

# **Ashoka and Affiliates**

Consolidated Financial Report  
August 31, 2022

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## Independent Auditor's Report

Board of Directors  
Ashoka

### Opinion

We have audited the consolidated financial statements of Ashoka and Affiliates (collectively, Ashoka), which comprise the consolidated statement of financial position as of August 31, 2022, 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 (collectively, financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashoka as of August 31, 2022, 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.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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.

#### **Report on Summarized Comparative Information**

We have previously audited Ashoka's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 7, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*RSM US LLP*

McLean, Virginia  
September 26, 2023

**Ashoka and Affiliates**

**Consolidated Statement of Financial Position**

**August 31, 2022**

**(With Comparative Totals for 2021)**

	<b>2022</b>	2021
<b>Assets</b>		
Cash and cash equivalents	<b>\$ 20,651,103</b>	\$ 18,317,112
Promises to give, net	<b>30,446,471</b>	28,640,487
Endowment and other investments	<b>49,685,691</b>	58,364,355
Prepaid expenses and other assets	<b>1,397,767</b>	1,760,708
Property and equipment, net	<b>1,028,965</b>	908,244
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<b>Total assets</b>	<b>\$ 103,209,997</b>	\$ 107,990,906
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	<b>\$ 2,109,468</b>	\$ 1,102,195
Stipends payable	<b>4,781,197</b>	6,987,162
<b>Total liabilities</b>	<b>6,890,665</b>	8,089,357
<hr/>		
Commitments and contingencies (Notes 6, 10 11, 12 and 13)		
Net assets:		
Without donor restrictions	<b>25,267,739</b>	21,603,631
With donor restrictions	<b>71,051,593</b>	78,297,918
<b>Total net assets</b>	<b>96,319,332</b>	99,901,549
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<b>Total liabilities and net assets</b>	<b>\$ 103,209,997</b>	\$ 107,990,906
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See notes to consolidated financial statements.

## Ashoka and Affiliates

### Consolidated Statement of Activities Year Ended August 31, 2022 (With Comparative Totals for 2021)

	2022			2021 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Support and revenue:				
Contributions	\$ 18,486,120	\$ 27,187,586	\$ 45,673,706	\$ 53,117,878
Contributions of nonfinancial assets	2,686,739	-	2,686,739	5,062,784
Investment (loss) income, net	300,000	(4,086,397)	(3,786,397)	10,984,348
Miscellaneous income	2,408,370	-	2,408,370	1,187,882
Net assets released from restriction	26,962,465	(26,962,465)	-	-
<b>Total support and revenue</b>	<b>50,843,694</b>	<b>(3,861,276)</b>	<b>46,982,418</b>	<b>70,352,892</b>
Expenses:				
Program services:				
Leading social entrepreneurship	12,168,208	-	12,168,208	13,022,968
Empathy and young changemaking	5,500,403	-	5,500,403	4,046,516
Organizing for changemaking	10,969,277	-	10,969,277	10,075,359
Idea spread and framework change	4,889,896	-	4,889,896	4,912,426
<b>Total program services</b>	<b>33,527,784</b>	<b>-</b>	<b>33,527,784</b>	<b>32,057,269</b>
Supporting services:				
Management and general	11,174,971	-	11,174,971	13,409,608
Fundraising	1,026,096	-	1,026,096	1,319,406
<b>Total supporting services</b>	<b>12,201,067</b>	<b>-</b>	<b>12,201,067</b>	<b>14,729,014</b>
<b>Total expenses</b>	<b>45,728,851</b>	<b>-</b>	<b>45,728,851</b>	<b>46,786,283</b>
<b>Change in net assets before (loss) gain on translation</b>	<b>5,114,843</b>	<b>(3,861,276)</b>	<b>1,253,567</b>	<b>23,566,609</b>
(Loss) gain on translation of affiliate net assets	(1,450,735)	(3,385,049)	(4,835,784)	102,037
<b>Change in net assets</b>	<b>3,664,108</b>	<b>(7,246,325)</b>	<b>(3,582,217)</b>	<b>23,668,646</b>
Net assets:				
Beginning	21,603,631	78,297,918	99,901,549	76,232,903
Ending	\$ 25,267,739	\$ 71,051,593	\$ 96,319,332	\$ 99,901,549

See notes to consolidated financial statements.

