

Plan A Health, Inc.

**Independent Auditor's Report
And
Financial Statements
December 31, 2021 and 2020**

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Metwally CPA PLLC

CERTIFIED PUBLIC ACCOUNTANT

6245 RUFÉ SNOW DR Ste 280 PMB 34 Watauga TX 76148

Cell: 214-200-5434 (Mohamed Metwally) Mmetwally@metwallycpa.com

Independent Auditor's Report

To the Board of Directors
Plan A Health, Inc.
700 Columbus Avenue
New York, NY-10025

Opinion

We have audited the accompanying financial statements of Plan A Health, Inc. (a Delaware nonprofit organization), which comprise the statements of financial position as of December 31, 2021, and the related statements of activities 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 Plan A Health, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Plan A Health, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities 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 Plan A Health, Inc.'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 Responsibilities 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, including omissions, 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 Plan A Health Inc'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 Plan A Health Inc's ability 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.

Metwally CPA PLLC

Metwally CPA PLLC

Watauga TX

May 27, 2022

Plan A Health, Inc.
Statement of Financial Position
December 31, 2021 and 2020

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 469,005	\$ 301,486
Grants receivable	192,260	12,500
Inventory in-kind	702,694	-
Other assets	4,325	-
Total Current Assets	<u>1,368,284</u>	<u>313,986</u>
Non-Current Assets		
Property and equipment, net	295,086	171,013
Total Non-Current Assets	<u>295,086</u>	<u>171,013</u>
Total Assets	<u>\$ 1,663,370</u>	<u>\$ 484,999</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Payroll liabilities	\$ 7,042	\$ 287
Deferred compensation payable	91,800	91,800
Total Current Liabilities	<u>98,842</u>	<u>92,087</u>
Long-Term Liabilities		
EIDL loan	26,402	27,400
PPP loan	-	1,000
Auto loan	18,383	-
Total Long-Term Liabilities	<u>44,785</u>	<u>28,400</u>
Total Liabilities	<u>143,628</u>	<u>120,487</u>
Net Assets		
With donor restrictions	579,161	12,500
Without donor restrictions	940,581	352,012
Total Net Assets	<u>1,519,742</u>	<u>364,512</u>
Total Liabilities And Net Assets	<u>\$ 1,663,370</u>	<u>\$ 484,999</u>

Plan A Health, Inc.
Statement of Activities
For the years ended Decemeber 31, 2021 and 2020

	2021	2020
Revenues		
Donated supplies and medicines	\$ 712,773	\$ 26,791
Individual Contributions	342,752	126,933
Board contributions	-	15,932
Foundation grants	340,000	292,220
Fiscal sponsor donations	-	27,500
Corporate contributions	164,445	40,050
Government assistance(state, local, federal)	98,529	1,000
Other income	1,076	23,115
Total Revenues	<u>1,659,575</u>	<u>553,541</u>
Gross Profit	<u>\$ 1,659,575</u>	<u>\$ 553,541</u>
Expenses		
Program services	446,132	95,795
Management and general	41,376	35,531
Fundraising	16,837	19,709
Total Expenses	<u>504,345</u>	<u>151,035</u>
Change In Net Assets	<u>\$ 1,155,230</u>	<u>\$ 402,506</u>
Net Assets Beginning of The Year	364,512	(37,994)
Net Assets End of The Year	<u><u>\$ 1,519,742</u></u>	<u><u>\$ 364,512</u></u>

Plan A Health, Inc.
Statement of Cash Flows
For the years ended Decemeber 31, 2021 and 2020

