

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

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2021 AND 2020**

# THE PRASAD PROJECT, INC. AND SUBSIDIARY

## TABLE OF CONTENTS

	<b>Page</b>
Independent Auditors' Report.....	1-3
Consolidated Financial Statements	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities .....	5
Consolidated Statements of Functional Expenses .....	6-7
Consolidated Statements of Cash Flows .....	8
Notes to Consolidated Financial Statements .....	9-17
Supplementary Information	
Consolidating Statements of Financial Position .....	19
Consolidating Statements of Activities .....	20



## 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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020, 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, 2022

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 12)	\$1,047,967	\$ 905,133
Certificates of deposit (Notes 1e and 3)	223,703	223,368
Accounts receivable and accrued interest	800	1,900
Contributions receivable (Notes 1d and 5)		
Without donor restrictions	71,100	66,761
Prepaid expenses	18,312	19,202
Investments (Notes 1e and 6)	2,527,110	2,331,837
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	44,608	52,621
Security deposits	5,387	300
	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b><u>\$3,938,987</u></b>	<b><u>\$3,601,122</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 45,633	\$ 54,066
Loan payable - Paycheck Protection Program (Note 8)	-	23,575
Total Liabilities	<u>45,633</u>	<u>77,641</u>
Commitments (Note 9)		
Net Assets		
Without Donor Restrictions		
Board designated reserve (Note 4)	2,527,110	2,331,837
Other	1,366,244	1,191,644
Total Net Assets	<u>3,893,354</u>	<u>3,523,481</u>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$3,938,987</u></b>	<b><u>\$3,601,122</u></b>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating Activities		
Revenues, Gains and Other Support		
Third party medical insurance reimbursement	\$ 62,659	\$ 61,504
Contributions	1,207,483	734,429
Benefit income	57,953	73,918
Less: Direct benefit expenses	-	(1,000)
Donated services and materials (Note 10)	17,500	9,692
Interest and dividend income	6,444	4,912
Other income	4,606	11,791
	<u>1,356,645</u>	<u>895,246</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	-	22,488
	<u>-</u>	<u>22,488</u>
Total Revenues, Gains and Other Support	<u>1,356,645</u>	<u>917,734</u>
Expenses		
Program Services		
Sullivan County Dental	348,340	339,303
Tansa Valley	459,430	271,453
Constituency Education	92,462	72,301
Mexico and Other Affiliates	134,382	80,716
Total Program Services	<u>1,034,614</u>	<u>763,773</u>
Supporting Services		
Management and general	99,557	70,456
Fundraising	22,503	21,650
Total Supporting Services	<u>122,060</u>	<u>92,106</u>
Total Expenses	<u>1,156,674</u>	<u>855,879</u>
Increase in Net Assets Without Donor Restrictions from Operations	199,971	61,855
Non-Operating Activities		
Net investment income (Note 6)	<u>169,902</u>	<u>368,026</u>
Increase in Net Assets Without Donor Restrictions	<u>369,873</u>	<u>429,881</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions	-	-
Net assets released from restrictions	-	(22,488)
Reversal of prior year contribution	-	(415)
	<u>-</u>	<u>(22,903)</u>
Decrease in Net Assets With Donor Restrictions	<u>-</u>	<u>(22,903)</u>
Increase in net assets	369,873	406,978
Net assets, beginning of year	<u>3,523,481</u>	<u>3,116,503</u>
<b>Net Assets, End of Year</b>	<u><u>\$3,893,354</u></u>	<u><u>\$3,523,481</u></u>

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 STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2020**

