

**NYAYA HEALTH**  
**Financial Statements**  
**Year Ended December 31, 2009**

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Nyaya Health  
 Comparative Statement of Financial Position  
 For the Years Ended December 31, 2008, and 2009

<b>Assets</b>	2008	2009
Cash and cash equivalents	\$ 22,838	\$ 57,816
Contributions receivable	\$ -	\$ -
Government agreements	\$ -	\$ 22,500
Grants receivable	\$ 34,000	\$ 46,125
Prepaid expenses and other assets	\$ -	\$ -
Investments, at fair value	\$ -	\$ -
Property and equipment	\$ 73,485	\$ 66,838
<b>Total Assets</b>	<b>\$ 130,323</b>	<b>\$ 193,278</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ -	\$ -
Long-term debt	\$ -	\$ -
Refundable payments	\$ -	\$ -
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net assets</b>		
Unrestricted	\$ 130,323	\$ 193,278
Temporarily restricted	\$ -	\$ -
Permanently restricted	\$ -	\$ -
<b>Total net assets</b>	<b>\$ 130,323</b>	<b>\$ 193,278</b>
 <b>Total liabilities and net assets</b>	 <b>\$ 130,323</b>	 <b>\$ 193,278</b>

Nyaya Health  
Statement of Activities  
For the Year Ending December 31, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenues and Gains</b>				
Public contributions	\$ 78,576	\$ -	\$ -	\$ 78,576
Change in grants and contributions received	\$ 46,125	\$ -	\$ -	\$ 46,125
Gifts in kind	\$ -	\$ -	\$ -	-
Program service revenue	\$ -	\$ -	\$ -	-
Investment income	\$ 243	\$ -	\$ -	\$ 243
Net assets released from restrictions	\$ -	\$ -	\$ -	-
Nepal government	\$ 22,500	\$ -	\$ -	\$ 22,500
<b>Total Revenues, Gains, Other Support</b>	<b>\$ 147,444</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 147,444</b>
<b>Expenses and Losses</b>				
Program services	\$ 84,135	\$ -	\$ -	\$ 84,135
General administration	\$ -	\$ -	\$ -	-
Fundraising	\$ -	\$ -	\$ -	-
<b>Total Expenses and Losses</b>	<b>\$ 84,135</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 84,135</b>
Foreign Currency Translation Adjustments	\$ (354)	\$ -	\$ -	\$ (354)
Change in Net Assets	\$ 62,955	\$ -	\$ -	\$ 62,955
<b>Net Assets at Beginning of Year</b>	<b>\$ 130,323</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 130,323</b>
<b>Net Assets at End of Year</b>	<b>\$ 193,278</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 193,278</b>

Nyaya Health  
Statement of Cash Flows  
For the Year Ending December 31, 2009

	2008	2009
<b>Cash flows from operating activities</b>		
Change in Net Assets	\$ 64,948	\$ 62,955
Reconciliation of change in net assets		
Depreciation Expense	\$ 2,392	\$ 6,648
Unrealized Gains in Long-Term Investments	\$ -	\$ -
New Gifts-in-Kind	\$ (41,000)	\$ -
Changes in Contributions Receivable	\$ -	\$ -
Changes in Grants Receivable	\$ (11,000)	\$ (46,125)
Changes in Accounts Payable	\$ -	\$ -
Changes in Prepaid Expenses	\$ -	\$ -
Change in Government Agreements	\$ -	\$ 22,500
<b>Net Cash used for operating activities</b>	<b>\$ 15,340</b>	<b>\$ 61,318</b>
 <b>Cash flows from investing activities</b>		
Purchase of investments	\$ -	\$ -
Fixed asset purchases	\$ (13,559)	\$ -
<b>Net cash used for investing activities</b>	<b>\$ (13,559)</b>	<b>\$ -</b>
 <b>Net change in cash flows</b>	<b>\$ 1,781</b>	<b>\$ 61,318</b>
<b>Beginning Cash Balance</b>	<b>\$ 21,056</b>	<b>\$ 22,838</b>
<b>Ending Cash Balance</b>	<b>\$ 22,838</b>	<b>\$ 84,156</b>

Nyaya Health  
Statement of Functional Expenses  
For the Year Ending December 31, 2009

