

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2022 AND 2021**

# 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

### Opinion

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, 2022 and 2021, and the related consolidated 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 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, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The PRASAD Project, Inc. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The PRASAD Project, Inc.'s ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 consolidated 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 consolidated 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 The PRASAD Project, Inc.'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The PRASAD Project, Inc.'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 Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position as of December 31, 2022 and 2021, and the consolidating statements of activities for the years then ended are presented for purposes of additional analysis and are 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 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 information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Lotz + Carr, LLP*

New York, New York  
November 3, 2023

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 13)	\$1,523,138	\$1,047,967
Certificates of deposit (Notes 1e and 3)	223,725	223,703
Accounts receivable	7,999	800
Contributions receivable (Notes 1d and 5)		
Without donor restrictions	71,624	71,100
With donor restrictions	180,000	-
Prepaid expenses	16,739	18,312
Investments (Notes 1e and 6)	2,257,539	2,527,110
Operating lease right-of-use asset (Notes 1g and 1m)	106,481	-
Property and equipment, at cost, net of accumulated depreciation and amortization (Notes 1f and 7)	40,961	44,608
Security deposits	5,387	5,387
	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<u><u>\$4,433,593</u></u>	<u><u>\$3,938,987</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 56,717	\$ 45,633
Operating lease liability (Notes 1g, 1m and 9)	107,535	-
Total Liabilities	<u>164,252</u>	<u>45,633</u>
Commitment (Note 10)		
Net Assets		
Without Donor Restrictions		
Board designated reserve (Note 4a)	2,257,539	2,527,110
Other	1,411,802	1,366,244
Total Without Donor Restrictions	<u>3,669,341</u>	<u>3,893,354</u>
With Donor Restrictions (Note 4b)	600,000	-
Total Net Assets	<u>4,269,341</u>	<u>3,893,354</u>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$4,433,593</u></u>	<u><u>\$3,938,987</u></u>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating Activities		
Revenues, Gains and Other Support		
Third party medical insurance reimbursement	\$ 78,668	\$ 62,659
Contributions	759,193	1,207,483
Benefit income	67,539	57,953
Less: Direct benefit expenses	(42,747)	-
Donated services (Note 11)	10,300	17,500
Interest and dividend income	5,163	6,444
Other income	-	4,606
	<u>878,116</u>	<u>1,356,645</u>
Expenses		
Program Services		
Sullivan County Dental	341,905	348,340
Tansa Valley	173,515	459,430
Constituency Education	104,780	92,462
Mexico and Other Affiliates	99,977	134,382
Total Program Services	<u>720,177</u>	<u>1,034,614</u>
Supporting Services		
Management and general	79,462	99,557
Fundraising	24,395	22,503
Total Supporting Services	<u>103,857</u>	<u>122,060</u>
	<u>824,034</u>	<u>1,156,674</u>
Increase in Net Assets Without Donor Restrictions from Operations	54,082	199,971
Non-Operating Activities		
Net investment income (loss) (Note 6)	<u>(278,095)</u>	<u>169,902</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	(224,013)	369,873
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions (Note 4b)	<u>600,000</u>	<u>-</u>
Increase in net assets	375,987	369,873
Net assets, beginning of year	<u>3,893,354</u>	<u>3,523,481</u>
<b>Net Assets, End of Year</b>	<u><u>\$4,269,341</u></u>	<u><u>\$3,893,354</u></u>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2022**

