NOORA HEALTH

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Noora Health
San Francisco, California

We have audited the accompanying financial statements of Noora Health (a California nonprofit corporation), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, 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 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 opinion.

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, 2020, 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.

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Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2020, Noora Health adopted new accounting guidance Accounting Standards Update No. 2014-09 *Revenue from Contracts with Customers* (ASC Topic 606). Our opinion is not modified with respect to this matter.

Abbott, Stringham & Lynch

October 11, 2021

NOORA HEALTH

STATEMENT OF FINANCIAL POSITION

December 31, 2020

Assets

Current assets:	
Cash and cash equivalents	$ 3,446,637
Grants receivable	500,938
Prepaid expenses and deposits	19,232
Total current assets	3,966,807
Property and equipment, net of accumulated depreciation	3,851
	$ 3,970,658

Liabilities and Net Assets

Current liabilities:	
Accounts payable	$ 42,779
Accrued expenses	152,262
Paycheck Protection Program loan payable	43,215
Total current liabilities	238,256
Net assets:	
Without donor restrictions	3,232,402
With donor restrictions	500,000
Total net assets	3,732,402
	$ 3,970,658

NOORA HEALTH

STATEMENT OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Private grants and contributions	$ 2,731,057	$ 500,000	$ 3,231,057
Other income	8,766	-	8,766
In-kind donations - services	537	-	537
Net assets released from restriction	-	-	-
Total revenue and support	2,740,360	500,000	3,240,360
Functional expenses:			
Program services	2,562,206	-	2,562,206
Management and general	303,738	-	303,738
Fundraising	39,739	-	39,739
Total functional expenses	2,905,683	-	2,905,683
Change in net assets	(165,323)	500,000	334,677
Net assets, beginning of year	3,397,725	-	3,397,725
Net assets, end of year	$ 3,232,402	$ 500,000	$ 3,732,402

NOORA HEALTH

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2020

	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 533,475	$ 26,683	$ 26,683	$ 586,841
Employee benefits	77,013	6,014	4,275	87,302
Payroll taxes	37,873	1,934	2,104	41,911
Total personnel expenses	648,361	34,631	33,062	716,054
Grants and support to others	1,473,801	-	-	1,473,801
Professional fees	202,607	247,146	-	449,753
Research	125,693	-	-	125,693
Technology development	49,301	-	-	49,301
Office expenses	21,403	12,524	70	33,997
Travel and meetings	23,011	-	5,917	28,928
Insurance	5,176	288	288	5,752
Program management	5,597	-	-	5,597
Miscellaneous	138	4,011	190	4,339
Dues and subscriptions	3,134	173	173	3,480
Training	3,130	-	-	3,130
Bad debt	-	2,111	-	2,111
Depreciation	-	2,000	-	2,000
Bank fees	854	854	39	1,747
Total functional expenses	$ 2,562,206	$ 303,738	$ 39,739	$ 2,905,683

NOORA HEALTH

STATEMENT OF CASH FLOWS

Year Ended December 31, 2020

Cash flows from operating activities:	
Change in net assets	$ 334,677
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,000
Changes in operating assets and liabilities:	
Grants receivable	(500,776)
Program receivables	1,950
Prepaid expenses and deposits	(9,615)
Accounts payable	18,252
Accrued expenses	(50,606)
Net cash used in operating activities	(204,118)
Cash flows from financing activities:	
Proceeds from Paycheck Protection Program	43,215
Net decrease in cash and cash equivalents	(160,903)
Cash and cash equivalents, beginning of year	3,607,540
Cash and cash equivalents, end of year	$ 3,446,637

Note 1 - Organization

Noora Health (the "Organization") is a California nonprofit public benefit corporation that was incorporated in January 2014. The mission of the Organization is to promote good health and recovery for hospital patients in South Asia 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.

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 (GAAP).

