

THE PRASAD PROJECT, INC. AND SUBSIDIARY

**CONSOLIDATED FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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, 2023 and 2022, 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 audits were 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, 2023 and 2022, 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 11, 2024

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents (Notes 1c and 12)	\$1,916,895	\$1,523,138
Certificates of deposit (Notes 1f and 3)	-	223,725
Accounts receivable (Note 1d)	5,499	7,999
Contributions receivable (Notes 1e and 5)		
Without donor restrictions	34,162	71,624
With donor restrictions	-	180,000
Prepaid expenses	13,457	16,739
Investments (Notes 1f and 6)	2,511,379	2,257,539
Operating lease right-of-use asset (Note 1h)	75,832	106,481
Property and equipment, at cost, net of accumulated depreciation and amortization (Notes 1g and 7)	508,982	40,961
Security deposits	5,387	5,387
	<u>5,071,593</u>	<u>4,433,593</u>
Total Assets	<u>\$5,071,593</u>	<u>\$4,433,593</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 151,555	\$ 56,717
Operating lease liability (Notes 1h and 8)	77,323	107,535
Total Liabilities	<u>228,878</u>	<u>164,252</u>
Commitment (Note 10)		
Net Assets		
Without Donor Restrictions		
Board designated reserve (Note 4a)	2,511,379	2,257,539
Other	1,713,665	1,411,802
Total Without Donor Restrictions	<u>4,225,044</u>	<u>3,669,341</u>
With Donor Restrictions (Note 4b)	617,671	600,000
Total Net Assets	<u>4,842,715</u>	<u>4,269,341</u>
	<u>\$5,071,593</u>	<u>\$4,433,593</u>
Total Liabilities and Net Assets	<u>\$5,071,593</u>	<u>\$4,433,593</u>

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Changes in Net Assets Without Donor Restrictions		
Operating Activities		
Revenues, Gains and Other Support		
Third party medical insurance reimbursement	\$ 97,310	\$ 78,668
Contributions	989,188	759,193
Benefit income	20,150	67,539
Less: Direct benefit expenses	(8,128)	(42,747)
Donated services (Note 10)	8,170	10,300
Interest income	29,897	5,163
Other income	404	-
	<u>1,136,991</u>	<u>878,116</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>127,329</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>1,264,320</u>	<u>878,116</u>
Expenses		
Program Services		
Sullivan County Dental	381,453	341,905
Tansa Valley	218,379	173,515
Constituency Education	103,723	104,780
Mexico and Other Affiliates	78,433	99,977
Total Program Services	<u>781,988</u>	<u>720,177</u>
Supporting Services		
Management and general	98,618	79,462
Fundraising	32,520	24,395
Total Supporting Services	<u>131,138</u>	<u>103,857</u>
Total Expenses	<u>913,126</u>	<u>824,034</u>
Increase in Net Assets Without Donor Restrictions from Operations	<u>351,194</u>	<u>54,082</u>
Non-Operating Activities		
Net investment income (loss) (Note 6)	207,269	(278,095)
Loss on disposal of property and equipment	(2,760)	-
	<u>204,509</u>	<u>(278,095)</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>555,703</u>	<u>(224,013)</u>
Changes in Net Assets With Donor Restrictions		
Contributions (Note 4b)	145,000	600,000
Net assets released from restrictions	(127,329)	-
Increase in Net Assets With Donor Restrictions	<u>17,671</u>	<u>600,000</u>
Increase in net assets	573,374	375,987
Net assets, beginning of year	<u>4,269,341</u>	<u>3,893,354</u>
Net Assets, End of Year	<u><u>\$4,842,715</u></u>	<u><u>\$4,269,341</u></u>

