EKAL VIDYALAYA FOUNDATION
OF USA, INC.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS'
REPORT

YEARS ENDED DECEMBER 31, 2025 AND 2024

EKAL VIDYLAYA FOUNDATION OF USA
YEARS ENDED DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

For the years ended December 31, 2025 and 2024

Auditors' Opinion

We have audited the accompanying financial statements of Ekal Vidyalaya Foundation of USA, (the "Foundation"), a nonprofit corporation registered in the State of California, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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 Foundation as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Auditors' Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Foundation's ability to continue as a going concern within one year after the date that the financial statements are 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 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 the 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 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 Foundation'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 Foundation'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.

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Darshan Wadhwa

Darshan Wadhwa, CPA PC
May 30, 2026

EKAL VIDYALAYA FOUNDATION OF USA, INC.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

		2025		2024
ASSETS				
Current Assets:				
Cash and Cash equivalents	$	1,917,068	$	2,678,401
Accounts receivable		1,018		5,234
Investments - (Note 3)		14,136,028		12,222,954
Other assets		59,641		-
Total current assets		16,113,755		14,906,589
Non-current Assets:				
Right of use asset, operating lease - (Note 10)		88,719		-
Property and equipment, net - (Note 4)		6,905		4,039
Total Non-current assets		95,624		4,039
TOTAL ASSETS	$	16,209,379	$	14,910,628
LIABILITIES AND NET ASSETS				
LIABILITES				
Current Liabilities:				
Accrued expenses	$	23,959	$	126,132
Operating lease liabilities, current portion - (Note 10)		16,632		-
Total current liabilities		40,591		126,132
Non-current Liabilities:				
Operating lease liabilities, net of current portion - (Note 10)		73,287		-
Total Non-current assets		73,287		-
Total liabilities		113,878		126,132
NET ASSETS				
Without donor-restrictions		5,098,509		4,895,140
With donor-restrictions - (Note 5)		10,996,992		9,889,356
Total net assets		16,095,501		14,784,496
TOTAL LIABILITIES AND NET ASSETS	$	16,209,379	$	14,910,628

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

EKAL VIDYALAYA FOUNDATION OF USA, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	$ 763,385	$ 10,088,718	$ 10,852,103
Ticket sales and admissions into fundraising events	351,939	-	351,939
Sponsorships and promotions	222,977	-	222,977
Net return on investments - (Note 3)	509,949	-	509,949
Inkind revenue - contributed use of facilities	9,022	-	9,022
Other income	5,605	-	5,605
Net assets released from restrictions:	8,981,082	(8,981,082)	-
TOTAL REVENUES	10,843,959	1,107,636	11,951,595
EXPENSES			
Program services:			
Rural schools and development projects (Note 7)	8,981,082	-	8,981,082
Total program services	8,981,082	-	8,981,082
Supporting services:			
Fundraising	1,426,956	-	1,426,956
Management and general	232,552	-	232,552
Total supporting services	1,659,508	-	1,659,508
TOTAL EXPENSES	10,640,590	-	10,640,590
CHANGE IN NET ASSETS	203,369	1,107,636	1,311,005
NET ASSETS, BEGINNING OF YEAR	4,895,140	9,889,356	14,784,496
NET ASSETS, END OF YEAR	$ 5,098,509	$ 10,996,992	$ 16,095,501

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

EKAL VIDYALAYA FOUNDATION OF USA, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Contributions	$ 727,940	$ 8,520,177	$ 9,248,117
Ticket sales and admissions into fundraising events	317,614	-	317,614
Sponsorships and promotions	70,820	-	70,820
Net return on investments - (Note 3)	668,012	-	668,012
Inkind revenue - contributed use of facilities	18,043	-	18,043
Net assets released from restrictions:	9,766,010	(9,766,010)	-
TOTAL REVENUES	11,568,439	(1,245,833)	10,322,606
EXPENSES			
Program services:			
Rural schools and development projects (Note 7)	9,766,010	-	9,766,010
Total program services	9,766,010	-	9,766,010
Supporting services:			
Fundraising	1,092,112	-	1,092,112
Management and general	287,957	-	287,957
Total supporting services	1,380,069	-	1,380,069
TOTAL EXPENSES	11,146,079	-	11,146,079
CHANGE IN NET ASSETS	422,360	(1,245,833)	(823,473)
NET ASSETS, BEGINNING OF YEAR	4,472,780	11,135,189	15,607,969
NET ASSETS, END OF YEAR	$ 4,895,140	$ 9,889,356	$ 14,784,496

