

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

**CONSOLIDATED FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**DECEMBER 31, 2019 AND 2018**

**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, 2019 and 2018, 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, 2019 and 2018, 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 13 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, 2019 and 2018, 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, 2020

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

**DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1c and 11)	\$ 640,264	\$ 509,813
Certificates of deposit (Notes 1e and 3)	337,076	330,593
Accounts receivable and accrued interest	4,507	1,933
Contributions receivable (Notes 1d and 5)		
Without donor restrictions	89,784	40,074
With donor restrictions	22,903	33,073
Prepaid expenses	17,095	15,708
Investments (Notes 1e and 6)	1,957,750	1,772,957
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	94,126	124,169
Security deposits	300	300
	<u>300</u>	<u>300</u>
<b>Total Assets</b>	<u><u>\$3,163,805</u></u>	<u><u>\$2,828,620</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 47,302	\$ 47,487
	<u>47,302</u>	<u>47,487</u>
Commitments and Contingency (Notes 8 and 13)		
Net Assets		
Without Donor Restrictions		
Board designated reserve (Note 4a)	1,957,750	1,772,957
Other	1,135,850	975,103
Total Without Donor Restrictions	<u>3,093,600</u>	<u>2,748,060</u>
With Donor Restrictions (Note 4b)	22,903	33,073
Total Net Assets	<u>3,116,503</u>	<u>2,781,133</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$3,163,805</u></u>	<u><u>\$2,828,620</u></u>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Changes in Net Assets Without Donor Restrictions</b>		
Operating Activities		
Revenues, Gains and Other Support		
Third party medical insurance reimbursement	\$ 91,986	\$ 95,190
Contributions	738,557	658,598
Benefit income	-	22,131
Less: Direct benefit expenses	-	(7,045)
Donated services and materials (Note 9)	6,800	9,750
Interest and dividend income	6,495	3,064
Other income	1,023	4,095
	<u>844,861</u>	<u>785,783</u>
Net assets released from restrictions		
Satisfaction of time and program restrictions	<u>33,073</u>	<u>29,682</u>
Total Revenues, Gains and Other Support	<u>877,934</u>	<u>815,465</u>
Expenses		
Program Services		
Sullivan County Dental	323,558	342,050
Tansa Valley	166,277	190,501
Constituency Education	81,362	89,438
Mexico and Other Affiliates	81,009	83,711
Total Program Services	<u>652,206</u>	<u>705,700</u>
Supporting Services		
Management and general	50,276	52,134
Fundraising	15,861	23,991
Total Supporting Services	<u>66,137</u>	<u>76,125</u>
Total Expenses	<u>718,343</u>	<u>781,825</u>
Increase in Net Assets Without Donor Restrictions from Operations	159,591	33,640
Non-Operating Activities		
Net investment income (loss) (Note 6)	<u>185,949</u>	<u>(78,222)</u>
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>345,540</u>	<u>(44,582)</u>
<b>Changes in Net Assets With Donor Restrictions</b>		
Contributions	22,903	33,073
Net assets released from restrictions	<u>(33,073)</u>	<u>(29,682)</u>
Increase (Decrease) in Net Assets With Donor Restrictions	<u>(10,170)</u>	<u>3,391</u>
Increase (decrease) in net assets	335,370	(41,191)
Net assets, beginning of year	<u>2,781,133</u>	<u>2,822,324</u>
<b>Net Assets, End of Year</b>	<u><u>\$3,116,503</u></u>	<u><u>\$2,781,133</u></u>

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
<b>Total Expenses</b>	<b>\$323,558</b>	<b>\$166,277</b>	<b>\$ 81,362</b>	<b>\$ 81,009</b>	<b>\$652,206</b>	<b>\$ 50,276</b>	<b>\$ 15,861</b>	<b>\$66,137</b>	<b>\$718,343</b>

See notes to consolidated financial statements.

