

NADIA'S INITIATIVE, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2021

NADIA'S INITIATIVE, INC.

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the Nadia's Initiative, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses 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 the Organization as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 the Organization'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 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 the Organization'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 the Organization'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.

HAN GROUP LLC

HAN GROUP LLC
Washington, DC
June 15, 2022

NADIA'S INITIATIVE, INC.
Statement of Financial Position
December 31, 2021

Assets	
Cash	\$ 2,790,215
Contributions and grants receivable	1,921,302
Investments	5,867,409
Prepaid expenses	6,084
Property and equipment, net	<u>424</u>
Total assets	<u>\$ 10,585,434</u>
Liabilities and Net Assets	
Liabilities	
Accounts payable and accrued expenses	\$ 26,546
Grants payable	1,492,541
Paycheck Protection Program forgivable loan payable	<u>49,217</u>
Total liabilities	<u>1,568,304</u>
Net Assets	
Without donor restrictions	7,590,599
With donor restrictions	<u>1,426,531</u>
Total net assets	<u>9,017,130</u>
Total liabilities and net assets	<u>\$ 10,585,434</u>

See accompanying notes.

NADIA'S INITIATIVE, INC.
Statement of Activities
Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions and grants	\$ 1,468,497	\$ 4,153,084	\$ 5,621,581
Donated stocks	1,493,250	-	1,493,250
Net investment loss	(124,894)	-	(124,894)
Foreign currency translation loss	(30,028)	-	(30,028)
Gain on extinguishment of debt	44,403	-	44,403
Net assets released from restrictions:			
Satisfaction of purpose restrictions	4,295,467	(4,295,467)	-
Total revenue and support	7,146,695	(142,383)	7,004,312
Expenses			
Program services:			
Program focus areas	3,437,642	-	3,437,642
Advocacy	285,406	-	285,406
Total program services	3,723,048	-	3,723,048
Supporting services:			
General and administrative	190,763	-	190,763
Fundraising	72,919	-	72,919
Total supporting services	263,682	-	263,682
Total expenses	3,986,730	-	3,986,730
Change in Net Assets	3,159,965	(142,383)	3,017,582
Net Assets, beginning of year	4,430,634	1,568,914	5,999,548
Net Assets, end of year	\$ 7,590,599	\$ 1,426,531	\$ 9,017,130

See accompanying notes.

NADIA'S INITIATIVE, INC.
Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services			Supporting Services			Total
	Program Focus Areas	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Support Services	
Partners – grants and contracts	\$ 3,036,603	\$ -	\$ 3,036,603	\$ -	\$ -	\$ -	\$ 3,036,603
Salaries and related expenses	273,948	157,032	430,980	46,590	50,009	96,599	527,579
Travel	20,367	73,138	93,505	553	9,898	10,451	103,956
Professional fees	43,857	22,586	66,443	60,120	3,912	64,032	130,475
Bad debt expense	-	-	-	62,257	-	62,257	62,257
Supplies	27,844	8,637	36,481	3,851	1,665	5,516	41,997
Photography and videography	5,362	10,625	15,987	-	-	-	15,987
Telephone	10,192	2,954	13,146	978	860	1,838	14,984
Licenses and fees	145	2,890	3,035	5,351	5,226	10,577	13,612
Meals	10,282	-	10,282	-	76	76	10,358
Bank fees	-	-	-	8,856	-	8,856	8,856
Printing and promotions	1,690	6,994	8,684	254	1,270	1,524	10,208
Occupancy	5,550	-	5,550	-	-	-	5,550
Depreciation	-	-	-	1,390	-	1,390	1,390
Other expenses	1,802	550	2,352	563	3	566	2,918
Total expenses	\$ 3,437,642	\$ 285,406	\$ 3,723,048	\$ 190,763	\$ 72,919	\$ 263,682	\$ 3,986,730

See accompanying notes.