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

EKAL VIDYALAYA FOUNDATION OF USA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Fundraising	Management and General	Total Expenses
Programs and projects -India	$ 8,594,665	$ -	$ -	$ 8,594,665
Programs and projects -Nepal	386,417	-	-	386,417
Facility and equipment rental	-	348,741	-	348,741
Food and entertainments	-	339,723	-	339,723
Salaries and wages	-	223,810	95,919	319,729
Payroll taxes	-	24,580	10,535	35,115
Employees and other benfits	-	4,788	582	5,370
Bank and other financial services fees	-	100,877	-	100,877
Printing and supplies	-	21,299	2,014	23,313
Memberships and subsciptions	-	181,515	9,076	190,591
Postage	-	11,538	1,240	12,778
Internet and communications	-	63,557	12,958	76,515
Occupancy (Includes inkind of $9,022)	-	-	43,737	43,737
Professional services	-	-	22,677	22,677
Advertising	-	14,309	-	14,309
Insurance	-	5,298	-	5,298
Travel and loadging	-	65,584	2,144	67,728
Depreciation	-	-	2,684	2,684
Decoration	-	6,234	-	6,234
Meeting expenses	-	-	12,048	12,048
Other expenses	-	15,103	16,938	32,041
	$ 8,981,082	$ 1,426,956	$ 232,552	$ 10,640,590

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

EKAL VIDYALAYA FOUNDATION OF USA, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Fundraising	Management and General	Total Expenses
Programs and projects -India	$ 9,602,360	$ -	$ -	$ 9,602,360
Programs and projects -Nepal	163,650	-	-	163,650
Facility and equipment rental	-	204,242	-	204,242
Food and entertainments	-	281,076	-	281,076
Salaries and wages	-	223,470	95,773	319,243
Payroll taxes	-	18,138	7,775	25,913
Employees and other benfits	-	4,578	1,962	6,540
Bank and other financial services fees	-	68,739	-	68,739
Printing and supplies	-	30,921	2,710	33,631
Memberships and subsciptions	-	105,577	115,335	220,912
Postage	-	13,517	1,467	14,984
Internet and communications	-	10,803	2,286	13,089
Occupancy (Includes inkind of $18,043)	-	-	30,117	30,117
Professional services	-	14,400	1,600	16,000
Advertising	-	13,211	-	13,211
Insurance	-	8,337	-	8,337
Travel and loadging	-	89,076	4,421	93,497
Depreciation	-	-	1,944	1,944
Decoration	-	3,443	-	3,443
Bad debt expenses	-	-	-	-
Other expenses	-	2,584	22,567	25,151
	$ 9,766,010	$ 1,092,112	$ 287,957	$ 11,146,079

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

EKAL VIDYALAYA FOUNDATION OF USA, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,311,005	$ (823,473)
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Value of donoted assets	(161,992)	(132,986)
Depreciation	2,684	1,944
Unrealized gain on investments	(19,216)	(115,837)
Income from investments	(490,733)	(552,175)
Changes in operating assets and liabilitie		
Accounts receivable	4,216	1,266
Prepaid expenses and other assets	(59,641)	25,360
Right of use asset and liability, net	1,200	-
Accrued expenses	(102,173)	93,207
Total adjustments	(825,655)	(679,221)
Net cash provided by (used in) operating activities	485,350	(1,502,694)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments to acquire investments	(18,035,918)	(38,840,152)
Proceeds from sale of investments	16,304,052	40,828,997
Income from investments	490,733	552,175
Purchase of property & equipment	(5,550)	-
Net cash provided by (used in) investing activities	(1,246,683)	2,541,020
NET INCREASE (DECREASE) IN CASH	(761,333)	1,038,326
CASH, BEGINNING OF YEAR	2,678,401	1,640,075
CASH, END OF YEAR	$ 1,917,068	$ 2,678,401