	2021	2020
Operating Activities:		
Change in net assets	\$ 1,155,230	\$ 402,506
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	31,182	-
Change in accounts receivable	(179,760)	(12,500)
Change in in-kind	(702,694)	-
Change in other assets	(4,324)	-
Change in payroll liabilities	6,755	287
Net Cash Provided By (Used In) Operating Activities	<u>306,389</u>	<u>390,293</u>
Investing Activities		
Fixed assets	(155,255)	(171,013)
Net Cash Flows Provided By (Used In) Investing Activities	<u>(155,255)</u>	<u>(171,013)</u>
Financing Activities		
Procceds from loans	18,383	28,400
Payments of loans	(1,998)	-
Net Cash Flows Provided By (Used In) Financing Activities	<u>16,385</u>	<u>28,400</u>
Net Change In Cash And Cash Equivalent During The Year	<u>167,519</u>	<u>247,680</u>
Cash and cash equivalent - beginning of the year	301,486	53,806
Cash And Cash Equivalent - End of The Year	<u>\$ 469,005</u>	<u>\$ 301,486</u>

Plan A Health, Inc.

Statement of Functional Expenses

For the years ended December 31, 2021 (with summarized information for the year ended December 31, 2020)

	Program Services	Supporting Services		2021 Total	2020 Total
		Management and general	Fundraising		
Operating Expenses					
Laboratory expenses	6,179	-	-	6,179	-
Travel	24,820	-	-	24,820	1,698
Clinic supplies	42,586	-	-	42,586	-
Insurance	-	13,650	-	13,650	5,198
Taxes & licenses	-	6,185	-	6,185	686
Telecommunications	-	2,462	-	2,462	346
Fundraising	-	-	1,237	1,237	1,497
Depreciation	31,182	-	-	31,182	-
Office Supplies & materials	9,805	-	-	9,805	3,388
Payroll expenses	277,844	15,600	15,600	309,044	121,199
Consultants and contractors	19,177	-	-	19,177	6,107
Legal & professional services	-	3,479	-	3,479	1,950
Advertising & marketing	20,053	-	-	20,053	95
Other expenses	6,939	-	-	6,939	7,257
Software	3,351	-	-	3,351	1,520
Carrier	4,196	-	-	4,196	94
Total Operating Expenses	\$ 446,132	\$ 41,376	\$ 16,837	\$ 504,345	\$ 151,035

Plan A Health, Inc.
Statement of Functional Expenses
For the year ended December 31, 2020

	Program Services	Supporting Services		2020 Total
		Management and general	Fundraising	
Operating Expenses				
Travel	1,698	-	-	1,698
Insurance	-	5,199	-	5,199
Rent and Lease	-	2,821	-	2,821
Office supplies & materials	3,000	-	-	3,000
Payroll expenses	84,990	18,212	18,212	121,414
Consultants and contractors	6,107	-	-	6,107
Legal & professional services	-	1,950	-	1,950
Other expenses	-	5,829	1,497	7,326
Software	-	1,520	-	1,520
Total Operating Expenses	\$ 95,795	\$ 35,531	\$ 19,709	\$ 151,035

Plan A Health
Notes to Financial Statements
December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which affect significant elements of the Organization's financial statements are described below to enhance the usefulness of the financial statements to the reader. The preparation 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 statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates; however, adherence to generally accepted accounting principles has, in management's opinion, resulted in reliable and consistent financial reporting by the Organization.

A. Operations and Nonprofit Status

Plan A Health is a Not-for-Profit entity that provides mobile clinics that bring health care directly to underserved communities, with an emphasis on improving sexual and reproductive health, which will serve all people, regardless of insurance status, income, or location, and ensure access to affordable, quality, and compassionate care.

The entity was incorporated as Plan A Health, Inc in 2018 and received nonprofit status under the provisions of the state of Delaware Nonprofit Corporation Act and qualified as a tax-exempt not-for profit corporation under Section 501(c)(3) of the Internal Revenue Code in 2020. Accordingly, contributions made to this Organization qualify for the maximum charitable deduction for Federal income tax purposes

B. Basis of Accounting

The Organization's policy is to maintain its books and prepare its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. Consequently, revenues and gains are recognized when earned and expenses and losses are recognized when a liability has been incurred.

Assets, liabilities, revenues, and expenses are recognized on the accrual basis of accounting.

C. Cash and Cash Equivalents

Cash and Cash Equivalents consist of cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes.

