

# **SOLIYA, INC.**

## Audited Financial Statements

June 30, 2022

## Independent Auditor's Report

To the Board of Directors of  
Soliya, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Soliya, Inc. (the "Organization"), which comprise the statement of financial position as of June 30, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 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 ("GAAS"). 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.

### ***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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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***

The financial statements of the Organization as of and for the year ended June 30, 2021, were audited by other auditors whose report dated April 7, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects with the audited financial statements from which it was derived.

*Sax CPAs LLP*

New York, NY  
February 6, 2024

**SOLIYA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AT JUNE 30, 2022**  
(With comparative totals at June 30, 2021)

	<u>6/30/22</u>	<u>6/30/21</u>
<b>Assets</b>		
Cash and cash equivalents	\$34,694	\$100,082
Fee for service receivable	13,206	6,395
Government grants receivable	207,796	145,168
Prepaid expenses	13,779	1,640
Security deposit	9,600	9,600
Fixed assets, net (Note 3)	<u>47,555</u>	<u>115,495</u>
Total assets	<u><u>\$326,630</u></u>	<u><u>\$378,380</u></u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$79,361	\$42,910
Line of credit (Note 4)	160,000	0
Loans payable (Note 5)	<u>180,000</u>	<u>180,000</u>
Total liabilities	<u><u>419,361</u></u>	<u><u>222,910</u></u>
Net assets:		
Without donor restrictions	(92,731)	63,094
With donor restrictions (Note 6)	<u>0</u>	<u>92,376</u>
Total net assets	<u><u>(92,731)</u></u>	<u><u>155,470</u></u>
Total liabilities and net assets	<u><u>\$326,630</u></u>	<u><u>\$378,380</u></u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**SOLIYA, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(With comparative totals for the year ended June 30, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 6/30/22</u>	<u>Total 6/30/21</u>
Public support and revenue:				
Government grants	\$676,500		\$676,500	\$556,357
Foundation contributions	81		81	157,447
Corporate contributions	475,075		475,075	412,500
Individual contributions	135,101		135,101	67,759
Fee for service income (Note 8)	603,666		603,666	1,208,301
Interest and other income			0	11
Loss on currency conversion	(807)		(807)	(1,530)
Net assets released from restrictions (Note 6)	92,376	(\$92,376)	0	0
Total public support and revenue	<u>1,981,992</u>	<u>(92,376)</u>	<u>1,889,616</u>	<u>2,400,845</u>
Expenses:				
Program services:	1,654,892		1,654,892	1,775,189
Supporting services:				
Management and general	315,285		315,285	264,643
Fundraising	167,640		167,640	210,048
Total supporting services	<u>482,925</u>	<u>0</u>	<u>482,925</u>	<u>474,691</u>
Total expenses	<u>2,137,817</u>	<u>0</u>	<u>2,137,817</u>	<u>2,249,880</u>
Change in net assets	(155,825)	(92,376)	(248,201)	150,965
Net assets - beginning of year	<u>63,094</u>	<u>92,376</u>	<u>155,470</u>	<u>4,505</u>
Net assets - end of year	<u>(\$92,731)</u>	<u>\$0</u>	<u>(\$92,731)</u>	<u>\$155,470</u>

*The attached notes and auditor's report are an integral part of these financial statements.*

**SOLIYA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(With comparative totals for the year ended June 30, 2021)

	Supporting Services			Total Supporting Services	Total 6/30/22	Total 6/30/21
	Program Services	Management and General	Fundraising			
Salaries	\$584,184	\$77,119	\$114,809	\$191,928	\$776,112	\$827,942
Employee benefits	92,810	16,318	13,069	29,387	122,197	102,153
Payroll taxes	49,453	7,472	9,655	17,127	66,580	67,455
Total personnel expenses	726,447	100,909	137,533	238,442	964,889	997,550
Consultants	713,907	98,626	6,836	105,462	819,369	950,614
Media/technology development and hosting	117,599	3,353	1,967	5,320	122,919	72,172
Professional fees		18,150		18,150	18,150	21,795
Occupancy	34,929	12,560	10,773	23,333	58,262	46,895
Depreciation	51,140	6,751	10,049	16,800	67,940	67,942
Accounting		33,222		33,222	33,222	35,613
Travel and entertainment	1,369	390	182	572	1,941	1,531
Advertising	893			0	893	2,682
Interest		3,864		3,864	3,864	4,844
Telephone and communications	2,015	99	49	148	2,163	2,168
Insurance	1,125	1,099	23	1,122	2,247	2,718
Payroll service		28,345		28,345	28,345	27,775
Other expenses	5,468	7,917	228	8,145	13,613	15,581
Total expenses	\$1,654,892	\$315,285	\$167,640	\$482,925	\$2,137,817	\$2,249,880

*The attached notes and auditor's report are an integral part of these financial statements.*

