

**ARGOYA, INC. D/B/A AROGYA WORLD**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2022**

GETTRYMARCUS



**Arogya, Inc. d/b/a Arogya World**

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**Year Ended December 31, 2022**

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## Independent Auditor's Report

To the Board of Directors  
Arogya, Inc. d/b/a Arogya World  
Spring House, PA

### Opinion

We have audited the accompanying financial statements of Arogya, Inc d/b/a Arogya World (a nonprofit organization) ("the Organization"), which comprise the statement of financial position as of December 31, 2022, 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 the Organization as of December 31, 2022, 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 the Organization 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.

### Responsibility 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 Arogya, Inc. d/b/a Arogya World'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 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 Arogya, Inc. d/b/a Arogya World'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 Arogya, Inc. d/b/a Arability 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.



Gettry Marcus CPA, P.C.  
Woodbury, New York  
November 13, 2023

**Arogya, Inc. d/b/a Arogya World**  
**Statement of Financial Position**  
**December 31, 2022**

|   | <b>Net Assets<br/>Without Donor<br/>Restrictions</b> | <b>Net Assets<br/>With Donor<br/>Restrictions</b> | <b>Total</b>      |
|---|--|---|-------------------|
| <b>Assets</b>                           |  |   |                   |
| <b>Assets</b>                           |  |   |                   |
| Cash and cash equivalents               | \$ 472,048   | \$ -  | \$ 472,048        |
| Contributions and grants receivable     | 83,906   | 33,752  | 117,658           |
| Other receivable                        | 2,815  | -   | 2,815             |
| Investments                             | 1,899  | -   | 1,899             |
| <b>Total assets</b>                     | <b>\$ 560,668</b>                                    | <b>\$ 33,752</b>                                  | <b>\$ 594,420</b> |
| <b>Liabilities and Net Assets</b>       |  |   |                   |
| <b>Liabilities</b>                      |  |   |                   |
| Accounts payable                        | \$ 62,001  | \$ -  | \$ 62,001         |
| Accrued expenses                        | 48,128   | -   | 48,128            |
| Refundable advances                     | 186,915  | -   | 186,915           |
| <b>Total liabilities</b>                | 297,044  | -   | 297,044           |
| <b>Net assets</b>                       |  |   |                   |
| Without donor restrictions              | 263,624  | -   | 263,624           |
| With donor restrictions                 | -  | 33,752  | 33,752            |
| <b>Total net assets</b>                 | 263,624  | 33,752  | 297,376           |
| <b>Total liabilities and net assets</b> | <b>\$ 560,668</b>                                    | <b>\$ 33,752</b>                                  | <b>\$ 594,420</b> |

**Arogya, Inc. d/b/a Arogya World**  
**Statement of Activities**  
**Year Ended December 31, 2022**

|   | <u>Net Assets<br/>Without Donor<br/>Restrictions</u> | <u>Net Assets<br/>With Donor<br/>Restrictions</u> | <u>Total</u>      |
|---|--|---|-------------------|
| <b>Support and revenues</b>   |  |   |                   |
| Grants and contributions  | \$ 248,022   | \$ 440,926  | \$ 688,948        |
| Special event income, net of<br>direct benefit expense                    | 121,855  | -   | 121,855           |
| In-kind contributions   | 362,285  | -   | 362,285           |
| <b>Total support and revenues</b>   | 732,162  | 440,926   | 1,173,088         |
| <b>Other income</b>   |  |   |                   |
| Investment income   | 930  | -   | 930               |
| <b>Net assets released from restriction</b>                               | 478,578  | (478,578)   | -                 |
| <b>Total support and revenues, other<br/>income and reclassifications</b> | 1,211,670  | (37,652)  | 1,174,018         |
| <b>Functional expenses</b>  |  |   |                   |
| Program services  | 1,057,605  | -   | 1,057,605         |
| Supporting services:  |  |   |                   |
| Management and general  | 103,325  | -   | 103,325           |
| Fundraising and development   | 99,259   | -   | 99,259            |
| Total supporting services   | 202,584  | -   | 202,584           |
| <b>Total functional expenses</b>  | 1,260,189  | -   | 1,260,189         |
| <b>Decrease in net assets</b>   | (48,519)   | (37,652)  | (86,171)          |
| <b>Net assets - Beginning of year</b>                                     | 312,143  | 71,404  | 383,547           |
| <b>Net assets - End of year</b>   | <u>\$ 263,624</u>                                    | <u>\$ 33,752</u>                                  | <u>\$ 297,376</u> |

