

THE PRASAD PROJECT, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2020 AND 2019

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, 2020 and 2019, and the related consolidated statements of activities, functional expenses 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, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 14 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, the Organization has suspended some of its activities at the direction of the state and local governmental authorities. Our opinion is not modified with respect to this matter.

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, 2020 and 2019, 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
October 1, 2021

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

DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents (Notes 1c and 12)	\$ 905,133	\$ 640,264
Certificates of deposit (Notes 1e and 3)	223,368	337,076
Accounts receivable and accrued interest	1,900	4,507
Contributions receivable (Notes 1d and 5)		
Without donor restrictions	66,761	89,784
With donor restrictions	-	22,903
Prepaid expenses	19,202	17,095
Investments (Notes 1e and 6)	2,331,837	1,957,750
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	52,621	94,126
Security deposits	300	300
	<u>300</u>	<u>300</u>
Total Assets	<u><u>\$3,601,122</u></u>	<u><u>\$3,163,805</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 54,066	\$ 47,302
Loan payable - Paycheck Protection Program (Note 8)	23,575	-
	<u>77,641</u>	<u>47,302</u>
Commitments and Contingency (Notes 9 and 14)		
Net Assets		
Without Donor Restrictions		
Board designated reserve (Note 4a)	2,331,837	1,957,750
Other	1,191,644	1,135,850
Total Without Donor Restrictions	<u>3,523,481</u>	<u>3,093,600</u>
With Donor Restrictions (Note 4b)	-	22,903
Total Net Assets	<u>3,523,481</u>	<u>3,116,503</u>
Total Liabilities and Net Assets	<u><u>\$3,601,122</u></u>	<u><u>\$3,163,805</u></u>

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Changes in Net Assets Without Donor Restrictions		
Operating Activities		
Revenues, Gains and Other Support		
Third party medical insurance reimbursement	\$ 61,504	\$ 91,986
Contributions	734,429	738,557
Benefit income	73,918	-
Less: Direct benefit expenses	(1,000)	-
Donated services and materials (Note 10)	9,692	6,800
Interest and dividend income	4,912	6,495
Other income	11,791	1,023
	<u>895,246</u>	<u>844,861</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	22,488	33,073
	<u>22,488</u>	<u>33,073</u>
Total Revenues, Gains and Other Support	<u>917,734</u>	<u>877,934</u>
Expenses		
Program Services		
Sullivan County Dental	339,303	323,558
Tansa Valley	271,453	166,277
Constituency Education	72,301	81,362
Mexico and Other Affiliates	80,716	81,009
Total Program Services	<u>763,773</u>	<u>652,206</u>
Supporting Services		
Management and general	70,456	50,276
Fundraising	21,650	15,861
Total Supporting Services	<u>92,106</u>	<u>66,137</u>
Total Expenses	<u>855,879</u>	<u>718,343</u>
Increase in Net Assets Without Donor Restrictions from Operations	61,855	159,591
Non-Operating Activities		
Net investment income (Note 6)	<u>368,026</u>	<u>185,949</u>
Increase in Net Assets Without Donor Restrictions	<u>429,881</u>	<u>345,540</u>
Changes in Net Assets With Donor Restrictions		
Contributions	-	22,903
Net assets released from restrictions	(22,488)	(33,073)
Reversal of prior year contribution	(415)	-
Decrease in Net Assets With Donor Restrictions	<u>(22,903)</u>	<u>(10,170)</u>
Increase in net assets	406,978	335,370
Net assets, beginning of year	<u>3,116,503</u>	<u>2,781,133</u>
Net Assets, End of Year	<u><u>\$3,523,481</u></u>	<u><u>\$3,116,503</u></u>

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
Total Expenses	\$339,303	\$271,453	\$ 72,301	\$ 80,716	\$763,773	\$ 70,456	\$ 21,650	\$92,106	\$855,879

