



Financial Statements

Year Ended December 31, 2013



Asha for Education
For the Fiscal Year Ended December 31, 2013

TABLE OF CONTENTS

	<u>Page</u>
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis.....	3
Statement of Support, Revenues, Expenses and Changes in Net Assets – Modified Cash Basis.....	4
Statement of Functional Expenses – Modified Cash Basis.....	5
Notes to Financial Statements.....	6



Asha for Education
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2013

Assets	
Cash	\$ 5,670,224
Certificates of deposit	<u>3,548,219</u>
Total assets	<u><u>\$ 9,218,443</u></u>
Liabilities and Net Assets	
Liabilities	<u>\$ -</u>
Net Assets:	
Unrestricted	\$ 3,760,420
Temporarily restricted	<u>5,458,023</u>
Total net assets	<u>9,218,443</u>
Total liabilities and net assets	<u><u>\$ 9,218,443</u></u>

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



Asha for Education
Statement of Support, Revenues, Expenses, and Changes in Net Assets - Modified Cash Basis
Year Ended December 31, 2013

	Unrestricted	Temporarily Restricted to Chapter	Temporarily Restricted to Project	Total
Support and revenues:				
Contributions	\$ 311,320	\$ 2,047,570	\$ 499,006	\$ 2,857,896
Special event revenue	576,103	-	-	576,103
Less: cost of benefits to donors	(256,213)	-	-	(256,213)
Merchandise sales	3,223	-	-	3,223
Interest income	53,601	-	-	53,601
Net assets released from restrictio	2,568,613	(2,115,298)	(453,315)	-
Total support and revenues	3,256,647	(67,728)	45,690	3,234,609
Expenses:				
Program services	2,560,034	-	-	2,560,034
Management and general	75,500	-	-	75,500
Fundraising	454	-	-	454
Total expenses	2,635,987	-	-	2,635,987
Change in net assets	620,659	(67,728)	45,690	598,622
Net assets, beginning of year	3,139,761	5,431,597	48,463	8,619,821
Net assets, end of year	\$ 3,760,420	\$ 5,363,869	\$ 94,153	\$ 9,218,443

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



Asha for Education
Statement of Functional Expenses - Modified Cash Basis
Year Ended December 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Project disbursements	\$ 2,560,034	-	-	\$ 2,560,034
Accounting fees	-	\$ 33,298	-	33,298
Administrative expenses	-	2,678	-	2,678
Advertisements (not related to event/fundraiser)	-	1,270	-	1,270
Bank charges	-	7,871	-	7,871
Credit card processing fees	-	24,583	-	24,583
Donation processing fees by Third Part Vendors	-	721	-	721
Equipment rental	-	1,481	-	1,481
Legal fees	-	90	-	90
Postage and shipping	-	2,976	-	2,976
Travel	-	149	-	149
Printing and publications	-	-	\$ 454	454
Merchandise	-	384	-	384
	<u>\$ 2,560,034</u>	<u>\$ 75,500</u>	<u>\$ 454</u>	<u>\$ 2,635,987</u>
Totals	<u>\$ 2,560,034</u>	<u>\$ 75,500</u>	<u>\$ 454</u>	<u>\$ 2,635,987</u>

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



Asha for Education
Notes to Financial Statements
Year Ended December 31, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Program Services

Asha for Education ("Asha") is a secular organization dedicated to change in India by focusing on basic education in the belief that education is a critical requisite for socio-economic change. Asha's focus on children's education has galvanized a number of volunteers across the globe. Today, there are 66 Asha chapters worldwide: 46 in the United States, 12 in India, 7 in Europe and 1 in Canada. Volunteers in each of these chapters take personal interest in identifying education-related projects in India, and supporting them through funds and other means.

As part of the Asha charter, all Asha chapters have a high degree of freedom in their activities including the identification, research, support and ownership of projects. However, there is also a good deal of co-operation among chapters and volunteers across chapters. This co-operation is evident in the joint ownership of projects across chapters, formation of focus groups across chapters, cross-chapter discussion on issues of interest, worldwide events like the Asha-Wide Conference, Work-An-Hour, and the Asha India Conference.