**Arogya, Inc. d/b/a Arogya World**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

|                                      | Program Services       |                       |                   |                    |                                     | Supporting Services          |                                   |                              |                                 | Total<br>Functional<br>Expenses |
|--------------------------------------|------------------------|-----------------------|-------------------|--------------------|-------------------------------------|------------------------------|-----------------------------------|------------------------------|---------------------------------|---------------------------------|
|                                      | mHealth/<br>Technology | Healthy<br>Workplaces | My Thali          | Healthy<br>Schools | NCD Global<br>Advocacy<br>Awareness | Total<br>Program<br>Services | Fundraising<br>and<br>Development | Management<br>and<br>General | Total<br>Supporting<br>Services |                                 |
| Consultants                          | \$ 67,008              | \$ 78,192             | \$ 121,764        | \$ 76,042          | \$ 68,135                           | \$ 411,141                   | \$ 59,200                         | \$ -                         | \$ 59,200                       | \$ 470,341                      |
| Grants                               | 15,500                 | -                     | -                 | 208,810            | -                                   | 224,310                      | -                                 | -                            | -                               | 224,310                         |
| Communications/education expenses    | 27,526                 | 8,671                 | 840               | 4,666              | 38,046                              | 79,749                       | 522                               | 77                           | 599                             | 80,348                          |
| Professional fees                    | 2,900                  | 1,300                 | 1,900             | 1,600              | -                                   | 7,700                        | -                                 | 51,155                       | 51,155                          | 58,855                          |
| Travel and related expenses          | 1,348                  | 6,578                 | 2,020             | 2,406              | 3,775                               | 16,127                       | -                                 | 83                           | 83                              | 16,210                          |
| Research                             | 6,686                  | 839                   | 2,160             | 4,883              | -                                   | 14,568                       | -                                 | -                            | -                               | 14,568                          |
| Fees                                 | 974                    | 1,090                 | 974               | 1,215              | 6,094                               | 10,347                       | 2,759                             | 50                           | 2,809                           | 13,156                          |
| Special event indirect expenses      | -                      | -                     | -                 | -                  | -                                   | -                            | 1,660                             | -                            | 1,660                           | 1,660                           |
| Conferences and meetings             | -                      | -                     | -                 | -                  | 5,415                               | 5,415                        | -                                 | -                            | -                               | 5,415                           |
| Software expense                     | -                      | -                     | -                 | -                  | -                                   | -                            | 5,400                             | -                            | 5,400                           | 5,400                           |
| Insurance expense                    | -                      | -                     | -                 | 750                | -                                   | 750                          | -                                 | 1,579                        | 1,579                           | 2,329                           |
| Office expense                       | 1,095                  | 211                   | 322               | 617                | -                                   | 2,245                        | -                                 | 3,067                        | 3,067                           | 5,312                           |
| <b>Total expenses before in-kind</b> | <b>123,037</b>         | <b>96,881</b>         | <b>129,980</b>    | <b>300,989</b>     | <b>121,465</b>                      | <b>772,352</b>               | <b>69,541</b>                     | <b>56,011</b>                | <b>125,552</b>                  | <b>897,904</b>                  |
| In-kind expenses:                    |                        |                       |                   |                    |                                     |                              |                                   |                              |                                 |                                 |
| Salary                               | 35,616                 | 35,616                | 35,617            | 35,617             | 35,617                              | 178,083                      | 18,748                            | 37,454                       | 56,202                          | 234,285                         |
| Consultants                          | 5,800                  | 18,800                | 800               | 20,800             | 5,800                               | 52,000                       | 800                               | -                            | 800                             | 52,800                          |
| Travel and related expenses          | 6,596                  | 6,596                 | 6,596             | 6,596              | 11,746                              | 38,130                       | 8,730                             | 1,940                        | 10,670                          | 48,800                          |
| Occupancy                            | 3,408                  | 3,408                 | 3,408             | 3,408              | 3,408                               | 17,040                       | 1,440                             | 7,920                        | 9,360                           | 26,400                          |
| <b>Total in-kind expenses</b>        | <b>51,420</b>          | <b>64,420</b>         | <b>46,421</b>     | <b>66,421</b>      | <b>56,571</b>                       | <b>285,253</b>               | <b>29,718</b>                     | <b>47,314</b>                | <b>77,032</b>                   | <b>362,285</b>                  |
| <b>Total functional expenses</b>     | <b>\$ 174,457</b>      | <b>\$ 161,301</b>     | <b>\$ 176,401</b> | <b>\$ 367,410</b>  | <b>\$ 178,036</b>                   | <b>\$ 1,057,605</b>          | <b>\$ 99,259</b>                  | <b>\$ 103,325</b>            | <b>\$ 202,584</b>               | <b>\$ 1,260,189</b>             |