	Program Services				Supporting Services			Total Expenses	
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Total	Management and General	Fundraising		Total
Salaries	\$162,056	\$ 65,047	\$ 25,052	\$ 38,088	\$ 290,243	\$ 20,111	\$ 7,203	\$ 27,314	\$ 317,557
Payroll taxes and employee benefits	32,924	15,031	5,785	8,862	62,602	4,389	1,711	6,100	68,702
Insurance	16,937	4,451	1,697	2,600	25,685	76	475	551	26,236
Direct program support to PRASAD Chikitsa	-	131,132	-	-	131,132	-	-	-	131,132
Disaster relief grants and program support	-	-	-	-	-	15,000	-	15,000	15,000
Computer supplies	3,605	5,078	1,970	3,009	13,662	1,473	571	2,044	15,706
Travel	458	1,953	35	67	2,513	52	15	67	2,580
Printing	311	441	2,040	249	3,041	133	39	172	3,213
Dental supplies	15,555	-	-	-	15,555	-	-	-	15,555
Utilities	3,017	-	-	-	3,017	-	-	-	3,017
Telephone, fax and e-mail	4,796	4,665	1,804	2,690	13,955	1,431	509	1,940	15,895
Office supplies	4,178	1,052	382	600	6,212	414	112	526	6,738
Postage and shipping	2,193	1,665	1,758	978	6,594	518	175	693	7,287
Repairs and maintenance	5,721	1,134	441	672	7,968	333	120	453	8,421
Professional fees - legal	483	700	801	395	2,379	1,333	288	1,621	4,000
Professional fees - accounting	2,815	4,081	4,670	2,301	13,867	11,953	1,680	13,633	27,500
Professional fees - other	18,966	16,347	18,704	9,218	63,235	7,822	6,729	14,551	77,786
Advertising	3,587	-	-	-	3,587	-	-	-	3,587
Fees and permits	1,298	724	277	547	2,846	-	63	63	2,909
Seminars and education	290	299	109	183	881	141	37	178	1,059
Meetings and venues	1,101	1,721	673	1,046	4,541	484	222	706	5,247
Rent	6,910	9,729	3,743	5,700	26,082	2,842	1,078	3,920	30,002
Miscellaneous	6,091	5,390	2,039	3,024	16,544	1,585	558	2,143	18,687
Bad debt expense and provision for uncollectible accounts	6,558	-	-	-	6,558	-	-	-	6,558
Depreciation and amortization	39,453	813	321	487	41,074	366	65	431	41,505
<b>Total Expenses</b>	<b>\$339,303</b>	<b>\$271,453</b>	<b>\$ 72,301</b>	<b>\$ 80,716</b>	<b>\$ 763,773</b>	<b>\$ 70,456</b>	<b>\$ 21,650</b>	<b>\$ 92,106</b>	<b>\$ 855,879</b>

**See notes to consolidated financial statements.**

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$ 369,873	\$ 406,978
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	26,224	41,505
Realized and unrealized gains on investments	(156,140)	(354,473)
Bad debt expense	3,704	6,558
Reversal of prior year contribution	-	415
Donated securities	(23,154)	-
Forgiveness of loan payable - Paycheck Protection Program	(23,575)	-
(Increase) decrease in:		
Accounts receivable and accrued interest	(2,604)	(3,951)
Contributions receivable	(4,339)	45,511
Prepaid expenses	890	(2,107)
Security deposit	(5,087)	-
Increase (decrease) in accounts payable and accrued expenses	(8,433)	6,764
Net Cash Provided By Operating Activities	177,359	147,200
<b>Cash Flows From Investing Activities</b>		
Purchase of certificates of deposit	(223,703)	(3,025)
Maturity of certificate of deposit	223,368	116,733
Proceeds from sale of investments	1,544,631	2,796,502
Purchase of investments	(1,560,610)	(2,816,116)
Acquisition of property and equipment	(18,211)	-
Net Cash Provided (Used) By Investing Activities	(34,525)	94,094
<b>Cash Flows From Financing Activities</b>		
Proceeds from loan payable - Paycheck Protection Program	-	23,575
Net increase in cash and cash equivalents	142,834	264,869
Cash and cash equivalents, beginning of year	905,133	640,264
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$1,047,967</b>	<b>\$ 905,133</b>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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"), 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, 2021 AND 2020**

**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, 2021 AND 2020**

**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 - 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.

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.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

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

h - 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.

i - 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.

j - 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.

k - Subsequent Events

The Organization has evaluated subsequent events through November 3, 2022, the date that the financial statements are considered available to be issued.

**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, 2021 AND 2020**

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

The Organization's financial assets as of December 31, 2021 and 2020 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$1,047,967	\$ 905,133
Certificates of deposit	223,703	223,368
Accounts receivable and accrued interest	800	1,900
Contributions receivable	71,100	66,761
Investments	<u>2,527,110</u>	<u>2,331,837</u>
Total Financial Assets	3,870,680	3,528,999
Less: Amounts not Available to be Used within One Year:		
Less: Board designated reserve	<u>(2,527,110)</u>	<u>(2,331,837)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,343,570</u>	<u>\$1,197,162</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, 2021, the Organization held certificates of deposit which mature on February 24, 2022 and May 15, 2022. At December 31, 2020, the Organization held certificates of deposit which mature on November 11, 2021, November 24, 2021 and August 7, 2022. Cost basis approximates fair value at December 31, 2021 and 2020.

