

AKSHAYA PATRA FOUNDATION (USA)
REPORT ON AUDIT OF FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2010
(CASH BASIS)

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TIMOTHY M. CRAVEN

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Akshaya Patra Foundation (USA)
Stoneham, Massachusetts

I have audited the accompanying statement of cash and fund balances of Akshaya Patra Foundation (USA) (a not-for-profit organization) as of December 31, 2010, and the related statement of cash receipts and disbursements for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, I express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. I believe that my audit provides a reasonable basis for my opinion.

As described in note A, this financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash and fund balances and the receipts and disbursements of Akshaya Patra Foundation (USA), as of, and for the ended December 31, 2010 on the basis of accounting described in note A.

Timothy M. Craven CPA

May 16, 2011

AKSHAYA PATRA FOUNDATION (USA)
STATEMENT OF CASH AND FUND BALANCES

DECEMBER 31, 2010

ASSETS

CASH	<u>\$ 485,829</u>
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FUND BALANCES

UNRESTRICTED FUND BALANCE	<u>\$ 485,829</u>
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See notes to financial statements.

AKSHAYA PATRA FOUNDATION (USA)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

YEAR ENDED DECEMBER 31, 2010

	USA OPERATIONS	INDIA OPERATIONS	TOTAL
BEGINNING CASH	\$ 315,561	\$ 101,886	\$ 417,447
CASH RECEIPTS:			
CONTRIBUTIONS SUBJECT TO ALLOCATION	269,110	1,653,104	1,922,214
CONTRIBUTIONS AND RECEIPTS NOT SUBJECT TO ALLOCATION	211,507		211,507
ALLOCATION FOR CONTRIBUTIONS MADE DIRECTLY TO INDIA	216,590	(216,590)	0
INVESTMENT INCOME	1,387		1,387
TOTAL RECEIPTS	<u>698,594</u>	<u>1,436,514</u>	<u>2,135,108</u>
CASH DISBURSEMENTS:			
EVENTS EXPENSE	159,651		159,651
CONTRIBUTIONS		1,496,125	1,496,125
TRAVEL & MEETING	9,212		9,212
ADVERTISING	4,206		4,206
BANK FEES	1,118		1,118
DUES & SUBSCRIPTIONS	6,510		6,510
POSTAGE	6,801		6,801
PRINTING & COPYING	3,249		3,249
TELEPHONE	5,153		5,153
SUPPLIES	3,018		3,018
WEBSITE	10,390		10,390
MISCELLANEOUS	2,798		2,798
PROFESSIONAL FEES	25,488		25,488
SALARIES & WAGES	284,118		284,118
PAYROLL TAXES AND COSTS	45,230		45,230
INSURANCE	3,659		3,659
			0
	<u>570,601</u>	<u>1,496,125</u>	<u>2,066,726</u>
INCREASE/(DECREASE) IN CASH	<u>127,993</u>	<u>(59,611)</u>	<u>68,382</u>
ENDING CASH	<u>\$ 443,554</u>	<u>\$ 42,275</u>	<u>\$ 485,829</u>

See notes to financial statements.

AKSHAYA PATRA FOUNDATION (USA)

NOTE TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2010

A. Nature of activities and summary of significant accounting policies:

The Akshaya Patra Foundation (USA) (the "Foundation") was founded in 2004 to strive to end hunger of underserved children in the 6 to 16 years of age group and facilitate their education in India.

Method of accounting:

The accompanying financial statements are prepared on the cash receipts and disbursement basis of accounting; which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. Under that basis, the only asset recognized is cash and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from accounting principles generally accepted in the United States primarily because the effects of outstanding unpaid obligations unpaid at the date of the financial statement are not included in the financial statement. The Foundation receives donations of shares of stock and records the contribution at the fair value, as determined by easily quoted prices, at the date of receipt. A gain or loss is recognized on disposition which occurs as soon as practicable after receipt.

Tax status:

The Foundation is classified by the Internal Revenue Service as a publically supported "organization" generally exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Contributed goods and services:

The Foundation receives substantial goods and services from volunteers, its Board of Directors, and others in carrying out the Foundation's mission. No amounts have been reflected in the financial statement due to the method of accounting as previously described. Contributed goods and services include the free use of office space.

B. Commitments:

At December 31, 2010, \$42,275 is outstanding to be remitted to Indian operations pursuant to the agreement between the Indian operations and the US. After considering the above payment, which would have been shown in disbursements as contribution in the accompanying financial statement if it was paid in 2010, was paid in January 2011.