See independent auditor's report and notes to financial statements.

**Arogya, Inc. d/b/a Arogya World**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

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|  |                          |
|--|--------------------------|
| <b>Cash flows from operating activities</b>  |                          |
| Decrease in net assets   | \$ (86,171)              |
| Adjustments to reconcile decrease in net assets<br>to net cash used in operating activities: |                          |
| Net unrealized gain on investments   | (582)                    |
| Changes in operating assets and liabilities:   |                          |
| Increase in:   |                          |
| Contributions and grants receivable  | (87,858)                 |
| Other receivables  | (2,805)                  |
| Increase (decrease) in:  |                          |
| Accounts payable   | 50,682                   |
| Accrued expenses   | 38,128                   |
| Refundable advances  | (15,316)                 |
| <b>Total adjustments</b>   | <u>(17,751)</u>          |
| <b>Net cash used in operating activities</b>   | <u>(103,922)</u>         |
| <b>Net decrease in cash and cash equivalents</b>   | (103,922)                |
| <b>Cash and cash equivalents - Beginning of year</b>   | <u>575,970</u>           |
| <b>Cash and cash equivalents - End of year</b>   | <u><u>\$ 472,048</u></u> |



**Arogya, Inc. d/b/a Arogya World**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Note 1 - Summary of Organization and Nature of Activities**

*Organization and Nature of Activities*

Arogya, Inc. d/b/a Arogya World (the “Organization” or “Arogya World”), founded in 2010, is a global health not-for-profit organization working to prevent non-communicable diseases (“NCD’s”) through health education and lifestyle changes. At the core of the Organization’s work is disease prevention through healthy living. 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. The Organization has been successful through their multi-pronged community doorstep approach, taking prevention to where people live, learn and work in India, implementing effective, low-cost prevention programs with a broad reach. India continues to be the Organization’s key country of focus because of its alarmingly high NCD disease burden.

The Organization is supported primarily through donor contributions and grants.

While the COVID-19 pandemic impacted the Organization’s programming, the Organization adapted to the ever-changing environment to find innovative ways to utilize technology, and strengthen partnerships to expand across states in India and lay the groundwork for their aggressive scale-up plans.

*Description of Program and Supporting Services*

The following program and supporting services are included in the accompanying financial statements:

*Program Services*

*mDiabetes (mHealth/Technology)*

In 2022, Arogya continued to expand its mDiabetes program by leveraging mobile health technology as a smart solution to the NCD crisis. mDiabetes is the Organization’s mobile phone messaging system that has a cumulative reach of 1.5 million people to date. The Organization has helped people lead healthier lives by sending them text and voice messages in their local language, educating them about diabetes prevention and healthy living.