## Ashoka and Affiliates

### Consolidated Statement of Functional Expenses Year Ended August 31, 2022 (With Comparative Totals for 2021)

	2022										2021 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	\$ 2,920,718	\$ 1,961,380	\$ 5,101,491	\$ 1,973,251	\$ 11,956,840	\$ 4,586,993	\$ 497,681	\$ 5,084,674	\$ 17,041,514	\$ 15,413,083	
Payroll taxes	631,117	263,916	1,020,092	296,802	2,211,927	909,117	78,315	987,432	3,199,359	3,032,758	
Employee benefits	366,931	173,196	435,659	279,750	1,255,536	361,759	49,465	411,224	1,666,760	1,799,077	
Consulting	2,827,712	1,286,725	2,136,220	880,406	7,131,063	1,976,697	108,537	2,085,234	9,216,297	10,661,695	
Outside services	727,653	402,538	417,318	704,766	2,252,275	620,288	26,825	647,113	2,899,388	3,386,620	
<b>Total personnel and related expenses</b>	<b>7,474,131</b>	<b>4,087,755</b>	<b>9,110,780</b>	<b>4,134,975</b>	<b>24,807,641</b>	<b>8,454,854</b>	<b>760,823</b>	<b>9,215,677</b>	<b>34,023,318</b>	<b>34,293,233</b>	
Fellowship	1,842,863	-	-	-	1,842,863	-	-	-	1,842,863	5,255,472	
Office supplies and expenses	8,750	28,130	11,882	2,920	51,682	46,142	515	46,657	98,339	80,729	
Occupancy	75,642	99,148	348,987	343,876	867,653	875,430	23,593	899,023	1,766,676	1,651,998	
Telephone, telex and facsimile	21,252	34,073	26,314	67,180	148,819	42,518	384	42,902	191,721	102,671	
Postage and messenger	4,069	3,792	14,189	4,827	26,877	18,763	62,854	81,617	108,494	309,897	
Printing and publications	5,009	10,188	1,537	17,555	34,289	9,585	134,737	144,322	178,611	19,274	
Equipment rental and repair	5,355	2,705	8,922	2,544	19,526	21,878	243	22,121	41,647	40,217	
Equipment expensed	40,632	59,935	168,686	45,071	314,324	104,773	5,891	110,664	424,988	336,470	
Accounting and audit	32,438	28,976	156,784	23,868	242,066	337,792	7,829	345,621	587,687	673,380	
Bank and brokerage fees	11,567	21,870	18,441	3,982	55,860	56,075	709	56,784	112,644	83,638	
Travel	333,272	331,867	152,397	59,239	876,775	190,264	11,765	202,029	1,078,804	113,838	
Conferences	72,126	185,065	70,730	23,882	351,803	48,274	2,255	50,529	402,332	93,187	
Miscellaneous expenses	385,089	13,578	29,023	-	427,690	252,988	13	253,001	680,691	93,322	
Local transportation and meals	41,548	23,040	42,931	19,596	127,115	47,713	677	48,390	175,505	41,649	
Awards	1,742,105	505,604	577,428	84,972	2,910,109	78,905	477	79,382	2,989,491	1,953,510	
Dues, books, license fees and subscriptions	12,087	15,401	54,478	14,831	96,797	46,996	599	47,595	144,392	117,140	
Training	13,112	10,749	16,181	1,273	41,315	15,078	113	15,191	56,506	84,137	
Insurance	15,514	18,620	39,605	7,553	81,292	131,853	1,276	133,129	214,421	180,943	
Taxes and penalties	13,719	7,641	37,231	15,578	74,169	186,839	8,829	195,668	269,837	392,587	
<b>Total expenses before depreciation</b>	<b>12,150,280</b>	<b>5,488,137</b>	<b>10,886,526</b>	<b>4,873,722</b>	<b>33,398,665</b>	<b>10,966,720</b>	<b>1,023,582</b>	<b>11,990,302</b>	<b>45,388,967</b>	<b>45,917,292</b>	
Depreciation of equipment and write-off	17,928	12,266	82,751	16,174	129,119	208,251	2,514	210,765	339,884	868,991	
<b>Total expenses</b>	<b>\$ 12,168,208</b>	<b>\$ 5,500,403</b>	<b>\$ 10,969,277</b>	<b>\$ 4,889,896</b>	<b>\$ 33,527,784</b>	<b>\$ 11,174,971</b>	<b>\$ 1,026,096</b>	<b>\$ 12,201,067</b>	<b>\$ 45,728,851</b>	<b>\$ 46,786,283</b>	

See notes to consolidated financial statements.

