

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION**

**YEAR ENDED DECEMBER 31, 2015**

**AND**

**INDEPENDENT AUDITORS' REPORT**

**FRIEDMAN LLP<sup>®</sup>**

ACCOUNTANTS AND ADVISORS

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Arogya, Inc.  
(d/b/a Arogya World)  
Langhorne, PA

We have audited the accompanying financial statements of Arogya, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statement of activities and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the 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 Organization'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 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 financial statements referred to above present fairly, in all material respects, the financial position of Arogya, Inc. as of December 31, 2015, 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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 12 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

A handwritten signature in black ink that reads "Friedman LLP". The signature is written in a cursive, flowing style.

Philadelphia, Pennsylvania  
September 16, 2016

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

**STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2015**

**ASSETS**

**Current assets**

Cash	\$ 341,476
Contributions receivable	4,069
Investments	2,198
<b>Total assets</b>	<b>\$ 347,743</b>

**LIABILITIES AND NET ASSETS**

**Current liabilities**

Accounts payable	\$ 32,526
Deferred revenue	103,437
<b>Total current liabilities</b>	<b>135,963</b>

**Net assets**

Unrestricted	184,634
Temporarily restricted	27,146
<b>Total net assets</b>	<b>211,780</b>
<b>Total liabilities and net assets</b>	<b>\$ 347,743</b>

See notes to financial statements.

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

**YEAR ENDED DECEMBER 31, 2015**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Revenues and support</b>			
Grants and contributions	\$ 194,529	\$ 30,000	\$ 224,529
Special event	138,531	-	138,531
In-kind contributions	150,504	-	150,504
Interest income	361	-	361
Unrealized loss on investments	(2,962)	-	(2,962)
Net assets released from restrictions	12,317	(12,317)	-
<b>Total revenues and support</b>	<b>493,280</b>	<b>17,683</b>	<b>510,963</b>
<b>Expenses</b>			
Program services	296,962	-	296,962
Special event			
Direct donor benefit	14,474	-	14,474
Fundraising costs	23,577	-	23,577
Development	18,363	-	18,363
General and administrative	50,891	-	50,891
<b>Total expenses</b>	<b>404,267</b>	<b>-</b>	<b>404,267</b>
Change in net assets	89,013	17,683	106,696
Net assets, beginning of year	95,621	9,463	105,084
<b>Net assets, end of year</b>	<b>\$ 184,634</b>	<b>\$ 27,146</b>	<b>\$ 211,780</b>

See notes to financial statements.

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2015**

<b>Cash flows from operating activities</b>	
Changes in net assets	\$ 106,696
Changes in operating assets and liabilities	
Net unrealized loss on investments	2,962
Contributed marketable securities	(5,160)
Decrease in operating assets	
Contributions receivable	5,051
Increase (decrease) in operating liabilities	
Accounts payable	11,805
Deferred revenue	(131,563)
<hr/> Net cash used in operating activities	<hr/> (10,209)
<b>Net decrease in cash</b>	<b>(10,209)</b>
Cash, beginning of year	351,685
<hr/> <b>Cash, end of year</b>	<hr/> <b>\$ 341,476</b>

See notes to financial statements.

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

**NOTES TO FINANCIAL STATEMENTS**

**1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

Arogya, Inc. (d/b/a Arogya World) (the "Organization"), founded in 2010, is a global health not-for-profit organization working to prevent non-communicable diseases (NCDs) through health education and lifestyle changes. The Organization strives to achieve its mission of changing the course of chronic diseases by focusing on partnerships and innovative technology and by implementing scalable and sustainable programs with measurable impact.

India is a key country of focus because of its alarmingly high NCD disease burden. The Organization's innovative mDiabetes (mHealth 1.0) program was successful in helping approximately 150,000 Indians lead healthier lives. In 2015, the Organization continued both its global advocacy work and its on-the-ground programs in India through the following programs:

