



NUDAY AND AFFILIATE

Consolidated Audited Financial Statements

December 31, 2021

Independent Auditors' Report

To the Board of Directors of
NuDay and Affiliate

Opinion

We have audited the accompanying consolidated financial statements of NuDay and its Affiliate (collectively the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter

As discussed in Note 12 to the consolidated financial statements, a prior period adjustment was made to increase beginning net assets as of January 1, 2021 to record the affiliate's assets on the Organization's consolidated statement of financial position. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

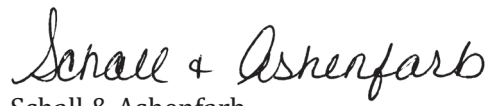
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these consolidated 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 consolidated 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 consolidated 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 consolidated 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.


Schall & Ashenfarb
Certified Public Accountants, LLC

November 10, 2022

**NUDAY AND AFFILIATE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2021**

Assets

Cash and cash equivalents	\$267,991
Investments (Note 3)	712
Contributions receivable	10,758
Prepaid expenses and other assets	9,213
Fixed assets, net (Note 4)	<u>204,843</u>
Total assets	<u><u>\$493,517</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	<u>\$39,349</u>
	<u>39,349</u>
Net assets:	
Without donor restrictions	443,237
With donor restrictions (Note 5)	<u>10,931</u>
Total net assets	<u>454,168</u>
Total liabilities and net assets	<u><u>\$493,517</u></u>

The attached notes and auditors' report are an integral part of these consolidated financial statements.

**NUDAY AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
Contributions	\$2,404,016	\$28,864	\$2,432,880
In-kind contributions (Note 6)	30,161,377		30,161,377
Government grant - Paycheck Protection Program (Note 7)	62,452		62,452
Other income	40,854		40,854
Foreign currency translation loss (Note 2h)	(29,364)		(29,364)
Net assets released from restriction (Note 5)	104,286	(104,286)	0
Total public support and revenue	<u>32,743,621</u>	<u>(75,422)</u>	<u>32,668,199</u>
Expenses:			
Program services	32,567,791		32,567,791
Supporting services:			
Management and general	150,222		150,222
Fundraising	115,772		115,772
Total expenses	<u>32,833,785</u>	<u>0</u>	<u>32,833,785</u>
Change in net assets	<u>(90,164)</u>	<u>(75,422)</u>	<u>(165,586)</u>
Net assets - beginning of year, as originally stated	264,840	86,353	351,193
Prior period adjustment (Note 12)	<u>268,561</u>		<u>268,561</u>
Net assets - beginning of year, restated	<u>533,401</u>	<u>86,353</u>	<u>619,754</u>
Net assets - end of year	<u>\$443,237</u>	<u>\$10,931</u>	<u>\$454,168</u>

The attached notes and auditors' report are an integral part of these consolidated financial statements.

NUDAY AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Donated humanitarian and medical items (Note 6)	\$30,161,377			\$30,161,377
Other direct aid	1,637,896			1,637,896
Salaries	244,746	\$66,318	\$75,436	386,500
Payroll taxes and employee benefits	20,886	5,659	6,438	32,983
Container costs	316,609			316,609
Professional fees		66,482		66,482
Office expenses	40,109	10,868	12,910	63,887
Rent and other warehouse expenses	124,529			124,529
Marketing and outreach			19,970	19,970
Insurance	3,303	895	1,018	5,216
Depreciation	18,336			18,336
Total expenses	\$32,567,791	\$150,222	\$115,772	\$32,833,785

The attached notes and auditors' report are an integral part of these consolidated financial statements.

**NUDAY AND AFFILIATE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Cash flows from operating activities:	
Change in net assets	(\$165,586)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation	18,336
Unrealized gain on investments	(339)
Changes in assets and liabilities:	
Contributions receivable	(9,775)
Prepaid expenses and other assets	40,426
Accounts payable and accrued expenses	25,011
Total adjustments	<u>73,659</u>
Net cash used for operating activities	<u>(91,927)</u>
Cash flows from investing activities:	
Reinvested dividend income	(7)
Purchases of fixed assets	<u>(59,872)</u>
Net cash used for investing activities	<u>(59,879)</u>
Net decrease in cash and cash equivalents	(151,806)
Cash and cash equivalents - beginning of year	<u>419,797</u>
Cash and cash equivalents - end of year	<u><u>\$267,991</u></u>
Supplemental disclosures:	
Total interest and taxes paid	<u>\$0</u>

The attached notes and auditors' report are an integral part of these consolidated financial statements .