With the support of Rural India Supporting Trust (RIST), the Organization forged a new partnership in 2021 with the renowned LV Prasad Eye Institute (LVPEI) in Hyderabad, India to educate villagers over two years through mDiabetes voice messages sent in their local language, Telugu. This project builds upon past mDiabetes projects with the integration of community healthy education and reinforcement of the messages by frontline community healthy workers. This project was completed in 2022 but follow up measurements were done in February 2023.

In 2022, the Organization partnered with Gram Vaani and expanded its MDiabetes messages to people in the states of Bihar, Jharkhand, Uttarpradesh and Madhyapradesh, India.

*Healthy Workplaces*

Healthy Workplaces is a 2013 Clinton Global Initiative Commitment from Arogya World in which the Organization has worked with companies in India to earn recognition as Healthy Workplaces (Bronze, Silver, Gold and Platinum levels) according to a criteria the Organization co-created with the 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, in addition to work-life balance and leadership endorsement.

**Arogya, Inc. d/b/a Arogya World**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Note 1 - Summary of Organization and Nature of Activities (continued)**

In 2020, mental health workplace criteria were added in collaboration with Harvard professors, on par with the physical health criteria previously developed to create comprehensive Healthy Workplace criteria.

*MyThali*

MyThali is a nutritional tool that was developed based on the National Institute of Nutrition guidelines and fashioned after the United States' MyPlate tool. It clearly shows, in picture form, what cooked food someone should eat, and in what quantities, at each meal.

MyThali was first developed for urban women to empower them to prepare healthy meals for themselves and their families. With a recurring annual grant from the Cigna Foundation, the Organization has leveraged social media, influencers, celebrity chefs, and groups such as Bangalore Foodies Club and Sheroes, and disseminated educational articles written by the Organization's nutritionist, to promote eating right among urban Indians. The MyThali campaign has been one of the most successful awareness programs.

In 2022, the Organization launched several targeted MyThali campaigns: Red Saree Challenge for Women's Heart Health in March where male influencers show their support for women's heart health by wearing a red saree; and the highly successful annual #HealthyWaliDiwali campaign in November. #HealthyWaliDiwali, is a month long annual campaign, which amassed a huge reach on social media platforms.

*Healthy Schools*

Healthy Schools is Arogya World's first program and is a two-year school-based healthy living education program that teaches children between the ages of 11 to 14 the basics of eating right and increasing physical activity (important behaviors for preventing diabetes) before children's lifestyle habits are set. Currently, the program is implemented with partners including Agastya Foundation, Child In Need Institute, School Health Annual Report Program (SHARP) and SRU Innovations.

*Global Advocacy and Awareness*

In 2022, together with partners, Rotary and BPac., the Organization pioneered Bangalore as India's first Arogya City. The program was launched with the first Arogya City Summit in November.

Throughout 2022, Arogya World continued to advance the "healthy dialogue" in India and globally. The Organization engaged in and spoke at notable forums and conferences. The organization was invited to participate in strategic forums including Occucon, CSR Mumbai, Indiaspora, iNFHRA Global Workplace Innovations Conference, amongst others.

*Supporting Services*

*Fundraising and Development*

Provides the structure necessary to encourage and secure financial support from individuals, foundations, corporations and government agencies.

*Management and General*

Includes the functions necessary to ensure an adequate working environment and to manage the administrative, financial and budgetary responsibilities of the Organization.

**Arogya, Inc. d/b/a Arogya World**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Note 2 - Summary of Significant Accounting Policies**

*Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Organization reports information regarding its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

*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. The Board may designate assets without restrictions for specific operational purposes from time to time.

*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 by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity but the Organization is permitted to expend the income generated in accordance with the provisions of the donation. When a restriction expires (when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization did not have any donations that is considered perpetual in nature at December 31, 2022.