D. Financial Statement Presentation

As required by the FASB Accounting Standards Codification™, the Organization classifies its net assets based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes in net assets therein are classified and reported as follows:

Net Assets Without Donor Restrictions - consists of assets, public support and program revenues which are available and used for activities and programs. Net assets without donor restrictions represents the portion of net assets of the Organization that is not restricted by donor-imposed stipulations. Contributions are considered without restriction unless specifically restricted by the donor. In addition, net assets without donor restrictions may include funds which represent unrestricted resources designated by the Board of Directors for specific purposes.

Net Assets with Donor Restrictions - includes funds with donor-imposed restrictions which permit the donee organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization. Resources

of this nature originate from gifts, grants, bequests, and contracts, and may include investment income earned on restricted funds.

These may also include resources which have a permanent donor-imposed restriction which stipulates that the assets are to be maintained permanently but permits the Organization to expend part or all of the income derived from the donated assets. The entity doesn't have any restricted net assets.

E. Contributions and Grants Receivable

Contributions Receivables are classified as current if they are scheduled for receipt within one year, and non-current when the expected date of receipt exceeds one year. Unconditional promises to give that are expected to be collected within one year are reported at a net realizable value. Unconditional promises to give due in future years are initially valued at a discounted rate when such amounts are considered material. Management believes that these receivables are collectible, and therefore, no allowance for doubtful amounts has been established. If a receivable is determined to be uncollectible in subsequent periods, a provision will be established at that time. The Organization did not experience any loss on uncollectible receivables for the years presented.

F. Property and Equipment

The entity records all property and equipment at cost, if purchased (exceeding \$1,000), or if donated, at fair value on the date of receipt. Expenditures for maintenance, repairs and renewals are charged to expenses as incurred, whereas major betterments (exceeding \$1,000) are capitalized as additions to property and equipment. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, as expressed in terms of years.

Expenditures for land, building and equipment are recorded at cost. Donated assets and capitalized donated leases are recorded at their estimated fair market values at the date of donation. Depreciation expenses are calculated using the straight-line method and the following estimated useful lives:

Buildings and improvements	10-35 years
Furniture and equipment	3-10 years
Vehicles	3-5 years

Maintenance and repairs, which materially add to the value of the property or appreciably prolong its life, are recorded as an increase to the appropriate asset account. Plan A Health, Inc. capitalizes all fixed assets with a cost greater than or equal to \$1,000 and a useful life of at least three years, unless otherwise stipulated by a grant. When an asset is purchased through a grant, the grant's capitalization rules apply. Plan A Health, Inc. will conduct a regular inventory of fixed assets and maintain a central list of fixed assets which includes date of purchase, registration numbers, warranty information, original cost, and estimated life.

G. Contributions, Gifts and Grants

As required by the FASB Accounting Standards Codification™, contributions are required to be recorded as receivables and revenues and the Organization is required to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, securities, collection items or promises to give.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give—that is, those with a measurable performance or other barrier and right of return—are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved, when such amounts are considered material.

Support that is restricted by the donor is reported as an increase in net assets with donor restrictions until the restriction expires, at which time the assets are reclassified to net assets without donor restrictions. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

H. Functional Expenses

The Organization allocates its expenses on a functional basis among various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expense classification. Other expenses, such as Salaries and Related Expenses, Website and Computer Related Expenses, Office Expenses, and Occupancy, that are common to several functions are allocated based on salary dollars. Supporting services are those related to operating and managing the Organization and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Administrative - includes all activities related to the entity's internal management and accounting for program services.

Fundraising - includes all activities related to maintaining contributor information, writing grant proposals, direct mail solicitation, distribution of materials and other similar projects related to the procurement of funds.

The costs of providing programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program services and supporting services benefited. Such allocations are determined by management on an equitable basis.

I. Income Taxes

Plan A Health is organized as a Delaware nonprofit corporation and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and have been determined not to be private foundations under IRC Sections 509(a)(1) and (3), respectively. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. We have determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

J. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows: Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment. Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

K. Valuation of In-Kind Donations

Entities receiving contributions are to recognize them at the estimated fair value of the assets received. The estimated fair value of donations is based on the average wholesale value per item of donated product type as determined by an independent organization.

