









**THE AKSHAYA PATRA FOUNDATION (USA)**

*Statements of Financial Position*

*As of December 31, 2020 and 2019*

<i>Assets</i>	<i>2020</i>	<i>2019</i>
<b><i>Current Assets:</i></b>		
Cash and cash equivalents	\$ 6,779,097	\$ 1,679,114
Accounts and pledges receivable	274,225	769,168
Prepaid expenses	11,578	2,790
	<b><i>Total current assets</i></b>	<b>7,064,900</b>
	<b><i>Website and Computers, net</i></b>	<b>10,196</b>
<b><i>Other Assets:</i></b>		
Pledges receivable - noncurrent, net	327,780	9,637
	<b><i>Total assets</i></b>	<b>\$ 7,402,876</b>
	<b><i>Liabilities and Net Assets</i></b>	<b>\$ 2,485,213</b>
<b><i>Current Liabilities:</i></b>		
Accounts payable	\$ 11,142	\$ 10,493
Grants payable	4,121,711	-
Accrued expenses	13,330	92,635
Refundable advanced	119,800	-
	<b><i>Total liabilities</i></b>	<b>103,128</b>
<b><i>Net Assets:</i></b>		
Without donor restrictions	850,649	(573,180)
With donor restrictions	2,286,244	2,955,265
	<b><i>Total net assets</i></b>	<b>3,136,893</b>
	<b><i>Total liabilities and net assets</i></b>	<b>\$ 7,402,876</b>
	<b><i>Total liabilities and net assets</i></b>	<b>\$ 2,485,213</b>

*See accompanying notes to financial statements.*

**THE AKSHAYA PATRA FOUNDATION (USA)**

*Statement of Activities*

*For the Year Ended December 31, 2020*

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<b><i>Revenue and Support:</i></b>			
Contributions and other support:			
Contributions	\$ 5,016,432	\$ 2,690,569	\$ 7,707,001
Interest income	15,281	-	15,281
Contributed goods and services	116,345	-	116,345
Net assets released from restrictions	1,222,030	(1,222,030)	-
<b><i>Total contributions and other support</i></b>	<b>6,370,088</b>	<b>1,468,539</b>	<b>7,838,627</b>
Event revenue	3,810,727	1,198,799	5,009,526
Less: direct event expenses	(102,615)	-	(102,615)
Net assets released from restrictions	3,336,359	(3,336,359)	-
<b><i>Event revenue, net</i></b>	<b>7,044,471</b>	<b>(2,137,560)</b>	<b>4,906,911</b>
<b><i>Total revenue and support</i></b>	<b>13,414,559</b>	<b>(669,021)</b>	<b>12,745,538</b>
<b><i>Expenses:</i></b>			
Program services	11,120,158	-	11,120,158
Fundraising	689,879	-	689,879
General and administration	180,693	-	180,693
<b><i>Total expenses</i></b>	<b>11,990,730</b>	<b>-</b>	<b>11,990,730</b>
<b><i>Changes in net assets</i></b>	<b>1,423,829</b>	<b>(669,021)</b>	<b>754,808</b>
<b><i>Net Assets, beginning of year</i></b>	<b>(573,180)</b>	<b>2,955,265</b>	<b>2,382,085</b>
<b><i>Net Assets, end of year</i></b>	<b>\$ 850,649</b>	<b>\$ 2,286,244</b>	<b>\$ 3,136,893</b>

See accompanying notes to financial statements.