*Revenue Recognition*

Unconditional contributions are recognized when a beneficial interest is received or when cash, securities or other assets are pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give will be recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets will be reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities will be reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Expirations of donor restrictions on the net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

A significant portion of the Organization's revenue is derived from cost-reimbursable grants, which are conditioned upon certain performance requirements and the incurrence of allowing qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the grant provision. Amounts received prior to incurring qualified expenditures are reported as refundable advances in the statement of financial position. Refundable advances at December 31, 2022 are \$186,915.

**Arogya, Inc. d/b/a Arogya World**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

As of December 31, 2022, contributions of approximately \$293,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not been met. Conditional promises to give relate to grants for mDiabetes, Healthy Schools, MyThali and Together Women Rise programs.

*Measure of Operations*

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments and any other activities considered to be of a more unusual or nonrecurring nature.

*Cash and Cash Equivalents*

The Organization considers all unrestricted highly liquid instruments readily convertible to known amounts of cash, with an initial maturity of three months or less, to be cash equivalents. The Organization maintains cash and cash equivalents at various financial institutions in the United States of America. The standard FDIC ("Federal Deposit Insurance Corporation") deposit insurance amount is limited to \$250,000 per depositor, per insured bank, for each account ownership category (as defined). As of December 31, 2022, the Organization did not have any deposits in excess of the FDIC limits. The Organization has not incurred losses in these accounts.

*Contributions and Grants Receivable*

Contributions and grants receivable are stated at the amount management expects to collect from outstanding balances from donors. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the respective receivable. Management had determined that a provision for doubtful accounts is not necessary as of December 31, 2022.

*Investments*

Investments in marketable securities with readily determinable fair values are reported at their fair values in the Statements of Financial Position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment transactions are recorded on a trade-date basis. Interest income is recorded using the accrual basis. Dividends are recorded on the ex-dividend date. Realized gains or losses on investments are determined by comparison of the average cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments held at the end of the year are included in the Statements of Activities.

*Fair Value Measurements*

Accounting standards established a three-level hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The levels of the hierarchy and those investments included in each are as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

**Arogya, Inc. d/b/a Arogya World**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

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 assets or liabilities;
- 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 (contractual) term, the level 2 input must be observable for substantially the full term of the assets or liabilities.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Fair values are based on quoted market prices when available (Level 1). When market prices are not available, fair value is generally estimated using current market inputs for similar financial instruments with comparable terms and credit quality, commonly referred to as matrix pricing (Level 2). In instances where there is little or no market activity for the same or similar instruments, estimates of fair value are made using methods, models and assumptions that management believes are relevant to the particular asset or liability. This may include discounted cash flow analysis or other income based approaches (Level 3). These valuation techniques involve some level of management estimation and judgment. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used and are reflective of the assumptions that market participants would use in valuing assets or liabilities.

Following is a description of the valuation methodologies used for investments measured at fair value:

*Equities:* These are securities that trade on major exchanges. Accordingly, these securities are disclosed as level 1 of the hierarchy.

The preceding methods described may produce a fair value calculation 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.

There have been no changes in the methodologies used at December 31, 2022.

*Financial Instruments*

The Organization's financial instruments include cash and cash equivalents, contributions and grants receivable, accounts payable, accrued expenses, and refundable advances. The carrying amount of the cash and cash equivalents, contributions and grants receivable, accounts payable, accrued expenses, and refundable advances approximates fair values based on their short-term duration.