Financial statement presentation

Under GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category are as follows:

> Without donor restrictions - net assets that are not subject to donor-imposed restrictions, and includes undesignated net assets. The only limits on undesignated net assets are broad limits resulting from the nature of the Organization and the purposes specified in its articles of incorporation or bylaws.
>
> With donor restrictions - net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time. Includes resources currently available for use, but expendable only for those operating purposes specified by the donor or funding source. Resources of this category originate from gifts and grants.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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. The significant estimates used in preparing these financial statements relate to the value of donated assets and professional services, and functional expense allocations. Actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all highly-liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents. As of December 31, 2020, cash and cash equivalents consisted of cash deposited and money market funds held with banks. The recorded carrying amount of cash and cash equivalents approximates its fair value.

Note 2 - Summary of significant accounting policies (continued)

Fair value measurements

The Organization has adopted fair value accounting guidance for all applicable assets and liabilities to define fair value, establish a framework for measuring fair value, and enhance fair value measurement disclosure. The application of this guidance does not have a significant impact on the Organization's financial statements. All of the carrying amounts of the Organization's financial assets and liabilities on its statement of financial position approximate fair value because of the short maturity of these instruments.

Grants receivable

The Organization records grants receivable when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. Unconditional promises to give that are expected to be collected in future years are recognized at fair value based on discounted cash flows. The discount on these amounts is computed using the rate applicable in the year the promises were received. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the original contribution. At December 31, 2020, the grants receivable are all expected to be received within one year and no discount was recorded.

The Organization makes estimates as to the ability to collect all of its outstanding receivables and provides provisions for amounts when collection becomes doubtful. Provisions, if necessary, are made based upon a specific review of past due and other outstanding balances for which collection is considered uncertain. At December 31, 2020, the Organization has not recorded a provision for uncollectible receivables.

Revenue and support

On January 1, 2020, the Organization adopted ASC 606, *Revenue from Contracts with Customers* (ASC 606) and all the related amendments using the modified retrospective method, whereby the adoption did not impact any prior periods. The effect of adopting the new standard did not require any cumulative effect adjustment to net assets as of January 1, 2020. The Organization did not generate any revenue from contracts with customers during the year ended December 31, 2020.

Contributions and grants received or unconditionally promised are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. Such contributions and grants required to be reported as support with donor restrictions are then reclassified to net assets without donor restrictions upon expiration of the restriction. When a donor restriction is stipulated and accomplished during the same year, the donation is shown as without donor restriction.

In-kind support

The Organization records various types of in-kind support, if and when received. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets or the use thereof is recognized when promised or received, whichever is earlier. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in operating expenses, or in the case of long-term assets, over the period benefited.

Note 2 - Summary of significant accounting policies (continued)

Property, equipment and depreciation

The Organization capitalizes property and equipment acquisitions over $2,500. Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at their estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally five years. Gifts of property and equipment are reported as support without donor restrictions unless the donor stipulates specifically how the donated asset must be used.

Functional allocation of expenses

The costs of providing program services have been presented on a functional basis in the accompanying statements of activities and schedule of functional expenses. Accordingly, certain costs have been allocated based on management's estimates.

Tax-exempt status

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code of the State of California. Accordingly, no provisions for income taxes or related credits are included in these financial statements. The Organization is not a private foundation under Section 509(a)(i) and 170(b)(a)(vi) of the Internal Revenue Code.

The Organization has adopted the accounting standard related to uncertainties in income taxes. The Organization evaluates uncertain tax positions through its review of the source of revenue to identify unrelated business income and certain other matters, including those which may affect its tax exempt status. Management believes their estimates related to income tax uncertainties are appropriate based on the current facts and circumstances.

The Organization's federal Return of Organization Exempt from Income Tax (Form 990) for years ended December 31, 2017 and after are subject to examination by the IRS, generally for three years after they are filed. The Organization's state returns (Form 199) for the years ended December 31, 2017 and after could be subject to examination by state taxing authorities, generally for four years after they are filed.

New accounting pronouncements not yet adopted

In 2016 and through subsequent amendments, the FASB issued new accounting guidance for reporting leases, which requires an entity that is a lessee to classify leases as either finance or operating and to recognize a lease liability and a right-of-use asset for all leases that have a term of greater than 12 months. Leases of 12 months or less will be accounted for similar to existing guidance for operating leases. The new standard will be effective for annual reporting periods beginning with January 2022 with early adoption permitted, and must be applied using a modified retrospective approach. The Organization is currently evaluating the impact of adopting this standard on its financial statements, and does not expect to adopt the new guidance earlier than required.