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2018**

	Program Services				Supporting Services			Total Expenses	
	Sullivan County Dental	Tansa Valley	Constituency Education	Mexico and Other Affiliates	Total	Management and General	Fundraising		Total
Salaries	\$178,718	\$ 69,076	\$ 31,507	\$ 42,848	\$322,149	\$ 10,688	\$ 8,820	\$19,508	\$341,657
Payroll taxes and employee benefits	35,769	16,144	7,327	10,052	69,292	4,458	2,060	6,518	75,810
Insurance	15,409	4,407	2,038	2,654	24,508	590	581	1,171	25,679
Direct program support to PRASAD Chikitsa	-	50,903	-	-	50,903	-	-	-	50,903
Computer supplies	3,376	5,105	2,339	3,281	14,101	2,929	657	3,586	17,687
Travel	1,287	3,642	748	1,074	6,751	456	209	665	7,416
Printing	259	409	6,199	197	7,064	112	57	169	7,233
Dental supplies	6,581	-	-	-	6,581	-	-	-	6,581
Utilities	5,681	2,952	1,320	1,760	11,713	809	410	1,219	12,932
Telephone, fax and e-mail	6,056	5,043	2,267	3,097	16,463	1,367	623	1,990	18,453
Office supplies	3,463	606	357	414	4,840	173	70	243	5,083
Postage and shipping	1,098	1,118	3,696	705	6,617	283	135	418	7,035
Repairs and maintenance	7,091	4,398	2,134	2,682	16,305	1,228	633	1,861	18,166
Professional fees - legal	343	539	964	347	2,193	1,743	64	1,807	4,000
Professional fees - accounting	2,398	3,766	6,741	2,425	15,330	11,198	447	11,645	26,975
Professional fees - other	21,483	8,532	15,273	5,495	50,783	3,849	1,013	4,862	55,645
Advertising	1,781	-	-	-	1,781	-	-	-	1,781
Fees and permits	446	387	180	264	1,277	88	57	145	1,422
Seminars and education	200	116	53	80	449	54	11	65	514
Meetings and venues	552	833	374	606	2,365	240	1,098	1,338	3,703
Rent	3,932	5,664	2,495	3,546	15,637	11,595	677	12,272	27,909
Miscellaneous	7,558	6,052	2,821	1,665	18,096	-	6,295	6,295	24,391
Bad debt expense and provision for uncollectible accounts	1,194	-	-	-	1,194	-	-	-	1,194
Depreciation and amortization	37,375	809	605	519	39,308	274	74	348	39,656
<b>Total Expenses</b>	<b>\$342,050</b>	<b>\$190,501</b>	<b>\$ 89,438</b>	<b>\$ 83,711</b>	<b>\$705,700</b>	<b>\$ 52,134</b>	<b>\$ 23,991</b>	<b>\$76,125</b>	<b>\$781,825</b>

See notes to consolidated financial statements.



**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$ 335,370	\$ (41,191)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation and amortization	43,301	39,656
Realized and unrealized (gains) losses on investments	(152,781)	117,021
Bad debt expense	3,633	1,194
Donated securities	(2,608)	-
(Increase) decrease in:		
Accounts receivable	(6,207)	(1,170)
Contributions receivable	(39,540)	96,941
Prepaid expenses	(1,387)	(512)
Security deposits	-	3,120
Increase (decrease) in accounts payable and accrued expenses	(185)	606
Net Cash Provided By Operating Activities	<u>179,596</u>	<u>215,665</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of certificates of deposit	(6,483)	(124,707)
Proceeds from sale of investments	1,366,229	1,882,462
Purchase of investments	(1,395,633)	(1,967,883)
Acquisition of property and equipment	(13,258)	(21,231)
Net Cash Used By Investing Activities	<u>(49,145)</u>	<u>(231,359)</u>
Net increase (decrease) in cash and cash equivalents	130,451	(15,694)
Cash and cash equivalents, beginning of year	<u>509,813</u>	<u>525,507</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 640,264</u>	<u>\$ 509,813</u>

See notes to consolidated financial statements.