**THE AKSHAYA PATRA FOUNDATION (USA)**

*Statement of Activities*

*For the Year Ended December 31, 2019*

	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>
<b><i>Revenue and Support:</i></b>			
Contributions and other support:			
Contributions	\$ 2,611,436	\$ 883,687	\$ 3,495,123
Interest income	11,866	-	11,866
Contributed goods and services	144,125	-	144,125
Net assets released from restrictions	256,593	(256,593)	-
<b><i>Total contributions and other support</i></b>	3,024,020	627,094	3,651,114
Event revenue	3,381,908	1,388,580	4,770,488
Less: direct event expenses	(696,926)	-	(696,926)
Net assets released from restrictions	996,278	(996,278)	-
<b><i>Event revenue, net</i></b>	3,681,260	392,302	4,073,562
<b><i>Total revenue and support</i></b>	6,705,280	1,019,396	7,724,676
<b><i>Expenses:</i></b>			
Program services	8,882,089	-	8,882,089
Fundraising	617,499	-	617,499
General and administration	156,957	-	156,957
<b><i>Total expenses</i></b>	9,656,544	-	9,656,544
<b><i>Changes in net assets</i></b>	(2,951,264)	1,019,396	(1,931,868)
<b><i>Net Assets, beginning of year</i></b>	2,378,084	1,935,869	4,313,953
<b><i>Net Assets, end of year</i></b>	\$ (573,180)	\$ 2,955,265	\$ 2,382,085

See accompanying notes to financial statements.

**THE AKSHAYA PATRA FOUNDATION (USA)**

*Statements of Cash Flows*

*For the Years Ended December 31, 2020 and 2019*

	<b>2020</b>	<b>2019</b>
<b><i>Cash Flows from Operating Activities:</i></b>		
Changes in net assets	\$ 754,808	\$ (1,931,868)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation and amortization	16,392	14,397
Change in:		
Accounts and pledges receivable	494,943	455,121
Prepaid expenses	(8,788)	13,874
Pledges receivable - noncurrent	(318,143)	4,699
Accounts payable	649	9,338
Grants payable	4,121,711	-
Accrued expenses	(79,305)	73,021
Refundable advance	119,800	-
	<b>5,102,067</b>	<b>(1,361,418)</b>
<b><i>Net cash provided by operating activities</i></b>		
<b><i>Cash Flows from Investing Activities:</i></b>		
Purchase of fixed assets	(2,084)	(10,352)
	<b>(2,084)</b>	<b>(10,352)</b>
<b><i>Net cash used in investing activities</i></b>		
<b><i>Net change in cash and cash equivalents</i></b>	<b>5,099,983</b>	<b>(1,371,770)</b>
<b><i>Cash and Cash Equivalents, beginning</i></b>	<b>1,679,114</b>	<b>3,050,884</b>
<b><i>Cash and Cash Equivalents, ending</i></b>	<b>\$ 6,779,097</b>	<b>\$ 1,679,114</b>

*See accompanying notes to financial statements.*



**THE AKSHAYA PATRA FOUNDATION (USA)**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2020*

	<i>Program Services</i>	<i>Fundraising</i>	<i>General and Administration</i>	<i>Total</i>
Grants to Akshaya Patra				
Foundation India	\$ 10,663,287	\$ -	\$ -	\$ 10,663,287
Salaries and program consultants	395,728	501,899	67,563	965,190
Health insurance	9,554	12,117	1,631	23,302
Fringe benefits	2,409	3,056	411	5,876
Payroll taxes	26,235	33,274	4,479	63,989
Professional fees	16,600	11,067	27,667	55,333
Donation processing fees	-	37,856	4,206	42,062
Information technology	-	11,349	2,003	13,352
Website	559	2,797	2,238	5,594
Filing fees	-	-	11,983	11,983
Marketing expenses	-	61,663	15,416	77,079
Occupancy	-	5,100	5,100	10,200
Telecommunication	-	2,467	1,644	4,111
Pension expense	2,543	3,225	434	6,202
Insurance	-	-	8,577	8,577
Office expenses	-	3,199	9,598	12,797
Travel	3,242	811	1,351	5,404
Depreciation and amortization	-	-	16,392	16,392
<b><i>Total expenses</i></b>	<b><u>\$ 11,120,158</u></b>	<b><u>\$ 689,879</u></b>	<b><u>\$ 180,693</u></b>	<b><u>\$ 11,990,730</u></b>