	Program Services					Supporting Services			Total Expenses
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Total	Management and General	Fundraising	Total	
Salaries	\$172,727	\$ 60,966	\$ 24,935	\$ 43,603	\$302,231	\$ 36,062	\$ 10,156	\$ 46,218	\$348,449
Payroll taxes and employee benefits	24,908	15,055	6,147	10,779	56,889	3,905	2,514	6,419	63,308
Insurance	20,736	4,405	1,799	3,162	30,102	1,579	722	2,301	32,403
Direct program support to PRASAD Chikitsa	-	28,000	-	-	28,000	-	-	-	28,000
Computer supplies	3,598	5,397	2,201	3,963	15,159	1,897	941	2,838	17,997
Travel	225	934	68	109	1,336	37	22	59	1,395
Printing	706	1,001	4,120	656	6,483	243	163	406	6,889
Dental supplies	22,633	-	-	-	22,633	-	-	-	22,633
Video reproduction	-	5,074	2,112	-	7,186	-	32	32	7,218
Utilities	6,972	6,283	2,549	4,572	20,376	1,688	1,102	2,790	23,166
Telephone, fax and e-mail	3,743	2,755	2,274	1,932	10,704	722	462	1,184	11,888
Office supplies	4,386	1,135	460	851	6,832	294	178	472	7,304
Postage and shipping	1,500	1,194	4,807	822	8,323	288	192	480	8,803
Repairs and maintenance	8,437	3,430	1,430	2,478	15,775	899	537	1,436	17,211
Professional fees - legal	-	-	-	-	-	4,000	-	4,000	4,000
Professional fees - accounting	-	-	-	-	-	20,299	-	20,299	20,299
Professional fees - other	30,500	21,079	44,957	15,016	111,552	-	4,563	4,563	116,115
Advertising	9,345	413	178	277	10,213	107	58	165	10,378
Fees and permits	1,302	221	87	146	1,756	63	38	101	1,857
Seminars and education	771	963	400	669	2,803	2,122	157	2,279	5,082
Meetings and venues	370	490	211	328	1,399	130	95	225	1,624
Rent	6,653	9,842	4,048	7,061	27,604	2,647	1,682	4,329	31,933
Miscellaneous	6,195	4,118	1,690	2,956	14,959	2,260	684	2,944	17,903
Bad debt expense and provision for uncollectible accounts	9,718	-	-	-	9,718	-	-	-	9,718
Depreciation and amortization	6,480	760	307	597	8,144	220	97	317	8,461
<b>Total Expenses</b>	<b><u>\$341,905</u></b>	<b><u>\$173,515</u></b>	<b><u>\$ 104,780</u></b>	<b><u>\$ 99,977</u></b>	<b><u>\$720,177</u></b>	<b><u>\$ 79,462</u></b>	<b><u>\$ 24,395</u></b>	<b><u>\$103,857</u></b>	<b><u>\$824,034</u></b>

