

COMMON THREADS PROJECT INC.

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

COMMON THREADS PROJECT INC.
FOR THE YEAR ENDED
DECEMBER 31, 2021 AND 2020

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MEMBER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS'S REVIEW REPORT

The Board of Directors
Common Threads Project Inc.

I have reviewed the accompanying financial statements of Common Threads Project Inc. as of December 31, 2021 and 2020, which comprise the statements of financial position and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

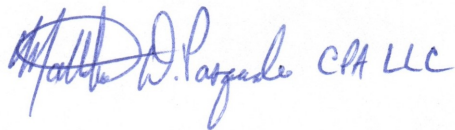
Matthew DiPasquale, CPA LLC

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I am required to be independent of Common Threads Project Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in blue ink that reads "Matthew DiPasquale CPA LLC". The signature is written in a cursive style with a large initial "M".

Blauvelt, NY
August 10, 2022

**COMMON THREADS PROJECT INC.
STATEMENT OF FINANCIAL POSITION
AS AT**

ASSETS

December 31,

	<u>2021</u>	<u>2020</u>
Cash	\$ 300,289	\$ 237,401
Grants Receivable	<u>-0-</u>	<u>30,000</u>
 TOTAL ASSETS	 <u>\$ 300,289</u>	 <u>\$ 267,401</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts Payable	\$ 8,902	\$ 12,300
Payroll Taxes Payable	-0-	12,911
Deferred Support	43,083	-0-
PPP Loan Payable	<u>-0-</u>	<u>22,922</u>
 Total Liabilities	 <u>51,985</u>	 <u>48,133</u>

NET ASSETS:

With Donor Restrictions	100,536	96,619
Without Donor Restrictions	<u>147,768</u>	<u>122,649</u>
 Total Net Assets	 <u>248,304</u>	 <u>219,268</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 300,289</u>	 <u>\$ 267,401</u>

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

COMMON THREADS PROJECT INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020

	DECEMBER 31, 2021			2020
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	TOTAL
SUPPORT and REVENUE:				
SUPPORT:				
Foundations and Other				
Nonprofits	\$ 78,226	\$ 3,917	\$ 82,143	\$ 141,087
Individuals	54,221	-0-	54,221	23,213
Donor-Advised Funds	144,306	-0-	144,306	127,747
In-Kind Donations - Services	86,240	-0-	86,240	-0-
SBA PPP Loan Forgiveness	22,922	-0-	22,922	-0-
Total Support	385,915	3,917	389,832	292,047
Total Support and Revenue	385,915	3,917	389,832	292,047
EXPENSES:				
Program	265,673	-0-	265,673	96,503
Management and general	70,448	-0-	70,448	66,247
Fundraising	24,675	-0-	24,675	23,095
Total Expenses	360,796	-0-	360,796	185,845
CHANGE IN NET ASSETS	25,119	3,917	29,036	106,202
NET ASSETS -				
Beginning of Year	122,649	96,619	219,268	113,066
NET ASSETS -				
End of Year	\$ 147,768	\$ 100,536	\$ 248,304	\$ 219,268

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

COMMON THREADS PROJECT INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED
DECEMBER 31,

	<u>2021</u>			<u>2020</u>	
	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>	<u>TOTAL EXPENSE</u>
Officer salaries	\$ 41,860	\$ 9,660	\$ 12,880	\$ 64,400	\$ 50,000
Other salaries	4,904	34,330	9,808	49,042	56,000
Payroll taxes	4,097	3,853	1,987	9,937	9,472
Benefits	4,504			4,504	6,984
Staff development				-0-	1,284
Program development				-0-	5,800
Program training	21,846			21,846	-0-
Contractor services	61,243			61,243	10,000
Dues and subscriptions		843		843	1,055
Printing		928		928	-0-
Accounting fees		3,917		3,917	4,224
Other professional fees	127,219	2,500		129,719	34,359
Computer and office expenses		9,550		9,550	4,120
Insurance		3,288		3,288	1,744
Bank charges		596		596	364
Other expense		983		983	439
Total Expenses	<u>\$265,673</u>	<u>\$ 70,448</u>	<u>\$ 24,675</u>	<u>\$360,796</u>	<u>\$185,845</u>
2020 Total Expenses	\$ 96,503	\$ 66,247	\$ 23,095		

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

COMMON THREADS PROJECT INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
December 31,