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services					Supporting Services			Total Expenses
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Total	Management and General	Fundraising	Total	
Salaries	\$191,953	\$ 65,056	\$ 26,570	\$ 40,139	\$323,718	\$ 16,078	\$ 11,302	\$ 27,380	\$351,098
Payroll taxes and employee benefits	29,604	14,794	6,036	9,188	59,622	3,632	2,568	6,200	65,822
Insurance	17,729	3,917	1,598	2,381	25,625	4,625	668	5,293	30,918
Direct program support to PRASAD Chikitsa	-	75,208	-	-	75,208	-	-	-	75,208
Computer supplies	1,938	2,016	826	1,257	6,037	20,972	347	21,319	27,356
Travel	2,063	3,327	235	346	5,971	140	103	243	6,214
Printing	126	123	7,416	72	7,737	29	21	50	7,787
Dental supplies	11,168	-	-	-	11,168	-	-	-	11,168
Video reproduction	-	10,279	7,438	-	17,717	-	3,667	3,667	21,384
Utilities	6,181	3,745	1,514	2,412	13,852	951	651	1,602	15,454
Telephone, fax and e-mail	5,400	3,167	1,288	1,953	11,808	462	587	1,049	12,857
Office supplies	2,834	765	303	472	4,374	177	136	313	4,687
Postage and shipping	1,095	690	3,959	424	6,168	1,175	125	1,300	7,468
Repairs and maintenance	4,940	1,764	721	1,031	8,456	425	303	728	9,184
Professional fees - legal	-	-	-	-	-	4,500	-	4,500	4,500
Professional fees - accounting	-	-	-	-	-	32,500	-	32,500	32,500
Professional fees - other	35,787	18,597	39,729	9,575	103,688	5,795	9,442	15,237	118,925
Advertising	4,933	89	35	54	5,111	25	15	40	5,151
Fees and permits	1,048	350	145	205	1,748	83	60	143	1,891
Seminars and education	1,141	643	262	404	2,450	247	112	359	2,809
Meetings and venues	258	352	148	236	994	95	75	170	1,164
Rent	8,949	9,391	3,834	5,805	27,979	2,322	1,632	3,954	31,933
Miscellaneous	6,999	4,106	1,666	2,479	15,250	1,538	706	2,244	17,494
Bad debt expense and provision for uncollectible accounts	28,045	-	-	-	28,045	-	-	-	28,045
Depreciation and amortization	19,262	-	-	-	19,262	2,847	-	2,847	22,109
Total Expenses	\$381,453	\$218,379	\$ 103,723	\$ 78,433	\$781,988	\$ 98,618	\$ 32,520	\$131,138	\$913,126

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
Total Expenses	\$341,905	\$173,515	\$ 104,780	\$ 99,977	\$720,177	\$ 79,462	\$ 24,395	\$103,857	\$824,034

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash Flows From Operating Activities		
Increase in net assets	\$ 573,374	\$ 375,987
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Loss on disposal of property and equipment	2,760	-
Amortization of operating lease right-of-use asset	30,649	30,242
Depreciation and amortization	22,109	8,461
Realized and unrealized (gains) losses on investments	(165,341)	313,753
Bad debt expense	28,045	9,718
Donated securities	(32,519)	(20,548)
(Increase) decrease in:		
Accounts receivable	(25,545)	(16,917)
Contributions receivable	217,462	(180,524)
Prepaid expenses	3,282	1,573
Increase (decrease) in:		
Accounts payable and accrued expenses	94,838	11,084
Operating lease liability	(30,212)	(29,188)
Net Cash Provided By Operating Activities	718,902	503,641
 Cash Flows From Investing Activities		
Purchase of certificates of deposit	-	(223,725)
Maturity of certificate of deposit	223,725	223,703
Proceeds from sale of investments	2,408,044	2,408,044
Purchase of investments	(2,464,024)	(2,431,678)
Acquisition of property and equipment	(492,890)	(4,814)
Net Cash Used By Investing Activities	(325,145)	(28,470)
 Net increase in cash and cash equivalents	393,757	475,171
Cash and cash equivalents, beginning of year	1,523,138	1,047,967
 Cash and Cash Equivalents, End of Year	\$1,916,895	\$1,523,138
 Supplemental Disclosure of Non-Cash Investing Activities:		
Operating lease right-of-use asset obtained in exchange for lease liability	\$ -	\$ 136,723

See notes to consolidated financial statements.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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.

d - Accounts Receivable

Accounts receivable consist of amounts due for dental clinic patient services from third-party insurance payors, less an estimated allowance for credit losses based on a review of all outstanding amounts. The Organization determines the allowance for credit losses based on historical experience, an assessment of current economic conditions, and a review of subsequent collections. As of December 31, 2023 the allowance totaled \$12,050. As of December 31, 2022, no allowance was deemed necessary.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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

e - 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.

f - 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, 2023 AND 2022

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

f - 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.

g - 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.