*See accompanying notes to financial statements.*

**THE AKSHAYA PATRA FOUNDATION (USA)**

*Statement of Functional Expenses*

*For the Year Ended December 31, 2019*

	<i>Program Services</i>	<i>Fundraising</i>	<i>General and Administration</i>	<i>Total</i>
Grants to Akshaya Patra				
Foundation India	\$ 8,431,337	\$ -	\$ -	\$ 8,431,337
Salaries and program consultants	359,919	456,482	61,450	877,850
Health insurance	6,575	8,339	1,123	16,037
Fringe benefits	4,266	5,410	728	10,404
Payroll taxes	18,044	22,885	3,081	44,009
Professional fees	9,045	6,030	15,075	30,149
Donation processing fees	-	49,340	5,482	54,822
Information technology	-	15,237	2,689	17,926
Website	276	1,380	1,104	2,759
Filing fees	-	-	12,186	12,186
Marketing expenses	-	35,898	8,974	44,872
Occupancy	-	2,430	2,430	4,860
Telecommunication	-	3,814	2,543	6,357
Pension expense	1,968	2,496	336	4,800
Insurance	-	-	7,250	7,250
Office expenses	-	3,885	11,654	15,539
Travel	15,495	3,874	6,456	25,825
Other program expenses	35,165	-	-	35,165
Depreciation and amortization	-	-	14,397	14,397
<b><i>Total expenses</i></b>	<b><u>\$ 8,882,089</u></b>	<b><u>\$ 617,499</u></b>	<b><u>\$ 156,957</u></b>	<b><u>\$ 9,656,544</u></b>

*See accompanying notes to financial statements.*

# THE AKSHAYA PATRA FOUNDATION (USA)

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2020 and 2019*

#### **Note 1. Organization**

The Akshaya Patra Foundation (USA) (the Organization) was established in 2001 as a USA 501(c)(3) non-profit corporation to promote the mission and to raise and distribute funds to help grow The Akshaya Patra Foundation (TAPF) based in Bengaluru, India. In 2020, TAPF provided hot, nutritious meals and grocery kits to more than 1.8 million children daily in over 19,000 government schools across 14 states from 55 centralized and 2 de-centralized kitchen locations in India. These meals serve a dual role of combatting childhood malnutrition and encouraging school attendance. In the years ended December 31, 2020 and 2019, the Organization contributed \$10,663,287 and \$8,431,337 to TAPF in the form of grants. Pursuant to a Board Resolution, which can be amended from time to time, a percentage of all funds raised by The Akshaya Patra Foundation (USA) are retained to cover its operating expenses and the balance is sent as grants either with or without use restrictions in accordance with donor instructions. Additionally, the Organization may receive other funds which are designated to be used exclusively for its operations.

#### **Note 2. Summary of Significant Accounting Policies**

##### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

##### ***Net Assets***

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets without donor restrictions are those available for use in general operations and not subject to donor or certain grantor restrictions.

*Net assets with donor restrictions:* Net assets with donor restrictions are subject to donor-imposed or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed Restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

##### ***Basis of Presentation***

Financial statements presentation follows the guidelines of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities—Presentation of Financial Statements of Not-for-Profit Entities*.

# THE AKSHAYA PATRA FOUNDATION (USA)

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2020 and 2019*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***Cash and Cash Equivalents***

The Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of ninety days or less at the time of purchase. Excluded from this definition of cash equivalents are such amounts that represent funds that have been restricted by donors and designated by the Board.

##### ***Contributed Goods and Services***

The Organization records various types of in kind support including contributed professional services, advertising and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Contributions of tangible assets are recognized at fair market value when received. Additionally, the Organization receives a significant amount of skilled, contributed time, which does not meet the two recognition criteria as described above. Accordingly, the value of this contributed time has not been determined and is not reflected in the accompanying financial statements.

