

Laarni von Ruden
Certified Public Accountant
706 Cowper Street
Palo Alto, California 94301
650-325-0449

AMERICA NEPAL MEDICAL FOUNDATION, INC.
Jamesville, New York

I have compiled the accompanying statement of financial position of America Nepal Medical Foundation, Inc. as of December 31, 2002, and the related statement of revenue, support and expenses and changes in net assets and statement of cash flows for the year ended December 31, 2002, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of the organization. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



June 23, 2003

AMERICA NEPAL MEDICAL FOUNDATION, INC.
(A Nonprofit Public Benefit Corporation)

STATEMENT OF FINANCIAL POSITION

December 31, 2002

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 35,113
Investments	1,316
Contributions and other receivable	<u>2,965</u>

TOTAL ASSETS	\$ <u>39,394</u>
--------------	------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued expenses	\$ 800
------------------	--------

NET ASSETS

Unrestricted net assets	32,727
Temporarily restricted net assets	<u>5,867</u>

Total Net Assets	<u>38,594</u>
------------------	---------------

TOTAL LIABILITIES AND NET ASSETS	\$ <u>39,394</u>
----------------------------------	------------------

See Accountant's Report and Accompanying Notes to Financial Statements

AMERICA NEPAL MEDICAL FOUNDATION, INC.
(A Nonprofit Public Benefit Corporation)

STATEMENT OF REVENUE, SUPPORT AND EXPENSES AND CHANGES IN NET
ASSETS

For Year Ended December 31, 2002

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT:			
Revenue:			
Annual convention	\$ 3,243		\$ 3,243
Support:			
Annual and life memberships	3,475		3,475
Individual donations	<u>7,985</u>	<u>2,831</u>	<u>10,816</u>
Total support	<u>11,460</u>	<u>2,831</u>	<u>14,291</u>
Other:			
Dividends and interest	<u>15</u>		<u>15</u>
Total revenue and support	14,718	2,831	17,549
EXPENSES:			
Programs and projects	6,889		6,889
Annual convention	2,177		2,177
Management and general	741		741
Fundraising	<u>801</u>		<u>801</u>
Total Expenses	<u>10,608</u>		<u>10,608</u>
Excess of revenues and support expenses	4,110		4,110
Unrealized loss on investments	<u>(477)</u>		<u>(477)</u>
Change in Net Assets	3,633	2,831	6,464
NET ASSETS, Beginning of Year	<u>29,094</u>	<u>3,036</u>	<u>32,130</u>
NET ASSETS, End of Year	\$ <u>32,727</u>	\$ <u>5,867</u>	\$ <u>38,594</u>

See Accountant's Report and Accompanying Notes to Financial Statements

AMERICA NEPAL MEDICAL FOUNDATION, INC.
(A Nonprofit Public Benefit Corporation)

STATEMENT OF CASH FLOWS

December 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ 6,464
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) Decrease in :	
Contributions and other receivable	(2,965)
Increase (Decrease) in :	
Investments	672
Accrued expenses	<u>800</u>
Net Cash Provided by Operating Activities	4,971
 CASH AND CASH EQUIVALENTS, Beginning of Year	 <u>30,142</u>
CASH AND CASH EQUIVALENTS, End of Year	\$ <u><u>35,113</u></u>

See Accountant's Report and Accompanying Notes to Financial Statements

AMERICA NEPAL MEDICAL FOUNDATION, INC.
(A Nonprofit Public Benefit Corporation)

FOOTNOTES

December 31, 2002

1. NATURE OF ACTIVITIES:

America Nepal Foundation, Inc. (the "Organization") was incorporated in the state of New York in 1996 and is a nonprofit public benefit corporation that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

A concerned group of Nepalese and North American physicians and others took the initiative to establish the Organization. Their vision was to help Nepal strengthen its medical capabilities through promoting academic and professional cooperation between Nepal and North America in the area of medical care, medical education and medical research. The mission of the Organization is to promote the advancement of medical training and practice in Nepal.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES;

Method of Accounting - The Organization maintains records on the cash basis of accounting but has made the necessary adjustments to the financial statements to present the accrual method of accounting that recognizes revenue in the period earned and matches expenses incurred with the revenue produced as a consequence of the incurrence of the relevant expenses.

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

Recognition of Donor Contributions - Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Functional Expenses – Expenses are charged to the appropriate program, management, or fund raising activities in general categories based on specific identification.

Cash and Cash Equivalents – Cash consists of cash on hand and cash in demand deposit accounts. Cash equivalents are all highly liquid investments with a maturity date of three months or less when purchased.

3. CONTRIBUTIONS IN KIND:

The Organization received donated medical education services for two continuing medical education programs as well as medical textbooks, CD-ROMs and microscopes, which were not valued in the financial statements. The Organization also receives donated facilities for administrative functions.

4. CONTRIBUTIONS AND OTHER RECEIVABLE:

Contributions and other receivable as of December 31, 2002 consisted of the following:

Unrestricted donations	\$ 2,950
Bank charges forgiven	15
Totals	<u>\$ 2,965</u>

5. INVESTMENTS:

Investments are held in a brokerage account, maintained for convenience of the donors to make common stock contributions. \$1,316 is the value of a single holding of a publicly traded company at market value.

6. ACCRUED EXPENSES

Expenses incurred by December 31, 2002 but not paid until after December 31, 2002 consisted of the expenses for administration and continuing medical expenses.

7. RESTRICTIONS ON NET ASSETS:

Temporarily restricted net assets are available in future periods for the following purposes:

Programs and projects	\$ 5,867
-----------------------	----------

There are no permanently restricted net assets as of December 31, 2002.