**See notes to consolidated financial statements.**

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2021**

	Program Services					Supporting Services			Total Expenses
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Total	Management and General	Fundraising	Total	
Salaries	\$ 180,079	\$ 66,969	\$ 25,876	\$ 43,171	\$ 316,095	\$ 19,407	\$ 8,946	\$ 28,353	\$ 344,448
Payroll taxes and employee benefits	33,363	14,825	5,745	9,521	63,454	4,271	1,979	6,250	69,704
Insurance	19,824	5,000	1,930	3,266	30,020	4,914	692	5,606	35,626
Direct program support to PRASAD Chikitsa	-	306,925	-	-	306,925	-	-	-	306,925
Disaster relief grants and program support	-	-	-	35,000	35,000	13,100	-	13,100	48,100
Computer supplies	3,866	5,557	2,130	3,663	15,216	1,583	798	2,381	17,597
Travel	200	274	100	204	778	76	40	116	894
Printing	618	929	3,718	590	5,855	3	97	100	5,955
Dental supplies	9,172	-	-	-	9,172	-	-	-	9,172
Utilities	3,546	335	124	221	4,226	94	47	141	4,367
Telephone, fax and e-mail	4,058	3,485	1,360	2,281	11,184	1,034	482	1,516	12,700
Office supplies	2,540	243	95	159	3,037	55	30	85	3,122
Postage and shipping	1,149	1,255	3,740	830	6,974	366	181	547	7,521
Repairs and maintenance	10,486	3,494	1,410	2,508	17,898	932	485	1,417	19,315
Professional fees - legal	-	-	-	-	-	17,500	-	17,500	17,500
Professional fees - accounting	-	-	-	-	-	27,500	-	27,500	27,500
Professional fees - other	24,587	26,862	36,794	18,020	106,263	-	5,641	5,641	111,904
Advertising	8,992	1,082	412	727	11,213	311	157	468	11,681
Fees and permits	1,219	251	93	183	1,746	70	34	104	1,850
Seminars and education	309	449	173	305	1,236	135	68	203	1,439
Meetings and venues	3,229	4,871	2,152	3,590	13,842	1,584	869	2,453	16,295
Rent	6,801	9,665	3,888	6,002	26,356	2,775	1,172	3,947	30,303
Miscellaneous	6,794	6,192	2,419	3,681	19,086	3,016	726	3,742	22,828
Bad debt expense and provision for uncollectible accounts	3,704	-	-	-	3,704	-	-	-	3,704
Depreciation and amortization	23,804	767	303	460	25,334	831	59	890	26,224
<b>Total Expenses</b>	<b>\$348,340</b>	<b>\$459,430</b>	<b>\$ 92,462</b>	<b>\$ 134,382</b>	<b>\$1,034,614</b>	<b>\$ 99,557</b>	<b>\$ 22,503</b>	<b>\$122,060</b>	<b>\$1,156,674</b>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 375,987	\$ 369,873
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Non-cash operating lease expense	30,242	-
Depreciation and amortization	8,461	26,224
Realized and unrealized (gains) losses on investments	313,753	(156,140)
Bad debt expense	9,718	3,704
Donated securities	(20,548)	(23,154)
Forgiveness of loan payable - Paycheck Protection Program	-	(23,575)
(Increase) decrease in:		
Accounts receivable and accrued interest	(16,917)	(2,604)
Contributions receivable	(180,524)	(4,339)
Prepaid expenses	1,573	890
Security deposit	-	(5,087)
Increase (decrease) in:		
Accounts payable and accrued expenses	11,084	(8,433)
Operating lease liability	(29,188)	-
Net Cash Provided By Operating Activities	<u>503,641</u>	<u>177,359</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of certificates of deposit	(223,725)	(223,703)
Maturity of certificate of deposit	223,703	223,368
Proceeds from sale of investments	2,408,044	1,544,631
Purchase of investments	(2,431,678)	(1,560,610)
Acquisition of property and equipment	(4,814)	(18,211)
Net Cash Used By Investing Activities	<u>(28,470)</u>	<u>(34,525)</u>
Net increase in cash and cash equivalents	475,171	142,834
Cash and cash equivalents, beginning of year	<u>1,047,967</u>	<u>905,133</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$1,523,138</u></u>	<u><u>\$1,047,967</u></u>
<b>Supplemental Disclosure of Non-Cash Investing Activities:</b>		
Operating lease right-of-use asset obtained in exchange for lease liability	<u>\$ 136,723</u>	<u>\$ -</u>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**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 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's sole member is the Syda Foundation, a 501(c)(3) organization under the laws of the State of New York. PRASAD is the sole member of PRASAD Children's Dental Health Program, Inc. ("CDHP"), 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, 2022 AND 2021**

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

d - Contributions Receivable and Contributions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Conditional promises to give that have a measurable performance, related or other barrier and right of return, are not recognized until the conditions on which they depend have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

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

e - Investments and Fair Value Measurements

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 net assets without donor restrictions, unless their use is restricted by explicit donor stipulations or by law.

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.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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

e - Investments and Fair Value Measurements (continued)

- 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.

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 - Operating Lease Right-of-Use Asset and Operating Lease Liability

For lease with an initial term greater than twelve months, the Organization's operating lease liability is initially recorded at the present value of the unpaid lease payments as of January 1, 2022. The Organization's operating lease right-of-use asset is initially recorded at the carrying amount of the lease liability adjusted for initial direct costs, accruals, deferred rent liability and lease incentives, if any. Operating lease cost is recognized on a straight-line basis over the lease term.

h - Financial Statement Presentation

The Organization's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization's management and Board of Directors.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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

h – Financial Statement Presentation (continued)

Net Assets With Donor Restrictions

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

i - 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 based on time and effort.

j - 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.

k - 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 as organizations that are not private foundations.

l - Subsequent Events

The Organization has evaluated subsequent events through November 3, 2023, the date that the financial statements are considered available to be issued.

m - New Accounting Standards

During 2022, the Organization adopted ASU 2016-02, *Leases* ("Topic 842"). The core principles of ASU 2016-02 (the "ASU") change the way organizations account for their leases by recognizing lease assets and related liabilities on the statement of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. As such, results for 2022 are presented under *Topic 842*, while results for 2021 continue to be reported in accordance with historical accounting practices. The adoption of the ASU did not have a significant impact on the Organization's net assets as of January 1, 2022.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

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

m - New Accounting Standards (continued)

As part of the adoption of the ASU, the Organization elected to apply the modified retrospective transition approach as of the date of initial application without restating comparative period financial statements, to use a risk-free rate, equal to the five-year Treasury Bill rate for the discount of the operating lease and to apply the practical expedients which allows the Organization to not reassess (i) whether any expired or existing contracts are leases or contain leases (ii) the lease classification for any expired or existing leases (iii) initial direct costs for any existing leases.