##### ***Functional Allocation of Expenses***

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and/ or support service are allocated directly according to its natural expenditure classification.

##### ***Equipment***

Equipment is recorded at cost, if purchased, or if donated, at their estimated fair market value at the date of receipt. All acquisitions of equipment in excess of \$1,500 and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets are capitalized. The cost of maintenance, repairs, and minor renewals are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets of three to five years.

##### ***Income Tax Status***

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code except on net income derived from unrelated business activities. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b) (1) (a) and has been classified as an organization that is not a private foundation under Section 509(a) (1). The Organization is also exempt from State taxes.

# THE AKSHAYA PATRA FOUNDATION (USA)

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2020 and 2019*

#### **Note 2. Summary of Significant Accounting Policies (Continued)**

##### ***Use of Estimates and Assumptions***

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

##### ***Revenue and Revenue Recognition***

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

##### ***Contributions***

Contributions are recognized as revenue when they are received or unconditionally pledged. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, assets with restrictions are reclassified to assets with restrictions.

##### ***Pledges Receivable***

Pledges receivable represent amounts which are due from donors which are classified as current if they are scheduled for payment within one year, and non-current when the expected payment date exceeds one year. Promises to give with expected payment dates that extend beyond one year are discounted to their present value. Management believes that all pledges receivable are collectible, and therefore, no allowance for doubtful pledges has been established. If pledges are determined to be uncollectible in subsequent periods, they will be charged to activities at that time.

#### **Note 3. Liquidity and Availability**

The Organization has the Board directive to retain funds to keep cash reserves for up to six months of general expense and for building up the organization, from time to time. In general, funds are disbursed towards program expenses at the end of every quarter and held in interest bearing money market accounts at regional or national level banks till such time. Marketable securities are donations received in the form of stocks that are received and immediately sold for cash proceeds. Estimated average annual non grant expense for the Organization is \$1 million, and the available balance on December 31, 2020 is sufficient to last for 7 months.

THE AKSHAYA PATRA FOUNDATION (USA)

*Notes to Financial Statements*

*For the Years Ended December 31, 2020 and 2019*

**Note 3. Liquidity and Availability (Continued)**

Liquid financial assets as of December 31, 2020 comprise the following:

Cash and cash equivalents	\$ 6,779,097
Accounts and pledges receivable	<u>274,225</u>
<b>Total financial assets</b>	7,053,322
Less: grants payable	(4,121,711)
Less: net assets with donor restrictions	<u>(2,286,244)</u>
<b>Financial assets available to meet general expenditures over the next 12 months</b>	<u><u>\$ 645,367</u></u>

**Note 4. Equipment**

At December 31, equipment consisted of the following:

	<u>2020</u>	<u>2019</u>
Computers	\$ 40,985	\$ 38,901
Less accumulated depreciation and amortization	<u>(30,789)</u>	<u>(14,397)</u>
<b>Net</b>	<u><u>\$ 10,196</u></u>	<u><u>\$ 24,504</u></u>

**Note 5. Significant Concentrations of Risk**

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash, cash equivalents, investments, and contributions receivable. The Organization maintains its cash, cash equivalents, and investments with high-credit quality financial institutions. These balances from time-to-time exceed the FDIC limits and subject the Organization to concentration of credit risk. At December 31, 2020 and 2019, the Organization had \$6,188,281 and \$1,174,019, respectively, over the FDIC limits.