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

**DECEMBER 31, 2019 AND 2018**

**Note 1 - Organization and Summary of Significant Accounting Policies**

a - Organization

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

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

b - Principles of Consolidation

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

c - Cash and Cash Equivalents

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

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

**DECEMBER 31, 2019 AND 2018**

**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. 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 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.
- Level 2     Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3     Inputs that are unobservable.

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

**DECEMBER 31, 2019 AND 2018**

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

e - Investments and Fair Value Measurements (continued)

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

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

f - Property and Equipment

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

g - Financial Statement Presentation

The Organization's financial statements have been prepared in accordance with U.S. generally accepted accounting principles, 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.

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.

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

**DECEMBER 31, 2019 AND 2018**

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

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 organizations that are not private foundations.

k - Subsequent Events

The Organization has evaluated subsequent events through October 1, 2020, 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, 2019 AND 2018**

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

The Organization's financial assets as of December 31, 2019 and 2018 available within one year to meet cash needs for general expenditures are summarized as follows:

	<u>2019</u>	<u>2018</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 640,264	\$ 509,813
Certificates of deposit	337,076	330,593
Accounts receivables and accrued interest	4,507	1,993
Unconditional promises to give	112,687	73,147
Investments	<u>1,957,750</u>	<u>1,772,957</u>
Total Financial Assets	3,052,284	2,688,503
Less: Amounts not Available to be Used within One Year:		
Less: Board designated reserve	<u>(1,957,750)</u>	<u>(1,772,957)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$1,094,534</u>	<u>\$ 915,546</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, 2019, the Organization holds certificates of deposit which mature on August 23, 2020, November 7, 2020 and February 11, 2021. At December 31, 2018, the Organization held certificates of deposit which matured on February 7, 2019, May 17, 2019, and July 18, 2019. Cost basis approximates fair value at December 31, 2019 and 2018.

**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 \$184,793 for 2019 and (\$31,600) for 2018.

b - Net assets with donor restrictions are restricted for future programs.

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

**DECEMBER 31, 2019 AND 2018**

**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, 2019 and 2018 are all classified within Level 1 of the fair value hierarchy and consist of the following:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money market funds	\$ 324,209	\$ 324,209	\$ 399,700	\$ 399,700
Certificates of deposit	154,177	154,177	151,894	151,894
Corporate bonds	195,554	199,247	83,973	84,030
Corporate equities	551,360	636,217	591,523	562,479
Mutual funds and exchange traded funds	<u>663,455</u>	<u>643,900</u>	<u>611,025</u>	<u>574,854</u>
	<u>\$1,888,755</u>	<u>\$1,957,750</u>	<u>\$1,838,115</u>	<u>\$1,772,957</u>

Net investment income (loss) for the years ended December 31, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 43,683	\$ 49,233
Realized gains on sales of investments	18,628	24,137
Unrealized gains (losses) on investments	134,153	(141,158)
Investment management fees	<u>(10,515)</u>	<u>(10,434)</u>
	<u>\$185,949</u>	<u>\$(78,222)</u>

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

**DECEMBER 31, 2019 AND 2018**

**Note 7 - Property and Equipment**

Property and equipment consist of the following at December 31:

	<u>Life</u>	<u>2019</u>	<u>2018</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	89,217
Leasehold improvements	Life of lease	<u>81,712</u>	<u>73,154</u>
		600,677	587,419
Less: Accumulated depreciation and amortization		<u>(506,551)</u>	<u>(463,250)</u>
		<u>\$ 94,126</u>	<u>\$124,169</u>

**Note 8 - Commitments**

a - Office Leases

The Organization occupied office space during 2018 under a lease with the SYDA Foundation on a month-to-month basis.

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

Year ending December 31, 2020	\$30,000
Thereafter, through July 15, 2021	16,250

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.



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

**DECEMBER 31, 2019 AND 2018**

**Note 8 - Commitments (continued)**

b - Funding and Service Agreements (continued)

PRASAD made grants to CDHP totaling \$55,000 in 2019 and 2018. PRASAD also provided additional donated materials and services in the amount of \$91,581 (2019) and \$93,208 (2018). These amounts have been eliminated within the consolidated financial statements.

