

OMID FOUNDATION (USA)

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

March 31, 2016



Gurseley | Schneider LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Independent Auditor’s Report

To the Board of Directors
Omid Foundation (USA)
Bethesda, Maryland

We have audited the accompanying financial statements of Omid Foundation (USA), a California nonprofit public benefit corporation (the “Foundation”), which comprise the statement of financial position as of March 31, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Omid Foundation as of March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Gursey | Schneider LLP

July 14, 2016
Los Angeles, California

OMID FOUNDATION (USA)
(A California Nonprofit Public Benefit Corporation)
Statement of Financial Position
March 31, 2016

ASSETS

CURRENT ASSETS

Cash	\$ 169,308
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TOTAL ASSETS	<u>\$ 169,308</u>
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LIABILITIES AND NET ASSETS

LIABILITIES

Accounts payable	\$ 1,404
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NET ASSETS - UNRESTRICTED	<u>167,904</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 169,308</u>
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See Accompanying Notes to Financial Statements

OMID FOUNDATION (USA)
(A California Nonprofit Public Benefit Corporation)
Statement of Activities
For the Year Ended March 31, 2016

REVENUES AND SUPPORT:	
Contributions	\$ 674,193
Contributed goods and services	<u>33,394</u>
Total Revenues and Support	<u>707,587</u>
EXPENSES:	
Program	528,870
General and supporting	54,461
Fundraising	<u>95,522</u>
Total Expenses	<u>678,853</u>
INCREASE IN NET ASSETS	28,734
NET ASSETS, BEGINNING OF YEAR	<u>139,170</u>
NET ASSETS, END OF YEAR	<u><u>\$ 167,904</u></u>

See Accompanying Notes to Financial Statements

OMID FOUNDATION (USA)
(A California Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended March 31, 2016

	<u>Program</u>	<u>General and Supporting</u>	<u>Fundraising</u>	<u>Total</u>
Bank charges	\$ -	\$ 9,317	\$ -	\$ 9,317
Event charges	-	-	67,493	67,493
Grants awarded	505,000	-	-	505,000
Insurance	-	-	1,540	1,540
Printing and postage	-	2,702	1,909	4,611
Professional services	-	34,882	12,472	47,354
Program development	23,870	-	-	23,870
Subscriptions and reference materials	-	5,360	-	5,360
Supplies	-	625	8,286	8,911
Taxes and licenses	-	968	-	968
Telephone	-	607	-	607
Travel and accommodations	-	-	3,822	3,822
TOTAL FUNCTIONAL EXPENSES	<u>\$ 528,870</u>	<u>\$ 54,461</u>	<u>\$ 95,522</u>	<u>\$ 678,853</u>

The statement of functional expenses reflected above includes non-cash expenses for donated legal services of \$15,749.

OMID FOUNDATION (USA)
(A California Nonprofit Public Benefit Corporation)
Statement of Cash Flows
For the Year Ended March 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 28,734
Changes in operating assets and liabilities:	
Increase in accounts payable	<u>72</u>
NET INCREASE IN CASH	28,806
CASH, BEGINNING OF YEAR	<u>140,502</u>
CASH, END OF YEAR	<u><u>\$ 169,308</u></u>

See Accompanying Notes to Financial Statements

OMID FOUNDATION (USA)
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended March 31, 2016

NOTE 1 — ORGANIZATION

Omid Foundation (USA) (the Foundation) is a tax-exempt foundation that promotes education and relief of poverty, distress, or suffering by providing assistance, support, education, and training to, and conducting academic research on disadvantaged women in Iran, in collaboration with its affiliated charitable organizations Omid Foundation (UK) and Omid-e-Mehr Foundation (Iran). During the year ended March 31, 2016, the Foundation awarded \$495,000 of grants to the Omid-e-Mehr Foundation (Iran) through Omid Foundation (UK), and incurred programming and research costs of \$23,870 in the United States.

The Foundation's activities until February 29, 2016 fell within the scope of the United States Treasury Department, Office of Foreign Asset Control (OFAC) General License E and thereafter within the scope of the newly issued OFAC Specific License IA-2015-316211-1. The Specific License is valid until March 31, 2018.

The Foundation is organized as a California nonprofit public benefit corporation, and operates its main office in Bethesda, Maryland.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Presentation — The accompanying financial statements have been prepared on the accrual basis of accounting.

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 assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions — The Foundation recognizes contributions, including unconditional promises to give, as revenue in the period received. Contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions (either as unrestricted, temporarily or permanently restricted). The Foundation's policy is to report restricted contributions as unrestricted support if the restrictions are met in the same reporting period. All contributions received during the year ended March 31, 2016 were unrestricted.

Contributed Goods — The Foundation receives contributed goods from corporations and individuals. Donated goods are recorded as unrestricted contributions when they are received and are valued at management's estimate of fair value. The accompanying statement of activities reflects \$17,645 of contributed goods for the year ended March 31, 2016.

OMID FOUNDATION (USA)
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended March 31, 2016

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Contributed Services — Contributed services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The accompanying statement of activities reflects \$15,749 of contributed legal services for the year ended March 31, 2016.

Administrative operations are conducted by the Director in his residence. No provision for donated salaries, rent, and utilities is included in the accompanying financial statements.

Functional Expenses – The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Grant Expenditures — Grant expenditures are recognized in the period the grant is approved provided the grant is not subject to future contingencies. Conditional grants are recognized as grant expense and as a grant payable in the period in which the grantee meets the terms of the conditions.

Tax-Exempt Status — The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue code.

The Foundation is required to evaluate its tax positions and recognize a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. If such issues exist, their policy will be to recognize any tax liability so recorded, including applicable interest and penalties, as a component of income tax expense.

The Foundation’s federal income tax and informational returns for tax years 2011 and subsequent, the first return filed, remain subject to examination by the Internal Revenue Service. The return for California also remains subject to examination.

Concentrations of Risk — The Foundation maintains its cash in bank accounts, and regularly reviews the account balances to ensure it is within federally insured limits.

Fair Values – The Foundation records its financial assets and liabilities at fair value, in accordance with the framework for measuring fair value in generally accepted accounting principles. This framework establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The Foundation’s significant financial instrument is cash. Cash is reflected at its carrying value, a level 1 measure.

Subsequent Events — Management has reviewed subsequent events through July 14, 2016, the date the financial statements were available to be issued.

On May 10, 2016, the Foundation was awarded a \$240,000 unrestricted grant.