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services				Supporting Services			Total Expenses	
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Total	Management and General	Fundraising		Total
Salaries	\$165,035	\$ 67,097	\$ 27,828	\$ 40,538	\$300,498	\$ 18,263	\$ 8,011	\$26,274	\$326,772
Payroll taxes and employee benefits	31,984	14,727	6,094	8,844	61,649	4,140	1,786	5,926	67,575
Insurance	11,583	4,692	1,956	2,781	21,012	330	585	915	21,927
Direct program support to PRASAD Chikitsa	-	28,255	-	-	28,255	-	-	-	28,255
Computer supplies	3,523	5,173	2,144	3,124	13,964	1,443	617	2,060	16,024
Travel	2,712	5,000	498	709	8,919	338	138	476	9,395
Printing	218	320	7,637	218	8,393	84	41	125	8,518
Dental supplies	7,558	-	-	-	7,558	-	-	-	7,558
Utilities	5,598	-	-	-	5,598	-	-	-	5,598
Telephone, fax and e-mail	3,784	3,056	1,279	1,838	9,957	847	383	1,230	11,187
Office supplies	3,752	620	245	364	4,981	171	69	240	5,221
Postage and shipping	1,175	873	2,516	530	5,094	235	101	336	5,430
Repairs and maintenance	4,379	1,465	608	890	7,342	409	169	578	7,920
Professional fees - accounting	3,207	4,763	5,842	2,877	16,689	11,989	521	12,510	29,199
Professional fees - other	20,478	14,991	18,386	9,053	62,908	7,188	1,639	8,827	71,735
Advertising	2,370	142	62	75	2,649	43	21	64	2,713
Fees and permits	814	478	192	268	1,752	134	59	193	1,945
Seminars and education	40	-	-	-	40	-	-	-	40
Meetings and venues	483	721	286	421	1,911	192	81	273	2,184
Rent	6,614	9,670	4,014	5,842	26,140	2,701	1,160	3,861	30,001
Miscellaneous	4,867	3,038	1,260	1,836	11,001	845	366	1,211	12,212
Bad debt expense and provision for uncollectible accounts	3,633	-	-	-	3,633	-	-	-	3,633
Depreciation and amortization	39,751	1,196	515	801	42,263	924	114	1,038	43,301
Total Expenses	\$323,558	\$166,277	\$ 81,362	\$ 81,009	\$652,206	\$ 50,276	\$ 15,861	\$66,137	\$718,343

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 406,978	\$ 335,370
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	41,505	43,301
Realized and unrealized gains on investments	(354,473)	(152,781)
Bad debt expense	6,558	3,633
Reversal of prior year contribution	415	-
Donated securities	-	(2,608)
(Increase) decrease in:		
Accounts receivable and accrued interest	(3,951)	(6,207)
Contributions receivable	45,511	(39,540)
Prepaid expenses	(2,107)	(1,387)
Increase (decrease) in accounts payable and accrued expenses	6,764	(185)
Net Cash Provided By Operating Activities	<u>147,200</u>	<u>179,596</u>
Cash Flows From Investing Activities		
Purchase of certificates of deposit	(3,025)	(6,483)
Maturity of certificate of deposit	116,733	-
Proceeds from sale of investments	2,796,502	1,366,229
Purchase of investments	(2,816,116)	(1,395,633)
Acquisition of property and equipment	-	(13,258)
Net Cash Provided (Used) By Investing Activities	<u>94,094</u>	<u>(49,145)</u>
Cash Flows From Financing Activities		
Proceeds from loan payable - Paycheck Protection Program	<u>23,575</u>	-
Net increase in cash and cash equivalents	264,869	130,451
Cash and cash equivalents, beginning of year	<u>640,264</u>	<u>509,813</u>
Cash and Cash Equivalents, End of Year	<u>\$ 905,133</u>	<u>\$ 640,264</u>

See notes to consolidated financial statements.

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

DECEMBER 31, 2020 AND 2019

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, 2020 AND 2019

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, 2020 AND 2019

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, 2020 AND 2019

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 October 1, 2021, 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, 2020 AND 2019

Note 2 - Information Regarding Liquidity and Availability (continued)

The Organization's financial assets as of December 31, 2020 and 2019 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2020</u>	<u>2019</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 905,133	\$ 640,264
Certificates of deposit	223,368	337,076
Accounts receivable and accrued interest	1,900	4,507
Contributions receivable	66,761	112,687
Investments	<u>2,331,837</u>	<u>1,957,750</u>
Total Financial Assets	3,528,999	3,052,284
Less: Amounts not Available to be Used within One Year:		
Less: Board designated reserve	<u>(2,331,837)</u>	<u>(1,957,750)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,197,162</u>	<u>\$1,094,534</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, 2020, the Organization held certificates of deposit which mature on November 11, 2021, November 24, 2021 and August 7, 2022. At December 31, 2019, the Organization held certificates of deposit, which matured on August 23, 2020, November 7, 2020 and February 11, 2021. Cost basis approximates fair value at December 31, 2020 and 2019.

Note 4 - 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 \$374,087 for 2020 and \$184,793 for 2019.

b - Net assets with donor restrictions at December 31, 2019 were restricted for 2020 programs.

