

**COMMON THREADS PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2018 AND 2017**

COMMON THREADS PROJECT, INC.
FOR THE YEAR ENDED
DECEMBER 31, 2018

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MEMBER

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Common Threads Project, Inc.

I have audited the accompanying financial statements of Common Threads Project, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Common Threads Project, Inc. as of December 31, 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

 CPA LLC
Matthew DiPasquale, CPA, LLC

Blauvelt, NY
August 23, 2019

COMMON THREADS PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
AS AT
DECEMBER 31, 2018

ASSETS

Cash	\$ <u>52,403</u>
TOTAL ASSETS	\$ <u>52,403</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$ 4,195
Total Liabilities	\$ <u>4,195</u>

NET ASSETS:

Unrestricted	48,208
Total Net Assets	<u>48,208</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>52,403</u>

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

COMMON THREADS PROJECT, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED
DECEMBER 31, 2018

SUPPORT and REVENUE:

SUPPORT:

Foundations and other non-profits	\$ 48,460
Individuals	<u>59,746</u>
Total Support	<u>108,206</u>
Total Support and Revenue	<u>108,206</u>

EXPENSES:

Program Services:

Program services	<u>49,590</u>
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Supporting Services:

Management and general	<u>45,822</u>
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Fundraising Services:

Fundraising	<u>13,953</u>
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Total Expenses	<u>109,365</u>
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CHANGE IN NET ASSETS	(1,159)
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NET ASSETS -

Beginning of Year	<u>49,367</u>
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NET ASSETS -

End of Year	<u>\$ 48,208</u>
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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, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (1,159)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Increase (decrease) in liabilities:	
Accounts payable	2,760
Net cash flow provided by operating activities	<u>1,601</u>
Net Increase in cash	1,601
Cash - Beginning of Year	<u>50,802</u>
Cash - End of Year	\$ <u>52,403</u>

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

COMMON THREADS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

Net Assets

Net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets - net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.

Permanently Restricted Net Assets - net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. The Organization currently has no permanently restricted net assets.

COMMON THREADS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

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 unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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.

Cash and Equivalents

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

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.

COMMON THREADS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

Contributions

The Organization follows Accounting Standards Codification 605-10-15 *Revenue Recognition*. In accordance with ASC 605-10-15, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions.

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. Gifts-in-kind (including automobile donations) are recorded at fair value at the date of the gift.

Contributions other than gifts-in-kind are primarily cash contributions that are derived from ongoing fundraising. All contributions are considered to be available for unrestricted use 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, 2018, there were no uninsured cash balances.

COMMON THREADS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

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 2016 (Inception) through 2017 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 share the same mission, and the Executive Director serves on both boards. The goal of the joint venture agreement is for the two legal entities to function as one coordinated organization.

During 2018, the remaining portion of a three year grant from a foreign foundation was paid to the Geneva organization and then passed through to CTP.

COMMON THREADS PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018
(Continued)

Note D - Subsequent Events

The Organization has evaluated the need for disclosures and/or adjustments resulting from subsequent events through August 23, 2019. Based on this evaluation, no adjustments or disclosures were required to the financial statements as of December 31, 2018.

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MEMBER

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The Board of Directors
Common Threads Project, Inc.

I have audited the financial statements of Common Threads Project, Inc. as of and for the year ended December 31, 2018, and have issued my report thereon dated August 23, 2018, which contained an unmodified opinion on those statements. My audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.


Matthew DiPasquale CPA, LLC

Blauvelt, NY
August 23, 2019

COMMON THREADS PROJECT, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED
DECEMBER 31, 2018

	<u>PROGRAM</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL EXPENSES</u>
Officer salaries	\$ 20,150	\$ 3,100	\$ 7,750	\$ 31,000
Other salaries	6,203	12,406	6,203	24,812
Payroll taxes	5,793			5,793
Researchers	5,000			5,000
Staff development	3,763			3,763
Program development	2,934			2,934
Dues and subscriptions		786		786
Printing	718	715		1,433
Consulting fees		20,629		20,629
Accounting fees		5,605		5,605
Computer and office expenses	50	690		740
Translation	607			607
Travel and meals	4,229			4,229
Insurance		1,300		1,300
Bank charges		591		591
Other expense	<u>143</u>			<u>143</u>
Total Expenses	<u>\$ 49,590</u>	<u>\$ 45,822</u>	<u>\$ 13,953</u>	<u>\$ 109,365</u>

See independent auditor's report on supplementary information.