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

NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Purpose

Ekal Vidyalaya Foundation of USA, Inc. (the "Foundation"), is a 50l(c)(3) non-profit public benefit corporation that was founded in 2000 for the purpose of providing funds to support the various programs of Ekal Abhiyan Trust, an umbrella organization of many organizations committed to achieving the common objective of holistic and targeted development of remote tribal and rural villages of India and Nepal. These organizations include:

1. Ekal Vidyalaya Foundation of India (EVFI) is a non-government, nonprofit organization, focused on empowerment of remote rural communities in India with basic education, digital literacy, skill development, health awareness, learning modern and productive agricultural practices, and rural entrepreneurship. EVFI has thousands of one-teacher schools (known as Ekal Vidyalayas) all over India, with the philosophy of rural development based on the criteria of equality and inclusiveness.
2. Friends of Tribals Society (FTS), a non-government, voluntary organization is committed to the upliftment of tribals and other deprived populations in rural India, by providing basic education to their children and giving the villagers health care education, development education and empowerment education.
3. Ekal Gramothan Foundation (EGF), an organization on a mission to provide skill training, digital literacy, sustainable agriculture, rural entrepreneurship, and women empowerment to uplift Indian rural dwellers out of poverty and make them self-sustainable.
4. Arogya Foundation of India (AFI), looks after integrated and overall health-care activity of the Ekal movement. AFI takes a distinctive approach in bringing preventive and telemedicine health services to the doorsteps of village dwellers.
5. Bharat Lok Shiksha Parishad (BLSP), an organization dedicated to eradicating illiteracy and empowering marginalized communities in rural and tribal villages. BLSP focuses on the "one village, one school, one teacher" model to provide free, value-based education to children. The Foundation is supported through individual and corporate contributions, and admission fees from its fundraising purposed entertainment events.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted for nonprofit organizations in the United States of America. Under the accrual method, revenues are recorded in the period earned and when the amount and timing of the revenue can be reasonably determined. Expenses are recognized at the time a liability arises which is normally at the time a service is received and asset additions are recognized when title to an asset passes to the Foundation. Accordingly, the Foundation's financial statements reflect all significant assets, receivables, payables, and other liabilities.

Basis of Accounting (Continued)

The Financial Accounting Standards Board ("FASB") is the body that establishes the financial accounting standards that govern the preparation of financial reports by nongovernmental entities, including nonprofit organizations, in the United States of America.

Basis of Presentation

The Foundation prepares its financial statements in accordance with the requirements of FASB's Accounting Standards Codification ("ASC") Topic 958-205, *Financial Statements of not-for-profit entities,* as updated. Accordingly, the Foundation reports information regarding its financial position and activities according to the following two classes of net assets:

i. *Net Assets without Donor/External Restrictions* - These are resources that are not subject to donor-imposed stipulations and can be used for the general operations of the Foundation.

ii. *Net Assets with Donor/External Restrictions* - These are resources that are subject to donor-stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. This class of net assets also includes any resources that are subject to donor restrictions requiring that the principal be held in perpetuity and any income thereon may be used by the Foundation. However, the Foundation did not have any resources to be held in perpetuity.

The Foundation is also required by FASB ASC Topic 958-205 to present a statement of cash flows and an analysis of its expenses by both functional and natural classifications, as well as make enhanced disclosures about its liquidity and availability of resources.

Revenue Recognition

In accordance with FASB ASC Topic 958-605, *Not-for-Profit Entities - Revenue Recognition,* contributions received by the Foundation are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and nature of any donor restrictions.

