

Akanksha Education Fund, Inc.

Financial Statements

March 31, 2024



Independent Auditors' Report

**Board of Directors
Akanksha Education Fund, Inc.**

Opinion

We have audited the accompanying financial statements of Akanksha Education Fund, Inc. (the "Fund"), which comprise the statement of financial position as of March 31, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

In our opinion the financial statements, referred to above present fairly, in all material respects, the financial position of the Fund, as of March 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Fund 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 the Fund's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 the 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 the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant 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 the Fund'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 the Fund's March 31, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 10, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PKF O'Connor Davies, LLP

September 23, 2024

Akanksha Education Fund, Inc.

Statement of Financial Position
March 31, 2024
(with comparative amounts at March 31, 2023)

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 119,680	\$ 593,345
Certificates of deposit and accrued income	224,939	1,823,684
Investments	1,748,549	10,017
Contributions receivable, net	1,222,665	1,161,716
Prepaid expenses	<u>1,101</u>	<u>1,389</u>
	<u>\$ 3,316,934</u>	<u>\$ 3,590,151</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 36,917</u>	<u>\$ 20,039</u>
Net Assets		
Without donor restrictions	2,057,902	2,385,255
With donor restrictions	<u>1,222,115</u>	<u>1,184,857</u>
Total Net Assets	<u>3,280,017</u>	<u>3,570,112</u>
	<u>\$ 3,316,934</u>	<u>\$ 3,590,151</u>

See notes to financial statements

Akanksha Education Fund, Inc.

Statement of Activities
For the Year Ended March 31, 2024
(with summarized totals for the year ended March 31, 2023)

	2024		Total	2023 Total
	Without Donor Restrictions	With Donor Restrictions		
SUPPORT AND REVENUE				
Contributions and grants	\$ 341,002	\$ 863,000	\$ 1,204,002	\$ 2,109,320
Special events revenue, net of direct benefit to donor costs of \$171,202 and \$8,372 in 2024 and 2023	874,591	-	874,591	457,049
Investment return	-	-	-	327
Interest income	83,113	-	83,113	23,683
Net assets released from restrictions	<u>825,742</u>	<u>(825,742)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,124,448</u>	<u>37,258</u>	<u>2,161,706</u>	<u>2,590,379</u>
EXPENSES				
Program services	2,128,135	-	2,128,135	1,572,210
Supporting services				
General and administrative	192,972	-	192,972	192,968
Fundraising	<u>155,449</u>	<u>-</u>	<u>155,449</u>	<u>143,064</u>
Total Expenses	<u>2,476,556</u>	<u>-</u>	<u>2,476,556</u>	<u>1,908,242</u>
Excess (Deficit) of Support and Revenue Over Expenses	(352,108)	37,258	(314,850)	682,137
NON-OPERATING REVENUE				
CARES Act stimulus revenue	<u>24,755</u>	<u>-</u>	<u>24,755</u>	<u>-</u>
Change in Net Assets	(327,353)	37,258	(290,095)	682,137
NET ASSETS				
Beginning of year	<u>2,385,255</u>	<u>1,184,857</u>	<u>3,570,112</u>	<u>2,887,975</u>
End of year	<u>\$ 2,057,902</u>	<u>\$ 1,222,115</u>	<u>\$ 3,280,017</u>	<u>\$ 3,570,112</u>

See notes to financial statements

Akanksha Education Fund, Inc.

Statement of Functional Expenses
For the Year Ended March 31, 2024
(with summarized totals for the year ended March 31, 2023)