**Note 9 - Donated Services**

The Organization received donated services and materials as follows:

	<u>2019</u>	<u>2018</u>
Legal	\$6,800	\$ 4,000
Auction Items	-	5,450
Dental supplies and other	-	300
	<u>\$6,800</u>	<u>\$9,750</u>

**Note 10 - Grants**

The Board of Directors approved the following grants during 2019 and 2018:

	<u>2019</u>	<u>2018</u>
PRASAD Chikitsa, a public charitable trust created in India	<u>\$28,255</u>	<u>\$50,903</u>
Total Grants	<u>\$28,255</u>	<u>\$50,903</u>

**Note 11 - Concentration of Credit Risk**

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

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

**DECEMBER 31, 2019 AND 2018**

**Note 12 - 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, 2019, 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 13 - Subsequent Event**

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 state and local governmental authorities. While management is currently evaluating the potential impact that the resulting economic uncertainties may have on the Organization, it believes that its current financial assets are sufficient to support the Organization's operations on an ongoing basis.

**SUPPLEMENTARY INFORMATION**

**THE PRASAD PROJECT, INC. AND SUBSIDIARY**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2019 AND 2018**

	2019				2018			
	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 11)	\$ 522,049	\$ 118,215	\$ -	\$ 640,264	\$ 404,649	\$ 105,164	\$ -	\$ 509,813
Certificates of deposit (Notes 1e and 3)	116,733	220,343	-	337,076	114,601	215,992	-	330,593
Accounts receivable	3,557	950	-	4,507	-	1,933	-	1,933
Due from CDHP	768	-	(768)	-	891	-	(891)	-
Unconditional promises to give (Notes 1d and 5)								
Without donor restrictions	63,761	26,023	-	89,784	20,785	19,289	-	40,074
With donor restrictions	-	22,903	-	22,903	-	33,073	-	33,073
Prepaid expenses	6,943	10,152	-	17,095	7,828	7,880	-	15,708
Investments (Notes 1e and 6)	1,957,750	-	-	1,957,750	1,772,957	-	-	1,772,957
Property and equipment, at cost, net of accumulated depreciation (Notes 1f and 7)	8,053	86,073	-	94,126	7,755	116,414	-	124,169
Security deposits	300	-	-	300	300	-	-	300
<b>Total Assets</b>	<b>\$ 2,679,914</b>	<b>\$ 484,659</b>	<b>\$ (768)</b>	<b>\$ 3,163,805</b>	<b>\$ 2,329,766</b>	<b>\$ 499,745</b>	<b>\$ (891)</b>	<b>\$ 2,828,620</b>
<b>Liabilities and Net Assets</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 31,162	\$ 16,140	\$ -	\$ 47,302	\$ 29,258	\$ 18,229	\$ -	\$ 47,487
Due to PRASAD	-	768	(768)	-	-	891	(891)	-
Total Liabilities	31,162	16,908	(768)	47,302	29,258	19,120	(891)	47,487
<b>Commitments (Note 8)</b>								
<b>Net Assets</b>								
<b>Without Donor Restrictions</b>								
Board designated reserve (Note 4a)	1,957,750	-	-	1,957,750	1,772,957	-	-	1,772,957
Other	691,002	444,848	-	1,135,850	527,551	447,552	-	975,103
Total Without Donor Restrictions	2,648,752	444,848	-	3,093,600	2,300,508	447,552	-	2,748,060
<b>With Donor Restrictions (Note 4b)</b>								
Total Net Assets	-	22,903	-	22,903	-	33,073	-	33,073
<b>Total Liabilities and Net Assets</b>	<b>\$ 2,679,914</b>	<b>\$ 484,659</b>	<b>\$ (768)</b>	<b>\$ 3,163,805</b>	<b>\$ 2,329,766</b>	<b>\$ 499,745</b>	<b>\$ (891)</b>	<b>\$ 2,828,620</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, 2019 AND 2018**