**SOLIYA, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(With comparative totals for the year ended June 30, 2021)

	6/30/22	6/30/21
Cash flows from operating activities:		
Change in net assets	(\$248,201)	\$150,965
Adjustments to reconcile change in net assets to net cash (used for)/provided by operating activities:		
Depreciation	67,940	67,942
Changes in assets and liabilities:		
Fee for service receivable	(6,811)	117,035
Government grants receivable	(62,628)	4,614
Prepaid expenses	(12,139)	1,106
Accounts payable and accrued expenses	36,451	(6,590)
Deferred revenue	0	(85,400)
Total adjustments	22,813	98,707
Net cash (used for)/provided by operating activities	(225,388)	249,672
Cash flows from financing activities:		
Repayments of loans payable	0	(70,000)
Proceeds from line of credit	260,000	300,000
Repayments of line of credit	(100,000)	(400,000)
Net cash provided by/(used for) for financing activities	160,000	(170,000)
Net (decrease)/increase in cash and cash equivalents	(65,388)	79,672
Cash and cash equivalents - beginning of year	100,082	20,410
Cash and cash equivalents - end of year	\$34,694	\$100,082
Supplemental information:		
Interest paid	\$3,864	\$4,844
Taxes paid	\$0	\$0

*The attached notes and auditor's report are an integral part of these financial statements.*

**SOLIYA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**Note 1 - Organization**

Soliya, Inc., (the “Organization”) was incorporated as a New York not-for-profit corporation in July 2002. Search for Common Ground (“Search”), a District of Columbia not-for-profit corporation, has control of Soliya through the sole ability to appoint Soliya’s Board of Directors.

The Organization’s mission is global, but its current focus is on strengthening relationships and fostering cooperation between youth from Western and predominately Muslim societies. Rising cultural and religious tensions within and between these societies play a major role in preventing people worldwide from working collaboratively to find mutually beneficial solutions to global challenges. The Organization aims to bridge this divide by directly connecting young adults from diverse communities and empowering them to use the latest in new media and communication technologies to share their voices, build respectful relationships and inspire understanding.

Soliya runs the following programs:

Connect Program – the Organization’s flagship Virtual Exchange initiative – is an online cross-cultural education program that provides young adults with a unique opportunity to establish a deeper understanding for the perspectives of others around the world on important sociopolitical issues and develop 21st Century skills such as critical thinking, cross-cultural communication, and collaborative problem-solving. The Connect Program has three distinct iterations that cater to the needs and learning goals of the Organization’s diverse community of young adults and partner institutions: Connect Global, Connect Express, and Connect Collaborate.

Connect Global is an eight-week program in which participants explore key global issues with fellow group members through a series of guided discussions, readings, and an independent project. The program brings together participants from myriad disciplines, including but not limited to the humanities, sciences, engineering, and business. Within Connect Global, the Organization has a specialized track – Connect Global Foreign Affairs – that focuses on the nature of the relationship between Western and predominantly Muslim societies within the context of the larger global setting.

Connect Express is a four-week program in which participants engage in an exploration of their identity, analyze how their identity impacts their engagement with others in their personal context and the context of the digital world, and build competencies to foster constructive communication. It is presented as an option for those participants or courses with greater time constraints.

Connect Collaborate is a five-week program in which participants have the opportunity to work with peers around the world on developing an awareness campaign on a critical social issue, and, through that process, build their communication and collaboration skills. Participants are guided through a series of group exercises to build their competencies around these skills, and develop an online awareness campaign, created to address a topic of current relevance and interest.

Facilitation Training Program – Through the Facilitation Training Program, the Organization teaches facilitation and conflict resolution skills that are applicable to a variety of conflict situations in addition to the unique experience that virtual exchange programs offer. Trainings consist of a mixture of live online sessions, readings, and multimedia resources. Online sessions include interactive discussions, simulated facilitation practices, personalized coaching, and feedback.

The Organization runs several modules of the Facilitation Training Program including a four-week paced asynchronous Interactive Open Online Course "Introduction to Dialogue Facilitation", a 20-hour Advanced Facilitation Training consisting of live online videoconferencing training sessions supported by weekly assignments as well as, an Arabic-language training, all of which run several times a year.

Engagement – The Organization's Engagement program, Public Squares, supports the Organization's most active facilitators and alumni to directly apply their skills to tackle issues in their local communities. Public Squares is facilitated online and in-person consisting of small-group dialogues in which participants across cultural, geographic, religious, and political divides explore diverse perspectives and discuss important and divisive issues. Public Squares is led by Soliya Conveners who work with local organizations to identify issues of popular concern and then gather research and media, with support from leading experts and community members, to inform public discussions about the issues. The results and recommendations generated from these dialogues are amplified out to broader communities and up to relevant leaders.

Capacity Building – The Organization partners with non-governmental organizations, businesses, and advanced academic programs to empower educators, emerging leaders, and qualified Connect Program alumni through Capacity Building. As part of a diverse group from around the world, trainees receive skill-development through tutorials and group discussions, as well as deep practice through role-playing of different dialogue models. Graduates of the training are then invited to hone their skills for the Connect Program and Community Mobilization and Amplification programs. The Organization also provides Capacity Building incentives to university personnel.

The Organization has been notified by the Internal Revenue Service that it is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation.

## **Note 2 - Summary of Significant Accounting Policies**

### **a. Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, which is the process of recording 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 classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.