Contributions are recognized as revenues in the period the Foundation receives any direct donation of cash or non-financial assets, or any unconditional promise to give cash or non-financial assets. Conditional promises to give cash or non-financial assets are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. The Foundation did not have any conditional promises to give as of December 31, 2025 and 2024. Contributions of non-financial assets are recorded at their estimated fair value at the date of the contribution. Contributions with donor-restrictions are reported as increases in net assets with donor-restrictions. When a restriction expires, 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. When both restricted and unrestricted resources are available for use for the same purpose, it is the Foundation's policy to use restricted resources first, then unrestricted resources as they are needed.

Income from fundraising activities such as sales of tickets and other admission fees to fundraising events are recorded when cash is received. Interest income is recognized when earned. Dividends are recorded on the ex-dividend date.

Revenue Recognition (Continued)

Expenses are recorded as decreases in net assets without donor-restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

Contributed Non-Financial Assets

Contributions of nonfinancial asset include contributions of fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets.

Contributions of non-financial assets are recorded at their estimated fair value at the time of the donation. The Foundation did not receive donations of properties, materials, and other forms of tangible assets in 2025 and 2024.

In accordance with FASB ASC Topic 958-605, *Not-for-Profit Entities - Revenue Recognition,* contributed services are recognized at their estimated fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Foundation received donated services from Board members and other volunteers helping with the Foundation's program activities throughout the United States, estimated by management at thousands of hours in 2025 and 2024. While these services are beneficial to the Foundation, no amount has been recognized for them in the accompanying financial statements because they did not meet the criteria for recognition in accordance with accounting principles generally accepted for nonprofit organizations in the United States of America.

The Foundation accounts for free uses of facilities as inkind contributions at the estimated amounts that the Foundation would have paid for the facilities under existing lease agreements or based on current market rates to lease the facilities. Contributed use of facilities valued at $9,022 and $18,043 was recognized as inkind revenue and expenses in management and general activities in the years ended December 31, 2025 and 2024, respectively.

Contributions of Marketable Securities

Donated marketable securities are recorded as revenue at their estimated fair value when received. The Foundation recorded revenues of $161,992 and $132,986 for donated marketable securities in the years ended December 31, 2025 and 2024, respectively.

Income Tax Status

The Foundation is exempt from federal income tax under Section 50l(c)(3) of the Internal Revenue Code (the "Code") and is classified as a public charity under Section 170(b)(1)(A)(vi) of the Code. However, income generated from activities unrelated to the Foundation's exempt purpose may be subject to tax under Section 511 of the Code. The Foundation did not conduct any unrelated business activities in the years ended December 31, 2025 and 2024. Accordingly, the Foundation has made no provision for federal income taxes in the accompanying financial statements. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) of the Code.

Income Tax Status (Continued)

The Foundation applies the provisions of FASB ASC Topic 740, *Income Taxes,* which prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC Topic 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Foundation files Form 990, *Return of Organization Exempt from Income Tax,* in the United States federal jurisdiction within the United States. The Federal income tax returns of the Foundation for years 2024 through 2022 remain subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Functional Allocation of Expenses

In accordance with FASB ASC Topic 958-720-45-2, *Functional Classification of Expenses,* the costs of providing various programs and other activities of the Foundation have been summarized on a functional basis (i.e., expenses have been grouped according to the purpose for which they were incurred) in the statements of activities and in the statements of functional expenses. As more fully described in Note 6, the primary functional classifications of the Foundation's uses of resources are program services expenses, fundraising expenses, and management and general expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted for nonprofit organizations in the United States of America requires management to make estimates and assumptions that affect the following aspects of the financial statements:

1. The reported amounts of assets and liabilities,
2. The disclosure of contingent assets and liabilities at the date of the financial statements, and
3. The reported amounts of revenues and expenses during the reporting period.

Significant estimates included in the accompanying financial statements relate to the basis for allocating expenses to the benefited functions in the statements of activities and the statements of functional expenses. Accordingly, actual results could differ from those estimates. Management believes these estimates provide a reasonable basis for the fair presentation of the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and investments that are available for current use with maturity dates of less than three months from the date of acquisition. It is the policy of the Foundation to report cash equivalents at their carrying value since it approximates their fair value because of the short maturities of those financial instruments. The Foundation has $750,084 and $0 cash equivalents included in the Cash and Cash equivalent balance as of December 31, 2025 and 2024 respectively.