NADIA'S INITIATIVE, INC.
Statement of Cash Flows
Year Ended December 31, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ 3,017,582
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Donated stocks	(1,493,250)
Net realized and unrealized loss on investments	125,174
Loss on uncollectible receivables	62,257
Foreign currency translation loss	30,028
Depreciation	1,390
Gain on extinguishment of debt	(44,403)
Change in operating assets and liabilities:	
Contributions and grants receivable	(498,519)
Prepaid expenses	(2,833)
Accounts payable and accrued expenses	17,308
Grants payable	21,371
	<hr/>
Net cash provided by operating activities	1,236,105
Cash Flows from Investing Activities	
Proceeds from sales of investments	389,044
Purchases of investments	(389,066)
Proceeds from sale of property and equipment	500
	<hr/>
Net cash provided by investing activities	478
Cash Flows from Financing Activities	
Borrowing on PPP loan	49,217
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Net cash provided by financing activities	49,217
Net Increase in Cash	1,285,800
Cash, beginning of year	1,504,415
	<hr/>
Cash, end of year	<u>\$ 2,790,215</u>

See accompanying notes.

1. Nature of Operations

Nadia's Initiative, Inc. (the Organization) is a non-profit organization that was incorporated in the state of Delaware. The Organization is on a mission to create a world where women are able to live peacefully and where communities that have experienced trauma and suffering are supported and redeveloped. The Organization advocates — at the local, national, and international levels — for resources and policy changes needed to protect and support survivors of sexual violence and rebuild communities in crisis. The Organization collaborates with global leaders, governments, and international organizations to raise awareness and direct critical funding necessary to making positive, meaningful change.

Program Services

For decades, the Yazidi community in Sinjar, Iraq has suffered from resource deprivation, inadequate service provision, forced land removals, and underrepresentation in the region's local governance and security forces. This targeted marginalization by the Iraqi state left them vulnerable to ISIS' attacks in 2014, which destroyed 80% of Sinjar's public and private infrastructure.

The Organization is working to sustainably rebuild Sinjar by laying the foundations for the community to not only survive but thrive. In line with a grassroots approach to sustainable development, the Organization works with the local community and a variety of implementing partners to design, support, and implement projects that promote the restoration and improvement of education, healthcare, livelihoods, WASH (water, sanitation, and hygiene), women's empowerment, and cultural preservation. All of the Organization's programs are community-driven and survivor-centric, aiming to foster long-term peacebuilding in the region and reduce the community's reliance on foreign aid.

Program Focus Areas

1) *Health* – The healthcare sector in Sinjar was in a beleaguered state prior to ISIS' invasion, with few specialized doctors and services available to residents. Since the destruction in 2014, hospitals have had to rely heavily on support from international organizations to provide basic care. The Organization is working to improve the region's healthcare sector by rebuilding hospitals and primary health centers, providing them with critical supplies, furniture, and medical equipment, and training specialized staff to provide survivor-centered, trauma-informed care. Improving the region's healthcare reduces the community's long-term vulnerability.

2) *Education* – Access to quality education is critical to empowering marginalized communities to build better futures. Sinjar's education sector has long suffered neglect, with dilapidated school buildings and a severe lack of teachers resulting in students receiving infrequent, inadequate education in unsafe environments. The Organization is improving education in Sinjar by rebuilding and furnishing primary, middle, and secondary schools, providing students with school supplies, investing in early childhood and post-secondary education, and constructing school libraries throughout the region. Ensuring access to quality education facilitates the healing process for children who have survived conflict and protracted displacement.

1. **Nature of Operations (continued)**

Program Services (continued)

Program Focus Areas (continued)

3) *Livelihoods* – Sinjar has historically been a farming region – 75% of its pre-2014 income was based in agriculture. ISIS attempted to destroy the community's livelihoods by burning down farms, polluting boreholes, and stealing and vandalizing farming equipment, all of which threaten the region's food security. Roads and electrical networks were also destroyed during years of fighting to liberate the region. Small business owners in Sinjar have struggled greatly to resume their livelihoods in the aftermath of such extensive destruction. The Organization is restoring the region's commerce, transportation, and trade by holistically rebuilding farmlands, supporting small business owners, constructing new roads and public works, and restoring electrical networks.

