DESAI FOUNDATION

FINANCIAL STATEMENTS

AT JUNE 30, 2025 AND 2024

Contents

Cohen + Associates, LLC
Certified Public Accountants
Boston, Massachusetts

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
DESAI FOUNDATION

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Desai Foundation (a non-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related 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 financial statements present fairly, in all material respects, the financial position of the Desai Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Desai Foundation and to meet 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 these 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 the Desai Foundation'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 Responsibility 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 it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards (GAAS) will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

In performing an audit in accordance with GAAS, we:

Exercise professional judgement and maintain professional skepticism through 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 the Desai Foundation'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Desai Foundation'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.

Cohen + Associates, LLC
Certified Public Accountants
Boston, Massachusetts

September 23, 2025

DESAI FOUNDATION
STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2025 AND 2024

ASSETS

	2025	2024
CURRENT ASSETS:		
Cash and cash equivalents	$ 138,896	$ 229,680
Pledges receivable	-	33,904
Other receivables	136,082	96,915
Prepaid expenses	9,947	20,000
Investments at fair market value	4,197,150	4,097,025
	4,482,075	4,477,524
OTHER ASSETS:		
Deposits	44,799	48,000
	4,526,874	4,525,524

LIABILITIES AND NET ASSETS

	2025	2024
LIABILITIES:		
Accounts payable	33,762	31,118
Accrued expenses	-	5,640
	33,762	36,758
NET ASSETS:		
Without donor restrictions	4,493,112	4,488,766
	4,493,112	4,488,766
	4,526,874	4,525,524

See accompanying notes to financial statements.

DESAI FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
SUPPORT AND REVENUE:		
Contributions	$ 908,159	$ 623,027
Special events revenue	345,323	63,944
Less: costs of direct donor benefits	(155,533)	(36,001)
	189,790	27,943
CONTRIBUTIONS AND NET REVENUE FROM SPECIAL EVENTS	1,097,949	650,970
Interest and dividends	124,372	89,826
Investments net realized gain (loss)	696,808	414,594
Investments unrealized appreciation (depreciation)	(383,619)	127,519
Investment management expenses	(30,408)	(31,522)
	407,153	600,417
TOTAL SUPPORT AND REVENUE	1,505,102	1,251,387
EXPENSES:		
Program	1,350,949	1,095,713
Management and general	104,354	279,928
Fundraising	45,453	162,932
TOTAL EXPENSES	1,500,756	1,538,573
CHANGE IN NET ASSETS	4,346	(287,186)
NET ASSETS - BEGINNING OF YEAR	4,488,766	4,775,952
NET ASSETS - END OF YEAR	4,493,112	4,488,766

See accompanying notes to financial statements.

DESAI FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025 WITH COMPARATIVE TOTALS FOR 2024

	Program	Management and General	Fund Raising	2025 Total	2024 Total
Grants	$ 17,500	$ -	$ -	$ 17,500	$ 43,000
Compensation	211,997	18,312	4,152	234,461	209,297
Payroll taxes and fringe benefits	37,929	4,076	111	42,116	26,108
Program support	956,299	-	-	956,299	845,195
Professional services	-	5,550	-	5,550	170,570
Temporary services	88,520	-	-	88,520	77,603
Advertising and public relations	-	-	19,649	19,649	1,777
Bank and service charges	-	25	2,050	2,075	1,025
Bookkeeping	-	3,600	-	3,600	10,505
Dues and subscriptions	2,346	11,688	4,526	18,560	4,355
Mangement fee	-	15,000	-	15,000	37,500
Office expense	-	1,159	-	1,159	1,208
Photographer	-	-	-	-	2,750
Postage and shipping	-	131	-	131	300
Printing and copying	-	-	4,998	4,998	317
Rent	-	32,347	-	32,347	59,710
Software	-	1,136	7,380	8,516	17,678
Supplies	995	942	-	1,937	3,595
Travel and meetings	31,203	5,587	1,547	38,337	21,895
Website	4,160	4,801	1,040	10,001	2,099
	1,350,949	104,354	45,453	1,500,756	1,538,573

See accompanying notes to financial statements.

DESAI FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program	Management and General	Fund Raising	2024 Total
Grants	$ 43,000	$ -	$ -	$ 43,000
Compensation	154,565	28,585	26,147	209,297
Payroll taxes and fringe benefits	19,233	3,621	3,254	26,108
Program support	845,195	-	-	845,195
Professional services	-	93,570	77,000	170,570
Temporary services	33,004	43,720	879	77,603
Advertising	-	-	1,777	1,777
Bank and service charges	-	1	1,024	1,025
Bookkeeping	-	10,505	-	10,505
Dues and subscriptions	-	4,355	-	4,355
Mangement fee	-	37,500	-	37,500
Office expense	-	3,294	-	3,294
Photographer	-	-	2,750	2,750
Postage and shipping	-	300	-	300
Printing and copying	-	180	137	317
Rent	-	29,566	30,144	59,710
Software	-	2,148	15,530	17,678
Supplies	-	434	3,161	3,595
Travel and meetings	-	20,766	1,129	21,895
Website	716	1,383	-	2,099
	1,095,713	279,928	162,932	1,538,573

See accompanying notes to financial statements.