Investments

Cash held for donor-designated purposes for future years, as well as any excess liquidity, may be invested temporarily in certificates of deposit, time deposits, mutual funds and treasury bills. Interest received are reported as an increase in net assets without donor-restrictions unless their use is limited by donor-imposed restrictions.

Donations of stocks and other marketable securities received from donors are either sold immediately or held for a while. Stocks and marketable securities held at the end of the year are reported at their readily determinable fair values in the statements of financial position. Realized and unrealized gains and losses are included in the net return on investments reported in the statements of activity. Returns on investments are reported as increases or decreases in net assets without donor-restrictions unless their use is limited by donor-imposed restrictions.

Property and Equipment

Property and equipment are generally recorded at cost. It is the Foundation's policy to capitalize acquisition of individual property and equipment items over $500. Property and equipment are depreciated using the straight-line method over the estimated useful lives of assets, ranging from 36 months to 60 months. Routine maintenance and repairs are charged to expenses as incurred.

Leases

The Foundation leases office space in Westheimer Rd, Houston, Texas. A right-of-use (ROU) asset and liability are initially recognized at the present value of the future lease payments discounted using a risk free interest rate. The Foundation elected the practical expedient to use a risk free rate to discount the future payments in calculating the ROU assets and liabilities. Payments on operating lease liabilities are applied to principal and rent expense to reflect the remaining value of discounted future cash flows. The Operating ROU asset is amortized in an amount calculated to recognize rent expense on a straight-line basis.

2. CONTRIBUTIONS RECEIVABLE

The Foundation records unconditional pledges at fair value, with any amounts receivable in more than one year discounted to the anticipated net present value of future cash flows. Amortization of the discount is reported in the statement of activities as interest income.

For the years ended December 31, 2025 and 2024, the Foundation did not receive any unconditional pledges and had no contributions receivable. Accordingly, no discounts, amortization, write-offs, or allowance for credit losses were recorded for those years.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC Topic 820-10, *Fair Value Measurements,* establishes a framework for measuring fair value of financial assets and liabilities. Fair value is defined as the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date.

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The Statement also establishes a fair value hierarchy that distinguishes between inputs based on market data from independent sources (observable inputs) and a reporting entity's internal assumptions based upon the best information available when external market data is limited or unavailable (unobservable inputs).

The Foundation measures and reports certain assets at fair value and within a hierarchal disclosure framework which prioritizes and ranks the level of observable inputs used in measuring fair value. At each balance sheet date, the Foundation performs an analysis of all instruments subject to fair value measurements.

The fair value three-level hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value under FASB ASC Topic 820-10 are as follows:

Level I: Valuations are based on quoted market prices in active markets for identical assets or liabilities. Accordingly, valuations of these securities do not entail a significant degree of judgment.

Level 2: Valuations are based on inputs other than Level 1 inputs that are either directly or indirectly observable such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable; or other inputs not directly observable, but derived principally from, or corroborated by, observable market data.

Level 3: Valuations are based on less observable or unobservable inputs that are supported by little or no market activity.

The following is a summary of the Foundation's investments by level, within the fair value hierarchy, as of December 31, 2025:

	Fair Value Measurement			
	Level 1	Level 2	Level 3	Total
December 31, 2025:				
Savings and Time Deposits	$ 200,365	$ -	$ -	$ 200,365
Government Securities	8,629,713	-	-	8,629,713
Certificate of deposits	1,943,834	-	-	1,943,834
Mutual funds	3,353,911	-	-	3,353,911
Stocks	8,205	-	-	8,205
Total	$ 14,136,028	$ -	$ -	$ 14,136,028

3. INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

The following is a summary of the Foundation's investments by level, within the fair value hierarchy, as of December 31, 2024:

	Fair Value Measurement			
	Level 1	Level 2	Level 3	Total
December 31, 2024:				
Savings and Time Deposits	$ 626,535	$ -	$ -	$ 626,535
Government Securities	11,294,962	-	-	11,294,962
Certificate of deposits	252,375	-	-	252,375
Stocks	49,082	-	-	49,082
Total	$ 12,222,954	$ -	$ -	$ 12,222,954

The Foundation's investments are exposed to various risks such as custodial credit risks and market risks which are described in greater details in Note 8. All assets have been valued using a market approach. There were no changes in the valuation techniques applied to financial instruments during 2025 and 2024.

