

**NOORA HEALTH
REPORT ON THE AUDIT
OF THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

NOORA HEALTH
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Noora Health

We have audited the accompanying financial statements of Noora Health (a California not-for-profit corporation), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities, functional expenses, and cash flows for the years 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.

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Noora Health as of December 31, 2017 and 2016, 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.

Knuttle & Associates, P.C.

**NOORA HEALTH
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

ASSETS

	2017	2016
CURRENT ASSETS		
Cash	\$ 2,609,644	\$ 1,564,966
Grants Receivable (Net of Allowance for Doubtful Accounts of \$0, Respectively)	116,383	35,315
Program Receivables (Net of Allowance for Doubtful Accounts of \$0, Respectively)	1,950	9,599
Prepaid Expenses	4,035	0
TOTAL CURRENT ASSETS	2,732,012	1,609,880
FIXED ASSETS		
Equipment	7,252	0
Less -- Accumulated Depreciation and Amortization	426	0
TOTAL FIXED ASSETS	6,826	0
OTHER ASSETS		
Security Deposit	5,203	5,203
TOTAL OTHER ASSETS	5,203	5,203
TOTAL ASSETS	\$ 2,744,041	\$ 1,615,083

See Accompanying Notes To The Financial Statements.

LIABILITIES AND NET ASSETS

	2017	2016
CURRENT LIABILITIES		
Accounts Payable	\$ 16,686	\$ 18,502
Accrued Liabilities	86,654	29,887
TOTAL CURRENT LIABILITIES	<u>103,340</u>	<u>48,389</u>
TOTAL LIABILITIES	<u>103,340</u>	<u>48,389</u>
NET ASSETS		
Unrestricted	<u>2,640,701</u>	<u>1,566,694</u>
TOTAL NET ASSETS	<u>2,640,701</u>	<u>1,566,694</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,744,041</u></u>	<u><u>\$ 1,615,083</u></u>

See Accompanying Notes To The Financial Statements.

**NOORA HEALTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUES				
Grants and Donations	\$ 2,214,322	\$ 0	\$ 0	\$ 2,214,322
TOTAL PUBLIC SUPPORT AND REVENUES	<u>2,214,322</u>	<u>0</u>	<u>0</u>	<u>2,214,322</u>
FUNCTIONAL EXPENSES				
Program Services	1,020,005	0	0	1,020,005
Management and General	102,977	0	0	102,977
Fundraising	17,333	0	0	17,333
TOTAL FUNCTIONAL EXPENSES	<u>1,140,315</u>	<u>0</u>	<u>0</u>	<u>1,140,315</u>
CHANGE IN NET ASSETS	1,074,007	0	0	1,074,007
NET ASSETS,				
BEGINNING OF YEAR	<u>1,566,694</u>	<u>0</u>	<u>0</u>	<u>1,566,694</u>
END OF YEAR	<u>\$ 2,640,701</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,640,701</u>

See Accompanying Notes To The Financial Statements.

**NOORA HEALTH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
PUBLIC SUPPORT AND REVENUES				
Grants and Donations	\$ 1,600,063	\$ 0	\$ 0	\$ 1,600,063
Program Revenues	7,649	0	0	7,649
Miscellaneous Income	1,439	0	0	1,439
TOTAL PUBLIC SUPPORT AND REVENUES	<u>1,609,151</u>	<u>0</u>	<u>0</u>	<u>1,609,151</u>
FUNCTIONAL EXPENSES				
Program Services	570,316	0	0	570,316
Management and General	34,970	0	0	34,970
Fundraising	14,775	0	0	14,775
TOTAL FUNCTIONAL EXPENSES	<u>620,061</u>	<u>0</u>	<u>0</u>	<u>620,061</u>
CHANGE IN NET ASSETS	989,090	0	0	989,090
NET ASSETS,				
BEGINNING OF YEAR	<u>577,604</u>	<u>0</u>	<u>0</u>	<u>577,604</u>
END OF YEAR	<u>\$ 1,566,694</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,566,694</u>

See Accompanying Notes To The Financial Statements.