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

For leases 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. 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.

i - 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, 2023 AND 2022

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

i - 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.

j - 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.

k - 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.

l - 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.

m - New Accounting Pronouncement

During 2023, the Organization adopted FASB ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (the "ASU"). The ASU significantly changes the way organizations measure credit losses for certain financial assets, from the incurred loss model to the expected loss model. The expected loss model requires immediate recognition of estimated credit losses expected to occur. The financial asset held by the Organization that is subject to the ASU is accounts receivable. The adoption of the ASU did not have a significant impact on the financial statements.

n - Subsequent Events

The Organization has evaluated subsequent events through October 11, 2024, the date that the financial statements are considered available to be issued.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 Organization's financial assets as of December 31, 2023 and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$1,916,895	\$1,523,138
Certificates of deposit	-	223,725
Accounts receivable	5,499	7,999
Contributions receivable	34,162	251,624
Investments	<u>2,511,379</u>	<u>2,257,539</u>
Total Financial Assets	4,467,935	4,264,025
Less: Amounts not Available to be Used within One Year:		
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(617,671)	(600,000)
Plus: Net assets with donor restrictions expected to be met in less than one year	617,671	600,000
Less: Board designated reserve	<u>(2,511,379)</u>	<u>(2,257,539)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,956,556</u>	<u>\$2,006,486</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.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 3 - Certificates of Deposit

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

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 \$207,269 for 2023 and (\$264,340) for 2022.

b - Net assets with donor restrictions as of December 31, 2023 and 2022 are restricted for the following:

	2023	2022
Subject to expenditure for specific purposes:		
Purchase of new mobile dental clinic (Note 7)	\$449,584	\$600,000
Purchase of office vehicle	23,087	-
Humanitarian work in Mexico	15,000	-
Subject to expenditure in future periods	130,000	-
Total Net Assets With Donor Restrictions	\$617,671	\$600,000

During the year ended December 31, 2023, a portion of a donor restricted contribution received in 2022, to purchase a new mobile dental was redesignated by the donor for other purposes based on the final estimated cost of the new mobile dental clinic.

Note 5 - Contributions Receivable

Contributions receivable as of December 31, 2023 and 2022 are due in less than one year. Uncollectible contributions receivable are expected to be insignificant.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 6 - Investments

Investments at December 31, 2023 and 2022 are all classified within Level 1 of the fair value hierarchy and consist of the following:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 195,806	\$ 195,806	\$ 301,721	\$ 279,588
Certificates of deposit	152,775	152,775	157,147	157,147
Corporate equities	622,691	867,288	625,466	770,912
Mutual funds and exchange traded funds	<u>1,289,652</u>	<u>1,295,510</u>	<u>1,069,549</u>	<u>1,049,892</u>
	<u>\$2,260,924</u>	<u>\$2,511,379</u>	<u>\$2,153,883</u>	<u>\$2,257,539</u>

Net investment income (loss) for the years ended December 31, 2023 and 2022 consists of the following:

	2023	2022
Interest and dividend income	\$ 54,990	\$ 49,413
Realized gains (losses) on sales of investments	18,542	(11,727)
Unrealized gains (losses) on investments	146,799	(302,026)
Investment management fees	<u>(13,062)</u>	<u>(13,755)</u>
	<u>\$207,269</u>	<u>\$(278,095)</u>

Note 7 - Property and Equipment

Property and equipment consist of the following at December 31:

	Life	2023	2022
Mobile dental clinic and automobile	10 years	\$ 334,607	\$334,607
Mobile dental clinic	In progress	360,467	-
Furniture and equipment	3-10 years	209,187	94,840
Computer equipment and website	3-5 years	48,460	99,082
Leasehold improvements	Life of lease	<u>94,239</u>	<u>94,379</u>
		1,046,960	622,908
Less: Accumulated depreciation and amortization		<u>(537,978)</u>	<u>(581,947)</u>
		<u>\$ 508,982</u>	<u>\$ 40,961</u>

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 8 - 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 years ended December 31, 2023 and 2022 was \$27,040 and \$26,038, respectively. There were no variable lease costs incurred. As of December 31, 2023, the remaining term of the Organization's operating lease is twenty-nine months and the discount rate is 1.37%

Maturities of the Organization's operating lease liability as of December 31, 2023 are as follows:

<u>Year Ending December 31</u>	
2024	\$32,127
2025	32,770
Thereafter, through May 31, 2026	<u>13,767</u>
	78,664
Less: Amount attributable to interest	<u>(1,341)</u>
	<u>\$77,323</u>

In May 2024, the Organization entered into an amended lease agreement, extending the lease through May 31, 2029, with an option to renew for an additional five years through May 31, 2034. Future minimum annual payments due through May 31, 2029 under the amended lease agreement are as follows:

<u>Year Ending December 31</u>	
2024	\$ 32,127
2025	32,770
2026	33,425
2027	34,094
2028	34,776
Thereafter, through May 31, 2029	<u>14,608</u>
	<u>\$181,800</u>

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 9 - 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 \$360 (2023) and \$65,000 (2022). PRASAD also provided additional donated materials and services in the amount of \$127,195 (2023) and \$93,501 (2022). These amounts have been eliminated within the consolidated financial statements.