**Note 4 - Net Assets – Board Designated Reserve**

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 \$195,273 for 2021 and \$374,087 for 2020.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**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, 2021 and 2020 are all classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 315,417	\$ 297,594	\$ 297,726	\$ 280,169
Certificates of deposit	157,091	157,091	156,998	156,998
Corporate equities	845,935	1,219,398	699,692	997,531
Mutual funds and exchange traded funds	<u>802,985</u>	<u>853,027</u>	<u>842,283</u>	<u>897,139</u>
	<u>\$2,121,428</u>	<u>\$2,527,110</u>	<u>\$1,996,699</u>	<u>\$2,331,837</u>

Net investment income for the years ended December 31, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Interest and dividend income	\$ 28,345	\$ 26,363
Realized gains on sales of investments	85,596	88,330
Unrealized gains on investments	70,544	266,143
Investment management fees	<u>(14,583)</u>	<u>(12,810)</u>
	<u>\$169,902</u>	<u>\$368,026</u>



**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 7 - Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2021</u>	<u>2020</u>
Mobile dental clinic and automobile	10 years	\$334,607	\$330,208
Furniture and equipment	3-10 years	94,840	94,840
Computer equipment and website	3-5 years	94,268	93,917
Leasehold improvements	Life of lease	<u>94,379</u>	<u>81,712</u>
		618,094	600,677
Less: Accumulated depreciation and amortization		<u>(573,486)</u>	<u>(548,056)</u>
		<u>\$ 44,608</u>	<u>\$ 52,621</u>

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

On July 15, 2020, the Organization received a loan totaling \$23,575 under the Paycheck Protection Program ("PPP") administered by the U.S. Small Business Administration. The loan bears interest at 1% per annum, is due on July 15, 2022 and may be forgiven if the Organization meets certain retention requirements and the funds are used for eligible expenses. The full amount of the loan was forgiven on July 30, 2021.

On April 17, 2021, the Organization received a second PPP loan totaling \$24,671. The loan included the same forgiveness provisions as the first PPP loan. The full amount of the loan was forgiven on September 28, 2021.

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

**Note 9 - Commitments**

a - Office Leases

The Organization occupied space with a lease that expired on July 15, 2021. In 2021, the Organization entered into a lease agreement for a new space with a term commencing June 1, 2021 through May 31, 2024, with an optional two-year renewal. The future minimum annual obligation under this agreement is as follows:

<u>Year Ending December 31,</u>	
2022	\$30,880
2023	31,497
Through May 31, 2024	13,232

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 9 - Commitments (continued)**

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 \$80,000 (2021) and \$55,000 (2020). PRASAD also provided additional donated materials and services in the amount of \$105,254 (2021) and \$98,308 (2020). These amounts have been eliminated within the consolidated financial statements.

**Note 10 - Donated Services and Materials**

The Organization received donated services and materials as follows:

	<u>2021</u>	<u>2020</u>
Legal	\$17,500	\$4,000
Other services	-	2,475
Dental supplies	<u>-</u>	<u>3,217</u>
	<u>\$17,500</u>	<u>\$9,692</u>

**Note 11 - Grants**

The Board of Directors approved the following grants during 2021 and 2020:

	<u>2021</u>	<u>2020</u>
PRASAD Chikitsa, a public charitable trust created in India	\$306,925	\$131,132
Disaster relief and program support	<u>48,100</u>	<u>15,000</u>
Total Grants	<u>\$355,025</u>	<u>\$146,132</u>

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021 AND 2020**

**Note 12 - 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 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, 2021, 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, 2021 AND 2020

	2021				2020			
	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 12)	\$ 808,911	\$ 239,056	\$ -	\$ 1,047,967	\$ 639,557	\$ 265,576	\$ -	\$ 905,133
Certificates of deposit (Notes 1e and 3)	118,962	104,741	-	223,703	118,720	104,648	-	223,368
Accounts receivable and accrued interest	-	800	-	800	-	1,900	-	1,900
Due from CDHP	1,427	-	(1,427)	-	775	-	(775)	-
Unconditional promises to give (Notes 1d and 5)								
Without donor restrictions	56,459	14,641	-	71,100	64,686	2,075	-	66,761
Prepaid expenses	5,871	12,441	-	18,312	10,177	9,025	-	19,202
Investments (Notes 1e and 6)	2,527,110	-	-	2,527,110	2,331,837	-	-	2,331,837
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	16,323	28,285	-	44,608	5,451	47,170	-	52,621
Security deposits	5,387	-	-	5,387	300	-	-	300
<b>Total Assets</b>	<b>\$ 3,540,450</b>	<b>\$ 399,964</b>	<b>\$ (1,427)</b>	<b>\$ 3,938,987</b>	<b>\$ 3,171,503</b>	<b>\$ 430,394</b>	<b>\$ (775)</b>	<b>\$ 3,601,122</b>
<b>Liabilities and Net Assets</b>								
Liabilities								
Accounts payable and accrued expenses	\$ 35,521	\$ 10,112	\$ -	\$ 45,633	\$ 39,169	\$ 14,897	\$ -	\$ 54,066
Due to PRASAD	-	1,427	(1,427)	-	-	775	(775)	-
Loan payable - Paycheck Protection Program (Note 8)	-	-	-	-	-	23,575	-	23,575
Total Liabilities	<u>35,521</u>	<u>11,539</u>	<u>(1,427)</u>	<u>45,633</u>	<u>39,169</u>	<u>39,247</u>	<u>(775)</u>	<u>77,641</u>
Commitments (Note 9)								
Net Assets								
Without Donor Restrictions								
Board designated reserve (Note 4)	2,527,110	-	-	2,527,110	2,331,837	-	-	2,331,837
Other	977,819	388,425	-	1,366,244	800,497	391,147	-	1,191,644
Total Net Assets	<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>Total Liabilities and Net Assets</b>	<b>\$ 3,540,450</b>	<b>\$ 399,964</b>	<b>\$ (1,427)</b>	<b>\$ 3,938,987</b>	<b>\$ 3,171,503</b>	<b>\$ 430,394</b>	<b>\$ (775)</b>	<b>\$ 3,601,122</b>