Note 2 - Summary of significant accounting policies (continued)

New accounting pronouncements not yet adopted (continued)

In 2020, the FASB issued accounting guidance focused on the presentation and disclosure requirements for contributed nonfinancial assets. The new guidance is effective for the Organization's year beginning January 2021. The new standard requires the entity to present contributed nonfinancial assets, such as property and equipment, food, supplies and intangible assets, as a separate line item on the statement of activities. In addition, the standard also requires enhanced disclosures including qualitative information about whether or not the contributed nonfinancial assets were utilized in a program or monetized; policies for monetizing those assets; descriptions of donor restrictions; and enhanced disclosure regarding the fair value techniques. Early adoption is permitted and the standard is to be applied retrospectively. The Organization is currently evaluating the impact of adopting this standard on its financial statements.

Other accounting pronouncements that have been enacted but not yet implemented are not expected to have a material impact on the Organization's financial statements.

Subsequent events

In preparing its financial statements, the Organization has evaluated subsequent events through October 11, 2021, which is the date the financial statements are available to be issued.

Note 3 - Liquidity and availability of resources

The Organization considers earnings without donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses and fundraising expenses expected to be paid in the subsequent year. Annual operations are defined as activities occurring during the Organization's fiscal year.

The Organization manages its cash available to meet general expenditures with the following guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets

Note 3 - Liquidity and availability of resources (continued)

The following table reflects the Organization's financial assets as of December 31, 2020, reduced by amounts not available for general expenditure within one year. Financial assets available to meet cash needs for general expenditures within one year as of December 31, 2020 are as follows:

Financial assets:	
Cash and cash equivalents	$ 3,446,637
Grants receivable	500,938
Total financial assets	3,947,575
Less:	
Accounts payable and accrued liabilities	(195,041)
Net assets with donor restrictions	(500,000)
Total financial assets and liquid resources available	$ 3,252,534

Note 4 - Property equipment

Property and equipment consisted of the following at December 31, 2020:

Computer equipment	$ 10,004
Less accumulated depreciation	(6,153)
	$ 3,851

Note 5 - Paycheck Protection Program

On May 1, 2020, the Organization received loan proceeds in the amount of $43,215 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), provided for loans to qualifying businesses for amounts of up to 2.5 times the average monthly payroll expenses of the qualifying business for the qualifying time period. The loan and accrued interest are forgivable after the applicable time period defined in the CARES Act as long as the borrower uses the loan proceeds for eligible purposes, including payroll, defined benefits, rent and utilities, and maintains its payroll levels.

The unforgiven portion of the PPP loan is payable over two years, in monthly installments and interest rate of 1%, with payment being deferred to the date that the Small Business Administration (“SBA”) remits the loan forgiveness amount to the lender or, if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower’s loan forgiveness covered period.

On February 11, 2021, the Organization filed for full forgiveness of the PPP loan and, on February 18, 2021, the principle balance of $43,215 and all accrued interest was fully forgiven by the SBA and lending institution. On March 1, 2021, the Organization obtained a second PPP loan in the amount of $52,067.

Note 6 - Net assets with donor restrictions and releases from restrictions

Net assets with donor restrictions were available for the following purposes:

	December 31, 2019	Additions	Released from Restrictions	December 31, 2020
Time restrictions	$ -	$ 500,000	$ -	$ 500,000

Note 7 - Concentrations, risk and uncertainties

The Organization maintains its cash and cash equivalents with high-credit, quality financial institutions which, at times, are in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC). The Organization believes its credit policies do not result in significant adverse risk, and historically has not experienced significant credit-related losses.

During the year ended December 31, 2020, the Organization had one significant grantor that represented 32% of total private grants and contributions and in-kind donations. The same grantor had an outstanding receivable that represented 99% of total grants receivable at December 31, 2020.

The Organization partners with an India-based entity that provides 100% of the Organization's training services and access to healthcare facilities.

Domestic and international economies continue to face uncertainty related to the impact of the COVID-19 disease. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Organization's grantors, donors, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Organization's financial condition or results of operations is uncertain.