DESAI FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING ACTIVITIES:		
Change in net assets	$ 4,346	$ (287,186)
Adjustments to reconcile net income to net cash from operating activities:		
Net (gain) loss on investments	(696,808)	(414,594)
Unrealized (appreciation) depreciation on investments	383,619	(127,519)
Marketable securities contributions	(401,970)	(251,442)
Increase (decrease) in cash resulting from changes in operating assets and liabilities:		
Pledges receivable	33,904	(33,904)
Other receivables	(39,167)	(68,827)
Prepaid expenses	10,053	(15,000)
Deposits	3,201	(37,500)
Accounts payable and accrued expenses	(2,996)	(68,532)
NET CASH FROM (FOR) OPERATING ACTIVITIES	(705,818)	(1,304,504)
INVESTING ACTIVITIES:		
Purchases of securities	(13,000,803)	(11,234,303)
Sales of securities	13,615,837	12,509,247
NET CASH FROM (FOR) INVESTING ACTIVITIES	615,034	1,274,944
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(90,784)	(29,560)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	229,680	259,240
CASH AND CASH EQUIVALENTS - AT END OF YEAR	138,896	229,680

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Purpose of the Organization -The Desai Foundation has multiple goals; it seeks to improve social and economic life in the villages of India and to develop and implement educational programs to promote Indian culture and heritage in the United States.

The Organization, founded on December 6, 1997, is a non-profit trust which is tax exempt under Section 501(c)(3) of the Internal Revenue Code and has been designated an organization which is not a private foundation.

Basis of Accounting -The accompanying financial statements have been on the accrual basis of accounting in accordance with the reporting principles of nonprofit accounting which present transactions according to the existence of donor imposed restrictions, if any.

Unrestricted Net Assets - Net assets not subject to donor-imposed restrictions.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed restrictions that they be permanently maintained by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Revenue is reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets and liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor restrictions or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as a release from temporarily restricted net assets to unrestricted net assets in the statement of activities. In the event that a donor-imposed restriction is fulfilled in the same reporting period as investment gains and income are recognized, the investment activity is reported as unrestricted in nature.

Income and net gains on investments of endowment and similar funds are reported as follows:

Increases in permanently restricted net assets if the terms of the gift or the Organization's interpretation of relevant state law require they be added to the principal of a permanently restricted net asset.

Increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income.

Increases in unrestricted net assets in all other cases.

Spending Policy - The Foundation's spending policy attempts to provide a predictable stream of funding to programs supported by its investments while seeking to maintain the purchasing power of its investments over the long-term. The spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return through diversification of asset classes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield (interest and dividends). The Foundation uses a diversified asset allocation to achieve its long-term objectives within prudent risk parameters.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. At various times during the fiscal year, the Organization's cash in bank balances exceeded Federally insured limits.

Fair Value Measurements - Fair value measurements establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observing market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. Unobservable inputs reflect the Organization's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

Investments - Investment securities, comprised generally of publicly traded stocks, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is possible that changes in the value of investment securities could occur in the near term, and that such changes could materially affect investment balances and activity included in the financial statements. Realized gains and losses are determined using the specific identification method. Purchases and sales of securities are accounted for using the trade date.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes - The Organization is a nonprofit entity which is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. At June 30, 2024, the Organization had no material unrecognized tax benefits or liabilities for income taxes. The Organization's tax returns for the years ended June 30, 2021 through 2024 are subject to examination by the Internal Revenue Service and state taxing authorities.

2. INVESTMENTS:

Investments are as follows:

	2025		2024	
	Cost	Market	Cost	Market
Stocks	$ 1,279,176	$ 1,723,352	$ 1,588,619	$ 2,134,593
Exchange-traded and closed-end funds	1,041,053	1,421,365	792,125	1,103,504
Government securities			495,244	498,078
Mutual funds	1,052,894	1,052,433	360,850	360,850
	3,373,123	4,197,150	3,236,838	4,097,025

3. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The following methods and assumptions were used to estimate the fair value of each classification within the financial statements.

Cash, prepaid expenses, accounts payable and loan payable - Fair value approximates carrying value due to the short term maturity of these financial instruments.

Investments - The fair value of debt and equity investments are estimated based upon quoted market prices.

	2025			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Stocks	$ 1,723,352			$ 1,723,352
Exchange-traded and closed-end funds	1,421,365			1,421,365
Government securities				
Mutual funds	1,052,433			1,052,433
	4,197,150	-	-	4,197,150

	2024			
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
Stocks	$ 2,134,593			$ 2,134,593
Exchange-traded and closed-end funds	1,103,504			1,103,504
Corporate fixed income	498,078			498,078
Mutual funds	360,850			360,850
	4,097,025	-	-	4,097,025

4. FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

5. COMMITMENTS:

LEASES

The Foundation leases its Massachusetts office facilities as a tenant-at-will.

Rent expense was $32,347 in 2025 and $29,566 in 2024.

6. SUBSEQUENT EVENTS:

Subsequent events - Management has evaluated subsequent events through September 23, 2025, the date on which the financial statements were available to be issued.