**Arogya, Inc. d/b/a Argoya World**  
**Notes to Financial Statements**  
**December 31, 2022**

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**Note 2 - Summary of Significant Accounting Policies (continued)**

*Tax-Exempt Status*

The Organization has been notified by the Internal Revenue Service that it is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code (“Code”). The Organization is further classified as an organization that is not a private foundation under Section 509(a)(3) of the Code. The Organization follows the guidance of Accounting Standards Codification 740, *Accounting for Income Taxes*, related to uncertain income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

*Special Events*

Gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue as well as payments of the direct cost of the benefit received by the attendee at the event. Special event revenue is reported net of any direct benefit expenses. Special event revenue applicable to the current year is recognized as revenue in the year the special event takes place. Special event revenue for a future year is deferred and recognized in the period in which the event takes place. There was no deferred special event revenue for the years ending December 31, 2022.

*Functional Expenses and Allocation Method*

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. Accordingly, certain costs have been allocated among the programs and supporting services benefitted, using appropriate measurement methodologies. In-kind expenses are allocated on the basis of time and effort.

*In-kind contributions and expenses*

During the year ended December 31, 2022, the Organization received in-kind contributions that met the criteria for being recognized in accordance with GAAP. The total value of in-kind contributions received without any donor restrictions was \$362,285 and is included on the Statement of Activities for the year ended December 31, 2022. In-kind services are recorded at estimated fair market value based on the current hourly rate of the professional service provider. In-kind occupancy is based on current market rates of similar like properties and the amount of space utilized. In-kind travel and related expenses represent unreimbursed costs incurred by individuals involved in promoting the Organization’s programs and fundraising efforts.

*Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Estimates are based on past experience and other assumptions that management believes are reasonable under the circumstances, and management evaluates these estimates on an ongoing basis. The significant estimates of the Organization include the estimated value of in-kind donations received during the year, the estimate that no allowance for uncollectible receivables is needed, and the estimated allocation of costs among program services and supporting services on the statement of functional expenses.

**Arogya, Inc. d/b/a Arogya World**  
**Notes to Financial Statements**  
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**Note 2 - Summary of Significant Accounting Policies (continued)**

*Accounting Standards Updates (“ASU”)*

The Organization has reviewed recently issued ASUs by the Financial Accounting Standards Board (“FASB”) and based on that review, has determined that those ASUs, with the exceptions below, will not have a significant effect on the Organization’s financial statement.

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The intention of this ASU is to increase transparency about nonfinancial gifts in kind, including how they are used and how they are valued. The ASU requires a separate line-item presentation of contributed nonfinancial assets in the statement of activities, apart from the contributions of cash or other financial assets. The ASU requires disclosure of the disaggregation of the amount of nonfinancial gifts in-kind received by category and the organization, and for each category, disclosure of: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period; (ii) the not-for-profit's policy about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any related donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure. The ASU is effective for annual reporting periods beginning after June 15, 2021, to be applied on a retrospective basis, and earlier application is permitted. The adoption of this ASU did not have a significant impact on the Organization’s financial statements.

*Subsequent Events*

Management has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 13, 2023, the date the financial statements were available to be issued.

**Note 3 - Contributions and Grants Receivable**

Contributions and grants receivable consists of unconditional and conditional promises to give that are expected to be collected in the future. Donor restricted contributions are reported as additions to the appropriate donor restricted net assets. Contributions and grants receivable were \$117,658 at December 31, 2022. All amounts are due within one year. Management periodically assesses the collectability of its contributions and grants receivable by considering factors such as prior collection history, type of contribution and the nature of fund-raising activity and provides allowances for unanticipated losses, if any. At December 31, 2022, management expects all contributions and grants receivable to be fully collected.

**Note 4 - Investments**

Investments, stated at fair market value, consist of a large cap equity mutual fund of \$1,899 as of December 31, 2022. These investments have been classified within Level 1 of the valuation hierarchy.

