

Audited Financial Statements

Sankara Nethralaya OM Trust, Inc.

YEARS ENDED DECEMBER 31, 2023 AND 2022



Premier
Group

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Sankara Nethralaya OM Trust, Inc.
DBA Sankara Nethralaya, USA
7238 Muncaster Mill Rd, #522
Derwood, MD 20855-1215

Opinion

We have audited the accompanying financial statements of Sankara Nethralaya OM Trust, Inc. (SN OM Trust), doing business as Sankara Nethralaya USA, which comprises the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SN OM Trust as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SN OM Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 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 financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SN OM Trust's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 SN OM Trust'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SN OM Trust'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 Summarized Comparative Information

We have previously audited SN OM Trust's financial statements for the year ended December 31, 2022, and we expressed an unmodified opinion on those financial statements in our report dated March 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Premier Group Services, Inc.

Lanham, MD
November 12, 2024

Sankara Nethralaya OM Trust, Inc.
Statements of Financial Position
Years Ended December 31, 2023, and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 122,109	\$ 173,774
Contributions receivable	214,823	191,761
Investments	952	28,193
Prepaid expenses	9,815	4,908
Undeposited Fund	<u>4,023</u>	<u>-</u>
Total current assets	<u>\$ 351,722</u>	<u>\$ 398,636</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 14,570	\$ -
Accrued expenses	<u>3,960</u>	<u>3,514</u>
Total current liabilities	<u>18,530</u>	<u>3,514</u>
NET ASSETS		
Without donor restrictions	<u>333,192</u>	<u>395,122</u>
Total net assets	<u>333,192</u>	<u>395,122</u>
Total liabilities and net assets	<u>\$ 351,722</u>	<u>\$ 398,636</u>

Sankara Nethralaya OM Trust, Inc.
Statements of Activities
Years Ended December 31, 2023, and 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Contributions and other collections	\$ 1,341,793	\$ 1,127,147
Special event revenue	21,509	55,711
Interest and miscellaneous income	<u>10,547</u>	<u>(8,602)</u>
Total revenue	1,373,849	1,174,256
EXPENSES		
Program services	1,344,000	1,050,000
General & administrative expenses	31,101	37,226
Fundraising	<u>60,677</u>	<u>44,320</u>
Total expenses	<u>1,435,778</u>	<u>1,131,546</u>
Change in net assets	(61,929)	42,709
Net assets – beginning of year	<u>395,122</u>	<u>352,412</u>
Net assets – end of year	\$ <u>333,193</u>	\$ <u>395,122</u>

Sankara Nethralaya OM Trust, Inc.
Statements of Functional Expenses
Years Ended December 31, 2023, and 2022

	Supporting Services		FY 2023 Total	FY 2022 Total (Summarized Financial Information)
	Program Services	General & Administrative		
Donation (Transfers)	\$ 1,344,000	\$ -	\$ 1,344,000	\$ 1,050,000
Advertising	-	8,034	8,034	16,680
Accounting and Audit Fees	-	7,300	7,300	5,715
Bank & fund collection charges	-	13,089	13,089	11,203
Fundraising	-	-	60,677	44,320
Insurance	-	408	408	815
State of MD registration. fee	-	490	490	300
Postage	-	160	160	384
Gift Expenses	-	1,226	1,226	-
Printing & stationery	-	142	142	248
Travel	-	-	-	1,731
Dues and Subscriptions	-	102	102	-
Office Supplies	-	150	150	150
Total expenses	\$ 1,344,000	\$ 31,101	\$ 1,435,778	\$ 1,131,546

Sankara Nethralaya OM Trust, Inc.
Statements of Cash Flows
Years Ended December 31, 2023, and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ (61,929)	\$ 42,709
Adjustments to reconcile the change in net assets to net cash provided/(used) by operating activities:		
Contribution in kind – marketable securities	-	
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable	(23,062)	35,299
(Increase)/decrease in prepaid expenses	(4,908)	5,400
(Decrease) / increase in undeposited	(4,023)	-
Increase/(decrease) in accounts accrued expenses	446	556
Increase/(decrease) in accounts payable	14,570	-
Net cash provided/(used) by operating activities	<u>(78,906)</u>	<u>83,964</u>
Cash flows from investing activities:		
Marketable securities (purchases)/sales, net	27,241	4,076
Net cash provided/(used) by investing activities	<u>27,241</u>	<u>4,076</u>
Net increase/(decrease) in cash and cash equivalents	(51,665)	88,040
Cash and cash equivalents, the beginning of the year	<u>173,774</u>	<u>85,734</u>
Cash and cash equivalents, end of year	<u>\$ 122,109</u>	<u>\$ 173,774</u>

Sankara Nethralaya OM Trust, Inc.
DBA Sankara Nethralaya, USA
Notes to the Financial Statements
Years Ended December 31, 2022 and 2023

NOTE 1: ORGANIZATION AND ACCOUNTING POLICIES

A. Nature of Organization

Sankara Nethralaya OM Trust, Inc. (SN OM Trust) is a non-profit organization established to support Sankara Nethralaya in India. The mission of Sankara Nethralaya is to provide eye care of international standards to patients free of charge or at affordable rates depending upon their economic situation, provide ophthalmic education, and perform India-centric ophthalmic research.

SN OM Trust is exempt from Federal income tax under Section 501 (c) (3) of the Internal Revenue Code. In addition, SN OM Trust has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509 (a) of the Internal Revenue Code.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Consequently, revenue, other than contributions, is recognized when earned and expenses are recorded when a liability is incurred.