## Ashoka and Affiliates

### Consolidated Statement of Cash Flows Year Ended August 31, 2022 (With Comparative Totals for 2021)

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (3,582,217)	\$ 23,668,646
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation, amortization and write-off	339,884	868,991
Net realized and unrealized loss (gain) on investments	5,601,952	(9,774,749)
Increase in allowance for uncollectible pledges	19,664	238,744
Increase in discount for pledge receivables	74,498	96,303
Contributions restricted for long-term investment	(175,100)	(272,052)
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Promises to give	(1,900,146)	(1,183,706)
Prepaid expenses and other assets	362,941	265,762
Increase (decrease) in:		
Accounts payable and accrued expenses	1,007,273	(258,474)
Stipends payable	(2,205,965)	1,612,641
<b>Net cash (used in) provided by operating activities</b>	<b>(457,216)</b>	<b>15,262,106</b>
Cash flows from investing activities:		
Purchases of property and equipment	(460,605)	(306,844)
Purchases of investments	(2,443,071)	(19,885,371)
Proceeds from sales or maturity of investments	5,519,783	6,607,429
<b>Net cash provided by (used in) investing activities</b>	<b>2,616,107</b>	<b>(13,584,786)</b>
Cash flows from financing activities:		
Proceeds from the line of credit	4,000,000	3,500,000
Repayments to the line of credit	(4,000,000)	(3,500,000)
Collection of endowment fund support	175,100	272,052
<b>Net cash provided by financing activities</b>	<b>175,100</b>	<b>272,052</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,333,991</b>	<b>1,949,372</b>
Cash and cash equivalents:		
Beginning	18,317,112	16,367,740
Ending	\$ 20,651,103	\$ 18,317,112
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 38,117	\$ 19,264

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
	Ashoka Belgium	

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.

**Adopted accounting pronouncement:** On September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The amendments in this ASU is intended to increase the transparency of contributed nonfinancial assets, or gifts-in-kind, for not-for-profit entities through enhanced presentation and disclosure. This ASU requires that nonfinancial assets are presented as separate line items in the consolidated statement of activities and disclosures include a disaggregation of the amount contributed by category, a description of donor restrictions if any, and valuation techniques for the contributed nonfinancial assets received. The update was applied on a retrospective basis to the contributions recognized in the years ended August 31, 2022 and 2021.

**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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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

**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 statements 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 \$15,525,359 in foreign accounts, some of which are not insured as of August 31, 2022. 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.

**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 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 promises to give when all reasonable collection efforts have been exhausted. The allowance for uncollectible promises to give was \$308,846 at August 31, 2022.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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

**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.

**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 (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 \$4,781,197 as of August 31, 2022.

**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 losses amounted to \$4,835,784 for the year ended August 31, 2022.

**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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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

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

**Reclassification:** Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**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 has adopted and is currently implementing the new standard on the consolidated financial statements.

**Subsequent events:** Ashoka has evaluated subsequent events through September 26, 2023, the date on which 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 4.0% was used for the new promises to give received in the fiscal year ended August 31, 2022.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 3. Promises to Give (Continued)

Unconditional promises to give as of August 31, 2022, are due as follows:

Within one year	\$ 24,638,569
Two to five years	6,409,575
Gross pledges receivable	<u>31,048,144</u>
Allowance for uncollectible pledges	(308,486)
Discount to present value	(293,187)
Net pledges receivable	<u><u>\$ 30,446,471</u></u>

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

As of August 31, 2022, the fair value of investments were as follows:

Cash and money market funds	\$ 6,750,235
Certificates of deposit	3,876,887
Equities	9,603,179
Mutual funds	2,692,634
Exchange traded funds	1,063,648
Real estate investment trusts	89
Municipal bonds	65,000
U.S. treasuries	25,634,019
	<u><u>\$ 49,685,691</u></u>

Investment loss for the year ended August 31, 2022, consists of the following:

Realized and unrealized loss, net	\$ (5,601,952)
Interest and dividends	1,817,206
Investment management fees	(1,651)
	<u><u>\$ (3,786,397)</u></u>

The Accounting Standards Codification 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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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

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, 2022.

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, 2022:

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and money market funds	\$ 6,750,235	\$ -	\$ -	\$ 6,750,235
Certificates of deposit	-	3,876,887	-	3,876,887
Equities	9,603,179	-	-	9,603,179
Mutual funds	2,692,634	-	-	2,692,634
Exchange traded funds	1,063,648	-	-	1,063,648
Real estate investment trusts	89	-	-	89
Municipal bonds	-	65,000	-	65,000
U.S. treasuries	25,634,019	-	-	25,634,019
	<u>\$ 45,743,804</u>	<u>\$ 3,941,887</u>	<u>\$ -</u>	<u>\$ 49,685,691</u>

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

Property and equipment as of August 31, 2022, are comprised of the following:

Furniture and equipment	\$ 1,049,088
Leasehold improvements	169,708
Software	<u>2,274,591</u>
	<u>3,493,387</u>
Less accumulated depreciation and amortization	<u>(2,464,422)</u>
	<u>\$ 1,028,965</u>

Depreciation and amortization expense was \$339,884 for the year ended August 31, 2022.