- **mHealth 2.0** is the second phase of the Organization's mobile Health program. The Organization has developed a mobile application called myArogya, on Android and iOS phones, designed as a one-stop shop for chronic disease prevention for working Indians. In addition to diabetes, the application will also include messages on heart disease, stroke, and kidney disease awareness and prevention and will have food and activity trackers to help consumers on their health journey.
- **Healthy Workplaces** is a 2013 Clinton Global Initiative Commitment from Arogya World where the Organization works with companies in India to earn recognition as Healthy Workplaces (Bronze, Silver and Gold levels) according to criteria that was co-created with industry in 2012. By shaping the culture of companies, the Organization is helping employees lead healthy lives through - a workplace no-tobacco-use policy, easy access to healthy foods and opportunities for physical activity, plus work-life balance and leadership endorsement. 47 companies in India became Healthy Workplaces by the end of 2015. Arogya World is now designing the new Platinum Level, with stringent metrics, for select Gold level companies.
- **Healthy Schools**, Arogya World's first program has educated over 5,000 children by the end of 2015. It is a 2-year program designed to teach middle school children the basics of healthy eating and physical activity, before their lifestyle habits are set, with the goal of preventing diabetes. This program is part of Arogya World's Commitment to the UN's Every Woman, Every Child Initiative, an unprecedented effort to improve the health of women and children everywhere.



**AROGYA, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Organization and Nature of Activities (Continued)**

- **My Thali** is a new program developed in 2015. Arogya World invited experts from several organizations to New Delhi to discuss and develop MyThali, a new nutritional icon based on the National Institute of Nutrition (NIN) guidelines for India. The main purpose of the multi-stakeholder meeting was to discuss and agree on a pictorial representation of NIN guidelines that was easily understood by consumers, similar to “MyPlate” in the US.
  
- **10,000 Global Women’s NCD Impact Survey** was a very successful global advocacy program initiated by Arogya World and fulfilled a Clinton Global Initiative Commitment made in 2013. The Organization continues to receive invitations to share the rich survey data compiled on the impact of NCDs on women’s everyday lives and the Organization continues to leverage this data to work with thought-leaders and policy makers to move governments into action.

**Basis of Presentation**

The Organization’s financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) using the accrual basis of accounting, and as such, are required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Classification of Net Assets**

Net assets are categorized according to externally (donor) imposed restrictions. A description of the net assets categories is as follows:

*Unrestricted net assets* - are those net assets that are available for the support of operations and whose use is not externally restricted by donors.

*Temporarily restricted net assets* - are those net assets subject to donor-imposed stipulations that can be fulfilled by the Organization’s actions pursuant to these stipulations or that expire by the passage of time.

*Permanently restricted net assets* - are those net assets whose use by the Organization has been limited by donors in perpetuity. There were no permanently restricted net assets as of the statement of financial position date.

**AROGYA, INC.**  
**(d/b/a AROGYA WORLD)**

**NOTES TO FINANCIAL STATEMENTS**

**1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with US GAAP 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Contributions Receivable**

Contributions receivable are stated at the amount management expects to collect from balances outstanding at year end. Management has recorded an allowance for doubtful accounts based on historical experience.

**Investments**

Investments in equity securities with readily determinable fair values are measured at fair value in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest and dividends) is reported as increases or decreases in unrestricted net assets in the reporting period.

**Deferred Revenue**

Deferred revenue includes proceeds from a grant that have not been earned at year-end, but are expected to be recognized as revenue in future years as expenses are incurred in fulfillment of the terms of the grant. A condition of this grant is that any unspent funds at the end of the grant term would be returned to the grantor.

**Support and Revenue Recognition**

In accordance with US GAAP, grants and contributions, including unconditional promises to give, are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Grants and contributions are recorded upon receipt of notification.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets as net assets released from restrictions. Gifts for which the donor restriction expires in the same year as the receipt of the gift are included in unrestricted support.

All contributions are considered available for unrestricted use unless specifically restricted by donor request.

**AROGYA, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**1 - DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon employee time spent on each program or service.

**Donated Services**

The Organization generally pays for most services requiring specific expertise. The value of donated services is recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated services that met the criteria for recognition are included as in-kind contribution revenue and related expenses in the accompanying statement of activities and changes in net assets. The Organization recorded \$105,846 of in-kind contributions for time (salary) donated by Board members fulfilling the roles of Chief Executive Officer and Chief Financial Officer and for other professional services rendered during the year ended December 31, 2015. Additionally, the Chief Executive Officer and others personally paid for approximately \$44,658 of unreimbursed travel and related costs for business trips and other costs incurred in administering the Organization's programs or in fundraising efforts.

