891	44,795	48,335	192	48,527	93,322	417,360	
Local transportation and meals	13,813	2,808	8,232	2,119	26,972	14,419	258	14,677	41,649	201,228	
Awards	834,435	210,708	308,876	453,774	1,807,793	40,388	105,329	145,717	1,953,510	1,516,783	
Dues, books, license fees and subscriptions	15,673	6,539	41,293	13,197	76,702	40,179	259	40,438	117,140	135,077	
Training	5,306	5,603	7,777	1,098	19,784	64,300	53	64,353	84,137	93,325	
Insurance	4,502	12,617	4,818	15,924	37,861	143,082	-	143,082	180,943	150,660	
Taxes and penalties	16,656	(529)	7,553	6,714	30,394	362,192	1	362,193	392,587	220,803	
<b>Total expenses before depreciation</b>	<b>13,015,699</b>	<b>4,041,466</b>	<b>10,053,276</b>	<b>4,907,859</b>	<b>32,018,300</b>	<b>12,580,186</b>	<b>1,318,806</b>	<b>13,898,992</b>	<b>45,917,292</b>	<b>40,994,862</b>	
Depreciation of equipment and write-off	7,269	5,050	22,083	4,567	38,969	829,422	600	830,022	868,991	189,655	
<b>Total expenses</b>	<b>\$ 13,022,968</b>	<b>\$ 4,046,516</b>	<b>\$ 10,075,359</b>	<b>\$ 4,912,426</b>	<b>\$ 32,057,269</b>	<b>\$ 13,409,608</b>	<b>\$ 1,319,406</b>	<b>\$ 14,729,014</b>	<b>\$ 46,786,283</b>	<b>\$ 41,184,517</b>	

See notes to consolidated financial statements.

## Ashoka and Affiliates

### Consolidated Statement of Cash Flows Year Ended August 31, 2021 (With Comparative Totals for 2020)

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 23,668,646	\$ 8,193,412
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation, amortization and write-off	868,991	189,655
Net realized and unrealized gain on investments	(9,774,749)	(1,522,291)
Increase (decrease) in allowance for uncollectible pledges	238,744	(62,962)
Increase (decrease) in discount for pledge receivables	96,303	(180,942)
Contributions restricted for long-term investment	(272,052)	(228,886)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Promises to give	(1,183,706)	9,320,980
Prepaid expenses and other assets	265,762	(491,496)
Increase (decrease) in:		
Accounts payable and accrued expenses	(258,474)	(577,732)
Stipends payable	1,612,641	(1,001,361)
<b>Net cash provided by operating activities</b>	<b>15,262,106</b>	<b>13,638,377</b>
Cash flows from investing activities:		
Purchases of property and equipment	(306,844)	(329,857)
Purchases of investments	(19,885,371)	(17,350,064)
Proceeds from sales or maturity of investments	6,607,429	6,805,614
<b>Net cash used in investing activities</b>	<b>(13,584,786)</b>	<b>(10,874,307)</b>
Cash flows from financing activities:		
Proceeds from the line of credit	3,500,000	7,500,000
Repayments to the line of credit	(3,500,000)	(7,500,000)
Collection of endowment fund support	272,052	228,886
<b>Net cash provided by financing activities</b>	<b>272,052</b>	<b>228,886</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,949,372</b>	<b>2,992,956</b>
Cash and cash equivalents:		
Beginning	16,367,740	13,374,784
Ending	\$ 18,317,112	\$ 16,367,740
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 19,264	\$ 54,723

See notes to consolidated financial statements.



## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### 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 controlling interest:

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

Additionally, Ashoka is the sole member of Ashoka LLC. Accordingly, all financial activities of Ashoka LLC 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 and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 1. Nature of Activities (Continued)

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. GAW! has three board members, each with the same voting rights. Two of these board members also serve on Ashoka's board, and the third is an employee of Ashoka. Accordingly, all financial activities of GAW! have been consolidated with Ashoka.

