

THE PRASAD PROJECT, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2017 AND 2016

THE PRASAD PROJECT, INC. AND SUBSIDIARY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The PRASAD Project, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of The PRASAD Project, Inc. (a nonprofit organization) and Subsidiary, which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The PRASAD Project, Inc. and Subsidiary as of December 31, 2017 and 2016, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidated Schedule of Functional Expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown as supplementary information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Lotz + Carr, LLP

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Assets		
Cash and cash equivalents (Notes 1c and 11)	\$ 525,507	\$ 498,753
Certificates of deposit (Notes 1e and 2)	205,886	203,576
Accounts receivable	1,957	1,474
Unconditional promises to give (Notes 1d and 4)		
Unrestricted	140,406	44,323
Temporarily restricted	29,682	22,338
Prepaid expenses	15,196	15,395
Investments (Notes 1e and 5)	1,804,557	1,669,086
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 6)	142,594	169,266
Security deposits	<u>3,420</u>	<u>3,420</u>
Total Assets	<u>\$2,869,205</u>	<u>\$2,627,631</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 46,881</u>	<u>\$ 49,550</u>
Commitments (Note 7)		
Net Assets		
Unrestricted		
Board Designated Reserve (Note 3a)	1,804,557	1,669,086
Other	<u>988,085</u>	<u>886,657</u>
Total Unrestricted	2,792,642	2,555,743
Temporarily restricted (Note 3b)	<u>29,682</u>	<u>22,338</u>
Total Net Assets	<u>2,822,324</u>	<u>2,578,081</u>
Total Liabilities and Net Assets	<u>\$2,869,205</u>	<u>\$2,627,631</u>

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Changes in Unrestricted Net Assets		
Operating Activities		
Revenues, Gains and Other Support		
Third party medical insurance reimbursement	\$ 99,657	\$ 90,068
Contributions	803,102	523,998
Benefit income	31,694	66,876
Less: Direct benefit expenses	-	(2,175)
Donated services and materials (Note 8)	16,412	4,500
Interest and dividend income	1,177	5,476
Other income	3,844	3,569
	<u>955,886</u>	<u>692,312</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	22,338	18,698
	<u>978,224</u>	<u>711,010</u>
Expenses		
Program Services		
Sullivan County Dental	373,739	351,105
Tansa Valley	197,661	160,650
Constituency Education	85,311	74,816
Mexico and Other Affiliates	120,177	82,104
Disaster Relief	28,460	-
Total Program Services	<u>805,348</u>	<u>668,675</u>
Supporting Services		
Management and general	49,566	54,298
Fundraising	20,629	17,736
Total Supporting Services	<u>70,195</u>	<u>72,034</u>
Total Expenses	<u>875,543</u>	<u>740,709</u>
Increase (Decrease) in Unrestricted Net Assets from Operations	102,681	(29,699)
Non-Operating Activities		
Net investment income (Note 5)	<u>134,218</u>	<u>56,304</u>
Increase in Unrestricted Net Assets	<u>236,899</u>	<u>26,605</u>
Changes in Temporarily Restricted Net Assets		
Contributions	29,682	22,338
Net assets released from restrictions	<u>(22,338)</u>	<u>(18,698)</u>
Increase in Temporarily Restricted Net Assets	<u>7,344</u>	<u>3,640</u>
Increase in net assets	244,243	30,245
Net assets, beginning of year	<u>2,578,081</u>	<u>2,547,836</u>
Net Assets, End of Year	<u><u>\$2,822,324</u></u>	<u><u>\$2,578,081</u></u>

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 244,243	\$ 30,245
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	40,464	43,244
Realized and unrealized gains on investments	(105,574)	(34,671)
Bad debt expense	1,828	1,586
Gain on sale of property and equipment	(3,300)	-
(Increase) decrease in:		
Accounts receivable	(2,311)	163
Unconditional promises to give	(103,427)	(19,642)
Prepaid expenses	199	2,985
Decrease in accounts payable and accrued expenses	(2,669)	(2,396)
Net Cash Provided By Operating Activities	<u>69,453</u>	<u>21,514</u>
 Cash Flows From Investing Activities		
Purchase of certificate of deposit	(2,310)	(2,570)
Proceeds from sale of investments	289,024	493,164
Purchase of investments	(318,921)	(520,185)
Proceeds from sale of property and equipment	3,300	-
Acquisition of property and equipment	(13,792)	(2,302)
Net Cash Used By Investing Activities	<u>(42,699)</u>	<u>(31,893)</u>
 Net increase (decrease) in cash and cash equivalents	26,754	(10,379)
Cash and cash equivalents, beginning of year	<u>498,753</u>	<u>509,132</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 525,507</u>	<u>\$ 498,753</u>