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

DECEMBER 31, 2020 AND 2019

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, 2020 and 2019 are all classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 297,726	\$ 280,169	\$ 324,209	\$ 324,209
Certificates of deposit	156,998	156,998	154,177	154,177
Corporate bonds	-	-	195,554	199,247
Corporate equities	699,692	997,531	551,360	636,217
Mutual funds and exchange traded funds	<u>842,283</u>	<u>897,139</u>	<u>663,455</u>	<u>643,900</u>
	<u>\$1,996,699</u>	<u>\$2,331,837</u>	<u>\$1,888,755</u>	<u>\$1,957,750</u>

Net investment income for the years ended December 31, 2020 and 2019 consists of the following:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 26,363	\$ 43,683
Realized gains on sales of investments	88,330	18,628
Unrealized gains on investments	266,143	134,153
Investment management fees	<u>(12,810)</u>	<u>(10,515)</u>
	<u>\$368,026</u>	<u>\$185,949</u>

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

DECEMBER 31, 2020 AND 2019

Note 7 - Property and Equipment

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2020</u>	<u>2019</u>
Mobile dental clinic and automobile	10 years	\$330,208	\$330,208
Furniture and equipment	3-10 years	94,840	94,840
Computer equipment and website	3-5 years	93,917	93,917
Leasehold improvements	Life of lease	<u>81,712</u>	<u>81,712</u>
		600,677	600,677
Less: Accumulated depreciation and amortization		<u>(548,056)</u>	<u>(506,551)</u>
		<u>\$ 52,621</u>	<u>\$94,126</u>

Note 8 - Loan Payable - Paycheck Protection Program

On July 15, 2020, the Organization received a loan totaling \$23,575 under the Paycheck Protection Program 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.

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 July 16, 2021 through May 31, 2024. The future minimum annual obligation under this agreement is as follows:

<u>Year Ending December 31,</u>	
2021	\$30,240
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, 2020 AND 2019

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 \$55,000 in 2020 and 2019. PRASAD also provided additional donated materials and services in the amount of \$98,308 (2020) and \$91,581 (2019). 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>2020</u>	<u>2019</u>
Legal	\$4,000	\$6,800
Other services	2,475	-
Dental supplies	<u>3,217</u>	<u>-</u>
	<u>\$9,692</u>	<u>\$6,800</u>

Note 11 - Grants

The Board of Directors approved the following grants during 2020 and 2019:

	<u>2020</u>	<u>2019</u>
PRASAD Chikitsa, a public charitable trust created in India	\$131,132	\$28,255
Disaster relief and program support	<u>15,000</u>	<u>-</u>
Total Grants	<u>\$146,132</u>	<u>\$28,255</u>

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

DECEMBER 31, 2020 AND 2019

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, 2020, 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.

Note 14 - Risks and Uncertainties

In March 2020, the United States declared the COVID-19 global pandemic a national emergency, and New York State issued a mandatory lockdown. In concert, the Organization suspended certain program activities and directed staff to work from home. The Organization also took steps to mitigate the negative financial impact by cutting budgets and receiving funding via the Federal CARES Act (Note 8). With these steps, and continuing oversight, management believes that its resources are sufficient to sustain ongoing operations.

SUPPLEMENTARY INFORMATION

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	2020				2019			
	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 12)	\$ 639,557	\$ 265,576	\$ -	\$ 905,133	\$ 522,049	\$ 118,215	\$ -	\$ 640,264
Certificates of deposit (Notes 1e and 3)	118,720	104,648	-	223,368	116,733	220,343	-	337,076
Accounts receivable	-	1,900	-	1,900	3,557	950	-	4,507
Due from CDHP	775	-	(775)	-	768	-	(768)	-
Unconditional promises to give (Notes 1d and 5)								
Without donor restrictions	64,686	2,075	-	66,761	63,761	26,023	-	89,784
With donor restrictions	-	-	-	-	-	22,903	-	22,903
Prepaid expenses	10,177	9,025	-	19,202	6,943	10,152	-	17,095
Investments (Notes 1e and 6)	2,331,837	-	-	2,331,837	1,957,750	-	-	1,957,750
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	5,451	47,170	-	52,621	8,053	86,073	-	94,126
Security deposits	300	-	-	300	300	-	-	300
Total Assets	\$ 3,171,503	\$ 430,394	\$ (775)	\$ 3,601,122	\$ 2,679,914	\$ 484,659	\$ (768)	\$ 3,163,805
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	\$ 39,169	\$ 14,897	\$ -	\$ 54,066	\$ 31,162	\$ 16,140	\$ -	\$ 47,302
Due to PRASAD	-	775	(775)	-	-	768	(768)	-
Loan payable - Paycheck Protection Program (Note 8)	-	23,575	-	23,575	-	-	-	-
Total Liabilities	39,169	39,247	(775)	77,641	31,162	16,908	(768)	47,302
Commitments and Contingency (Notes 9 and 14)								
Net Assets								
Without Donor Restrictions								
Board designated reserve (Note 4a)	2,331,837	-	-	2,331,837	1,957,750	-	-	1,957,750
Other	800,497	391,147	-	1,191,644	691,002	444,848	-	1,135,850
Total Without Donor Restrictions	3,132,334	391,147	-	3,523,481	2,648,752	444,848	-	3,093,600
With Donor Restrictions (Note 4b)								
Total Net Assets	-	-	-	-	-	22,903	-	22,903
Total Net Assets	3,132,334	391,147	-	3,523,481	2,648,752	467,751	-	3,116,503
Total Liabilities and Net Assets	\$ 3,171,503	\$ 430,394	\$ (775)	\$ 3,601,122	\$ 2,679,914	\$ 484,659	\$ (768)	\$ 3,163,805