	Supporting Services			Direct Benefit to Donors	2024 Total	2023 Total
	Program Services	General and Administrative	Fundraising			
Grants	\$ 1,973,159	\$ -	\$ -	\$ -	\$ 1,973,159	\$ 1,480,171
Personnel costs	149,416	77,381	83,928	-	310,725	273,375
Professional fees	-	91,338	41,613	-	132,951	94,775
Travel	5,560	2,092	5,543	-	13,195	12,417
Website and database	-	4,410	1,265	-	5,675	4,443
Bank fees	-	416	10,434	-	10,850	7,100
Insurance	-	1,992	974	-	2,966	2,204
Postage and printing	-	-	1,411	-	1,411	1,850
Alumni expenses	-	458	-	-	458	-
Supplies	-	-	385	-	385	520
Registration and filing fees	-	3,380	-	-	3,380	5,147
Dues and subscriptions	-	1,999	6,250	-	8,249	7,055
Telephone	-	960	-	-	960	970
Bad debt expense	-	3,059	-	-	3,059	10,270
Miscellaneous	-	-	350	171,202	171,552	8,825
Computer and software	-	4,073	-	-	4,073	2,166
Location rental	-	-	-	-	-	40
Entertainment	-	1,414	3,296	-	4,710	5,286
Total Expenses	2,128,135	192,972	155,449	171,202	2,647,758	1,916,614
Less: cost of direct benefits to donors	-	-	-	(171,202)	(171,202)	(8,372)
Total Expenses Reported by Function on the Statement of Activities	<u>\$ 2,128,135</u>	<u>\$ 192,972</u>	<u>\$ 155,449</u>	<u>\$ -</u>	<u>\$ 2,476,556</u>	<u>\$ 1,908,242</u>

See notes to financial statements

Akanksha Education Fund, Inc.

Statement of Cash Flows
For the Year Ended March 31, 2024
(with comparative amounts for the year ended March 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (290,095)	\$ 682,137
Adjustments to reconcile change in net assets to net cash from operating activities		
Discount on contributions receivable	914	23,298
Bad debt expense	3,059	10,270
Investment return	-	(327)
Accrued income	-	(23,683)
Changes in operating assets and liabilities		
Contributions receivable	(64,922)	(312,221)
Prepaid expenses	288	435
Accounts payable and accrued expenses	16,878	3,527
Net Cash from Operating Activities	(333,878)	383,436
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	-	(120,414)
Proceeds from sale of investments	(1,738,532)	110,724
(Purchases of) certificates of deposit, net	1,598,745	(1,351,468)
Net Cash from Investing Activities	(139,787)	(1,361,158)
 Net Change in Cash and Cash Equivalents	(473,665)	(977,722)
CASH AND CASH EQUIVALENTS		
Beginning of year	593,345	1,571,067
End of year	\$ 119,680	\$ 593,345

See notes to financial statements

Akanksha Education Fund, Inc.

Notes to the Financial Statements
March 31, 2024 and 2023

1. Organization and Tax Status

Akanksha Education Fund, Inc. (the “Fund”) is a nonprofit organization founded in 1996, to provide educational opportunities to disadvantaged children in India. The Fund works closely with The Akanksha Foundation (the “Foundation”) (a registered Indian charity) to advise and fund the Foundation’s innovative programs, which currently serve school-aged children in India and related charitable activities.

The Fund operates as public charity under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”), which 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Net Asset Presentation

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

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Fund. These net assets may be used at the discretion of the Fund’s management and Board of Directors.

With donor restrictions – Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Fund or by the passage of time. Other donor restrictions are permanent in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

Cash and cash equivalents represent highly liquid debt instruments with maturities of three months or less at time of purchase.

Akanksha Education Fund, Inc.

Notes to the Financial Statements
March 31, 2024 and 2023

2. Summary of Significant Accounting Policies (continued)

Certificates of Deposit

Certificates of deposit are reported at cost plus accrued interest, which approximates fair value.

Fair Value Measurements

The Fund follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted market prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. As of and for the years ended March 31, 2024 and 2023, all of the Fund's investments, which consist of money market funds, bought, sold and held were valued using Level 1 inputs.

Investments and Investment Income

Investments are stated at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of investment return.

Contributions and Grants Receivable

Unconditional contributions, including promises to give cash and other assets, are reported at net realizable value at the date the contribution is received. Gifts are reported as net assets with donor restrictions if they are received with donor stipulations that limit the use of donated assets.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions and grant revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Functional Allocation of Expenses

The financial statements report categories of expenses that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs are allocated on the basis of time and effort. All other costs that are not charged directly to a program are allocated by percentage of overall salary allocation.