For 2022, the Organization also adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

**Note 2 - Information Regarding Liquidity and Availability**

The Organization operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those activities.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 2 - Information Regarding Liquidity and Availability (continued)**

The Organization's financial assets as of December 31, 2022 and 2021 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$1,523,138	\$1,047,967
Certificates of deposit	223,725	223,703
Accounts receivable	7,999	800
Contributions receivable	251,624	71,100
Investments	<u>2,257,539</u>	<u>2,527,110</u>
Total Financial Assets	4,264,025	3,870,680
Less: Amounts not Available to be Used within One Year:		
Less: Board designated reserve	<u>(2,257,539)</u>	<u>(2,527,110)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$2,006,486</u>	<u>\$1,343,570</u>

In addition to these financial assets available for use within one year, the Organization's board designated reserve could be made available at any time to meet cash needs for general expenditures at the discretion of the Board.

**Note 3 - Certificates of Deposit**

At December 31, 2022, the Organization held certificates of deposit which all matured in February 2023. At December 31, 2021, the Organization held certificates of deposit which matured in February and May 2022. Cost basis approximates fair value at December 31, 2022 and 2021.

**Note 4 - Net Assets**

a - During 2014, the Board of Directors established a board designated reserve from its existing investment portfolio. Investment income (loss) on the reserve and other receipts totaled \$(264,340) for 2022 and \$195,273 for 2021.

b - Net assets with donor restrictions as of December 31, 2022 consist of a \$600,000 grant received by CDHP in 2022 to fund the purchase of a new mobile dental clinic.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 5 - Contributions Receivable**

Contributions receivable are due in less than one year. Uncollectible contributions receivable are expected to be insignificant.

**Note 6 - Investments**

Investments at December 31, 2022 and 2021 are all classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 301,721	\$ 279,588	\$ 315,417	\$ 297,594
Certificates of deposit	157,147	157,147	157,091	157,091
Corporate equities	625,466	770,912	845,935	1,219,398
Mutual funds and exchange traded funds	<u>1,069,549</u>	<u>1,049,892</u>	<u>802,985</u>	<u>853,027</u>
	<u>\$2,153,883</u>	<u>\$2,257,539</u>	<u>\$2,121,428</u>	<u>\$2,527,110</u>

Net investment income (loss) for the years ended December 31, 2022 and 2021 consists of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 49,413	\$ 28,345
Realized gains (losses) on sales of investments	(11,727)	85,596
Unrealized gains (losses) on investments	(302,026)	70,544
Investment management fees	<u>(13,755)</u>	<u>(14,583)</u>
	<u>\$(278,095)</u>	<u>\$169,902</u>

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 7 - Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2022</u>	<u>2021</u>
Mobile dental clinic and automobile	10 years	\$334,607	\$334,607
Furniture and equipment	3-10 years	94,840	94,840
Computer equipment and website	3-5 years	99,082	94,268
Leasehold improvements	Life of lease	<u>94,379</u>	<u>94,379</u>
		622,908	618,094
Less: Accumulated depreciation and amortization		<u>(581,947)</u>	<u>(573,486)</u>
		<u>\$ 40,961</u>	<u>\$ 44,608</u>

**Note 8 - Loans Payable - Paycheck Protection Program**

On July 15, 2020 and April 17, 2021, the Organization received loans totaling \$23,575 and \$24,671, respectively, under the Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration. The loans included provisions for forgiveness if the Organization met certain employee retention requirements and the funds were used for eligible expenses. The full amounts of the loans were forgiven in July 2021 and September 2021.

Accordingly, loan forgiveness revenue totaling \$48,246 was recognized for the year ended December 31, 2021 and is included in contributions in the accompanying consolidated statement of activities.

**Note 9 - Operating Lease Liability**

The Organization occupies space under an operating lease agreement expiring May 31, 2024, with an option to renew through May 31, 2026.