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, 2020 AND 2019

	2020				2019			
	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 Net Assets Without Donor Restrictions								
Operating Activities								
Revenues, Gains and Other Support								
Third party medical insurance reimbursement	\$ -	\$ 61,504	\$ -	\$ 61,504	\$ -	\$ 91,986	\$ -	\$ 91,986
Contributions	687,867	101,562	(55,000)	734,429	681,258	112,299	(55,000)	738,557
Benefit income	73,918	-	-	73,918	-	-	-	-
Less: Direct benefit expenses	(1,000)	-	-	(1,000)	-	-	-	-
Donated services and materials (Note 10)	8,392	99,608	(98,308)	9,692	4,000	94,381	(91,581)	6,800
Interest and dividend income	1,987	2,925	-	4,912	2,132	4,363	-	6,495
Other income	2,822	8,969	-	11,791	950	73	-	1,023
	<u>773,986</u>	<u>274,568</u>	<u>(153,308)</u>	<u>895,246</u>	<u>688,340</u>	<u>303,102</u>	<u>(146,581)</u>	<u>844,861</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	-	22,488	-	22,488	-	33,073	-	33,073
	<u>-</u>	<u>22,488</u>	<u>-</u>	<u>22,488</u>	<u>-</u>	<u>33,073</u>	<u>-</u>	<u>33,073</u>
Total Revenues, Gains and Other Support	<u>773,986</u>	<u>297,056</u>	<u>(153,308)</u>	<u>917,734</u>	<u>688,340</u>	<u>336,175</u>	<u>(146,581)</u>	<u>877,934</u>
Expenses								
Program Services								
Sullivan County Dental	152,854	241,449	(55,000)	339,303	144,260	234,298	(55,000)	323,558
Tansa Valley	271,453	-	-	271,453	166,277	-	-	166,277
Constituency Education	72,301	-	-	72,301	81,362	-	-	81,362
Mexico and Other Affiliates	80,716	-	-	80,716	81,009	-	-	81,009
Total Program Services	<u>577,324</u>	<u>241,449</u>	<u>(55,000)</u>	<u>763,773</u>	<u>472,908</u>	<u>234,298</u>	<u>(55,000)</u>	<u>652,206</u>
Supporting Services								
Management and general	59,456	105,867	(94,867)	70,456	37,276	101,376	(88,376)	50,276
Fundraising	21,650	3,441	(3,441)	21,650	15,861	3,205	(3,205)	15,861
Total Supporting Services	<u>81,106</u>	<u>109,308</u>	<u>(98,308)</u>	<u>92,106</u>	<u>53,137</u>	<u>104,581</u>	<u>(91,581)</u>	<u>66,137</u>
Total Expenses	<u>658,430</u>	<u>350,757</u>	<u>(153,308)</u>	<u>855,879</u>	<u>526,045</u>	<u>338,879</u>	<u>(146,581)</u>	<u>718,343</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Operations	115,556	(53,701)	-	61,855	162,295	(2,704)	-	159,591
Non-Operating Activities								
Net investment income (Note 6)	368,026	-	-	368,026	185,949	-	-	185,949
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>483,582</u>	<u>(53,701)</u>	<u>-</u>	<u>429,881</u>	<u>348,244</u>	<u>(2,704)</u>	<u>-</u>	<u>345,540</u>
Changes in Net Assets With Donor Restrictions								
Contributions	-	-	-	-	-	22,903	-	22,903
Net assets released from restrictions	-	(22,488)	-	(22,488)	-	(33,073)	-	(33,073)
Reversal of prior year contribution	-	(415)	-	(415)	-	-	-	-
Decrease in Net Assets With Donor Restrictions	<u>-</u>	<u>(22,903)</u>	<u>-</u>	<u>(22,903)</u>	<u>-</u>	<u>(10,170)</u>	<u>-</u>	<u>(10,170)</u>
Increase (decrease) in net assets	483,582	(76,604)	-	406,978	348,244	(12,874)	-	335,370
Net assets, beginning of year	<u>2,648,752</u>	<u>467,751</u>	<u>-</u>	<u>3,116,503</u>	<u>2,300,508</u>	<u>480,625</u>	<u>-</u>	<u>2,781,133</u>
Net Assets, End 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>

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