C. Revenue recognition

Contributions and other assets received are recorded as unrestricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is recorded as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recorded. All other donor-restricted support is reported as an increase in permanently restricted net assets. Contributions of services are recognized when received if the services (a) create or enhance non-financial assets or (b) require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations. Revenues from donations are recognized by SN OM Trust as revenue in the period in which they are earned.

D. Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized in Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

E. Contributions

SN OM Trust’s contributions are recorded as unrestricted or restricted support, depending upon the existence and/or nature of donor restrictions. Support that is restricted by donors is reported as an increase in restricted net assets and then reclassified to unrestricted net assets when the restriction expires. Conditional promises to give are not recognized until the conditions on which

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Notes to the Financial Statements
Years Ended December 31, 2022 and 2023

E. Contributions (Continued)

they depend on are substantially met.

Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at a rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue and used in accordance with donor-imposed restrictions, if any, on the contributions.

An allowance for uncollectible contributions receivable is made based on management's judgment, based on factors such as prior collection history, the type of contribution and other relevant factors for contributions in accordance with generally accepted accounting principles. Contributions received are recorded as unrestricted or restricted support depending on the existence and/or nature of any donor restriction.

As of December 31, 2023, these receivables are deemed fully collectible. Based on management's evaluation of the collectability of contributions receivable, no allowance for doubtful contributions receivable was recorded on December 31, 2023.

F. In-Kind Contributions

SN OM Trust receives volunteer support, primarily for event activities. The services provided by those volunteers do not meet the criteria for recognition in financial statements. In fiscal year 2023, several concerts were held; however, for financial statement purposes, SN OM Trust did not receive contributed services from the volunteers who performed services.

G. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

H. Cash and cash equivalents

SN OM Trust considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

I. Investments

SN OM Trust's equity securities are presented in accordance with accounting standards. These standards require that investments in equity securities with readily determinable fair values and all

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Notes to the Financial Statements
Years Ended December 31, 2022, and 2023

I. Investments (Continued)

investments in debt securities be reported at fair value with gains and losses in a statement of activities. These standards require certain disclosures about investments held by not-for-profit organizations and the return on those investments.

J. Fair value measurements

Financial Accounting Standards Board (FASB) Statement No. 157 provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy under FASB Statement No. 157 are as under:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that SN OM Trust can access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

K. Income taxes

SN OM Trust is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. In addition, SN OM Trust qualifies for the charitable contribution deduction under Section 170(b)(1)(A), has been classified as an organization that is not a private foundation under Section 509(a).

SN OM Trust adopted the provisions of Accounting Standards Codification (ASC)740-10 on January 1, 2009. ASC 740-10 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740-10, tax positions must initially be recognized in the financial statements when it is more likely than not, the position will be sustained upon examination by the tax authorities.

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K. Income Taxes (Continued)

Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. SN OM Trust did not have any unrecognized tax benefits and there was no effect on our financial condition or results of operations as a result of adopting ASC 740-10.

Tax years from 2021 through 2023, are subject to examination by the Internal Revenue Service. SN OM Trust is currently not under any Federal or State audits. Interest and penalties are zero and SN OM Trust's policy is to expense interest and penalties, if any, to income tax expense as incurred. SNOM Trust does not expect any material changes in unrecognized tax benefits in the next twelve months and has no unrecognized tax benefits as of December 31, 2023.

L. Comparative totals

The financial statements and footnote disclosures for the year ended December 31, 2022, are presented only to provide a basis for comparison with the year 2023. The 2022 financial statements and footnote disclosures are not intended to present all information necessary for the fair presentation in accordance with U.S. Generally Accepted Accounting Principles. Accordingly, such information should be read in conjunction with SN OM Trust's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

M. Net assets

Net assets are classified as net assets with donor restrictions or without donor restrictions based on the existence or absence of donor-imposed restrictions. A description of each net asset group is as follows:

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 objectives of the organization. These net assets may be used at the discretion of SN OM Trust's management and the board of directors.

Net assets with donor restriction - 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 SN OM Trust or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

NOTE 2: INVESTMENTS

Investments are presented at fair value based on market quotes and consist of equity fund of \$952, bank sweep held by Charles Schwab which is a brokerage transfer of \$15,000 as of December 31,

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NOTE 2: INVESTMENTS (CONTINUED)

2023, which belongs to the equity fund under the mutual fund and \$1,604 which belongs to bank sweep also. All of these belong to level 1 within the fair value hierarchy.

NOTE 3: CONCENTRATIONS OF CREDIT RISK

SN OM Trust's cash maintained at several banks is not exposed to credit risk as the year-end balance for 2023 and 2022 were below \$250,000, the amount covered by Federal Deposit Insurance Corporation (FDIC).

Bank Name	2023	2022
BOA Checking	\$ 107,984	\$ 120,173
Schwab Deposit Account	1,604	20,996
Truist Checking Account	6,386	32,605
Truist Money Market	6,135	-
Total	\$ <u>122,109</u>	\$ <u>173,774</u>

NOTE 4: AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Financial assets available to be used within the next twelve months:	2023
Cash and cash equivalents	\$ 122,109
Contributions receivable	214,823
Investments	952
Undeposited funds	<u>4,023</u>
Total	\$ <u>341,907</u>

NOTE 5: SUBSEQUENT EVENTS

In connection with the preparation of the financial statements and in accordance with ASC Topic 855, *Subsequent Events*, SN OM Trust evaluated subsequent events after the statement of financial position date of December 31, 2023, through November 12, 2024, which was the date the financial statements were available to be issued and determined there were no other items to be disclosed.