Akanksha Education Fund, Inc.

Notes to the Financial Statements
March 31, 2024 and 2023

2. Summary of Significant Accounting Policies *(continued)*

Prior Year Summarized Comparative Information

Information as of and for the year ended March 31, 2023 is presented for comparative purposes only. Activity by net asset classification is not included in these financial statements. Accordingly, 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 the Fund's financial statements as of and for the year ended March 31, 2023, from which the summarized comparative information was derived.

Reclassifications

Certain amounts in the March 31, 2023 financial statements have been reclassified to conform to the March 31, 2024 presentation.

Accounting for Uncertainty in Income Taxes

The Fund recognizes the effect of income tax positions only if those positions are more likely not to be sustained. Management has determined that the Fund had no uncertain positions that would require financial statement recognition or disclosure. The Fund is no longer subject to examinations by the applicable taxing jurisdictions for period prior to 2021.

3. Concentration of Credit Risk

Financial instruments which potentially subject the Fund to concentrations of credit risk consist primarily of cash and cash equivalents, (including certificates of deposit), which from time to time may exceed the Federal Deposit Insurance Corporation's ("FDIC") limit. The Fund does not believe that a significant risk of loss, due to the failure of a financial institution, presently exists. As of March 31, 2024, eight donors accounted for 82% and at March 31, 2023, five donor accounted for 82% of contributions receivable.

4. Contributions Receivable

Contributions receivable consisted of the following as of March 31:

	<u>2024</u>	<u>2023</u>
Amounts expected to be collected in		
Within one year	\$ 671,759	\$ 627,382
One to five years	<u>575,118</u>	<u>557,632</u>
	1,246,877	1,185,014
Less discount to present value	<u>(24,212)</u>	<u>(23,298)</u>
	<u>\$ 1,222,665</u>	<u>\$ 1,161,716</u>

Amounts due after one year were discounted using rates of 4.21% and 3.60% for the years ended March 31, 2024 and 2023.

Akanksha Education Fund, Inc.

Notes to the Financial Statements
March 31, 2024 and 2023

5. Related Party Transactions

The Fund and the Foundation both share two common members on their Boards of Directors and both the Fund and the Foundation conduct business with each other. During the years ended March 31, 2024 and 2023, costs incurred by the Fund totaled \$1,973,159 and \$1,480,171, for services provided by the Foundation and are included in program services on the statement of activities.

6. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of time and purpose restricted contributions as follows:

	<u>2024</u>	<u>2023</u>
Purpose restrictions	\$ 394,742	\$ 600,000
Time restrictions	<u>827,373</u>	<u>584,857</u>
	<u>\$ 1,222,115</u>	<u>\$ 1,184,857</u>

Net assets released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specific by donors totaled \$825,742 and \$960,149 during the years ended March 31, 2024 and 2023.

7. Liquidity and Availability of Financial Assets

The following reflects the Fund's financial assets as of March 31, reduced by amounts not available for general use within one year of that date because of contractual or donor-imposed restrictions:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 119,680	\$ 593,345
Certificates of deposit and accrued interest	224,939	1,823,684
Investments	1,748,549	10,017
Contributions receivable, net	<u>1,222,665</u>	<u>1,161,716</u>
Total Financial Assets	3,315,833	3,588,762
Less: donor imposed restriction amounts:		
Restricted by donors with time and purpose restrictions	<u>1,222,115</u>	<u>1,184,857</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 2,093,718</u>	<u>\$ 2,403,905</u>

As part of the Fund's liquidity management strategy, the Fund structures its financial assets to be available as its general expenditures and liabilities come due. The Fund's working capital and cash flows have cyclical variations during the year attributable to the cash receipts of contributions and grants.

Akanksha Education Fund, Inc.

Notes to the Financial Statements
March 31, 2024 and 2023

8. Subsequent Events

The Fund has evaluated events through September 23, 2024, the date these financial statements were available for issuance and has determined that there are no subsequent events or transactions requiring recognition or disclosure in the financial statements.

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