

# NADIA'S INITIATIVE, INC.

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

December 31, 2022

(With Summarized Comparative Information for the Year Ended 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 Nadia's Initiative, Inc. (the Organization), which comprise the statement of financial position as of December 31, 2022, 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, 2022, and the changes in 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.

### Adoption of New Accounting Standard

As disclosed in Note 2 to the financial statements, the Organization adopted Accounting Standard Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

### 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.

## Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 15, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



HAN GROUP LLC  
Washington, DC  
July 30, 2023

**NADIA'S INITIATIVE, INC.**  
Statement of Financial Position  
December 31, 2022  
(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,837,146	\$ 2,790,215
Contributions receivable	1,244,525	1,921,302
Investments	3,336,599	5,867,409
Prepaid expenses	3,014	6,084
Property and equipment, net	<u>281,609</u>	<u>424</u>
Total assets	<u><u>\$ 6,702,893</u></u>	<u><u>\$ 10,585,434</u></u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 149,967	\$ 26,546
Grants payable	209,421	1,492,541
Paycheck Protection Program forgivable loan payable	<u>-</u>	<u>49,217</u>
Total liabilities	<u>359,388</u>	<u>1,568,304</u>
<b>Net Assets</b>		
Without donor restrictions	4,907,796	7,590,599
With donor restrictions	<u>1,435,709</u>	<u>1,426,531</u>
Total net assets	<u>6,343,505</u>	<u>9,017,130</u>
Total liabilities and net assets	<u><u>\$ 6,702,893</u></u>	<u><u>\$ 10,585,434</u></u>

See accompanying notes.

**NADIA'S INITIATIVE, INC.**  
Statement of Activities  
Year Ended December 31, 2022  
(With Summarized Comparative Information for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenue and Support</b>				
Contributions of cash and other financial assets	\$ 382,554	\$ 2,133,848	\$ 2,516,402	\$ 7,114,831
Contributions of nonfinancial assets	48,316	-	48,316	-
Forgiveness of debt	49,217	-	49,217	44,403
Foreign currency translation gain (loss)	8,083	-	8,083	(30,028)
Net investment loss	(2,527,158)	-	(2,527,158)	(124,894)
Other income	2,010	-	2,010	-
Net assets released from restrictions:				
Expiration of time restrictions	66,916	(66,916)	-	-
Satisfaction of purpose restrictions	2,057,754	(2,057,754)	-	-
<b>Total revenue and support</b>	<b>87,692</b>	<b>9,178</b>	<b>96,870</b>	<b>7,004,312</b>
<b>Expenses</b>				
Program services:				
Program focus areas	1,837,338	-	1,837,338	3,437,642
Advocacy	686,243	-	686,243	285,406
<b>Total program services</b>	<b>2,523,581</b>	<b>-</b>	<b>2,523,581</b>	<b>3,723,048</b>
Supporting services:				
General and administrative	161,339	-	161,339	190,763
Fundraising	85,575	-	85,575	72,919
<b>Total supporting services</b>	<b>246,914</b>	<b>-</b>	<b>246,914</b>	<b>263,682</b>
<b>Total expenses</b>	<b>2,770,495</b>	<b>-</b>	<b>2,770,495</b>	<b>3,986,730</b>
<b>Change in Net Assets</b>	<b>(2,682,803)</b>	<b>9,178</b>	<b>(2,673,625)</b>	<b>3,017,582</b>
<b>Net Assets, beginning of year</b>	<b>7,590,599</b>	<b>1,426,531</b>	<b>9,017,130</b>	<b>5,999,548</b>
<b>Net Assets, end of year</b>	<b>\$ 4,907,796</b>	<b>\$ 1,435,709</b>	<b>\$ 6,343,505</b>	<b>\$ 9,017,130</b>

See accompanying notes.

**NADIA'S INITIATIVE, INC.**

Statement of Functional Expenses

Year Ended December 31, 2022

(With Summarized Comparative Information for 2021)