**NOORA HEALTH
STATEMENTS OF FUNCTIONAL EXPENSES**

FOR THE YEAR ENDED DECEMBER 31, 2017

FOR THE YEAR ENDED DECEMBER 31, 2016

	FOR THE YEAR ENDED DECEMBER 31, 2017				FOR THE YEAR ENDED DECEMBER 31, 2016			
	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
FUNCTIONAL EXPENSES								
Bank Charges	\$ 6,862	\$ 500	\$ 0	\$ 7,362	\$ 3,179	\$ 0	\$ 0	\$ 3,179
Content Development	106,520	0	0	106,520	29,310	0	0	29,310
Depreciation	426	0	0	426	0	0	0	0
Design	78,908	0	0	78,908	33,600	0	0	33,600
Dues & Subscriptions	5,476	764	143	6,383	5,635	0	114	5,749
Insurance	2,197	122	122	2,441	1,971	110	110	2,191
Occupancy	27,502	499	111	28,112	16,879	1,314	0	18,193
Office	13,159	3,420	347	16,926	10,730	3,147	0	13,877
Other Costs	7,321	184	51	7,556	10,207	215	122	10,544
Outside Services	5,053	50,816	0	55,869	14,424	13,745	315	28,484
Payroll and Benefits	216,094	20,183	11,368	247,645	237,675	13,671	12,749	264,095
Program Management & Implementation	204,160	0	0	204,160	64,376	0	0	64,376
Relocation	0	0	0	0	7,232	1,500	0	8,732
Research	159,578	0	0	159,578	7,723	0	0	7,723
Staff Development & Training	120	23,800	0	23,920	0	0	0	0
Tech Development	16,696	0	0	16,696	46,025	0	0	46,025
Technology	26,793	0	0	26,793	8,332	0	0	8,332
Training	55,214	0	0	55,214	15,252	0	0	15,252
Translation Services	3,922	0	0	3,922	8,019	0	0	8,019
Travel and Meetings	84,004	2,689	5,191	91,884	49,747	1,268	1,365	52,380
TOTAL FUNCTIONAL EXPENSES	\$ 1,020,005	\$ 102,977	\$ 17,333	\$ 1,140,315	\$ 570,316	\$ 34,970	\$ 14,775	\$ 620,061

See Accompanying Notes To The Financial Statements.

**NOORA HEALTH
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Supporters and Other Sources	\$ 2,140,903	\$ 1,652,749
Paid to Suppliers and Employees	(1,088,973)	(584,798)
Income Taxes Paid	0	0
Interest Paid	0	0
	<u>1,051,930</u>	<u>1,067,951</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for the Purchase of Property	(7,252)	0
	<u>(7,252)</u>	<u>0</u>
NET CASH USED IN INVESTING ACTIVITIES		
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,044,678	1,067,951
CASH AND CASH EQUIVALENTS,		
BEGINNING OF YEAR	<u>1,564,966</u>	<u>497,015</u>
END OF YEAR	<u>\$ 2,609,644</u>	<u>\$ 1,564,966</u>

**NOORA HEALTH
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ 1,074,007</u>	<u>\$ 989,090</u>
Adjustments to Reconcile Net Assets to Net Cash Provided by Operating Activities		
Depreciation	426	0
Changes in Certain Assets and Liabilities:		
Grants Receivable	(81,068)	15,235
Program Receivables	7,649	28,363
Prepaid Expenses	(4,035)	0
Security Deposit	0	1,247
Accounts Payable	(1,816)	12,483
Accrued Liabilities	56,767	21,533
Total Adjustments	<u>(22,077)</u>	<u>78,861</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,051,930</u></u>	<u><u>\$ 1,067,951</u></u>

NOORA HEALTH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A) Organization and Nature of Activities

Noora Health (the "Organization") is a California not-for-profit organization that was incorporated in January 2014. The mission of the Organization is to promote good health and recovery for hospital patients in India, by training patients, their family members and/or informal caregivers in basic health skills to help further patient recovery, to promote involvement of patients and family members in the medical recovery process, and to promote education by increasing community knowledge about health care, health maintenance and basic recovery techniques. The Organization provides high-impact health skills in its training to improve outcomes and save lives. By training families with simple, low-risk skills, they are enabled to provide high quality care in the hospital and at home.

B) Method of Accounting

The Organization's accounts are maintained on the accrual basis of accounting. Grants and other contributions are reported as temporarily restricted support if they are received with stipulations that limit the use of the funding. When the 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 as net assets released from restrictions. Expenses are recorded when incurred.

The Organization reports 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. As permitted by the statement, the Organization does not use fund accounting.

C) Accounting Policies

Cash and Cash Equivalents - For purposes of reporting cash flows, cash is defined as cash on hand, amounts held at financial institutions, and short-term highly liquid investments that are readily convertible to known amounts of cash. Investments with an original maturity of three months or less are considered short-term for these purposes.

NOORA HEALTH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Accounting Policies (Continued)

Grants Receivable - When a donor has unconditionally promised to contribute funds in future periods, the Organization recognizes the fair value of the grant receivable. Grants expected to be collected within one year are recorded as a donation and a receivable at net realizable value, which approximates fair value. Grants expected to be collected in future years are recorded as a donation and a receivable at the present value of the expected future cash flows. Additionally, grants receivable are stated at the amount management expects to collect from outstanding balances.