	Program Services	General Administration	Fundraising
Charitable Care Program	\$ 405	\$ -	\$ -
Clinical Facilities	\$ 14,012	\$ -	\$ -
Data Systems	\$ 127	\$ -	\$ -
Energy Systems	\$ 840	\$ -	\$ -
Financial expenses	\$ 292	\$ -	\$ -
Medical Supplies and Equipment	\$ 3,904	\$ -	\$ -
Nepal Government Affairs	\$ 221	\$ -	\$ -
Pharmaceuticals	\$ 12,141	\$ -	\$ -
Staff Compensation	\$ 46,329	\$ -	\$ -
Staff Room and Board	\$ 1,297	\$ -	\$ -
Staff Training	\$ 894	\$ -	\$ -
Staff Travel	\$ 2,234	\$ -	\$ -
Telecommunications	\$ 1,439	\$ -	\$ -
Depreciation	\$ 6,648	\$ -	\$ -
<b>Total Expense</b>	<b>\$ 90,782</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total before depreciation</b>	<b>\$ 84,135</b>	<b>\$ -</b>	<b>\$ -</b>

Nyaya Health  
Notes to Financial Statements  
Year ended December 31, 2008

**(1) Background on the Organization**

Nyaya Health, an international non-profit organization, is a unique assembly of public health experts and healthcare providers who use our collective expertise to develop long-term, system-level improvements in healthcare delivery in impoverished areas.

Nyaya Health is a tax-exempt organization as defined by Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

Nyaya Health strives towards the highest standards of transparency and accountability. In this pursuit, we have adopted an entirely “open source” organizational approach. Our budget, activities and plans are all online, and fully accessible to the public. We employ both electronic and paper-based methods that provide full disclosure to donors and the general public. This includes our central website ([www.nyayahealth.org](http://www.nyayahealth.org)), which acts as a source for general news and information; an online “wiki” ([wiki.nyayahealth.org](http://wiki.nyayahealth.org)), or rapidly-editable webpage, which provides extensive details about our clinical protocols and operations; and our blog ([blog.nyayahealth.org](http://blog.nyayahealth.org)), where we post stories about the community and our efforts to improve healthcare services.

Nyaya Health’s primary activities for FY2009 were centered on building and operating a hospital in the rural district of Achham, Nepal, focusing on comprehensive primary care, including maternal and child health, infectious disease prevention and treatment, and management of chronic conditions for an expanding catchment population of a quarter million people. The hospital is located nearby the major transit hub for the region and treats 2,500 patients per month on average. It is run by 25-30 Nepali staff including physicians, community healthcare workers, nurse midwives, lab technicians, pharmacists, and project managers. The hospital includes a comprehensive laboratory, pharmacy, clinical diagnosis and treatment rooms, inpatient and outpatient wards, emergency room, a delivery suite, capacity for wet and dry storage, and safe medical waste incineration and disposal. We have additionally developed a network of community health workers who provide outreach, triage, treatment and follow-up services to a geographically dispersed population. All medical care is provided free-of-charge, with a focus on health equity and outreach to the poorest and most marginalized patients. Nyaya’s services have been developed in collaboration with the government of Nepal; our agreements with the government help us strive towards our goal of full integration with public-sector health programs, which involves developing infrastructure that will eventually become part of the new general public health system.

## **(2) Summary of Oversight Mechanisms**

The Board of Directors has oversight over all Nyaya Health's programs. The day-to-day operations of Nyaya Health are led by the Nepal-based Executive Director and Medical Director and the US-based Director of Operations. They are supported by the Board of Directors. The Nyaya Health Board uses innovative collaborative technologies to operate efficiently and effectively. These are detailed at [wiki.nyayahealth.org/collaboration](http://wiki.nyayahealth.org/collaboration). Nyaya Health has extensive oversight mechanisms to ensure that programs meet the stated mission of the organization. These mechanisms include:

- Monthly reviews of clinical and budgetary data (see [wiki.nyayahealth.org/DataManagement](http://wiki.nyayahealth.org/DataManagement))
- Line-by-line publishing of expenditures in an open access format (see [wiki.nyayahealth.org/Budget](http://wiki.nyayahealth.org/Budget))
- Regular on-site visits are made to Nepal by board members in addition to the permanent presence of the Medical Director and Executive Director.

Operating details, including contracts of all board members, are available publicly at [wiki.nyayahealth.org/Management\\_INGO](http://wiki.nyayahealth.org/Management_INGO).

## **(3) Summary of Significant Accounting Policies**

### ***(a) Classification of Net Assets***

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- *Undesignated net assets* – includes unrestricted funds for general operations, support used in account operations after meeting initial grantor or donor restrictions, and unrestricted net assets.
- *Temporarily restricted net assets* – includes funds whose use by Nyaya Health is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by actions of Nyaya Health pursuant to those specifications.
- *Permanently restricted net assets* – includes funds that are subject to donor restrictions requiring that the principal be invested in perpetuity and only income thereon be used by Nyaya Health.

### ***(b) Use of Estimates and Assumptions***

Nyaya Health uses estimates and assumptions in preparing these consolidated financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingencies at the dates of the financial statements, the reported amounts of revenues and other support, and expenses during the reporting periods. Actual results could vary from those estimates.