L. Recent Accounting Guidance

Recently Implemented Standards In May 2014, the FASB issued ASC Update No. 2014-09, (Topic 606) Revenue from Contracts with Customers. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. In August 2015, the FASB deferred the effective date of ASC Update No. 2014-09 by one year when it issued ASC Update No. 2015- 14, (Topic 606) Revenue from Contracts with Customers. This standard was adopted by the Organization effective January 1, 2019. The adoption of this standard did not result in a material change to the Organization's revenue balances.

In June 2018, the FASB issued ASC Update No. 2018-08, (Topic 958) Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This ASU provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The ASU also provides additional guidance to help determine whether a contribution is conditional or unconditional. This standard was adopted by the Organization effective January 1, 2019. This ASU provides organizations with the option of applying the clarified guidance in the initial year of implementation on a prospective basis; therefore, the Organization has not restated its 2018 revenue balances or opening net assets for the years presented.

2. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31, 2021:

	2021	2020
Clinic Vehicles	\$ 292,271	\$ 171,013
Vehicle	22,735	-
Clinic Medical Equipment	11,262	-
	<hr/>	<hr/>
	326,268	171,013
Less accumulated depreciation	(31,182)	-
	<hr/>	<hr/>
	\$ 295,086	\$ 171,013

3. GRANTS RECEIVABLE

Receivables consist of the following:

	2021	2020
Contributions Receivables	\$ 192,260	\$ 12,500
	<hr/>	<hr/>
	\$ 192,260	\$ 12,500

4. IN-KIND VALUATION

Details of the estimated in-kind value donations for the year ended December 31, 2021 are shown in the following table

	2021
Description	Total amount
In-Kind Supplies	\$148,533
In-Kind Medicines	554,161
	<u>\$702,694</u>

5. DESIGNATION AND RESTRICTIONS OF NET ASSETS

As of December 31, 2021, net assets consisted of the following balances:

	2021	2020
Net Assets with Donor Restrictions	\$579,161	\$12,500
Net Assets Without Donor Restrictions	940,581	338,539
	<u>\$1,519,742</u>	<u>\$351,039</u>

\$25,000 grant from the Women's Foundation of Mississippi, restricted to salary, administrative expenses, marketing, and supplies. \$ 554,161 donated prescription medicines provided by Direct Relief must be dispensed only to uninsured, low-income patients seeking care at your health center or clinic and cannot be billed to any third-party payer, including Medicare, Medicaid, or private insurance

6. DEBT

1) Economic Injury Disaster Loan

In June 2020, the Company received an Economic Injury Disaster Loan (EIDL) from the U.S. Small Business Administration (SBA) in the amount of \$27,700. The loan was made available by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is designed to help businesses who are struggling during the Coronavirus pandemic. Installment payments of \$119, including principal and interest at 2.75%, are set to begin in June 2021, with the balance of principal and interest payable in May 2050.

The minimum annual repayment requirements on this loan as of December 31, 2021 are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 1,428
2023	1,428
2024	1,428
2025	1,428
2026	1,428
Thereafter	19,262
	<u>\$ 26,402</u>

2) Auto Loan

In June 2021, the Company obtained a car Loan from Wilson Auto Group in the amount of \$23,548. Installment payments of \$392.47, including principal and interest at 5.19%, are set to begin in August 09, 2021, with the balance of principal and interest payable in 60 Monthly instalments.

The minimum annual repayment requirements on this loan as of December 31, 2021 are as follows:

<u>Years Ending December 31,</u>	
2022	\$ 4,710
2023	4,710
2024	4,710
2025	4,710
2026	4,710
Thereafter	-
	<hr/>
	\$ 23,548
	<hr/> <hr/>

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 27, 2022, which is the date the financial statements were available to be issued. The Company did not have any material recognizable subsequent events that would require adjustment to, or disclosure in, the financial statements.