4) *WASH* – Access to clean water is a basic human right, yet it is a rare resource in a water scarce region like Sinjar. Returnees to Sinjar must grapple with destroyed and polluted water, sanitation, and hygiene (WASH) infrastructure. Few can afford to purchase bottled water. Many face severe health issues resulting from consuming contaminated water. To counter this, the Organization is rebuilding the WASH infrastructure in villages, schools, clinics, and farms throughout Sinjar. Reconstruction work is complemented by water management trainings and hygiene awareness sessions aimed at empowering the community to independently manage their own water sources and lead healthier lives.

5) *Women's Empowerment* – Women in Sinjar have experienced immense trauma and suffering yet are often neglected in the region's redevelopment initiatives. Many long for opportunities to gain economic independence, provide for their families, and become active leaders in their communities. The Organization designs survivor-centric women's empowerment programs aimed at addressing the needs of women and girls in Sinjar by providing them with small business trainings and grants, rehabilitating their farmlands, rebuilding their homes, and empowering them to become advocates for change within their communities.

6) *Culture* – For centuries, Yazidis have been targeted for their unique religious beliefs. ISIS' destruction of Yazidi sites of worship was the latest in a long line of genocidal campaigns against the community. Providing Yazidis with safe spaces to worship and sites of remembrance is critical to the community's healing and social cohesion. The Organization restores Yazidi temples with input from clergy, activists, and local families charged with guardianship of the shrines. We construct cemeteries and memorials to honor those who were killed and preserve the history of the community.

Advocacy

The Organization advocates — at the local, national, and international levels — for resources and policy changes needed to protect and support survivors of sexual violence and rebuild communities in crisis. The Organization collaborates with global leaders, governments, and international organizations to raise awareness and direct critical funding necessary to making positive, meaningful change.

Gender Equality – The Organization advocate for global gender equality, an end to violence against women, and the provision of reparations to survivors of sexual violence.

1. **Nature of Operations (continued)**

Program Services (continued)

Advocacy (continued)

Justice – The Organization advocates for judicial accountability of ISIS perpetrators of crimes against humanity, war crimes, and genocide.

Security – The Organization advocates for national governments and the United Nations to work collectively and comprehensively to improve security and local governance in Northern Iraq.

Genocide Prevention – The Organization advocates for genocide awareness and prevention, including the formal recognition of the Yazidi genocide by nation states and international bodies.

2. **Summary of Significant Accounting Policies**

Basis of Accounting and Presentation

The accompanying 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). Consequently, revenue is recognized when earned and expenses are recognized as incurred.

Investments

Investments are measured at fair value and are composed of cash and money market funds, government securities, and stocks. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Interest, dividends and realized and unrealized gains or losses are recorded as investment income when earned. Investment income or loss is presented net of investment management fees on the accompanying statement of activities. Cash or money market funds held in the investment portfolios are included in investments on the accompanying statement of financial position.

Property and Equipment

Property and equipment over \$5,000 with a projected useful life exceeding one year are capitalized and recorded at cost or fair value at date of contribution. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Expenditures for minor and routine repairs and maintenance are expensed as incurred. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expense.

2. Summary of Significant Accounting Policies (continued)

Grants Payable

Grants payable represents amounts due to various organizations for program support at December 31, 2021. The Organization records a liability for grants when the commitments have been made and the grants conditions have been met by the grantees. Conversely, amounts paid in advance to the grantees which are to be returned to the Organization if grant conditions are not met are recorded as advances to grantees. At December 31, 2021, all grants were payable within one year. There were no advances to grantees at December 31, 2021.

Classification of Net Assets

- *Net Assets Without Donor Restrictions* represent funds that are not subject to donor-imposed stipulations and are available for support of the Organization's general operations.
- *Net Assets With Donor Restrictions* represent funds that are subject to donor-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 that resources be maintained in perpetuity. The Organization did not have any donor-imposed restrictions which are perpetual in nature at December 31, 2021.

Revenue Recognition

Contributions and Grants

Unconditional contributions and grants are recognized upon notification of the award and are reported as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. Contributions and grants with donor-imposed restrictions are reclassified to net assets without donor restrictions when those restrictions are met, only to the extent of actual expenses in compliance with the donor-imposed restrictions and for the expiration of donor-imposed time restrictions. These reclassifications are reported on the accompanying statement of activities as net assets released from restrictions.

Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are recognized in revenue once the conditions on which they depend have been met. Amounts received in advance of the conditions being met are recorded as refundable advances. The Organization did not have any conditional contributions or grants at December 31, 2021.

Donated Stocks

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair market values at the date of the donation.

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Paycheck Protection Program Forgivable Loans

The Organization received a first draw Small Business Administration (SBA), Paycheck Protection Program (PPP) forgivable loan in May 2020 for the amount of \$44,403. The loan carried an interest rate of 1% per annum, had a two-year repayment period and was unsecured. In addition, there was a deferral of the repayment of the loans for up to ten months after the end of the covered period. The Organization's policy is to account for the PPP forgivable loan as debt.

In April 2021, the full amount of the PPP forgivable loan first draw was forgiven under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Accordingly, this amount is presented as gain on extinguishment of debt on the accompanying statement of activities.

In addition, the Organization received the second draw of the SBA, PPP forgivable loan in February 2021 for \$49,217 as described in Note 9, *Paycheck Protection Plan Forgivable Loan*.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis on the accompanying statement of activities. The statement of functional expenses presents expenses by function and natural classification. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities that benefit both its program objectives as well as supporting services. These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited based on the distribution of labor. Expenses allocated include salaries and related expenses, supplies, and telephone.

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.

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 certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of Significant Accounting Policies (continued)

Pending Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for non-public entities for fiscal years beginning after December 15, 2021.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The core principles of ASU 2020-07 address the measurement of nonfinancial contributions and increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The amendments in the update are to be applied on a retrospective basis. ASU 2020-07 is effective for non-public entities for fiscal years beginning after June 15, 2021. Management is currently evaluating the impact of ASU 2016-02 and ASU 2020-07 on the Organization's financial statements.

3. Concentrations

Financial instruments, which potentially subject the Organization to a concentration of credit risk, consist principally of cash balances maintained at various creditworthy financial institutions. While the amount at a given bank at times exceeds the amount guaranteed by the Federal Deposit Insurance Corporation (FDIC) and, therefore, bears some risk, the Organization has not experienced, nor does it anticipate, any losses on its funds.

In addition, the Organization invests in a professionally managed investment portfolio that is exposed to various risks such as market volatility and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in the near term could materially affect investment balances and the amounts reported in the financial statements.

During the year ended December 31, 2021, revenue from three sources accounted for approximately 70% of the Organization's revenue and support. Receivables due from three sources comprise approximately 84% of total receivables at December 31, 2021.

4. Contributions and Grants Receivable

Contributions and grants receivable are due as follows at December 31, 2021:

Receivable in less than one year	\$ 1,618,388
Receivable in one to five years	<u>302,914</u>
Total grants and contributions receivable	<u><u>\$ 1,921,302</u></u>

The Organization has not recorded an allowance for uncollectible accounts, as management believes all amounts are fully collectible. In addition, a present value discount for contributions receivable due in over one year has not been recorded due to immateriality.

5. Investments

Investments consist of the following at December 31, 2021:

Cash and money market	\$ 389,821
Stocks	3,684,803
Government securities	<u>1,792,785</u>
Total investments	<u>\$ 5,867,409</u>

6. Fair Value Measurements

Accounting Standard Codification (ASC) Topic 820, *Fair Value Measurement*, defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosures about fair value measurements. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement and, therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In order to increase consistency and comparability in fair value measurements, ASC Topic 820 established a fair value hierarchy based upon the transparency of the inputs to the valuation of an asset or liability. The three levels of the fair value hierarchy are described as follows:

- *Level 1* – Based on unadjusted, quoted market prices in active markets for identical assets or liabilities accessible at the measurement date.
- *Level 2* – Based on inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly, such as quoted prices for similar assets or liabilities in active markets.
- *Level 3* – Based on unobservable inputs for the asset or liability, including the reporting entity's own assumptions in determining fair value.

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 389,821	\$ -	\$ -	\$ 389,821
Stocks	3,684,803	-	-	3,684,803
Government securities	<u>1,792,785</u>	<u>-</u>	<u>-</u>	<u>1,792,785</u>
Total investments at fair value	<u>\$ 5,867,409</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,867,409</u>

7. Property and Equipment

The Organization held the following property and equipment at December 31, 2021:

Furniture and equipment	\$ 5,341
Total property and equipment	5,341
Less: accumulated depreciation	<u>(4,917)</u>
Property and equipment, net	<u>\$ 424</u>

8. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use within one year. All financial assets listed below are considered to be convertible to cash within one year.