#### 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 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, 2022, the line of credit has no outstanding balance.

## 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, 2022:

Leading social entrepreneurship	\$ 17,643,315
Empathy and young changemaking	4,920,568
Organizing for changemaking	12,003,778
Idea spread and framework change	4,067,163
Fundraising	1,185,602
Endowment funds in perpetuity:	
Social entrepreneurs within emerging market countries	1,147,769
Fellows	772,207
Fellows within a specific country	722,418
Fellows who are women	240,334
Fellows for education and social development	822,943
Fellows for health and hunger	248,342
Fellows for the environment	159,355
Fellows for justice and peace	936,518
General purpose	26,181,281
	<u>\$ 71,051,593</u>

Net assets were released from donor restrictions during the year ended August 31, 2022, by incurring expenses satisfying the restricted purposes as follows:

Leading social entrepreneurship	\$ 10,360,155
Empathy and young changemaking	5,168,344
Organizing for changemaking	7,062,717
Idea spread and framework change	3,325,565
Fundraising	361,824
Other restricted use	683,860
Total restrictions released	<u>\$ 26,962,465</u>

#### Note 8. Contributions of nonfinancial assets

Ashoka reports contributions of nonfinancial assets as contribution revenue and program expense upon receipt. Accounting principles generally accepted in the United States of America (GAAP) allow recognition of contributed services only if: (a) the services create or enhance nonfinancial assets or (b) the services would have been purchased if not provided by contribution, require specialized skills, and are provided by individuals possessing those skills. 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 statements of activities as net assets released from restrictions. None of the contributed nonfinancial assets received were restricted in use. All contributed nonfinancial assets are used in programmatic activities.

During the year ended August 31 2022, the value of contributed nonfinancial assets were related to services of \$2,686,739. These contributed services were included in the consulting and outside services lines on the accompanying consolidated statement of functional expense.



## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 9. Endowments

Ashoka is building an endowment and now has 43 specific endowments that together totaled \$32,589,494 on August 31, 2022. 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.

**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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 9. Endowments (Continued)

**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.

**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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 9. Endowments (Continued)

**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.

**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 9. 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 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 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

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 9. Endowments (Continued)

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

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, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ 300,000	\$ 32,289,494	\$ 32,589,494
	<u>\$ 300,000</u>	<u>\$ 32,289,494</u>	<u>\$ 32,589,494</u>

**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.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 9. Endowments (Continued)

**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, 2022, there are no underwater Endowment funds in the Ashoka portfolio.

Endowment fund activity for the year ended August 31, 2022, consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, August 31, 2021	\$ -	\$ 35,252,740	\$ 35,252,740
Interest and dividends	-	1,664,769	1,664,769
Net appreciation (realized and unrealized)	-	(4,501,563)	(4,501,563)
Contributions	300,000	175,100	475,100
Appropriation for expenditure	-	(300,000)	(300,000)
Investment fees	-	(1,552)	(1,552)
Endowment net assets, August 31, 2022	<u>\$ 300,000</u>	<u>\$ 32,289,494</u>	<u>\$ 32,589,494</u>

#### Note 10. Stipends Payable

Stipends payable at August 31, 2022, were as follows:

Prior year Fellows	\$ 1,555,906
New Fellows and extensions in 2022	3,225,291
	<u>\$ 4,781,197</u>
Global	\$ 3,035,858
East and Southeast Asia	41,336
South Asia	226,515
Africa	38,966
MENA	57,624
Latin America	224,519
North America	290,825
Europe	865,554
	<u>\$ 4,781,197</u>

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### Note 11. 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:	
2023	\$ 179,962
2024	43,642
2025	779,497
2026	862,131
2027	883,599
Thereafter	6,907,952
	<u>\$ 9,656,783</u>

Rental expense for the year ended August 31, 2022, was \$1,766,876.

#### 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) 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, 2022.

#### 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 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, 2022, Ashoka spent (not including payments to Fellows committed to and funded in prior years) and committed (to new Fellows) \$39,486,859. Ashoka raised \$37,809,973 (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, 2022. Ashoka's utilization of commitments budget allowed it to grow its board spread, or surplus, into future years.

## Ashoka and Affiliates

### Notes to Consolidated Financial Statements

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#### 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:

Cash and cash equivalents	\$ 20,651,103
Promises to give, net	30,446,471
Endowment and other investments	<u>49,685,691</u>
	100,783,265
Less those unavailable for general expenditure within one year due to:	
Contractual or imposed restrictions:	
Donor-restricted endowment funds	(300,000)
Investments held for net assets with donor restrictions	<u>(71,051,593)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 29,431,672</u></u>

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.