In keeping with this focus, Asha's volunteers are involved with and support projects in India that are secular and have an education-related component to them. Their objectives are:

1. To provide education to underprivileged children in India.
2. To encourage the formations of various local groups across the world to reach out to larger sections of the population.
3. To support and cooperate with persons and groups already engaged in similar activities.
4. To raise the required human and other resources to achieve the group objectives.
5. To provide opportunities to individuals living outside India who wish to participate in Asha activities in India.
6. To address, whenever possible, other issues affecting human life such as health care, the environment, socio-economic aspects and women's issues.

Asha's financial statements include the accounts of Asha and its chapters located in the United States of America. Other international affiliates are located in Canada, Europe and India. The financial statements of those organizations are not included in the accompanying financial statements since Asha does not exercise control over the management and operations of those international affiliates.

Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that—

- Contributions and support are recognized when received, not when Asha is notified it is the recipient of an unconditional promise to give or awarded funding under a grant program.
- Non-cash contributions for management services and use of facilities are not recorded.
- Payments to vendors, suppliers, and employees are generally recognized when paid instead of when goods or services are received.

Financial Statement Presentation

Asha reports information regarding financial position and activities according to three classes of net assets: unrestricted net asset, temporarily

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to explicit or implicit donor-imposed stipulations that may or will be met either by actions of Asha and/or the passage of time.

Permanently restricted net assets – Net assets to be held in perpetuity as directed by donors. The income from the contributions is available to support activities as designated by donors. Asha had no permanently restricted net assets at December 31, 2013.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restriction or by law.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recognized when received. Contributions of assets other than cash are recorded at estimated fair value at the date of gift. Asha reports gifts of cash and other assets as temporarily restricted support if they are received with explicit or implicit donor stipulations limiting the use of the assets. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Contributions that are made by non-participants in connection with fundraising events (i.e. marathons), are included in the contributions line item on the statement of support, revenues, expenses and changes in net assets, and not as revenue of the fundraising event.

Expense Allocation

The costs of providing the program services and supporting services have been summarized on a functional basis in the statement of support, revenues, expenses and changes in net assets – modified cash basis and in the statement of functional expenses – modified cash basis. Accordingly, certain costs have been allocated among the program services and supporting services based on estimates of the usage of resources.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reported period. Actual results could differ from those estimates.

Income Tax Status

Asha is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and related California code sections. Asha is considered a public charity and has been classified as an organization that is not a private foundation under IRC Section 509(a)(2).

Management of Asha has evaluated the tax positions and related income tax contingencies. Management does not believe that any material uncertain tax positions exist. With few exceptions, Asha is no longer subject to income tax examinations by federal authorities for years before 2009 and state authorities for years before 2008.

NOTE B – RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at December 31, 2013:

Restricted to Chapter	\$	5,648,156
Restricted to Projects		<u>119,390</u>
Total temporarily restricted net assets	\$	<u><u>5,767,545</u></u>

NOTE C – CONCENTRATIONS OF CREDIT RISK

Asha maintains a majority of its cash in bank deposit accounts that, at times, may exceed federally insured limits. Asha has not experienced any losses in such accounts. Management believes Asha is not exposed to any significant credit risk related to cash.

NOTE D – FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of substantially all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying value of such amounts.

NOTE E – DONATED SERVICES AND FACILITIES

Essentially all of Asha's human resource needs are undertaken by volunteers. Asha received over 5,000 hours of contributed professional management services during the year ended December 31, 2013. Asha has also received donated services from a variety of other unpaid volunteers assisting in, committee activities, chapters, fundraising and other program services.

NOTE F – CONTINGENCIES

Asha is delinquent in registering as a charity and/or filing annual financial forms in numerous States in which it solicits charitable contributions. Each of these States has statutes that may levy fines and penalties for failing to register and file annual financial reports. Management is in the process of correcting these deficiencies. The total amount of fines and penalties that might be levied cannot be determined at this time, but may be material to the financial statements taken as a whole.

NOTE G – SUBSEQUENT EVENTS

The management of Asha has reviewed the results of operations for the period of time from its year end December 31, 2013 through November 20, 2015, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.