### ***(c) Recognition of Revenue***

Contributions received, including unconditional promises to give, are recognized as increases in net assets in the period received at their fair values. Contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is when a stipulation of time restriction ends or a purpose restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. For Fiscal Year 2009, Nyaya Health had no temporarily or permanently restricted assets.

### ***(d) Cash and Cash Equivalents***

Nyaya Health considers cash on hand, deposits in banks, certificates of deposit and short-term marketable securities with an original maturity of less than 90 days to be cash and cash equivalents for purposes of the statements of cash flows.

### ***(e) Investments***

Investments, which consist of money market funds, fixed income and equity securities, are measured at fair value in the consolidated statements of financial position. Investment income, including realized and unrealized gains and losses on investments, interest and dividends, is reflected as revenue and other support in the statements of activities. For Fiscal Year 2009, the only investments made by Nyaya Health were in the form of interest-bearing savings accounts.

**(f) Property and Equipment**

Property and equipment is stated at cost or if donated, at fair value at the date of donation. Nyaya Health provides for depreciation and amortization using the straight-line method over the estimated useful lives of the applicable assets. These typically are 25 to 40 years for buildings and improvements, 3 to 15 years for vehicles and equipment, and 7 to 10 years for capitalized software. Repairs and maintenance are expensed as incurred. Nyaya Health, in working with the governments and local communities, may assist in the construction or renovation of facilities used by Nyaya Health but owned by community members or governments. These costs are expensed as incurred.

**(h) Foreign Currency Translation**

The translation from Nepali Rupees into U.S. dollars is performed for statement of financial position accounts using exchange rates in effect at the statements of financial position date and for revenue and expense accounts using the exchange rates on the date the transaction occurred. The resulting translation adjustments are recorded as expenses incurred.

**(4) Property, Equipment, and Gifts-in-Kind**

Fixed assets (property, equipment, and gifts-in-kind) are summarized as follows.

Property and equipment	Acquisition Date	Value at Acquisition	Lifespan (yrs)	Current Value (2008)	Depreciation Cost (2008)	Depreciation Cost(2009)	Accumulated Depreciated (2009)	Net Book Value(2009)	Gift-in-Kind?
Laptop Computer	10/22/2007	\$ 1,000	\$ 8	\$ 875	\$ 125	\$ 125	\$ 250	\$ 750	Yes
Water Filter	10/29/2007	\$ 323	\$ 7	\$ 277	\$ 46	\$ 46	\$ 92	\$ 230	No
5 KW Diesel Generator	11/2/2007	\$ 2,648	\$ 10	\$ 2,381	\$ 265	\$ 265	\$ 529	\$ 2,117	No
Oxygen Concentrator	11/27/2007	\$ 1,350	\$ 10	\$ 1,215	\$ 135	\$ 135	\$ 270	\$ 1,080	No
Medical Equipment	11/27/2007	\$ 4,000	\$ 7	\$ 3,429	\$ 571	\$ 571	\$ 1,143	\$ 2,857	No
QBC Autoread Machine	12/22/2007	\$ 10,000	\$ 10	\$ 9,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 8,000	Yes
Laptop Computer	12/28/2007	\$ 1,500	\$ 8	\$ 1,313	\$ 188	\$ 188	\$ 375	\$ 1,125	Yes
Digital Camera	12/28/2007	\$ 500	\$ 8	\$ 438	\$ 63	\$ 63	\$ 125	\$ 375	Yes
Clinic Furniture	1/8/2008	\$ 843	\$ 25	\$ 843	\$ -	\$ 34	\$ 34	\$ 809	No
Satellite Dish	2/20/2008	\$ 1,437	\$ 15	\$ 1,437	\$ -	\$ 96	\$ 96	\$ 1,341	No
Refrigerator	4/22/2008	\$ 400	\$ 20	\$ 400	\$ -	\$ 20	\$ 20	\$ 380	No
Motorcycle	6/14/2008	\$ 1,813	\$ 10	\$ 1,813	\$ -	\$ 181	\$ 181	\$ 1,632	No
Ultrasound Machine	7/1/2008	\$ 40,000	\$ 15	\$ 40,000	\$ -	\$ 2,667	\$ 2,667	\$ 37,333	Yes
Inverter+Battery System	7/31/2008	\$ 9,066	\$ 8	\$ 9,066	\$ -	\$ 1,133	\$ 1,133	\$ 7,933	No
Laptop Computer	12/22/2008	\$ 1,000	\$ 8	\$ 1,000	\$ -	\$ 125	\$ 125	\$ 875	Yes
<b>Total</b>				\$ 73,485	\$ 2,392	\$ 6,648	\$ 9,040	\$ 66,838	

	2008	2009
Total Gift In Kind	\$ 41,000	\$ -
Total Fixed Asset Purchase	\$ 13,559	\$ -