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 29,036	\$ 106,202
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Grants receivable	30,000	(30,000)
Accrued expenses payable	(3,398)	9,050
Payroll taxes payable	(12,911)	12,911
Deferred support	43,083	-0-
PPP loan payable	<u>(22,922)</u>	<u>22,922</u>
Net cash flow provided by operating activities	<u>62,888</u>	<u>121,085</u>
Net increase in cash	62,888	121,085
Cash - Beginning of Year	<u>237,401</u>	<u>116,316</u>
Cash - End of Year	\$ <u><u>300,289</u></u>	\$ <u><u>237,401</u></u>

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

COMMON THREADS PROJECT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note A - Organization and Nature of Activities

Common Threads Project Inc. (the Organization) is a not-for-profit corporation formed under the laws of the state of Delaware on September 2, 2016.

The Organization's mission is to help women heal from the enduring psychological effects of sexual and gender based violence (SGBV) in the context of war and displacement by building local capacity through training, launching scalable interventions, and conducting efficacy research. Through traditional hand-sewing groups, women gather to sew their stories into cloth, share their experiences, support one another and engage in a program of recovery. They build local capacity to provide psychosocial support for survivors of violence, develop culturally responsive programs in collaboration with local partners, embed psychotherapy within an array of holistic services for survivors, integrate traditional practices with evidence based, trauma-informed psychotherapeutic practices, and promote survivors' strengths and resilience rather than simply treat symptoms.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares its financial statements using the accrual basis of accounting and accordingly reflects all significant receivables, payables and other liabilities. The Organization adheres to accounting principles generally accepted in the United States of America which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board and the American Institute of Certified Public Accountants.

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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

COMMON THREADS PROJECT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

Net Assets

The Organization adopted ASU 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit*. This adoption states that two classes of net assets are now reported on the financials: net assets with donor restrictions and net assets without donor restrictions. The update replaces the prior presentation of net assets for non-profits, which included net assets as either unrestricted, temporary restricted, or permanently restricted.

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Promise to Give

The Organization has adopted (FASB ASC 958-605-55) "Accounting for Contributions Received and Contributions Made". Contributions are recognized when the donor makes a payment to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

COMMON THREADS PROJECT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

Cash and Equivalents

The Organization considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

Contributions

The Organization follows ASU 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit*, which classifies net assets into net assets without donor restrictions and with donor restrictions. Contributions with donor restrictions totaled \$3,917 and \$96,619 as of December 31, 2021 and 2020, respectfully.

Revenue is recognized when earned and support when contributions are made which may be when cash is received, unconditional promises are made or ownership of donated assets is transferred to the Organization.

Contributions other than gifts-in-kind are primarily cash contributions that are derived from ongoing fundraising. All contributions are considered without donor restrictions unless specifically designated by the donor.

The Organization determines estimated fair value accordance with fair value measurement accounting standards.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash in banks - fair value approximates carrying value due to maturities of the instruments being three months or less.

Concentration of Credit Risk

The Organization maintains bank accounts at various institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2021, uninsured cash balances totaled \$48,588.

COMMON THREADS PROJECT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

Note B - Summary of Significant Accounting Policies (continued)

Taxation

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization adopted the provisions of ASC 740-10-05. ASC 740-10-05 prescribes a comprehensive model for how companies should recognize, measure, present and disclose in their financial statements uncertain tax positions taken or expected to be taken on a tax return. Under ASC 740-10-05, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts. The organization did not have any unrecognized tax benefits and there was no effect on our financial condition or results of operations as a result of adopting ASC 740-10-05.

The organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The tax years from 2018 (Inception) through 2020 are subject to examination by the Internal Revenue Service. The Organization is currently not under any federal or state audits.

Note C - Related Party

The Organization (CTP), has entered into a joint venture agreement with another charitable organization based in Geneva Switzerland. The two organizations have common board members and share the same mission. The goal of the joint venture agreement is to operate as one entity.

As of March 2020, the Geneva organization has been dissolved.

COMMON THREADS PROJECT INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020
(Continued)

Note D - Functional Allocation of Expenses

The cost of providing the various programs has been summarized on a functional basis in the statement of activities. Accordingly, certain supporting service costs have been allocated among the programs in reasonable ratios as determined by management.

Note E - Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. At December 31, 2021, donor-restricted amounts totaled \$100,536.

Note F - Date of Management's Review

The Organization has evaluated the need for disclosures and/or adjustments resulting from subsequent events through August 10, 2022. Based on this evaluation, no adjustments or disclosures were required to the financial statements as of December 31, 2021.