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 1 - Organization and Summary of Significant Accounting Policies

a - Organization

The PRASAD Project, Inc. ("PRASAD") was incorporated in the State of New York on March 13, 1992. PRASAD's sole member is the Syda Foundation, a 501(c)(3) tax exempt church organization under the laws of the State of New York. PRASAD is an acronym that stands for Philanthropic Relief, Altruistic Service and Development. Its work began in the Tansa Valley of Maharashtra State, India. Working in partnership with people in need and their communities, PRASAD's mission is to help improve the quality of life and offer opportunities for self-reliance. Its areas of focus are rural family health, eye care, nutrition, clean water, community assistance, and education. In addition to operating its own programs, The PRASAD Project, Inc. collaborates with related PRASAD organizations in India, Europe, Mexico and Australia on programs which include cataract eye operations, an HIV program, a tuberculosis program, and a maternal child health program. A hospital was opened in the village of Ganeshpuri in 2003, which operates a mobile clinic that travels to the rural area offering medical care to the villagers and community development work, including self-help groups and a water harvesting program. In Mexico, eye camps continue to be held by a related organization, offering sight-restoring cataract surgery in alliance with APEC, Conde de la Valencia and over 50 medical volunteers.

PRASAD is the sole member of PRASAD Children's Dental Health Program, Inc. ("CDHP"), incorporated in 1998 and registered in the spring of 2000 as a New York State Article 28 Clinic to serve the dental needs of the indigent pediatric population of Sullivan County, New York. The clinic is fully staffed and is equipped with two operatories. In addition to clinic procedures, dental health education continued in local schools, through classes and fluoride rinse and tablet programs.

b - Principles of Consolidation

The accompanying consolidated financial statements include the accounts of The PRASAD Project, Inc. and its member organization PRASAD Children's Dental Health Program, Inc. (together "The Organization"). All significant intercompany transactions have been eliminated in the consolidated financial statements.

c - Cash and Cash Equivalents

The Organization considers all short-term highly liquid investments, purchased with original maturities of three months or less to be cash equivalents, except for money market accounts held in the Organization's investment portfolio as part of its long-term investment strategies.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

d - Unconditional Promises to Give and Contributions

Contributions are recognized when the donor makes a promise to give to the Organization, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises to give. The allowance, when necessary, is based on prior years' experience and management's analysis of specific promises made.

e - Investments

The Organization reflects investments at fair value in the consolidated statement of financial position. Interest, dividends and gains and losses on investments are reflected in the consolidated statement of activities as increases and decreases in unrestricted net assets.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the Organization's assumptions about the inputs market participants would use in pricing the asset based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

e - Investments (continued)

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

All of the Organization's investments and certificates of deposit are classified within Level 1 of the fair value hierarchy. Fair value is determined using quoted market prices.

f - Property and Equipment

Furniture, equipment and leasehold improvements are reflected at cost, or if donated, at the fair market value at date of receipt. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the asset, or in the case of leasehold improvements, over the life of the lease, if shorter.

g - Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

h - Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i - Tax Status

The PRASAD Project, Inc. and PRASAD Children's Dental Health Program, Inc. are not-for-profit corporations exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and have been designated organizations that are not private foundations.

j - Subsequent Events

The Organization has evaluated subsequent events through September 14, 2018, the date that the financial statements are considered available to be issued.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

k - Recent Accounting Pronouncement

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities."* The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two net asset classes now entitled "net assets without donor restrictions" and "net assets with donor restrictions;" (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. ASU 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The Organization is currently evaluating the impact of ASU 2016-14 on its financial statements.

Note 2 - Certificates of Deposit

At December 31, 2017, the Organization holds certificates of deposit. One of them matured on May 17, 2018, and the other matures on February 7, 2019. At December 31, 2016, the Organization held certificates of deposit which matured May 17, 2017 and August 7, 2017. Cost basis approximates fair value at December 31, 2017 and 2016.