NUDAY AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 1 - Organization

NuDay is a non-profit corporation based in Windham, New Hampshire that was founded in 2013. Guided by its mission statement, “One Person at Time, One Humanity Closer,” NuDay works to empower women, children and vulnerable populations experiencing humanitarian gaps internationally through dignified and sustainable aid. Programs include rebuilding housing and infrastructure, orphan sponsorships, creating livelihood opportunities, and sending cargo containers with humanitarian and medical aid from the United States abroad. The end goal of NuDay is simple: to rebuild agency through confidence and self-reliance while building bridges across geographical and cultural differences.

NuDay partners with Yeni Suriye Istikbal Derneği (the “Affiliate”), a separate legal Turkish Association (NGO) headquartered in Istanbul, Turkey and established in 2016 to carry out programs and distribute humanitarian and medical aid. The Affiliate’s activity is consolidated into NuDay’s financial statements because of their affiliation agreement and shared economic interest. These two entities are collectively referred to as (the “Organization”).

The assets and expenses of these programs are included in the Organization’s consolidated financial statements. All intercompany balances and transactions have been eliminated in consolidation.

The majority of the Organization’s programs are carried out in Syria, Lebanon, and Turkey. The Organization’s primary sources of revenue are in-kind humanitarian and medical items as well as contributions.

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and applicable state law. Yeni Suriye Istikbal Derneği is a foreign NGO, which is similar to a U.S. not-for-profit organization.

Note 2 - Significant Accounting Policies

a. Basis of Accounting

The accompanying consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Basis of Presentation

The Organization reports information regarding its financial position and activities according to the following specific classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use as well as activity with donor-imposed restrictions that expire within the same period.

- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

The Organization follows the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in one of the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a 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. If donor restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Contributions expected to be received within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Receivables are reviewed for collectability. No allowance for doubtful accounts has been recorded as all receivables are deemed to be fully collectable. Write-offs will be recorded as an expense in the year they are deemed uncollectable.

d. Cash and Cash Equivalents

The Organization considers all liquid investments with an initial maturity of three months or less to be cash and cash equivalents except for cash held with the investment custodian.

e. Investments

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Realized and unrealized gains and losses are recognized on the consolidated statement of activities.

f. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash, money market accounts, and investment securities which are placed with financial institutions that management deems to be creditworthy. At year end and at various times throughout the year, balances were in excess of insured amounts. The Organization did not suffer any losses due to bank failure. The market value of investments is subject to fluctuation.

g. Fixed Assets

Fixed assets that exceed a predetermined amount that the Organization retains title to, and that benefit future periods are capitalized at cost, or if donated, at the estimated fair value at the time of donation. Depreciation is charged using the straight-line method over each asset's estimated useful life.

h. Foreign Currency Transactions

As described in Note 1, NuDay's Affiliate conducts programs throughout Turkey. Transactions related to these activities are in the local currency, Turkish Lira. Assets and liabilities of the Affiliate are translated at year-end exchange rates. Support and revenue and expenses are translated at the average exchange rates during the year. The Organization recorded a foreign currency loss of \$29,364 for the year ended December 31, 2021. The Organization had cash balances totaling \$107,000 in two bank accounts in a Turkish bank and a petty cash fund as of December 31, 2021.

i. Donated Services

Donated services are recognized in circumstances where those services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided in-kind.

Board members and individuals volunteer their time and perform a variety of services for the Organization. These services do not meet the criteria for recognition and have not been recognized in the consolidated financial statements.

j. Advertising Costs

Advertising costs are charged to operations when the advertising first takes place.

k. Management Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Salaries were allocated using time and effort as the basis.

The following expenses were allocated using salaries as the basis:

- Payroll taxes and employee benefits
- Office expenses
- Insurance

All other expenses have been charged directly to the applicable program or supporting services.

m. Accounting for Uncertainty of Income Taxes

The Organization does not believe its consolidated financial statements include any material, uncertain tax positions. Tax returns for periods ending December 31, 2018 and later are subject to examination by applicable taxing authorities.

New Accounting Pronouncements

FASB issued Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the consolidated statement of activities and additional disclosures.

In addition, FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the consolidated statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future consolidated financial statements.

Note 3 - Investments

Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

All investments at December 31, 2021 were Level 1 securities and consist of the following:

Money Fund	\$78
Common stock	<u>634</u>
Total investments	<u>\$712</u>

Level 1 securities are valued using quoted prices for identical assets. These methods produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value or certain financial instruments could result in different fair value measurements.

