

NADIA'S INITIATIVE, INC.
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018

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Independent Auditor's Report

To the Board of Directors of
Nadia's Initiative, Inc
Washington, D.C.

We have audited the accompanying financial statements of Nadia's Initiative, Inc, a non-profit organization, which comprise the statements of financial position as of December 31, 2018, 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 assessment of risk 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.

Independent Auditor's Report
Nadia's Initiative, Inc
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nadia's Initiative, Inc as of December 31, 2018, 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.

Jane Maruca & M^A Quade PA

Washington, D.C.
October 22, 2019

NADIA'S INITIATIVE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS

Cash	\$ 2,261,003
Grants receivable	205,941
Total Current Assets	<u>2,466,944</u>

NON-CURRENT ASSETS

Furniture and equipment, net	<u>4,435</u>
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TOTAL ASSETS

\$ 2,471,379

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 61,041
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NET ASSETS

Without donor restrictions	2,016,383
With donor restrictions	393,955
Total Net Assets	<u>2,410,338</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 2,471,379

The accompanying notes are an integral part of these financial statements.

NADIA'S INITIATIVE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Government grant	\$ 2,003,955	\$ 155,941	\$ 2,159,896
Corporate	44,588	62,000	106,588
Foundation	20,754	216,000	236,754
Individual contributions	126,823	-	126,823
In-kind contributions	3,066	-	3,066
Net assets released from restrictions	39,986	(39,986)	-
Total Revenue and Support	<u>2,239,172</u>	<u>393,955</u>	<u>2,633,127</u>
EXPENSES			
Program Services:			
Advocacy and government relations	80,034	-	80,034
Sinjar Action Fund	79,986	-	79,986
Total Program Services	<u>160,020</u>	<u>-</u>	<u>160,020</u>
Support Services:			
General and administrative	36,832	-	36,832
Fundraising	25,937	-	25,937
Total Support Services	<u>62,769</u>	<u>-</u>	<u>62,769</u>
Total Expenses	<u>222,789</u>	<u>-</u>	<u>222,789</u>
CHANGE IN NET ASSETS	2,016,383	393,955	2,410,338
NET ASSETS, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS, end of year	<u>\$ 2,016,383</u>	<u>\$ 393,955</u>	<u>\$ 2,410,338</u>

The accompanying notes are an integral part of these financial statements.

NADIA'S INITIATIVE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018

	PROGRAM SERVICES			SUPPORT SERVICES		
	Advocacy and Government Relations	Sinjar Action Fund	Total Programs	General and Administrative	Fundraising	Total
Advertising	\$ -	\$ -	\$ -	\$ 1,967	\$ -	\$ 1,967
Bank fees	-	66	66	1,195	-	1,261
Depreciation	209	-	209	27	-	236
Legal Fees	-	-	-	8,328	-	8,328
Licenses and fees	497	-	497	1,098	159	1,754
Meals	136	-	136	669	-	805
Partners - grant expense	-	65,030	65,030	-	-	65,030
Printing	-	-	-	158	-	158
Professional fees	33,340	7,350	40,690	23,140	15,090	78,920
Supplies	-	-	-	221	-	221
Telephone	1,713	-	1,713	-	-	1,713
Translation fees	4,790	-	4,790	-	-	4,790
Travel	39,349	7,540	46,889	29	10,688	57,606
Total Expenses	<u>\$ 80,034</u>	<u>\$ 79,986</u>	<u>\$ 160,020</u>	<u>\$ 36,832</u>	<u>\$ 25,937</u>	<u>\$ 222,789</u>

The accompanying notes are an integral part of these financial statements.

**NADIA'S INITIATIVE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 2,410,338
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities	
Depreciation	236
Decrease (increase) in assets:	
Accounts receivable	(205,941)
Increase (decrease) in liabilities:	
Accounts payable	61,041
Net Cash Provided for Operating Activities	<u>2,265,674</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of furniture and equipment	<u>(4,671)</u>
Net Cash Used for Investing Activities	<u>(4,671)</u>
NET INCREASE IN CASH	2,261,003
CASH, Beginning of year	<u>-</u>
CASH, End of year	<u><u>\$ 2,261,003</u></u>

The accompanying notes are an integral part of these financial statements.

NADIA'S INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE A – NATURE OF ORGANIZATION

Nadia's Initiative, Inc (the “Organization”) is a non-profit organization that was incorporated in the state of Delaware. The Organization’s mission is dedicated to rebuilding communities in crisis, advocating for victims of sexual violence, and working for a world free from genocide and sexual violence. The Organization challenges world leaders to act and to make “never again” a reality, not an empty promise. Words without action inflict the same harm and suffering as the perpetrators of mass atrocities and sexual violence.

Program Services

Advocacy and Government Relations

The Organization works to persuade governments and other organizations to support efforts to rebuild Sinjar – the Yazidi homeland destroyed by ISIS – and stand with victims of sexual violence. The Organization has been instrumental in pressing nation-states to formally recognize the Yazidi genocide. The Organization engages directly with world leaders and calls on them to issue public statements that emphasize their accountability under international law. In establishing new precedents, The Organization stands with all persecuted religious minorities targeted for genocide. By emphasizing accountability through international law, we advocate for peaceful reconciliation and the formal recognition of the rights of survivors everywhere.

The Organization helped pressure the United Nations Security Council to pass Resolution 2379 to open an investigation into the war crimes committed by ISIS against the Yazidi people. This team, the United Nations Investigation Team (UNITAD) is a significant step toward achieving justice for the Yazidi community.