The following schedule summarizes investment returns in the statements of activities:

	2025	2024
Interest and dividend income	$ 490,733	$ 552,175
Net gain on value of investments	19,216	115,837
Net return on investments	$ 509,949	$ 668,012

4. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment, less accumulated depreciation and amortization, as of December 31, 2025 and 2024:

	2025	2024
Promotion equipment	$ 11,350	$ 11,350
Office equipment	4,550	4,550
Software	55,148	49,598
	71,048	65,498
Accumulated depreciation and amortization	(64,143)	(61,459)
Property and equipment, net	$ 6,905	$ 4,039

Depreciation and amortization expense for the years ended on December 31, 2025 and 2024, totaled and $2,684 and $1,944, respectively.

5. NET ASSETS

Net Assets without Donor-Restrictions:

The Foundation's total net assets without donor-restrictions as of December 31, 2025 and 2024, was $5,098,509 and $4,895,140, respectively, which was available to support the Foundation's programs and activities.

Net Assets with Donor-Restrictions:

As of December 31, 2025 and 2024, the total net assets with donor-restrictions in terms of the timing and the purpose of their use were $10,996,992 and $9,889,356, respectively.

The following table identifies the compositions of net assets with donor-restrictions, by program, as of December 31, 2025 and 2024:

	2025	2024
Ekal Vidyalaya (Rural School) Programs' Funds	$ 6,740,102	$ 6,349,275
Rural Development Projects and Arogya	4,256,890	3,540,081
Total Net Assets with Donor-Restrictions	$ 10,996,992	$ 9,889,356

6. METHODS USED FOR ALLOCATION OF EXPENSES TO THE BENEFITED PROGRAM OR SUPPORTING FUNCTIONS

The costs of providing various programs and other activities of the Foundation have been summarized on a functional basis (i.e., expenses have been grouped according to the purpose for which they were incurred) in the statements of activities and in the statements of functional expenses, in accordance with FASB ASC Topic 958-720-45-2, *Functional Classification of Expenses*. The primary functional classifications of the Foundation's uses of resources are *Program Services, Fundraising,* and *Management and General* expenses. The Foundation's core program activities are described in the "Organization and Purpose" paragraph of Note 1. Fundraising and management and general activities are the supporting functions, i.e., activities performed to support the Foundation's core programs.

Fundraising expenses are costs incurred in connection with events and other activities targeted at increasing public awareness and raising funds for the Foundation's programs and activities. Management and general expenses include those expenses that are not directly identifiable with the core function but provide for the overall support and direction of the Foundation.

The Foundation's expenses that are attributable to more than one function have been allocated among the program or supporting activities benefited. Expenses that are directly attributable to a single function are classified to that function and are not allocated to other functions. The allocated expenses include the following:

a. Personnel costs are allocated based on estimates of personnel's time and effort for each function.

b. Printing, travel, supplies, and postage expenses are allocated on the basis of management's estimate of the amount of those resources consumed by each benefited function.

7. PROGRAM SERVICES EXPENSES

The Foundation's support for program activities in India and Nepal and are passed-through several charitable non- governmental organizations that are based in India and Nepal. Funds provided by the Foundation for program activities in India and Nepal are related to specified projects such as rural schools in named locations, vocational skills acquisition centers and training, health and healthcare, equipment and supplies for teachers and students.