Operating lease expense for the year ended December 31, 2022 was \$26,038. There were no variable lease costs incurred. As of December 31, 2022, the remaining term of the Organization's operating lease is forty-one months and the discount rate is 1.37%

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 9 - Operating Lease Liability (continued)**

Maturities of the Organization's operating lease liability as of December 31, 2022 are as follows:

<u>Year Ending December 31</u>	
2023	\$ 31,497
2024	32,127
2025	32,770
Thereafter, through May 31, 2026	<u>13,767</u>
	110,161
Less: Amount attributable to interest	<u>(2,626)</u>
	<u>\$107,535</u>

**Note 10 - Commitment**

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 \$65,000 (2022) and \$80,000 (2021). PRASAD also provided additional donated materials and services in the amount of \$93,501 (2022) and \$105,254 (2021). These amounts have been eliminated within the consolidated financial statements.

**Note 11 - Donated Services**

The Organization received donated services as follows:

	<u>2022</u>	<u>2021</u>
Legal	\$ 4,000	\$17,500
Consulting services	<u>6,300</u>	<u>-</u>
	<u>\$10,300</u>	<u>\$17,500</u>

Donated services are valued by the service provider based on rates charged for similar services. The Organization utilizes donated services in its program and supporting services.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**

**Note 12 - Grants**

The Board of Directors approved the following grants during 2022 and 2021:

	<u>2022</u>	<u>2021</u>
PRASAD Chikitsa, a public charitable trust created in India	\$28,000	\$306,925
Disaster relief and program support	<u>-</u>	<u>48,100</u>
Total Grants	<u>\$28,000</u>	<u>\$355,025</u>

**Note 13 - 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 14 - 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, 2022, 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**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2022 AND 2021**

	2022				2021			
	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
<b>Assets</b>								
Cash and cash equivalents (Notes 1c and 13)	\$ 872,847	\$ 650,291	\$ -	\$ 1,523,138	\$ 808,911	\$ 239,056	\$ -	\$ 1,047,967
Certificates of deposit (Notes 1e and 3)	118,974	104,751	-	223,725	118,962	104,741	-	223,703
Accounts receivable	-	7,999	-	7,999	-	800	-	800
Due from CDHP	1,571	-	(1,571)	-	1,427	-	(1,427)	-
Contributions receivable (Notes 1d and 5)								
Without donor restrictions	39,073	32,551	-	71,624	56,459	14,641	-	71,100
With donor restrictions	-	180,000	-	180,000	-	-	-	-
Prepaid expenses	8,139	8,600	-	16,739	5,871	12,441	-	18,312
Investments (Notes 1e and 6)	2,257,539	-	-	2,257,539	2,527,110	-	-	2,527,110
Operating lease right-of-use asset (Notes 1g and 1m)	106,481	-	-	106,481	-	-	-	-
Property and equipment, at cost, net of accumulated depreciation and amortization (Notes 1f and 7)	18,660	22,301	-	40,961	16,323	28,285	-	44,608
Security deposits	5,387	-	-	5,387	5,387	-	-	5,387
<b>Total Assets</b>	<b>\$ 3,428,671</b>	<b>\$ 1,006,493</b>	<b>\$ (1,571)</b>	<b>\$ 4,433,593</b>	<b>\$ 3,540,450</b>	<b>\$ 399,964</b>	<b>\$ (1,427)</b>	<b>\$ 3,938,987</b>
<b>Liabilities and Net Assets</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 40,825	\$ 15,892	\$ -	\$ 56,717	\$ 35,521	\$ 10,112	\$ -	\$ 45,633
Operating lease liability (Notes 1g, 1m, and 9)	107,535	-	-	107,535	-	-	-	-
Due to PRASAD Project, Inc.	-	1,571	(1,571)	-	-	1,427	(1,427)	-
Total Liabilities	148,360	17,463	(1,571)	164,252	35,521	11,539	(1,427)	45,633
Commitment (Note 10)								
<b>Net Assets</b>								
<b>Without Donor Restrictions</b>								
Board designated reserve (Note 4a)	2,257,539	-	-	2,257,539	2,527,110	-	-	2,527,110
Other	1,022,772	389,030	-	1,411,802	977,819	388,425	-	1,366,244
Total Without Donor Restrictions	3,280,311	389,030	-	3,669,341	3,504,929	388,425	-	3,893,354
<b>With Donor Restrictions (Note 4b)</b>								
Total Net Assets	-	600,000	-	600,000	-	-	-	-
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,428,671</b>	<b>\$ 1,006,493</b>	<b>\$ (1,571)</b>	<b>\$ 4,433,593</b>	<b>\$ 3,540,450</b>	<b>\$ 399,964</b>	<b>\$ (1,427)</b>	<b>\$ 3,938,987</b>