Note 10 - Donated Services

The Organization received donated services as follows:

	<u>2023</u>	<u>2022</u>
Legal	\$4,500	\$ 4,000
Consulting services	<u>3,670</u>	<u>6,300</u>
	<u>\$8,170</u>	<u>\$10,300</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.

Note 11 - Grants

The Board of Directors approved the following grants during 2023 and 2022:

	<u>2023</u>	<u>2022</u>
PRASAD Chikitsa, a public charitable trust created in India	<u>\$75,208</u>	<u>\$28,000</u>

THE PRASAD PROJECT, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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, 2023, there were six approved PRASAD Organizations conducting operations, including CDHP. Five entities have obtained charitable status equivalent in India, Mexico, Spain, France 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, 2023 AND 2022

	2023				2022			
	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)	\$ 1,272,429	\$ 644,466	\$ -	\$ 1,916,895	\$ 872,847	\$ 650,291	\$ -	\$ 1,523,138
Certificates of deposit (Notes 1f and 3)	-	-	-	-	118,974	104,751	-	223,725
Accounts receivable (Note 1d)	-	5,499	-	5,499	-	7,999	-	7,999
Due from CDHP	3,647	-	(3,647)	-	1,571	-	(1,571)	-
Contributions receivable (Notes 1e and 5)								
Without donor restrictions	-	34,162	-	34,162	39,073	32,551	-	71,624
With donor restrictions	-	-	-	-	-	180,000	-	180,000
Prepaid expenses	4,405	9,052	-	13,457	8,139	8,600	-	16,739
Investments (Notes 1f and 6)	2,511,379	-	-	2,511,379	2,257,539	-	-	2,257,539
Operating lease right-of-use asset (Note 1h)	75,832	-	-	75,832	106,481	-	-	106,481
Property and equipment, at cost, net of accumulated depreciation and amortization (Notes 1g and 7)	14,478	494,504	-	508,982	18,660	22,301	-	40,961
Security deposits	5,387	-	-	5,387	5,387	-	-	5,387
Total Assets	<u>\$ 3,887,557</u>	<u>\$ 1,187,683</u>	<u>\$ (3,647)</u>	<u>\$ 5,071,593</u>	<u>\$ 3,428,671</u>	<u>\$ 1,006,493</u>	<u>\$ (1,571)</u>	<u>\$ 4,433,593</u>
Liabilities and Net Assets								
Liabilities								
Accounts payable and accrued expenses	\$ 43,403	\$ 108,152	\$ -	\$ 151,555	\$ 40,825	\$ 15,892	\$ -	\$ 56,717
Operating lease liability (Notes 1h and 8)	77,323	-	-	77,323	107,535	-	-	107,535
Due to PRASAD Project, Inc.	-	3,647	(3,647)	-	-	1,571	(1,571)	-
Total Liabilities	<u>120,726</u>	<u>111,799</u>	<u>(3,647)</u>	<u>228,878</u>	<u>148,360</u>	<u>17,463</u>	<u>(1,571)</u>	<u>164,252</u>
Commitment (Note 9)								
Net Assets								
Without Donor Restrictions								
Board designated reserve (Note 4a)	2,511,379	-	-	2,511,379	2,257,539	-	-	2,257,539
Other	1,240,452	473,213	-	1,713,665	1,022,772	389,030	-	1,411,802
Total Without Donor Restrictions	<u>3,751,831</u>	<u>473,213</u>	<u>-</u>	<u>4,225,044</u>	<u>3,280,311</u>	<u>389,030</u>	<u>-</u>	<u>3,669,341</u>
With Donor Restrictions (Note 4b)	15,000	602,671	-	617,671	-	600,000	-	600,000
Total Net Assets	<u>3,766,831</u>	<u>1,075,884</u>	<u>-</u>	<u>4,842,715</u>	<u>3,280,311</u>	<u>989,030</u>	<u>-</u>	<u>4,269,341</u>
Total Liabilities and Net Assets	<u>\$ 3,887,557</u>	<u>\$ 1,187,683</u>	<u>\$ (3,647)</u>	<u>\$ 5,071,593</u>	<u>\$ 3,428,671</u>	<u>\$ 1,006,493</u>	<u>\$ (1,571)</u>	<u>\$ 4,433,593</u>

See accompanying independent auditors' report.