Note 3 - Net Assets

a - During 2014, the Board of Directors established a board designated reserve from its existing investment portfolio. Investment income on the reserve and other receipts totaled \$135,471 for 2017 and \$61,692 for 2016.

b - Temporarily restricted net assets are restricted for future programs and periods.

Note 4 - Unconditional Promises to Give

Unconditional promises to give are due in less than one year. Uncollectible promises to give are expected to be insignificant.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 5 - Investments

Investments at December 31, 2017 and 2016 are all classified within Level 1 of the fair value hierarchy and consist of the following:

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Money market funds	\$ 352,370	\$ 352,370	\$ 365,869	\$ 365,869
Certificates of deposit	50,428	50,428	50,188	50,193
Corporate bonds	72,538	71,952	51,472	51,425
Corporate equities	471,943	390,992	432,362	403,525
Mutual funds and exchange traded funds	<u>857,278</u>	<u>862,815</u>	<u>769,195</u>	<u>813,922</u>
	<u>\$1,804,557</u>	<u>\$1,728,557</u>	<u>\$1,669,086</u>	<u>\$1,684,934</u>

Net investment income for the years ended December 31, 2017 and 2016 consists of the following:

	2017	2016
Interest and dividend income	\$ 38,496	\$ 30,782
Realized gains (losses) on sales of investments	13,726	(25,569)
Unrealized gains on investments	91,848	60,240
Investment management fees	<u>(9,852)</u>	<u>(9,149)</u>
	<u>\$134,218</u>	<u>\$ 56,304</u>

Note 6 - Property and Equipment

Property and equipment consist of the following at December 31:

	Life	2017	2016
Mobile dental clinic and automobile	10 years	\$330,208	\$330,208
Furniture and equipment	3-10 years	94,359	83,804
Computer equipment and website	3-5 years	91,838	89,756
Leasehold improvements	Life of lease	<u>169,052</u>	<u>169,052</u>
		685,457	672,820
Less: Accumulated depreciation and amortization		<u>(542,863)</u>	<u>(503,554)</u>
		<u>\$142,594</u>	<u>\$169,266</u>

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 6 - Property and Equipment (continued)

Depreciation and amortization expense for the years ended December 31, 2017 and 2016 was \$40,464 and \$43,244, respectively.

During 2017, the Organization disposed of fully depreciated equipment for \$1,155.

Note 7 - Commitments

a - Office Leases

The Organization occupied office space during 2016 and 2017 under a lease with the SYDA Foundation on a month to month basis.

In 2018, the Organization entered into a lease agreement for a new space with a term commencing July 15, 2018 through July 15, 2021. The future minimum annual obligation under this agreement is as follows:

<u>Year Ending December 31,</u>	
2018	\$13,750
2019	30,000
2020	30,000
Thereafter through July 15, 2021	16,250

Rent expense for the years ended December 31, 2017 and 2016 was \$20,652 and \$20,651, respectively.

b - Funding and Service Agreements

In May 2000, PRASAD entered into an arrangement with CDHP, to provide dental services to the indigent pediatric population of New York State. Under an administrative support and use of assets agreement, PRASAD provides all administrative and supervisory services necessary, as well as equipment, computers, software, furniture and supplies reasonably required to provide the dental services. PRASAD makes grants to CDHP towards the furtherance of its purpose.

PRASAD made grants to CDHP totaling \$55,010 in 2017 and 2016. PRASAD also provided additional donated materials and services in the amount of \$95,768 (2017) and \$87,246 (2016). These amounts have been eliminated within the consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 8 - Donated Services

The Organization received donated services as follows:

	<u>2017</u>	<u>2016</u>
Legal	\$ 2,550	\$4,500
Staff development	5,500	-
Catering	2,012	-
Dental supplies and other	1,350	-
Website upgrade	<u>5,000</u>	<u>-</u>
	<u>\$16,412</u>	<u>\$4,500</u>

Note 9 - Grants

The Board of Directors approved the following grants during 2017 and 2016:

	<u>2017</u>	<u>2016</u>
PRASAD Chikitsa, a public charitable trust created in India	\$ 61,858	\$39,444
PRASAD de Mexico, a public charitable trust created in Mexico	31,503	-
Disaster relief grants and program support	<u>28,460</u>	<u>-</u>
Total Grants	<u>\$121,821</u>	<u>\$39,444</u>

Note 10 - Tax Deferred Compensation Plan

The Organization has a tax-deferred compensation plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the Organization. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The Organization does not contribute to the plan.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

Note 11 - Concentration of Credit Risk

The Organization maintains its cash and cash equivalents at financial institutions in New York. The cash balances, up to certain limits, are insured by the Federal Deposit Insurance Corporation. Balances commonly exceed these limits.

Note 12 - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated by management among the programs and the supporting services benefited.

Note 13 - Related Organizations

The PRASAD Project, Inc. represents the *Worldwide PRASAD Organization* which seeks to build a highly diversified movement of organizations to improve the quality of life and create opportunities for self-reliance.

As of December 31, 2017, there were six approved PRASAD Organizations conducting operations, including CDHP. Four entities have obtained charitable status equivalent in India, Mexico, Spain, and Australia. The PRASAD Project, Inc. shares no more than one common member on the Board of Trustees of each of these entities, and accordingly, the transactions of these entities have not been included in the accompanying consolidated financial statements. The PRASAD Project, Inc. provides support to these entities by providing funding for start-up costs, obtaining donated materials, and providing services and on-going program support.

SUPPLEMENTARY INFORMATION

THE PRASAD PROJECT, INC. AND SUBSIDIARY

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2017 WITH COMPARATIVE TOTALS FOR 2016

	Program Services					Supporting Services			2017	2016	
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Disaster Relief	Total	Management and General	Fundraising	Total	Total Expenses	Total Expenses
Salaries	\$199,229	\$ 70,134	\$ 31,890	\$ 45,884	\$ -	\$347,137	\$ 18,343	\$ 8,937	\$ 27,280	\$374,417	\$311,447
Payroll taxes and employee benefits	40,897	17,431	7,943	11,407	-	77,678	4,742	2,267	7,009	84,687	75,788
Insurance	16,691	4,026	1,859	2,551	-	25,127	1,329	508	1,837	26,964	29,004
Disaster relief grants and program support	-	-	-	31,503	28,460	59,963	-	-	-	59,963	-
Direct program support to PRASAD Chikitsa	-	61,858	-	-	-	61,858	-	-	-	61,858	39,444
Computer supplies	2,946	4,296	1,955	2,743	-	11,940	2,564	533	3,097	15,037	12,093
Travel	1,370	1,477	676	894	-	4,417	372	164	536	4,953	7,591
Printing	72	112	6,004	76	-	6,264	33	14	47	6,311	2,920
Dental supplies	9,472	-	-	-	-	9,472	-	-	-	9,472	8,010
Utilities	5,800	4,056	1,854	2,543	-	14,253	1,044	600	1,644	15,897	12,274
Telephone, fax and e-mail	3,931	2,862	1,290	1,926	-	10,009	725	384	1,109	11,118	12,590
Office supplies	2,808	904	410	579	-	4,701	245	110	355	5,056	4,314
Postage and shipping	1,282	1,191	2,428	707	-	5,608	323	137	460	6,068	4,033
Repairs and maintenance	7,642	2,492	1,134	1,663	-	12,931	655	338	993	13,924	17,068
Professional fees and legal	286	407	642	269	-	1,604	946	-	946	2,550	4,501
Professional fees and accounting	2,859	4,067	6,418	2,691	-	16,035	11,465	-	11,465	27,500	30,546
Professional fees and other	24,801	9,590	15,136	6,345	-	55,872	3,456	2,841	6,297	62,169	77,864
Advertising	69	29	12	19	-	129	9	4	13	142	7,000
Fees and permits	1,576	504	226	330	-	2,636	118	44	162	2,798	2,043
Seminars and education	138	131	59	84	-	412	30	12	42	454	495
Meetings and venues	645	894	407	576	-	2,522	228	2,367	2,595	5,117	3,266
Rent	4,520	6,445	2,914	4,291	-	18,170	1,672	810	2,482	20,652	20,651
Miscellaneous	6,793	3,772	1,699	2,442	-	14,706	974	464	1,438	16,144	12,937
Bad debt expense and provision for uncollectible accounts	1,828	-	-	-	-	1,828	-	-	-	1,828	1,586
Depreciation and amortization	38,084	983	355	654	-	40,076	293	95	388	40,464	43,244
Total Expenses, 2017	<u>\$373,739</u>	<u>\$197,661</u>	<u>\$ 85,311</u>	<u>\$120,177</u>	<u>\$28,460</u>	<u>\$805,348</u>	<u>\$ 49,566</u>	<u>\$ 20,629</u>	<u>\$ 70,195</u>	<u>\$875,543</u>	
Total Expenses, 2016	<u>\$351,105</u>	<u>\$160,650</u>	<u>\$ 74,816</u>	<u>\$ 82,104</u>	<u>\$ -</u>	<u>\$668,675</u>	<u>\$ 54,298</u>	<u>\$ 17,736</u>	<u>\$ 72,034</u>		<u>\$740,709</u>