**See accompanying independent auditors' report.**

## THE PRASAD PROJECT, INC. AND SUBSIDIARY

## CONSOLIDATING STATEMENTS OF ACTIVITIES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	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
<b>Changes in Net Assets Without Donor Restrictions</b>								
Operating Activities								
Revenues, Gains and Other Support								
Third party medical insurance reimbursement	\$ -	\$ 78,668	\$ -	\$ 78,668	\$ -	\$ 62,659	\$ -	\$ 62,659
Contributions	641,413	182,780	(65,000)	759,193	1,102,948	184,535	(80,000)	1,207,483
Benefit income	67,539	-	-	67,539	57,953	-	-	57,953
Less: Direct benefit expenses	(42,747)	-	-	(42,747)	-	-	-	-
Donated services (Note 11)	8,800	95,001	(93,501)	10,300	12,500	110,254	(105,254)	17,500
Interest and dividend income	5,127	36	-	5,163	6,329	115	-	6,444
Other income	-	-	-	-	1,551	3,055	-	4,606
Total Revenues, Gains and Other Support	<u>680,132</u>	<u>356,485</u>	<u>(158,501)</u>	<u>878,116</u>	<u>1,181,281</u>	<u>360,618</u>	<u>(185,254)</u>	<u>1,356,645</u>
Expenses								
Program Services								
Sullivan County Dental	158,501	248,404	(65,000)	341,905	185,254	243,086	(80,000)	348,340
Tansa Valley	173,515	-	-	173,515	459,430	-	-	459,430
Constituency Education	104,780	-	-	104,780	92,462	-	-	92,462
Mexico and Other Affiliates	99,977	-	-	99,977	134,382	-	-	134,382
Total Program Services	<u>536,773</u>	<u>248,404</u>	<u>(65,000)</u>	<u>720,177</u>	<u>871,528</u>	<u>243,086</u>	<u>(80,000)</u>	<u>1,034,614</u>
Supporting Services								
Management and general	65,487	104,203	(90,228)	79,462	84,557	116,570	(101,570)	99,557
Fundraising	24,395	3,273	(3,273)	24,395	22,503	3,684	(3,684)	22,503
Total Supporting Services	<u>89,882</u>	<u>107,476</u>	<u>(93,501)</u>	<u>103,857</u>	<u>107,060</u>	<u>120,254</u>	<u>(105,254)</u>	<u>122,060</u>
Total Expenses	<u>626,655</u>	<u>355,880</u>	<u>(158,501)</u>	<u>824,034</u>	<u>978,588</u>	<u>363,340</u>	<u>(185,254)</u>	<u>1,156,674</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Operations	53,477	605	-	54,082	202,693	(2,722)	-	199,971
Non-Operating Activities								
Net investment income (loss) (Note 6)	<u>(278,095)</u>	-	-	<u>(278,095)</u>	<u>169,902</u>	-	-	<u>169,902</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>(224,618)</u>	<u>605</u>	<u>-</u>	<u>(224,013)</u>	<u>372,595</u>	<u>(2,722)</u>	<u>-</u>	<u>369,873</u>
<b>Changes in Net Assets With Donor Restrictions</b>								
Contributions (Note 4b)	-	600,000	-	600,000	-	-	-	-
Increase (decrease) in net assets	<u>(224,618)</u>	<u>600,605</u>	<u>-</u>	<u>375,987</u>	<u>372,595</u>	<u>(2,722)</u>	<u>-</u>	<u>369,873</u>
Net assets, beginning of year	<u>3,504,929</u>	<u>388,425</u>	<u>-</u>	<u>3,893,354</u>	<u>3,132,334</u>	<u>391,147</u>	<u>-</u>	<u>3,523,481</u>
<b>Net Assets, End of Year</b>	<u>\$ 3,280,311</u>	<u>\$ 989,030</u>	<u>\$ -</u>	<u>\$ 4,269,341</u>	<u>\$ 3,504,929</u>	<u>\$ 388,425</u>	<u>\$ -</u>	<u>\$ 3,893,354</u>

See accompanying independent auditors' report.