	2019				2018			
	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	\$ -	\$ 91,986	\$ -	\$ 91,986	\$ -	\$ 95,190	\$ -	\$ 95,190
Contributions	681,258	112,299	(55,000)	738,557	609,928	103,670	(55,000)	658,598
Benefit income	-	-	-	-	22,131	-	-	22,131
Less: Direct benefit expenses	-	-	-	-	(7,045)	-	-	(7,045)
Donated services and materials (Note 9)	4,000	94,381	(91,581)	6,800	7,950	95,008	(93,208)	9,750
Interest and dividend income	2,132	4,363	-	6,495	-	3,064	-	3,064
Other income	950	73	-	1,023	3,886	209	-	4,095
	<u>688,340</u>	<u>303,102</u>	<u>(146,581)</u>	<u>844,861</u>	<u>636,850</u>	<u>297,141</u>	<u>(148,208)</u>	<u>785,783</u>
Net assets released from restrictions								
Satisfaction of time and program restrictions	-	33,073	-	33,073	-	29,682	-	29,682
Total Revenues, Gains and Other Support	<u>688,340</u>	<u>336,175</u>	<u>(146,581)</u>	<u>877,934</u>	<u>636,850</u>	<u>326,823</u>	<u>(148,208)</u>	<u>815,465</u>
Expenses								
Program Services								
Sullivan County Dental	144,260	234,298	(55,000)	323,558	148,208	248,842	(55,000)	342,050
Tansa Valley	166,277	-	-	166,277	190,501	-	-	190,501
Constituency Education	81,362	-	-	81,362	89,438	-	-	89,438
Mexico and Other Affiliates	81,009	-	-	81,009	83,711	-	-	83,711
Disaster Relief	-	-	-	-	-	-	-	-
Total Program Services	<u>472,908</u>	<u>234,298</u>	<u>(55,000)</u>	<u>652,206</u>	<u>511,858</u>	<u>248,842</u>	<u>(55,000)</u>	<u>705,700</u>
Supporting Services								
Management and general	37,276	101,376	(88,376)	50,276	41,134	100,946	(89,946)	52,134
Fundraising	15,861	3,205	(3,205)	15,861	23,991	3,262	(3,262)	23,991
Total Supporting Services	<u>53,137</u>	<u>104,581</u>	<u>(91,581)</u>	<u>66,137</u>	<u>65,125</u>	<u>104,208</u>	<u>(93,208)</u>	<u>76,125</u>
Total Expenses	<u>526,045</u>	<u>338,879</u>	<u>(146,581)</u>	<u>718,343</u>	<u>576,983</u>	<u>353,050</u>	<u>(148,208)</u>	<u>781,825</u>
Increase (Decrease) in Net Assets Without Donor Restrictions from Operations	162,295	(2,704)	-	159,591	59,867	(26,227)	-	33,640
Non-Operating Activities								
Net investment income (loss) (Note 6)	185,949	-	-	185,949	(78,222)	-	-	(78,222)
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>348,244</u>	<u>(2,704)</u>	<u>-</u>	<u>345,540</u>	<u>(18,355)</u>	<u>(26,227)</u>	<u>-</u>	<u>(44,582)</u>
<b>Changes in Net Assets With Donor Restrictions</b>								
Contributions	-	22,903	-	22,903	-	33,073	-	33,073
Net assets released from restrictions	-	(33,073)	-	(33,073)	-	(29,682)	-	(29,682)
Increase (Decrease) in Net Assets With Donor Restrictions	<u>-</u>	<u>(10,170)</u>	<u>-</u>	<u>(10,170)</u>	<u>-</u>	<u>3,391</u>	<u>-</u>	<u>3,391</u>
Increase (decrease) in net assets	348,244	(12,874)	-	335,370	(18,355)	(22,836)	-	(41,191)
Net assets, beginning of year	2,300,508	480,625	-	2,781,133	2,318,863	503,461	-	2,822,324
<b>Net Assets, End of Year</b>	<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>

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