**Arogya, Inc. d/b/a Argoya World**  
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**Note 5 - Net Assets with Donor Restrictions**

Donor restricted net assets as of December 31, 2022 are available for the following specified purposes:

| <u>Purpose restricted</u> | <u>January 1,<br/>2022</u> | <u>Contributions</u> | <u>Releases<br/>from<br/>Restriction</u> | <u>December 31,<br/>2022</u> |
|---------------------------|----------------------------|----------------------|--|------------------------------|
| Healthy Schools           | \$ 40,878                  | \$ 253,429           | \$ 270,713                               | \$ 23,594                    |
| MyThali                   | 30,526                     | 105,396              | 135,922                                  | -                            |
| mDiabetes Project         | -                          | 82,101               | 71,943                                   | 10,158                       |
|                           | <u>\$ 71,404</u>           | <u>\$ 440,926</u>    | <u>\$ 478,578</u>                        | <u>\$ 33,752</u>             |

**Note 6 - Concentrations - Major Contributors**

For the year ended December 31, 2022, approximately 75% of the Organization's public support came from three donors.

During the year ended December 31, 2022, approximately 25% of grants and contributions revenue was received from one board member. Contributions from board members are utilized to fund primarily general and administrative and development costs. Contributions from outside donors are utilized to fund program costs.

**Note 7 - Special Events**

Special events generate revenue for the Organization as well as raise awareness about the Organization's mission. Some events are annual and some are incidental to the Organization's central activities and do not happen regularly. Incidental events are recorded net in the accompanying Statement of Activities.

The Organization's held three fundraising events during 2022. Changes in net assets without donor restrictions related to the annual events are as follows:

|   |                   |
|---|-------------------|
| Revenue   | \$ 159,864        |
| Less: Costs of direct benefit to donors                           | <u>(38,009)</u>   |
| Revenue, net of direct benefit expense                            | 121,855           |
| Special event indirect expenses (included in fundraising expense) | <u>(1,660)</u>    |
| Increase in net assets without donor restrictions                 | <u>\$ 120,195</u> |



**Arogya, Inc. d/b/a Argoya World**  
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**Note 8 - Grant Commitments**

The Organization has grant agreements with outside organizations through their Healthy Schools and mDiabetes programs. These agreements provide support over multiple years pending all the requirements of the respective agreements are met. Grant expense for the year ended December 31, 2022 was \$224,310. At December 31, 2022, future payments of approximately \$95,000 are required under the agreements in place. These amounts have not been accrued as of December 31, 2022 as the grantees have not met the conditions of the grant under the agreements.

**Note 9 - Liquidity**

As part of its liquidity management, the Organization established a goal to maintain financial assets on hand to meet six months of normal operating expenses. The Organization's goal is to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization does not have a line of credit available to assist with liquidity management.

The Organization's financial assets available within one year of the statement of financial condition for general expenditures are as follows:

|  |                   |
|--|-------------------|
| Cash and cash equivalents  | \$ 472,048        |
| Contributions and grants receivable  | 117,658           |
| Other receivables  | 2,815             |
| Investments  | <u>1,899</u>      |
| Total financial assets   | 594,420           |
| Less: those unavailable for general expenditures<br>within one year due to donor restrictions: | <u>(33,752)</u>   |
| Financial assets available to meet cash needs<br>for general expenditures within one year      | <u>\$ 560,668</u> |

The Organization's financial assets have been reduced by amounts not available for use because of donor imposed restrictions within one year of the statement of financial condition or amounts not available within one year due to time restrictions. In addition to financial assets available to meet general expenditures over the year, the Organization operates with a balanced budget and anticipates covering its general expenditures through its fundraising efforts and by utilizing donor-restricted resource from current and prior years. The statement of cash flows identifies the sources and uses of the Organization's cash.

**Note 10 - Risks and Uncertainties**

The Organization is dependent upon contributions for its revenue. The ability of the Organization to continue to elicit this level of support is dependent upon current and future economic conditions as well as income tax efficiencies.

There are various direct and indirect risks that could impact the Organization, such as a potential global economic slowdown, inflationary pressures, the pandemic, and more. It is also impossible to predict the effect these will have on the Organization's donors, and its impact on the Organization's liquidity, vendors, and counter-parties. To help minimize the uncertainty of these items, management continues to explore how to best operate in this environment.