	2022						2021	
	Program Services			Supporting Services			Total	Total
	Program Focus Areas	Advocacy	Total Program Services	General and Administrative	Fundraising	Total Support Services		
Partners – grants and contracts	\$ 1,231,971	\$ -	\$ 1,231,971	\$ -	\$ -	\$ -	\$ 1,231,971	\$ 3,036,603
Salaries and related expenses	410,843	254,777	665,620	33,760	53,014	86,774	752,394	527,579
Professional fees	78,988	236,095	315,083	94,418	19,554	113,972	429,055	130,475
Travel	26,321	134,464	160,785	1,164	1,736	2,900	163,685	103,956
Printing and promotions	7,337	23,516	30,853	1,480	339	1,819	32,672	10,208
Photography and videography	1,214	22,733	23,947	3,722	-	3,722	27,669	15,987
Licenses and fees	6,392	4,625	11,017	4,896	9,147	14,043	25,060	13,612
Meals	21,276	591	21,867	163	297	460	22,327	10,358
Telephone	14,268	5,297	19,565	491	280	771	20,336	14,984
Supplies	10,460	2,373	12,833	6,505	410	6,915	19,748	41,997
Occupancy	13,951	-	13,951	-	-	-	13,951	5,550
Bank fees	-	-	-	9,091	-	9,091	9,091	8,856
Depreciation	6,190	-	6,190	424	-	424	6,614	1,390
Bad debt expense	-	-	-	-	-	-	-	62,257
Other expenses	8,127	1,772	9,899	5,225	798	6,023	15,922	2,918
<b>Total expenses</b>	<b>\$ 1,837,338</b>	<b>\$ 686,243</b>	<b>\$ 2,523,581</b>	<b>\$ 161,339</b>	<b>\$ 85,575</b>	<b>\$ 246,914</b>	<b>\$ 2,770,495</b>	<b>\$ 3,986,730</b>

See accompanying notes.

**NADIA'S INITIATIVE, INC.**  
Statement of Cash Flows  
Year Ended December 31, 2022  
(With Summarized Comparative Information for 2021)

	<u>2022</u>	<u>2021</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (2,673,625)	\$ 3,017,582
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Donated stocks	-	(1,493,250)
Net realized and unrealized loss on investments	2,680,605	125,174
Depreciation	6,614	1,390
Contributed property and equipment	(48,316)	-
Forgiveness of debt	(49,217)	(44,403)
Foreign currency translation (gain) loss	(8,083)	30,028
Loss on uncollectible receivables	-	62,257
Change in operating assets and liabilities:		
Contributions receivable	684,860	(498,519)
Prepaid expenses	3,070	(2,833)
Accounts payable and accrued expenses	123,421	17,308
Grants payable	(1,283,120)	21,371
Net cash (used in) provided by operating activities	<u>(563,791)</u>	<u>1,236,105</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of investments	1,851,808	389,044
Purchases of investments	(2,001,603)	(389,066)
Purchases of property and equipment	(117,300)	500
Cash paid for construction in progress	(122,183)	-
Net cash (used in) provided by investing activities	<u>(389,278)</u>	<u>478</u>
<b>Cash Flows from Financing Activities</b>		
Borrowing on PPP loan	-	49,217
Net cash provided by financing activities	<u>-</u>	<u>49,217</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(953,069)	1,285,800
<b>Cash and Cash Equivalents, beginning of year</b>	<u>2,790,215</u>	<u>1,504,415</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 1,837,146</u>	<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 advocates 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.

Adoption of New Accounting Standard

*Contributed Nonfinancial Assets*

Effective January 1, 2022, the Organization adopted Accounting Standard Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires an organization to present contributions of nonfinancial assets as a separate line item apart from contributions of cash or other financial assets on the statement of activities. Additionally, the categories of recognized contributed nonfinancial assets, how the services were utilized, and the valuation techniques and inputs used to arrive at a fair value measure are disclosed. The Organization adopted ASU 2020-07 on a retrospective basis. The presentation and disclosures of contributed nonfinancial assets have been enhanced in accordance with the standards

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts, and all highly liquid investments with initial maturities of three months or less.

## 2. Summary of Significant Accounting Policies (continued)

### Contributions Receivable

Contributions receivable represent amounts due from the Organization's various contributors and are recorded at their net present realizable value. Management provides for probably uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that remain outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction in the receivable.

### Investments

Investments are measured at fair value and are composed of cash and money market funds, government securities, stocks, and municipal bonds. 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 and 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.

### Grants Payable

Grants payable represent amounts due to various organizations for program support. The Organization records a liability for grants when the commitments have been made and the grant 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, 2022, all grants were payable within one year. There were no advances to grantees or unrecorded conditional grants made at December 31, 2022.

### 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)

### 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, 2022.

### Revenue Recognition

#### *Contributions*

Unconditional contributions 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 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 recognized in revenue that have not been received are included in contributions receivables. Conversely, amounts received in advance of the conditions being met are recorded as refundable advances. The Organization did not have any refundable advance related to conditional contributions at December 31, 2022. In addition, the Organization had \$57,554 in unrecognized conditional awards at December 31, 2022 which are expected to be recognized in the upcoming year.