**Income Taxes**

The Organization is exempt from federal income taxes under the provisions of the Internal Revenue Code Section 501(c)(3), and is exempt from state income taxes under the provisions of the Pennsylvania Nonprofit Corporation Law. The Organization is not a private foundation under Section 509(a) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes are included in the accompanying financial statements.

**2 - INVESTMENTS**

Investments, stated at fair market value, consist of large cap equity of \$2,198 as of December 31, 2015.

**AROGYA, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**3 - RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are restricted for the purpose of funding the following programs:

<b>December 31, 2015</b>	
Healthy Schools	\$ 6,333
My Thali	20,813
	\$ 27,146

**4 - FAIR VALUE MEASUREMENTS**

The Organization’s investments are reported at fair value in the accompanying statements of financial position. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets and Level 3 inputs are unobservable and have the lowest priority. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were utilized by for the Organization for the year ended December 31, 2015.

**Level 1 - Fair Value Measurements**

The fair value of equities is based on quoted net asset values (“NAV”) of the shares held by the Organization at year-end.

<b>December 31, 2015</b>		
	Level 1	Total
Large cap equity	\$2,198	\$2,198

**AROGYA, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**5 – RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2015, approximately 25% of grants and contributions revenue was received from a board member. Contributions from board members are utilized to fund primarily all general and administrative and development costs. Contributions from outside donors are utilized to fund program costs.

**6 - CONCENTRATION OF CREDIT RISK**

During the year ended December 31, 2015, approximately 47% of grants and contributions revenue was received from two donors.

**7 - UNCERTAIN TAX POSITIONS**

Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the Organization's status as a not-for-profit entity. The Organization is in the midst of its fifth full year of existence, and will be subject to the Internal Revenue Service's public support test calculation beginning in 2015. Management believes the Organization has met the requirements to maintain its tax-exempt status to date, and expects to comply with the public support test in 2015 and beyond to maintain its public charity status. Further, management has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying financial statements.

**8 - SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through September 16, 2016, the date on which the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**AROGYA, INC.**  
(d/b/a AROGYA WORLD)

**SCHEDULE OF FUNCTIONAL EXPENSES**

**YEAR ENDED DECEMBER 31, 2015**

	<b>NCD Global Advocacy and Awareness</b>	<b>Women and Children's Programs</b>	<b>Healthy Workplace</b>	<b>mHealth/ Technology</b>	<b>Total Program Service</b>	<b>Special Event Fundraising</b>	<b>Development</b>	<b>General and Administrative</b>	<b>Total</b>
Application development	\$ -	\$ -	\$ -	\$ 39,900	\$ 39,900	\$ -	\$ -	\$ -	\$ 39,900
Bank fees	-	58	5	-	63	-	930	1,070	2,063
Communications	17,528	-	4,953	-	22,481	-	409	-	22,890
Conferences and meetings	1,000	990	1,059	622	3,671	-	-	-	3,671
Consultant	-	2,209	6,789	2,550	11,548	18,754	2,200	4,023	36,525
Development materials	-	-	-	-	-	-	1,481	-	1,481
Foreign tax	-	-	-	3,400	3,400	-	-	180	3,580
Fundraising events	-	-	-	-	-	13,473	-	-	13,473
Grants	-	25,842	-	22,715	48,557	-	-	-	48,557
Insurance	-	-	-	-	-	-	-	2,786	2,786
Legal and professional	-	-	-	10,000	10,000	-	-	18,458	28,458
Marketing	-	-	4,408	-	4,408	-	-	-	4,408
Occupancy	2,490	2,490	2,490	2,490	9,960	-	1,680	360	12,000
Office expense	-	15	-	37	52	-	-	2,554	2,606
Research	-	-	-	39,403	39,403	-	-	-	39,403
Salary	17,401	19,574	18,053	16,164	71,192	5,824	9,277	19,553	105,846
State tax	-	-	-	-	-	-	-	178	178
Travel and related expenses	7,509	9,868	11,409	3,541	32,327	-	2,386	1,729	36,442
<b>Total expenses</b>	<b>\$ 45,928</b>	<b>\$ 61,046</b>	<b>\$ 49,166</b>	<b>\$ 140,822</b>	<b>\$ 296,962</b>	<b>\$ 38,051</b>	<b>\$ 18,363</b>	<b>\$ 50,891</b>	<b>\$ 404,267</b>