Allowance for Doubtful Accounts - The Organization provides for probable uncollectible amounts through an adjustment to a valuation allowance based on its assessment of the current status of individual receivables. 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 applicable accounts receivable. The allowance for doubtful accounts at December 31, 2017 and 2016 is \$0, respectively.

Equipment - Equipment is stated at cost. Expenditures for maintenance and repairs are charged to expense as incurred, whereas renewals and betterments that extend the lives of property are capitalized. Depreciation of equipment is computed using the straight-line method over varying useful lives. Depreciation expense is \$426 and \$0 for the years ended December 31, 2017 and 2016, respectively.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, a provision for income taxes has not been made on the financial statements. The Organization has no unrelated business income during the years ended December 31, 2017 and 2016. The Organization files its tax returns with the U.S. federal and various state and local tax jurisdictions. The Organization had no income tax expense for the years ended December 31, 2017 and 2016. With few exceptions, the Organization is no longer subject to examinations by major tax jurisdictions for tax years 2014 and prior.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

**NOORA HEALTH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Accounting Policies (Continued)

Donated Services - Donated services are recognized as revenues at their estimated fair value when they create or enhance nonfinancial assets or they require specialized skills which would need to be purchased if they were not donated. Some of the donated services received by the Organization include program and clerical support by unpaid volunteers. No amounts have been reflected in the financial statements for those services because the criteria for recognition have not been satisfied.

NOTE 2 - GRANTS RECEIVABLE

During the years ended December 31, 2017 and 2016, grantors to the Organization have made unconditional promises to give totaling \$116,383 and \$35,315, respectively. Grants are due as follows at December 31, 2017 and 2016:

	2017	2016
Less than One Year	\$ 116,383	\$ 35,315
Total Grants Receivable	\$ 116,383	\$ 35,315

NOTE 3 - CONCENTRATION OF CREDIT RISK

The Organization has deposits at one financial institution in excess of federally insured limits of approximately \$2,360,000 and \$1,315,000 at December 31, 2017 and 2016, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

NOTE 4 - CONCENTRATION OF FOREIGN OPERATIONS RISK

Contributions are raised in the United States. Major program activities funded by the Organization occur in India, a country that is at a higher risk of political, economic, and natural event uncertainties, and are undertaken on behalf of the Organization by local authorities and organizations. It is considered reasonably possible that operations outside the U.S. could be disrupted. This disruption could materially affect the amount of contributions raised in the U.S. or result in a loss of funds transferred overseas that were intended to operate these programs. The Organization has assets outside the U.S. with a carrying value of \$7,153 and \$14,802, respectively, at December 31, 2017 and 2016.

NOORA HEALTH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 5 - CONCENTRATION OF FUNDING SOURCES

As of December 31, 2017 and 2016, the Organization receives a major portion of its revenues from a single donor. For the years ended December 31, 2017 and 2016, the large donations from the single donor are not expected to continue. The Organization believes program expenses are appropriately budgeted for the next twelve months to reflect this.

NOTE 6 - FUNCTIONAL CURRENCY, FOREIGN CURRENCY TRANSLATION AND CURRENCY EXCHANGE RATE EXPOSURE

Based on several factors, including the dominant role of the United States currency in the funding of the Organization's programs, management considers the U.S. dollar to be the Organization's functional currency. As such, the Organization's monetary assets and liabilities held in foreign currencies are remeasured using the current rate at the balance sheet date, while nonmonetary assets and liabilities are remeasured using historical exchange rates. Most revenues and expenses that occur during a period are remeasured for practical purposes using a weighted average exchange rate for the period. However, revenues and expenses that represent the allocations of historical balances, such as depreciation, are remeasured using the same historical exchange rates as used for the underlying items on the balance sheet.

The Organization has assets originally denominated in foreign currencies. This results in an exposure to currency exchange gains and losses at the time assets are disposed of, as well as during year-end foreign currency translation into U.S. Dollars. In any particular year, currency exchange rate fluctuations may have a significant impact on the Organization's financial results. The foreign currency translation gains and losses are recorded on the Organization's Statements of Activities as a net remeasurement gain or loss. For the years ended December 31, 2017 and 2016, the Organization recognized no remeasurement gain or loss as the respective gain or loss is insignificant.

NOTE 7 - LEASE COMMITMENT

The Organization leases space under an operating lease through August 5, 2017 with an option to renew for 11 months. This option was exercised during 2017. Monthly base rent under the agreement is \$736 plus common area and maintenance. Rent expense is \$20,546 and \$15,315 for the years ended December 31, 2017 and 2016, respectively.

Future minimum rent payments are as follows:

For the Year Ended December 31, 2018 \$ 11,177

**NOORA HEALTH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

NOTE 8 - SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2017, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is May 22, 2018, which is the date on which the financial statements were available to be issued.