Ashoka has 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. Two of the four board members also serve on Ashoka's board, and one of these overlapping board members casts the deciding vote in the event of a tie vote. Accordingly, all financial activities of Youth Venture have been consolidated with Ashoka.

#### Note 2. Significant Accounting Policies

A summary of Ashoka's significant accounting policies follows:

**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.

**Adoption of recent accounting pronouncements:** In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which establishes a comprehensive revenue recognition standard for virtually all industries in U.S. GAAP, including those that previously followed industry-specific guidance. The ASU was adopted by Ashoka in 2021. As result of adopting this standard using the modified retrospective application with practical expedients elected, no prior year amounts were reclassified to conform to the presentation requirements. There was no material impact to the financial statements as a result of this adoption.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying or adding certain disclosures. The ASU was adopted by Ashoka in 2021. As a result of adopting this standard, this guidance is applied retrospectively basis. There was no material impact to the financial statements as a result of this adoption.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**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, 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:

**Net assets without donor restrictions:** Represent funds that are not restricted by donor-imposed stipulations. Certain amounts have been designated by Ashoka's board to function as an endowment.

**Net assets with donor restrictions:** 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 91 days or less.

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. Donated securities are recorded at their fair value at the date of donation.

**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 \$15,359,673 in foreign accounts, some of which are not insured as of August 31, 2021. 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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**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 pledges 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 pledges should be provided for outstanding pledges receivable. Such estimates are based on management's 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 pledges when all reasonable collection efforts have been exhausted. The allowance for uncollectible pledges was \$288,822 at August 31, 2021.

Contributions include in-kind gifts that 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 in-kind contributions are recorded at their fair value as of the date the goods or services are provided. In-kind contributions were \$5,062,784 for the year ended August 31, 2021.

During the year ended August 31, 2020, Ashoka received a total of \$1,585,600 as part of the Payroll Protection Plan (PPP) funds, from the U.S. Small Business Administration (SBA) in April 2020 to support U.S. based salaries. The amount received was recognized as a liability until conditions were met. \$1,585,600 is included as unrestricted revenue for the year ended August 31, 2020, in the consolidated statement of activities as all conditions were met and funds were forgiven in 2021.

**Property and equipment:** Property and equipment are recorded at cost or, in the case of donated items, at fair value as of the date of acquisitions, 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 (5 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 \$6,987,162 as of August 31, 2021.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**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 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, assets and 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 \$102,037 for the year ended August 31, 2021.

**Use of estimates:** The preparation of consolidated financial statements, in conformity with generally accepted accounting principles (U.S. GAAP), 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, GAW! and Youth Venture are all recognized as non-profit organizations and are exempt from income tax under the provisions of section 501(c)(3) of the Internal Revenue Code (IRC). In addition, Ashoka, Get America Working! and Youth Venture have been determined by the Internal Revenue Service not to be a private foundation.

Ashoka has obtained similar tax status under the laws of the many other countries where it works and operates. Ashoka is subject to unrelated business income taxes under Section 512 of the IRC; however, in the opinion of management, no provision for income taxes is required to be made.

Management evaluated Ashoka's tax positions and concluded that Ashoka had taken no uncertain tax positions that require adjustment to the consolidated financial statements to comply with the provisions of the accounting standards on accounting for uncertainty in income taxes.

**Prior period information:** The 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 U.S. GAAP. Accordingly, such information should be read in conjunction with Ashoka's financial statements for the year ended August 31, 2021, from which the summarized information was derived.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 2. Significant Accounting Policies (Continued)

**Recent accounting pronouncements:** In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the consolidated statement financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. In June 2020, the FASB issued ASU 2020-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which defers the effective date an additional year, making it effective for annual reporting periods beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the consolidated financial statements, with certain practical expedients available. Management is currently evaluating the impact of the pending adoption of the new standard on the consolidated financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a nonprofit entity to present contributed nonfinancial assets in the consolidated statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This guidance is effective for fiscal years beginning after June 15, 2021, and for interim periods within annual periods beginning after June 15, 2022. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

**Subsequent events:** Ashoka evaluated subsequent events through October 7, 2022, which is the date the consolidated financial statements were available to be issued.