Charitable organizations in India and Nepal, which received program funds from the Foundation in 2025 and 2024, were as follows:

	2025	2024
Ekal Vidyalaya Foundation of India	$ 6,022,090	$ 4,307,842
Friends of Tribals Society, India	344,790	221,116
Bharat Lok Siksha Parishad, India	38,600	20,100
Arogya Foundation of lndia	459,399	856,828
Ekal Gramothan Foundation, India	1,654,547	4,196,474
Ekal Vidyalaya Foundation of Nepal	386,417	163,650
Other organizations	75,239	-
Total	$ 8,981,082	$ 9,766,010

8. CONCENTRATIONS OF CUSTODIAL AND CREDIT RISKS

Custodial and credit risks refer to the chances that in the event of the failure of a broker or depository financial institution, the depositor would not be able to recover its assets. Additionally, because of the market risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Financial instruments that are subject to the concentrations of custodial and credit risks consist of cash and investments. The Foundation maintains cash balances with financial institutions considered by management as credit-worthy and strong. These cash balances may occasionally exceed limits insured by the Federal Deposit Insurance Corporation ("FDIC"), which is $250,000 per customer per financial institution. As of December 31, 2025 and 2024, the Foundation's cash balances, certificates of deposits, demand and time deposits with financial institutions exceeded the FDIC insured limit by approximately $2,351,000 and $2,672,000 in total, respectively, which were not otherwise insured. Management believes that any credit risk is low due to the overall financial strength of these financial institutions. The Foundation did not experience any loss of assets resulting from a financial institution's custodial credit risk in 2025 or 2024.

The Foundation invested in marketable securities, including government securities and stocks. These investments were valued at $11,911,829 and $11,344,044 as of December 31, 2025 and 2024, respectively. The Securities Investor Protection Corporation ("SIPC") insures each investor against securities custodial risks up to $500,000, inclusive of a sublimit of $250,000 for claims of cash. SIPC does not protect against the decline in value of securities. The Foundation's securities were held by a SIPC-member company and qualified as securities for purposes of SIPC protection up to the protection overall limit and sublimit described above in this paragraph.

9. LIQUIDITY MANAGEMENT

Accounting principles generally accepted for nonprofit organizations in the United States of America require organizations to make enhanced disclosures about liquidity and availability of resources as well as how the entity manages its liquidity. The Foundation had $5,057,122 and $5,017,233 as of December 31, 2025 and 2024, respectively, of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures, consisting of the following:

	2025	2024
Cash and cash equivalents	$ 1,917,068	$ 2,678,401
Accounts receivable	1,018	5,234
Investments	14,136,028	12,222,954
Total financial assets at year end	16,054,114	14,906,589
Less: Funds held for donor-restricted purposes	(10,996,992)	(9,889,356)
Financial assets available to meet cash needs for general expenditures within one year	$ 5,057,122	$ 5,017,233

The Foundation reasonably estimates its cash needs on a quarterly basis and is able to structure its financial assets to provide cash for its general expenditures, liabilities, and other obligations as they become due.

10. LEASE COMMITMENT

The Foundation leases office space in the West Oaks Mall, Houston, Texas. The lease agreement became effective on October 1, 2018, and has been renewed on annual basis. The current agreement has expired on June 30, 2025. The agreement requires the Foundation to pay only $500 per month for common area maintenance, but no rent. The Foundation recognized $9,022 and $18,043 as in-kind revenue and corresponding in-kind expenses within management and general activities for the years ended 2025 and 2024, respectively. These amounts represent the fair value of the free use of space, measured based on the rental rates paid by other tenants in the mall.

The Foundation has entered new lease agreement during 2025 to lease office space in Westheimer Rd, Houston, Texas. The lease expires on June 30, 2030, and then renews on a month-to-month basis. The total rent expense for the year 2025 was $10,800 for the period ending December 31, 2025. The discount rate used for the lease calculation was 3.84%.

Future minimum rentals under the terms of the lease for the years ended December 31 are:

December 31, 2026	$ 19,800
2027	21,000
2028	22,200
2029	23,400
2030	12,000
Total payments	98,400
Less: operating lease liabilities, current portion	16,632
Less: inputed interest	8,481
Operating lease liabilities, net of current portion	$ 73,287

11. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 30, 2026, which is the date that the financial statements were available for issuance, to assess the need for potential recognition or disclosures in the financial statements and has determined that no additional subsequent events occurred that require recognition or additional disclosure in the financial statements.