The Organization has helped relocate hundreds of survivors of genocide and sexual violence to Canada, France, and Australia. The Organization has contributed to greater global awareness of sexual violence and the needs of its victims. In 2018, Nadia Murad was the co-recipient of the 2018 Nobel Peace Prize for her efforts to end the use of sexual violence as a weapon of war in armed conflict.

The Organization is dedicated to rebuilding communities in crisis and advocating globally for victims of violence. Much of Nadia Murad’s advocacy work is focused on meeting with global leaders to raise awareness of ISIS, their genocidal campaign against the Yazidi people, and its consequences. The Organization actively works to persuade governments and other organizations to financially support efforts to rebuild Sinjar – the Yazidi homeland destroyed by ISIS – and to support victims of sexual violence. The Organization challenges world leaders to act – to make “never again” a reality, not an empty promise. Words without action inflict the same harm and suffering as the perpetrators of mass atrocities and sexual violence.

NADIA'S INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)

NOTE A – NATURE OF ORGANIZATION – continued

Program Services – continued

The Organization believes the world must strive to act in a concerted humanitarian capacity, overcoming political and cultural divisions. A better future for women, children, and persecuted minorities is possible if global leaders consistently, and without reservation, prioritize clear humanitarian needs over politics and war.

Sinjar Action Fund

Established by the Organization, the purpose of Sinjar Action Fund (SAF) is to rebuild Sinjar, the Yazidi homeland, by providing long-term development assistance across multiple sectors. What little humanitarian aid has been allocated to the region has been primarily in the form of emergency assistance, making rebuilding impossible. The Status of Sinjar Report is the most comprehensive analysis of the region and provides a roadmap for rebuilding. The report provides an assessment of the following sectors: Livelihoods and Food Security, Shelter and Non-Food Items, Education, Health, Infrastructure and protection. In addition to providing a complete analysis of each sectors, the report is a virtual blueprint for rebuilding Sinjar. It identifies critical, concrete projects essential for redevelopment. The Organization is actively raising funds for the SAF, which is guided by the assessment. Nadia Murad seeded the fund by donating 100% of her Nobel Peace Prize award money. These contributions are important but only a starting point. Without commitments from the global community, communities will continue to suffer and regional prospects for lasting peace will degrade.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. Therefore, revenues and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic Not-for-Profit Entities. In accordance with the topic, the Organization is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, the net assets of the Organization and changes therein, are classified and reported as follows

NADIA'S INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Statement Presentation – continued

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed restrictions or stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met by either actions of the Organization and/or the passage of time, or that must be maintained permanently by the Organization. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions. Contributions received with donor restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collection of information and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. Management believes all grants, contributions and accounts receivable are fully collectible within one year or less; therefore, an allowance for uncollectible accounts was not established as of December 31, 2018.

Furniture and Equipment

Furniture and equipment are recorded at cost. Expenditures that extend the life of an asset are capitalized over \$500 while repairs and maintenance are expensed. Depreciation expense for furniture and equipment is provided on a straight-line basis over the estimated useful lives of the assets which is typically three years.

Revenue Recognition

Unconditional contributions and grants received are recorded as net assets with donor restrictions and net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions. Revenue is reported as an increase in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expirations of net assets with donor restrictions occur when the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed and are reported as reclassifications between the applicable classes of net assets.

NADIA'S INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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 amount 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.

In-Kind Contributions

In-kind contributions represent fixed assets and are recorded at fair value of the goods received. For the years ended December 31, 2018, the total amount recorded was \$3,066.

Methods Used for Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include office expenses, which are allocated based on related costs, which are determined on the effort expended.

Foreign Currency Translation

The U.S. dollar is the functional currency used in the preparation of the annual financial statements for the Organization. All assets and liabilities reported in foreign currencies at year-end have been translated to U.S. dollars using the exchange rate in effect at year-end.

NOTE C – INCOME TAXES

The Organization is a 501(c)(3) organization exempt from Federal income taxes under Section 501(a) of the Internal Revenue Code, except on unrelated business income. The Organization is not considered a private foundation. No provision for income taxes has been made in the accompanying financial statements.

The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

NADIA'S INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)

NOTE C – INCOME TAXES – continued

The Organization’s information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they are filed, except under certain circumstances

NOTE D – FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following at December 31, 2018:

Furniture	\$	3,066
Computers		1,605
		4,671
Less: accumulated depreciation		(236)
Furniture and Equipment, Net	\$	4,435

Depreciation expense totaled \$236 for the year ended December 31, 2018.

NOTE E – AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity requirements to ensure that an on-going operating needs and other contractual commitments are met. Timing of revenue receipts also ensures the availability of necessary operational funds. Sources of liquidity available to the Organization include financial assets consisting of cash and accounts receivable.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a budget and anticipates maintaining sufficient reserves to cover any budgeted losses. Timing of revenue receipt also ensures the availability of necessary operational funds. The Organization expects to expend all amounts with donor restrictions within the next year, accordingly, these amounts have not been reduced from total financial assets to arrive at total financial assets available to meet cash needs for general expenditures within one year.

Total financial assets held by the Organization and the amount of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures were as follows as of December 31, 2018:

Cash	\$	2,261,003
Accounts receivable		205,941
Total Financial Assets Available to Meet Cash Needs for General Expenditures within one Year		2,466,944

NADIA'S INITIATIVE, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018
(continued)

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions for Sinjar Action fund totaled \$393,955 of December 31, 2018.

NOTE G – RELATED PARTY TRANSACTIONS

A board member of Nadia's Initiative provided consultancy services using her firm, Uncommon Union. For the year ended December 31, 2018, a total of \$20,000 was paid for these services.

NOTE H – SUBSEQUENT EVENTS

In preparing these financial statements, the Organization's management has evaluated events and transactions for potential recognition or disclosure through October 22, 2019 the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.