#### 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. A discount rate of 2.0% was used for fiscal year ended August 31, 2021.

Unconditional promises to give as of August 31, 2021, are due as follows:

Within one year	\$ 17,754,879
Two to five years	11,393,119
Gross pledges receivable	<u>29,147,998</u>
Allowance for uncollectible pledges	(288,822)
Discount to present value	(218,689)
Net pledges receivable	<u><u>\$ 28,640,487</u></u>

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 4. Investments and Fair Value Measurements

As of August 31, 2021, the fair value of investments were as follows:

Cash and money market funds	\$ 10,682,740
Certificates of deposit	8,346,282
Equities	14,255,054
Mutual funds	7,635,460
Exchange traded funds	1,194,112
Real estate investment trusts	28,722
Corporate bonds	159,795
Municipal bonds	844,791
U.S. government agency securities	287,491
U.S. treasuries	14,929,908
	<u>\$ 58,364,355</u>

Investment income for the year ended August 31, 2021, consists of the following:

Realized and unrealized gain, net	\$ 9,774,749
Interest and dividends	1,212,091
Investment management fees	(2,492)
	<u>\$ 10,984,348</u>

The Accounting Standards Codification (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, 2021.

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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 4. Investments and Fair Value Measurements (Continued)

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, 2021:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and money market funds	\$ 10,682,740	\$ -	\$ -	\$ 10,682,740
Certificates of deposit	-	8,346,282	-	8,346,282
Equities	14,255,054	-	-	14,255,054
Mutual funds	7,635,460	-	-	7,635,460
Exchange traded funds	1,194,112	-	-	1,194,112
Real estate investment trusts	28,722	-	-	28,722
Corporate bonds	-	159,795	-	159,795
Municipal bonds	-	844,791	-	844,791
U.S. government agency securities	-	287,491	-	287,491
U.S. treasuries	14,929,908	-	-	14,929,908
	<u>\$ 48,725,996</u>	<u>\$ 9,638,359</u>	<u>\$ -</u>	<u>\$ 58,364,355</u>

#### Note 5. Property and Equipment, Net

Property and equipment as of August 31, 2021, are comprised of the following:

Furniture and equipment	\$ 968,096
Leasehold improvements	169,708
Software	<u>1,903,256</u>
	3,041,060
Less accumulated depreciation and amortization	<u>(2,132,816)</u>
	<u>\$ 908,244</u>

Depreciation and amortization expense was \$266,333 for the year ended August 31, 2021. During the year ended August 31, 2021, Ashoka wrote off \$602,658 of previously capitalized costs when it decided to cease the implementation of an enterprise resource planning (ERP) software due to data limitations and additional cost.

#### 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 a fixed rate and variable rate equal to the London Interbank Offered Rate (LIBOR) for deposits having a maturity of 30 days, adjusted daily plus the percentage rate spread. The line of credit is secured by Ashoka's investment accounts. At August 31, 2021, the line of credit has no outstanding balance. Total interest expense for the year ended August 31, 2021, was \$19,264.



## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 7. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods at August 31, 2021:

Leading social entrepreneurship	\$ 16,252,625
Empathy and young changemaking	5,418,678
Organizing for changemaking	12,075,315
Idea spread and framework change	3,840,875
Fundraising	1,560,989
Other restricted use	3,896,696
Endowment funds in perpetuity:	
Social entrepreneurs within emerging market countries	1,147,769
Fellows	772,207
Fellows within a specific country	516,220
Fellows who are women	240,334
Fellows for education and social development	801,943
Fellows for health and hunger	248,342
Fellows for the environment	159,355
Fellows for justice and peace	886,518
General purpose	30,480,052
	<u>\$ 78,297,918</u>

Net assets were released from donor restrictions during the year ended August 31, 2021, by incurring expenses satisfying the restricted purposes as follows:

Leading social entrepreneurship	\$ 8,313,281
Empathy and young changemaking	3,133,667
Organizing for changemaking	5,672,434
Idea spread and framework change	3,325,975
Fundraising	348,377
Other restricted use	4,500,792
Total restrictions released	<u>\$ 25,294,526</u>