THE PRASAD PROJECT, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023				2022			
	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	\$ -	\$ 97,310	\$ -	\$ 97,310	\$ -	\$ 78,668	\$ -	\$ 78,668
Contributions	862,782	126,766	(360)	989,188	641,413	182,780	(65,000)	759,193
Benefit income	20,150	-	-	20,150	67,539	-	-	67,539
Less: Direct benefit expenses	(8,128)	-	-	(8,128)	(42,747)	-	-	(42,747)
Donated services (Note 10)	6,670	128,695	(127,195)	8,170	8,800	95,001	(93,501)	10,300
Interest and dividend income	25,287	4,610	-	29,897	5,127	36	-	5,163
Other income	404	-	-	404	-	-	-	-
	<u>907,165</u>	<u>357,381</u>	<u>(127,555)</u>	<u>1,136,991</u>	<u>680,132</u>	<u>356,485</u>	<u>(158,501)</u>	<u>878,116</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	-	127,329	-	127,329	-	-	-	-
Total Revenues, Gains and Other Support	<u>907,165</u>	<u>484,710</u>	<u>(127,555)</u>	<u>1,264,320</u>	<u>680,132</u>	<u>356,485</u>	<u>(158,501)</u>	<u>878,116</u>
Expenses								
Program Services								
Sullivan County Dental	122,481	259,332	(360)	381,453	158,501	248,404	(65,000)	341,905
Tansa Valley	218,379	-	-	218,379	173,515	-	-	173,515
Constituency Education	103,723	-	-	103,723	104,780	-	-	104,780
Mexico and Other Affiliates	78,433	-	-	78,433	99,977	-	-	99,977
Total Program Services	<u>523,016</u>	<u>259,332</u>	<u>(360)</u>	<u>781,988</u>	<u>536,773</u>	<u>248,404</u>	<u>(65,000)</u>	<u>720,177</u>
Supporting Services								
Management and general	84,618	136,743	(122,743)	98,618	65,487	104,203	(90,228)	79,462
Fundraising	32,520	4,452	(4,452)	32,520	24,395	3,273	(3,273)	24,395
Total Supporting Services	<u>117,138</u>	<u>141,195</u>	<u>(127,195)</u>	<u>131,138</u>	<u>89,882</u>	<u>107,476</u>	<u>(93,501)</u>	<u>103,857</u>
Total Expenses	<u>640,154</u>	<u>400,527</u>	<u>(127,555)</u>	<u>913,126</u>	<u>626,655</u>	<u>355,880</u>	<u>(158,501)</u>	<u>824,034</u>
Increase in Net Assets Without Donor Restrictions from Operations	<u>267,011</u>	<u>84,183</u>	<u>-</u>	<u>351,194</u>	<u>53,477</u>	<u>605</u>	<u>-</u>	<u>54,082</u>
Non-Operating Activities								
Net investment income (loss) (Note 6)	207,269	-	-	207,269	(278,095)	-	-	(278,095)
Loss on disposal of property and equipment	(2,760)	-	-	(2,760)	-	-	-	-
	<u>204,509</u>	<u>-</u>	<u>-</u>	<u>204,509</u>	<u>(278,095)</u>	<u>-</u>	<u>-</u>	<u>(278,095)</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>471,520</u>	<u>84,183</u>	<u>-</u>	<u>555,703</u>	<u>(224,618)</u>	<u>605</u>	<u>-</u>	<u>(224,013)</u>
Changes in Net Assets With Donor Restrictions								
Contributions (Note 4b)	15,000	130,000	-	145,000	-	600,000	-	600,000
Net assets released from restrictions	-	(127,329)	-	(127,329)	-	-	-	-
Increase in Net Assets With Donor Restrictions	<u>15,000</u>	<u>2,671</u>	<u>-</u>	<u>17,671</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Increase (decrease) in net assets	486,520	86,854	-	573,374	(224,618)	600,605	-	375,987
Net assets, beginning of year	3,280,311	989,030	-	4,269,341	3,504,929	388,425	-	3,893,354
Net Assets, End of Year	<u>\$ 3,766,831</u>	<u>\$ 1,075,884</u>	<u>\$ -</u>	<u>\$ 4,842,715</u>	<u>\$ 3,280,311</u>	<u>\$ 989,030</u>	<u>\$ -</u>	<u>\$ 4,269,341</u>

See accompanying independent auditors' report.