During the year ended December 31, 2021, there was an unrealized gain on investments of \$339, which is reported within other income on the consolidated statement of activities.

Note 4 - Fixed Assets

Fixed assets at December 31, 2021 consist of the following:

Housing units – <i>15-year useful life</i>	\$193,947
Computers and equipment – <i>5-year useful life</i>	10,431
Vehicles – <i>7-year useful life</i>	<u>91,693</u>
	296,071
Less: accumulated depreciation	<u>(91,228)</u>
Total fixed assets, net	<u>\$204,843</u>

Note 5 - Net Assets With Donor Restrictions

Net assets with donor restrictions consists of the following:

	Balance <u>1/1/21</u>	Contributions	Released From Restrictions	Balance <u>12/31/21</u>
Program restrictions:				
Ahmad Alkhalaf Project	\$21,379	\$0	(\$21,379)	\$0
Container Costs	32,550	0	(32,550)	0
Farming Projects	32,424	0	(32,424)	0
Shelter	<u>0</u>	<u>28,864</u>	<u>(17,933)</u>	<u>10,931</u>
Total	<u>\$86,353</u>	<u>\$28,864</u>	<u>(\$104,286)</u>	<u>\$10,931</u>

Note 6 - In-Kind Contributions

The Organization receives donated medical supplies, household items, food, clothing and other humanitarian relief that are shipped to Turkey, Lebanon, and Syria to assist in the humanitarian work and care provided to displaced refugees and low-income vulnerable populations. The value of these items at December 31, 2021 totaled \$30,161,377 and have been charged to program expenses. The Organization determined fair value based on the estimates of wholesale values that would be received for selling similar products.

Note 7 - Government Grant - Paycheck Protection Program

During the year ended December 31, 2021, the Organization obtained a loan of \$62,452 from the Small Business Administration (“SBA”) through the Paycheck Protection Program (“PPP”). Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were not less than pre-determined historical periods, that the loan, or a portion thereof, could be forgiven.

The Organization accounts for the PPP loan as a contribution in accordance with FASB ASC 958-605. The conditions for forgiveness on this loan were met during the year, and the full amount was recognized as revenue during the year ended December 31, 2021.

Note 8 - Commitments and Contingencies

The Organization leases a warehouse space located in Derry, New Hampshire under an agreement that expires on February 1, 2026. Per the terms of the lease, rent for the upcoming year is paid upfront on February 1st of each year.

Future minimum rental payments under this agreement are as follows:

Year ending:	December 31, 2022	\$52,000
	December 31, 2023	52,000
	December 31, 2024	52,000
	December 31, 2025	<u>52,000</u>
Total		<u>\$208,000</u>

In the normal course of business, the Organization may be involved in investigations or other legal matters. These matters are subject to many uncertainties, and outcomes are not predictable with a high degree of assurance. Consequently, the ultimate aggregate amount of monetary liability or financial impact with respect to these matters as of December 31, 2021 cannot be ascertained. Management believes that the final outcome of these matters will not have a material impact on the consolidated financial statements of the Organization.

The Federal Government and the New Hampshire Charitable Trusts Unit opened investigations into the Organization's financial records. The Organization has complied with all documentation requests and is optimistic the investigation will conclude with no findings. The investigation remains ongoing as of the date the consolidated financial statements were available to be issued and there have been no criminal or civil charges filed either at the federal or state level.

Note 9 - Availability and Liquidity

The Organization maintains cash on hand to be available for its general expenditures and other obligations for on-going operations. As part of its liquidity management, the Organization operates its programs within a board approved budget and relies on contributions to fund its operations and program activities.

The following reflects the Organization's financial assets at December 31, 2021 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	\$267,991	
Investments	712	
Contributions receivable	<u>10,758</u>	
Total financial assets		\$279,461
Less amounts not available for general expenditures:		
Donor contributions restricted to specific purposes		<u>(10,931)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$268,530</u>

Note 10 - Subsequent Events

Subsequent events have been evaluated through November 10, 2022, the date the consolidated financial statements were available to be issued. There were no material events that have occurred that require adjustment to or disclosure to the consolidated financial statements.

Note 11 - Other Matters

On January 30, 2020, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures of certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Organization operates. As of the date of these consolidated financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these consolidated financial statements, the potential impact cannot be quantified.

Note 12 - Prior Period Adjustment

A prior period adjustment was made to increase beginning net assets as of January 1, 2021 to record the assets of Yeni Suriye Istikbal Derneği on the Organization’s consolidated statement of financial position.