#### Note 8. Endowments

Ashoka is building an endowment and now has 43 specific endowments that together totaled \$35,252,740 on August 31, 2021. The individual endowments typically are given by individuals or institutions to ensure permanent support in an area of concern to the donor and commonly are named to honor someone of the donor's choosing. The endowment is important to Ashoka for two reasons:

- Ashoka's work supporting the people and ideas most critical to society's ability to change and adapt, is a permanent one. The issues will change but not the need for social entrepreneurs.
- Since Ashoka's average commitment to the social entrepreneurs it helps launch is for three years whereas most contributions are for one year, it needs the funding stability the endowment provides.

*The Amaterasu Endowment:* For the support of women Fellows working outside the Americas in the areas of women's reproductive rights, women's empowerment or sustainable community.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowments (Continued)

*The Henry Beal Endowment:* In memory of Henry Beal, a founding friend of Ashoka and an inspired national environmental leader. For environment issues and HIV/AIDS.

*The E. Noel Bergere Endowment:* 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. For supporting a Fellow who is handicapped and/or whose work relates either to education or the law.

*The Joan Bergere Endowment:* 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 endowment 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 endowment. Established in 1996, expanded in 2019. Without donor restrictions.

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

*The C.M. Cresta Fund:* The C.M. Cresta Fund was established in 1986. The endowment contains no restrictions.

*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 Fund for Ashoka:* The General Endowment for Ashoka was established in 1998 from numerous individual contributions. Without donor restrictions.

*The Ashoka Endowment Fund B:* In late 1999 and early 2000, Ashoka received a major anonymous endowment gift. No restrictions.

*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. For a teaching and education fellowship.

*The John and Eleanor Forrest Fellowship:* Established in 1986, this endowment contains no restrictions.

*The Fort Hill Endowment Fund:* The Fort Hill Endowment was established in 1993. No restrictions.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowments (Continued)

*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. 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 endowment 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. Without donor restrictions.

*William T. Golden Ashoka Endowment:* Bill Golden helped launch Ashoka in 1980 and was a close partner, advisor and endowment 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.

*Harding Innovation Fund:* Dedicated to funding innovation at Ashoka, in memory of John and Judy Harding, who encouraged and supported innovation throughout Ashoka's history.

*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. Without donor restrictions.

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

*The Harris and Eliza Kempner Fund Ashoka Fellowship:* For support of 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 endowment hopes to reverse greed and excesses in the financial community in Marty's honor.

*Svayam Krishi Endowment:* The Svayam Krishi Endowment 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. Without donor restrictions.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowments (Continued)

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

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

*The Francisco "Chico" Mendes Endowment:* In memory of Chico Mendes, a friend and early Ashoka Fellow, who created a grassroots approach to organizing in the Amazon basin. Preferred use for grassroots work and environmental issues, though the endowment carries no restrictions.

*The Helen Meresman Fellowship:* In memory of Helen Meresman, the personification of breaking boundaries with determination, grace and charm. Without donor restrictions.

*The Jawaharlal Nehru Endowment:* In memory of the first prime minister in India, Jawaharlal Nehru. Without donor restrictions.

*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 Fund:* In memory of Dr. Jacob H. Oxman, a devoted husband and father, and a kind, caring, generous and principled man. Without donor restrictions.

*Diane Pierce Phillips Ashoka Fellowship Endowment:* Diane Pierce Phillips led an exemplary life of spiritual integrity and servant leadership. Without donor restrictions.

*The Eiler Ravnholt Ashoka Endowment:* In memory of Eiler Ravnholt, a dedicated public servant and active citizen, generous with his time, voice and heart. Funds 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. 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. Although it is without donor restrictions, the Endowment will give priority to enabling disadvantaged young people through opportunities in business.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowments (Continued)

*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. For the support of 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 (ASBE) to improve rural primary education for Bangladeshi children attending government, non-government and community schools.