See accompanying notes to consolidated financial statements and independent auditors' report.

THE PRASAD PROJECT, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	2017				2016			
	The PRASAD Project, Inc.	PRASAD Children's Dental Health Program, Inc.	Consolidating Entries	Consolidated Totals	The PRASAD Project, Inc.	PRASAD Children's Dental Health Program, Inc.	Consolidating Entries	Consolidated Totals
Assets								
Cash and cash equivalents (Notes 1c and 11)	\$ 305,482	\$ 220,025	\$ -	\$ 525,507	\$ 283,890	\$ 214,863	\$ -	\$ 498,753
Certificates of deposit (Notes 1e and 2)	102,943	102,943	-	205,886	101,788	101,788	-	203,576
Accounts receivable	-	1,957	-	1,957	-	1,474	-	1,474
Due from CDHP	908	-	(908)	-	2,273	-	(2,273)	-
Unconditional promises to give (Notes 1d and 4)								
Unrestricted	122,576	17,830	-	140,406	28,541	15,782	-	44,323
Temporarily restricted	-	29,682	-	29,682	-	22,338	-	22,338
Prepaid expenses	8,081	7,115	-	15,196	5,755	9,640	-	15,395
Investments (Notes 1e and 5)	1,804,557	-	-	1,804,557	1,669,086	-	-	1,669,086
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 6)	7,245	135,349	-	142,594	9,099	160,167	-	169,266
Security deposits	3,420	-	-	3,420	3,420	-	-	3,420
Total Assets	\$ 2,355,212	\$ 514,901	\$ (908)	\$ 2,869,205	\$ 2,103,852	\$ 526,052	\$ (2,273)	\$ 2,627,631
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	\$ 36,349	\$ 10,532	\$ -	\$ 46,881	\$ 37,210	\$ 12,340	\$ -	\$ 49,550
Due to PRASAD	-	908	(908)	-	-	2,273	(2,273)	-
Total Liabilities	36,349	11,440	(908)	46,881	37,210	14,613	(2,273)	49,550
Commitments (Note 7)								
Net Assets								
Unrestricted								
Board Designated Reserve (Note 3a)	1,804,557	-	-	1,804,557	1,669,086	-	-	1,669,086
Other	514,306	473,779	-	988,085	397,556	489,101	-	886,657
Total Unrestricted	2,318,863	473,779	-	2,792,642	2,066,642	489,101	-	2,555,743
Temporarily restricted (Note 3b)	-	29,682	-	29,682	-	22,338	-	22,338
Total Net Assets	2,318,863	503,461	-	2,822,324	2,066,642	511,439	-	2,578,081
Total Liabilities and Net Assets	\$ 2,355,212	\$ 514,901	\$ (908)	\$ 2,869,205	\$ 2,103,852	\$ 526,052	\$ (2,273)	\$ 2,627,631