Financial Assets:	
Cash	\$ 2,790,215
Contributions and grants receivable, current	1,618,388
Investment	<u>5,867,409</u>
Total financial assets	10,276,012
Less: Donor-imposed restrictions on the financial assets	<u>(1,123,617)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 9,152,395</u>

The Organization's policy is to structure financial assets to become available as general expenditures, liabilities and other obligations become due, operating within a prudent range of financial soundness and stability while maintaining and monitoring reserves to provide reasonable assurance that long-term program goals with donor restrictions will continue to be met.

9. Paycheck Protection Program Forgivable Loan

The Organization received its second draw of the SBA, PPP forgivable loan in February 2021. The loan has the potential to be forgiven in part or in its entirety if it is used for approved expenditures and if certain other requirements are met, in accordance with the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. It is the Organization's intent to meet these requirements for the full balance of the loan.

The Organization's policy is to account for the PPP forgivable loan as a note payable until such time as it is forgiven by the lender. Once forgiven, the note payable will be relieved, and a gain on extinguishment of debt will be recorded for the amount forgiven. Any amount not forgiven will be required to be repaid in twenty-four monthly installments once the deferment period of up to ten months from the end of the covered period ends.

9. Paycheck Protection Program Forgivable Loan (continued)

The balance due on the note was \$49,217 at December 31, 2021, and is presented as notes payable on the accompanying statement of financial position. The loan carries an interest rate of 1% per annum, has a repayment term of two years, and is unsecured. Annual maturities of the note payable, are as follows for the years ending December 31:

2021	\$	14,354
2022		24,609
2023		<u>10,254</u>
Total loan payable	\$	<u><u>49,217</u></u>

10. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2021:

Subject to the passage of time:	\$	884,449
Subject to expenditure for specific purposes:		
Women's Empowerment		436,624
Livelihoods		<u>105,458</u>
Total net assets with donor restrictions	\$	<u><u>1,426,531</u></u>

During the year ended December 31, 2021, releases from net assets with donor restrictions were for the following:

Satisfaction of purpose restrictions:		
Women's Empowerment	\$	2,447,798
WASH		1,000,000
Education		332,768
Sinjar Programs Support		177,404
Cultural Preservation		159,969
Healthcare		129,079
Capacity Building		33,750
Livelihoods		9,542
Advocacy		<u>5,157</u>
Total net assets released from restrictions	\$	<u><u>4,295,467</u></u>

11. Retirement Plan

The Organization maintains a 403(b) deferral retirement plan (the Plan) for all eligible employees. There were no contributions by the Organization to the Plan during the year ended December 31, 2021.

12. Related Party Transactions

The Organization received stock donations valued at \$1,493,250 from a board member during the year ended December 31, 2021.

13. Income Taxes

Under Section 501(c)(3) of the Internal Revenue Code, the Organization is a nonprofit organization and is exempt from federal taxes on income other than net unrelated business income. No provision for federal or state income taxes is required for the year ended December 31, 2021, as the Organization had no taxable net unrelated business income.

The Organization follows the authoritative guidance relating to accounting for uncertainty in income taxes included in ASC Topic 740-10, *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribe a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expenses.

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2021 and determined that there were no matters that would require recognition in the financial statements or that may have any effect on its tax-exempt status. The statute of limitations generally remains open for three tax years with the U.S. federal jurisdiction or the various states and local jurisdictions in which the Organization files tax returns.

14. Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 15, 2022, the date the financial statements were available to be issued. There were no subsequent events that require recognition of, or disclosure in, the financial statements, other than as noted in the following paragraph.

In January 2022, the Organization received forgiveness for the full amount due on the PPP forgivable loan received from the SBA as disclosed in Note 9, *Paycheck Protection Plan Forgivable Loan*. There are no further requirements regarding this funding and the Organization intends to record the amount forgiven as gain on extinguishment of debt during the year ending December 31, 2022.