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, 2021 AND 2020

	2021				2020			
	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	\$ -	\$ 62,659	\$ -	\$ 62,659	\$ -	\$ 61,504	\$ -	\$ 61,504
Contributions	1,102,948	184,535	(80,000)	1,207,483	687,867	101,562	(55,000)	734,429
Benefit income	57,953	-	-	57,953	73,918	-	-	73,918
Less: Direct benefit expenses	-	-	-	-	(1,000)	-	-	(1,000)
Donated services and materials (Note 10)	12,500	110,254	(105,254)	17,500	8,392	99,608	(98,308)	9,692
Interest and dividend income	6,329	115	-	6,444	1,987	2,925	-	4,912
Other income	1,551	3,055	-	4,606	2,822	8,969	-	11,791
	<u>1,181,281</u>	<u>360,618</u>	<u>(185,254)</u>	<u>1,356,645</u>	<u>773,986</u>	<u>274,568</u>	<u>(153,308)</u>	<u>895,246</u>
Net assets released from restrictions	-	-	-	-	-	22,488	-	22,488
Satisfaction of time and program restrictions	-	-	-	-	-	-	-	-
Total Revenues, Gains and Other Support	<u>1,181,281</u>	<u>360,618</u>	<u>(185,254)</u>	<u>1,356,645</u>	<u>773,986</u>	<u>297,056</u>	<u>(153,308)</u>	<u>917,734</u>
Expenses								
Program Services								
Sullivan County Dental	185,254	243,086	(80,000)	348,340	152,854	241,449	(55,000)	339,303
Tansa Valley	459,430	-	-	459,430	271,453	-	-	271,453
Constituency Education	92,462	-	-	92,462	72,301	-	-	72,301
Mexico and Other Affiliates	134,382	-	-	134,382	80,716	-	-	80,716
Total Program Services	<u>871,528</u>	<u>243,086</u>	<u>(80,000)</u>	<u>1,034,614</u>	<u>577,324</u>	<u>241,449</u>	<u>(55,000)</u>	<u>763,773</u>
Supporting Services								
Management and general	84,557	116,570	(101,570)	99,557	59,456	105,867	(94,867)	70,456
Fundraising	22,503	3,684	(3,684)	22,503	21,650	3,441	(3,441)	21,650
Total Supporting Services	<u>107,060</u>	<u>120,254</u>	<u>(105,254)</u>	<u>122,060</u>	<u>81,106</u>	<u>109,308</u>	<u>(98,308)</u>	<u>92,106</u>
Total Expenses	<u>978,588</u>	<u>363,340</u>	<u>(185,254)</u>	<u>1,156,674</u>	<u>658,430</u>	<u>350,757</u>	<u>(153,308)</u>	<u>855,879</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Operations	202,693	(2,722)	-	199,971	115,556	(53,701)	-	61,855
Non-Operating Activities								
Net investment income (Note 6)	<u>169,902</u>	<u>-</u>	<u>-</u>	<u>169,902</u>	<u>368,026</u>	<u>-</u>	<u>-</u>	<u>368,026</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>372,595</u>	<u>(2,722)</u>	<u>-</u>	<u>369,873</u>	<u>483,582</u>	<u>(53,701)</u>	<u>-</u>	<u>429,881</u>
<b>Changes in Net Assets With Donor Restrictions</b>								
Net assets released from restrictions								
Reversal of prior year contribution	-	-	-	-	-	(22,488)	-	(22,488)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(415)</u>	<u>-</u>	<u>(415)</u>
Decrease in Net Assets With Donor Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,903)</u>	<u>-</u>	<u>(22,903)</u>
Increase (decrease) in net assets	372,595	(2,722)	-	369,873	483,582	(76,604)	-	406,978
Net assets, beginning of year	<u>3,132,334</u>	<u>391,147</u>	<u>-</u>	<u>3,523,481</u>	<u>2,648,752</u>	<u>467,751</u>	<u>-</u>	<u>3,116,503</u>
<b>Net Assets, End of Year</b>	<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>

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