THE AKSHAYA PATRA FOUNDATION (USA)

*Notes to Financial Statements*

*For the Years Ended December 31, 2020 and 2019*

**Note 6. Events**

The Organization had events in the years 2020 and 2019. For the years ended December 31, the event revenue and expenses are as follows:

	<u>2020</u>		<u>2019</u>	
	<i>Without Donor Restrictions</i>	<i>With Donor Restrictions</i>	<i>Total</i>	<i>Total</i>
Event revenue	\$ 3,810,727	\$ 1,198,799	\$ 5,009,526	\$ 4,770,488
Less: direct event expenses	(102,615)	-	(102,615)	(696,926)
Net assets released from restrictions	3,336,359	(3,336,359)	-	-
<b>Events, net</b>	<b>\$ 7,044,471</b>	<b>\$ (2,137,560)</b>	<b>\$ 4,906,911</b>	<b>\$ 4,073,562</b>

**Note 7. Retirement Plan**

The Organization sponsors a Simple IRA defined contribution retirement plan (the Plan) covering substantially all of its employees who meet certain eligibility requirements. The Organization will match employee contributions up to 3% of their gross salary. During the years ended December 31, 2020 and 2019, the Organization made contributions to the plan in the amount of \$6,202 and \$4,800, respectively.

**Note 8. Net Assets with Donor Restrictions**

At December 31, 2020 and 2019, the Organization had assets with donor restrictions of \$2,286,244 and \$2,955,265, respectively, which are restricted for specific programs.

**Note 9. Indemnifications**

In the ordinary course of business, the Organization enters into various agreements containing standard indemnification provisions. The Organization's indemnification obligations under such provisions are typically in effect from the date of execution of the applicable statute of limitations. The aggregate maximum potential future liability of the Organization under such indemnification provisions is uncertain. As of December 31, 2020 and 2019, no amounts have been accrued related to such indemnification provisions.

THE AKSHAYA PATRA FOUNDATION (USA)

*Notes to Financial Statements*

*For the Years Ended December 31, 2020 and 2019*

**Note 10. Pledges Receivable**

Pledges receivable are estimated to be collected as follows on December 31:

	<u>2020</u>	<u>2019</u>
Within one year	\$ 274,225	\$ 540,831
In one to five years	333,337	238,337
<b><i>Subtotal</i></b>	607,562	779,168
Less: discount to net present value	(557)	(363)
<b><i>Pledges receivable, net</i></b>	<u>\$ 607,005</u>	<u>\$ 778,805</u>

Pledges receivable are recorded after being discounted to the anticipated net present value of the future cash flows.

**Note 11. Advertising**

The Organization uses advertising for public relations and to promote its programs. Advertising costs are expensed as incurred. Total advertising costs including event advertisements for the years ended December 31, 2020 and 2019 were \$56,533 and \$11,285, respectively. This is included in the marketing expense.

**Note 12. Refundable Advance, Paycheck Protection Program (PPP) Loan**

The Organization was granted a loan from a bank for \$119,800 pursuant to the PPP.

The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, the Organization cannot assure it will not take actions that could cause the Organization to be ineligible for forgiveness of the loan, in whole or in part. The loan is recorded on the statement of financial position as a refundable advance.

The PPP loan has been fully forgiven in January 2021.



# THE AKSHAYA PATRA FOUNDATION (USA)

## *Notes to Financial Statements*

### *For the Years Ended December 31, 2020 and 2019*

#### **Note 13. Contributions in India**

For the years ended December 31, 2020 and 2019, the Organization received \$367,417 and \$663,692 of contributions, respectively as a result of fundraising efforts in the United States of America. These amounts are also recorded as grant expenses in the same years. Both the revenue and the related grant expense went directly to India.

#### **Note 14. Grants Payable**

Grants payable were approved in 2020, but not disbursed to India due to the Coronavirus Crisis. These grants payable remain restricted to particular organizations approved by the Board of Directors during the year ended December 31, 2020.

#### **Note 15. Net Assets**

The net assets for the year ended December 31, 2019 reflect a negative balance of \$573,180. This is related to the timing of the transfer of grants to India at year-end. This is not a result of operations.

#### **Note 16. Subsequent Events**

ASC 855-10, *Subsequent Events*, defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization management has evaluated events subsequent to December 31, 2020 through April 30, 2021, which is the date the financial statements were available to be issued.

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption that may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, the disruption of the Organization's programs.