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 purpose of Ashoka and 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
- Investment policies

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

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowments (Continued)

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's endowment funds consist of the following at August 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 35,252,740	\$ 35,252,740
	\$ -	\$ 35,252,740	\$ 35,252,740

**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. 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:** The overall goal for Ashoka's board-designated funds is to preserve the real (inflation adjusted) capital base and, over time, to cause the total value of funds to appreciate, exclusive of growth derived from donations.

**Funds with deficiencies:** If an endowment falls in value beneath the inflation-adjusted value of the original gift, the Endowment Trustees must rebuild 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, 2021, there are no underwater Endowment funds in the Ashoka portfolio.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 8. Endowments (Continued)

Endowment fund activity for the year ended August 31, 2021, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, August 31, 2020	\$ -	\$ 27,286,259	\$ 27,286,259
Interest and dividends	-	1,148,855	1,148,855
Net appreciation (realized and unrealized)	-	7,732,815	7,732,815
Contributions	-	272,052	272,052
Appropriation for expenditure	-	(1,184,775)	(1,184,775)
Investment fees	-	(2,466)	(2,466)
Endowment net assets, August 31, 2021	<u>\$ -</u>	<u>\$ 35,252,740</u>	<u>\$ 35,252,740</u>

#### Note 9. Stipends Payable

Stipends payable at August 31, 2021, were as follows:

Prior year Fellows	\$ 2,264,126
New Fellows and extensions in 2021	4,723,036
	<u>\$ 6,987,162</u>
Global	\$ 4,758,180
East and Southeast Asia	206,750
South Asia	163,550
Africa	71,043
MENA	143,010
Latin America	268,301
North America	166,595
Europe	1,209,733
	<u>\$ 6,987,162</u>

#### Note 10. Lease Obligations

Ashoka has negotiated operating leases for office space across different countries with varying tenures. Ashoka entered into a new lease for office space subsequent to year-end. The new lease expires in 2035. The minimum future lease payments under the terms of these operating leases are as follows:

Years ending August 31:	
2022	\$ 1,164,276
2023	117,877
2024	15,032
2025	770,478
2026	860,105
Thereafter	7,789,524
	<u>\$ 10,717,292</u>

Rental expense for the year ended August 31, 2021, was \$1,606,195.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 11. 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) 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 four offices is provided as required by law. Total expenses and matching costs under the plan were minimal for the year ended August 31, 2021.

#### Note 12. 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 pledges. 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 the organization 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, 2021, Ashoka spent (not including payments to Fellows committed to and funded in prior years) and committed (to new Fellows) \$39,736,698. Ashoka raised \$38,656,485 (new donations received for the current year, distributed endowment income and certain net assets that Ashoka's board of directors requested not be counted entirely in the year they were raised) for the year ended August 31, 2021. Ashoka's utilization of commitments budget allowed it to grow its board spread, or surplus, into future years.

#### Note 13. 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:

Cash and cash equivalents	\$ 18,317,112
Promises to give, net	28,640,487
Endowment and other investments	58,364,355
	<hr/>
	105,321,954
Less those unavailable for general expenditure within one year due to:	
Contractual or imposed restrictions:	
Investments held for net assets with donor restrictions	(78,297,918)
Financial assets available to meet cash needs for general expenditures within one year	<hr/>
	\$ 27,024,036

Ashoka various sources of liquidity at its disposal, including cash and investments. As part of liquidity management, Ashoka invests cash in excess of daily requirements in short-term investments. Ashoka assesses its operating budget and cash flow projections monthly to monitor the availability of resources to support operations.



## **Ashoka and Affiliates**

### **Notes to Consolidated Financial Statements**

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#### **Note 14. COVID-19**

The continued global pandemic in 2021 has created substantial volatility in financial markets and the economy, including the geographical areas in which Ashoka operates. While Ashoka has mitigated the financial impact to its work, it is unknown how long these conditions will last. Accordingly, there could be further negative impact to operations, the extent to which will depend on future developments, which are highly uncertain and cannot be predicted, and as such cannot be determined.