#### *Contributed Nonfinancial Assets*

Contributions of nonfinancial assets are recognized as revenue and support on the accompanying statement of activities at the estimated fair value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

## 2. Summary of Significant Accounting Policies (continued)

### Revenue Recognition (continued)

#### *Paycheck Protection Program Forgivable Loans*

The Organization received a second draw of the Small Business Administration (SBA), Paycheck Protection Program (PPP) forgivable loan in February 2021 for the amount of \$49,217. 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 January 2022, the full amount of the PPP forgivable loan second draw was forgiven under the provisions of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Accordingly, this amount is presented as forgiveness of debt on the accompanying statement of activities.

### 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 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 monetary assets and liabilities denominated in foreign currencies are translated into U.S. Dollars using the exchange rate in effect at the statement of financial position date.

### Summarized Comparative Information

The accompanying financial statements are presented with certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

### Reclassification

Certain 2021 amounts have been reclassified to conform to the 2022 financial statement presentation.

### 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, 2022, revenue from four sources accounted for approximately 52% of the Organization's revenue and support. Receivables due from three sources comprise approximately 72% of total receivables at December 31, 2022.

### 4. Contributions Receivable

Contributions receivable are due as follows at December 31, 2022:

Receivable in less than one year	\$ 988,130
Receivable in one to five years	<u>256,395</u>
Total grants and contributions receivable	<u>\$ 1,244,525</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, 2022:

Cash and money market	\$ 6,463
Government securities	1,525,558
Stocks	1,184,835
Municipal bonds	<u>619,743</u>
Total investments	<u>\$ 3,336,599</u>

## 6. Fair Value Measurements

The three levels of the fair value hierarchy for recurring fair value measurements are prioritized based on the inputs to valuation techniques used to measure fair value and are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2: Inputs to the valuation methodology include (1) quoted prices for similar assets or liabilities in active markets; (2) quoted prices for identical or similar assets or liabilities in inactive markets; (3) inputs other than quoted prices that are observable for the asset or liability; and (4) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following is a summary of input levels used to determine fair values, measured on a recurring basis, of investments at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Cash and money market	\$ 6,463	\$ -	\$ -	\$ 6,463
Government securities	1,525,558	-	-	1,525,558
Stocks	1,184,835	-	-	1,184,835
Municipal bonds	619,743	-	-	619,743
Total investments at fair value	<u>\$ 3,336,599</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,336,599</u>

## 7. Property and Equipment

The Organization held the following property and equipment at December 31, 2022:

Land	\$ 128,466
Construction in progress	122,183
Vehicle	37,150
Computers	4,087
Furniture	<u>1,254</u>
Total property and equipment	293,140
Less: accumulated depreciation	<u>(11,531)</u>
Property and equipment, net	<u>\$ 281,609</u>

## 8. Liquidity and Availability of Resources

The following schedule reflects the Organization's financial assets as of December 31, 2022, 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	\$ 1,837,146
Contributions receivable, current	988,130
Investments	<u>3,336,599</u>
Total financial assets	6,161,875
Less: Donor-imposed restrictions on the financial assets	<u>(1,321,827)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,840,048</u></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. Contributions of Nonfinancial Assets

The following table summarizes the Organization's contributed nonfinancial assets received by major category for the year ended December 31, 2022:

	<u>Revenue Recognized</u>	<u>Usage in Programs/ Activities</u>	<u>Donor Restrictions</u>	<u>Fair Value Techniques and Inputs</u>
Vehicle	\$ 37,150	\$ 37,150	None	Cost of purchase by the donor (donor donated new vehicle)
Land	<u>11,166</u>	<u>11,166</u>	None	Based on an appraisal
Total contributed nonfinancial assets	<u><u>\$ 48,316</u></u>	<u><u>\$ 48,316</u></u>		

## 10. Net Assets With Donor Restrictions

Net assets with donor restrictions were restricted for the following at December 31, 2022:

Subject to the passage of time:	\$ 113,882
Subject to expenditure for specific purposes:	
Women's Empowerment	991,115
Health	291,693
Livelihoods	39,019
	<hr/>
Total net assets with donor restrictions	<u>\$ 1,435,709</u>

During the year ended December 31, 2022, releases from net assets with donor restrictions were for the following:

Expiration of time:	\$ 66,916
Satisfaction of purpose restrictions:	
Programs	966,639
Women's Empowerment	443,991
Livelihoods	290,438
Education	262,761
WASH	50,000
Advocacy	24,977
Health	18,948
	<hr/>
Total net assets released from restrictions	<u>\$ 2,124,670</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, 2022.

## 12. 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, 2022, 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 Accounting Standards Codification 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.

**12. Income Taxes (continued)**

The Organization performed an evaluation of uncertain tax positions for the year ended December 31, 2022 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.

**13. Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 30, 2023, 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.