See accompanying notes to consolidated financial statements and independent auditors' report.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017				2016			
	The PRASAD Project, Inc.	PRASAD Children's Dental Health Program, Inc.	Consolidating Entries	Consolidated Totals	The PRASAD Project, Inc.	PRASAD Children's Dental Health Program, Inc.	Consolidating Entries	Consolidated Totals
Changes in Unrestricted Net Assets								
Operating Activities								
Revenues, Gains and Other Support								
Third party medical insurance reimbursement	\$ -	\$ 99,657	\$ -	\$ 99,657	\$ -	\$ 90,068	\$ -	\$ 90,068
Contributions	718,476	139,626	(55,000)	803,102	461,683	117,315	(55,000)	523,998
Benefit income	31,694	-	-	31,694	66,876	-	-	66,876
Less: Direct benefit expenses	-	-	-	-	(2,175)	-	-	(2,175)
Donated services and occupancy (Note 8)	9,262	102,918	(95,768)	16,412	3,500	88,246	(87,246)	4,500
Interest and dividend income	-	1,177	-	1,177	4,168	1,308	-	5,476
Other income	342	3,502	-	3,844	940	2,629	-	3,569
	<u>759,774</u>	<u>346,880</u>	<u>(150,768)</u>	<u>955,886</u>	<u>534,992</u>	<u>299,566</u>	<u>(142,246)</u>	<u>692,312</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	-	22,338	-	22,338	-	18,698	-	18,698
Total Revenues, Gains and Other Support	<u>759,774</u>	<u>369,218</u>	<u>(150,768)</u>	<u>978,224</u>	<u>534,992</u>	<u>318,264</u>	<u>(142,246)</u>	<u>711,010</u>
Expenses								
Program Services								
Sullivan County Dental	150,767	277,972	(55,000)	373,739	142,246	263,859	(55,000)	351,105
Tansa Valley	197,661	-	-	197,661	160,650	-	-	160,650
Constituency Education	85,311	-	-	85,311	74,816	-	-	74,816
Mexico and Other Affiliates	120,177	-	-	120,177	82,104	-	-	82,104
Disaster Relief	28,460	-	-	28,460	-	-	-	-
Total Program Services	<u>582,376</u>	<u>277,972</u>	<u>(55,000)</u>	<u>805,348</u>	<u>459,816</u>	<u>263,859</u>	<u>(55,000)</u>	<u>668,675</u>
Supporting Services								
Management and general	38,766	103,216	(92,416)	49,566	41,798	96,692	(84,192)	54,298
Fundraising	20,629	3,352	(3,352)	20,629	17,736	3,054	(3,054)	17,736
Total Supporting Services	<u>59,395</u>	<u>106,568</u>	<u>(95,768)</u>	<u>70,195</u>	<u>59,534</u>	<u>99,746</u>	<u>(87,246)</u>	<u>72,034</u>
Total Expenses	<u>641,771</u>	<u>384,540</u>	<u>(150,768)</u>	<u>875,543</u>	<u>519,350</u>	<u>363,605</u>	<u>(142,246)</u>	<u>740,709</u>
Increase (Decrease) in Unrestricted Net Assets from Operations	118,003	(15,322)	-	102,681	15,642	(45,341)	-	(29,699)
Non-Operating Activities								
Net investment income (Note 5)	134,218	-	-	134,218	56,304	-	-	56,304
Increase (Decrease) in Unrestricted Net Assets	<u>252,221</u>	<u>(15,322)</u>	<u>-</u>	<u>236,899</u>	<u>71,946</u>	<u>(45,341)</u>	<u>-</u>	<u>26,605</u>
Changes in Temporarily Restricted Net Assets								
Contributions	-	29,682	-	29,682	-	22,338	-	22,338
Net assets released from restrictions	-	(22,338)	-	(22,338)	-	(18,698)	-	(18,698)
Increase in Temporarily Restricted Net Assets	<u>-</u>	<u>7,344</u>	<u>-</u>	<u>7,344</u>	<u>-</u>	<u>3,640</u>	<u>-</u>	<u>3,640</u>
Increase (decrease) in net assets	252,221	(7,978)	-	244,243	71,946	(41,701)	-	30,245
Net assets, beginning of year	2,066,642	511,439	-	2,578,081	1,994,696	553,140	-	2,547,836
Net Assets, End of Year	<u>\$ 2,318,863</u>	<u>\$ 503,461</u>	<u>\$ -</u>	<u>\$ 2,822,324</u>	<u>\$ 2,066,642</u>	<u>\$ 511,439</u>	<u>\$ -</u>	<u>\$ 2,578,081</u>

See accompanying notes to consolidated financial statements and independent auditors' report.