- *Net Assets With Donor Restrictions* – relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities, as well as those that must remain intact in perpetuity.

c. Revenue Recognition

The Organization follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606 for recognizing revenue from contracts with customers. The Organization has fee for service income that falls under FASB ASC 606 and has been included in the statement of activities. The Organization analyzes each source of revenue to determine that it has a contract with the customer that identifies both the performance obligation and the transaction price. Fee for services is recognized as revenue when the performance obligations are considered to be met, when certain metrics are met, and services are provided. Fee for services that have been earned but not paid at year end are recognized as revenue and a related receivable. Cash that has been received but not earned at year end is recognized as deferred revenue.

The Organization follows FASB ASC 958-605 for recording contributions, which are recognized when a contribution becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions. Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. 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.

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.

The Organization's government grants are primarily conditional non-exchange transactions and fall under the scope of FASB ASC 958-605. Revenue from these transactions is recognized when qualifying expenditures are incurred, performance related outcomes are achieved, and other conditions under the agreements are met. Payments received in advance of conditions being met are recorded as deferred revenue.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations.

Management has reviewed the collectability of all receivables, factoring in judgement about the creditworthiness and age of the receivable, as well as historical experience. Based on that evaluation, management has determined that no reserve for doubtful accounts is warranted.

d. Going Concern – Management Action Plan

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) assuming the Organization will continue as a going concern. The Organization ended the year with a net asset deficit of \$92,731. Absent any other action, the Organization will require additional liquidity to continue its operations over the next twelve months. To address these concerns, the Organization had decided to make significant cuts to its expenses through reducing personnel, in order to ensure that for the next two fiscal years, expenses will be in line with committed contracts for revenue. Additionally, as described in Note 5, subsequent to year-end, the \$180,000 loan payable due to Search for Common Ground was forgiven.

e. 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 an investment custodian for long-term purposes.

f. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash which is placed with financial institutions that management deems to be creditworthy. At times and at year end, balances may exceed federal limits. As of June 30, 2022, there were no uninsured balances.

g. Fixed Assets

Software, equipment, and furniture that exceed pre-determined amounts and that have a useful life of greater than one year are recorded at cost or at fair value at the date of gift. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets as follows:

Furniture and fixtures - 7 years  
Website & software - 5 years

h. In-Kind and 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.

Many volunteers, including board members, provide services in support of the Organization’s mission. Those services have not been recognized in the financial statements because they do not meet the criteria outlined above.

i. Management Estimates

The preparation of 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.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The following costs are allocated by time and effort:

- Salaries
- Employee benefits
- Payroll taxes
- Depreciation

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

k. Advertising Costs

Advertising costs are expensed as incurred.

l. Prior Year Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for periods ending June 30, 2019 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncement

FASB issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. The ASU which becomes effective for the June 30, 2023 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Organization is in the process of evaluating the impact this standard will have on future statements.

**Note 3 - Fixed Assets**

Fixed assets consist of the following:

	<u>6/30/22</u>	<u>6/30/21</u>
Software	\$338,191	\$338,191
Furniture and fixtures	<u>1,519</u>	<u>1,519</u>
	339,710	339,710
Less: accumulated depreciation	<u>(292,155)</u>	<u>(224,215)</u>
Total fixed assets, net	<u>\$47,555</u>	<u>\$115,495</u>

**Note 4 - Line of Credit**

The Organization has available an unsecured line of credit in the amount of \$200,000 with interest payable at 2.75% plus the prime rate, which at June 30, 2022, was 3.75%. The balance on the line of credit was \$160,000 and \$0 at June 30, 2022 and 2021, respectively.

**Note 5 - Loans Payable**

The Organization received a \$200,000 interest free loan from a related party, Search from Common Ground, with yearly payments due November 30<sup>th</sup> of each year until November 30, 2025. No principal payments were made during the fiscal year end June 30, 2022. The balance of the loan for both years was \$180,000. The loan was forgiven in full subsequent to year end.

**Note 6 - Net Assets With Donor Restrictions**

Activity in the with donor restrictions class of net assets consists of the following:

	<u>June 30, 2022</u>			
	Beginning Balance <u>7/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Ending Balance <u>6/30/22</u>
Transformative Online Dialogue	<u>\$92,376</u>	<u>\$0</u>	<u>(\$92,376)</u>	<u>\$0</u>

	<u>June 30, 2021</u>			
	Beginning Balance <u>7/1/20</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Ending Balance <u>6/30/21</u>
Transformative Online Dialogue	<u>\$0</u>	<u>\$150,000</u>	<u>(\$57,624)</u>	<u>\$92,376</u>

**Note 7 - Commitments and Contingencies**

The Organization occupies office space in New York on a month-to-month-lease.

**Note 8 - Related Party Transaction**

As discussed in Note 1, Search controls the Organization. During the years ended June 30, 2022 and 2021, the Organization billed Search \$275,281 and \$874,856, respectively for services performed, which has been included in fee for service income on the statement of activities. As of June 30, 2022, there are no amounts that remain outstanding.

In addition, during the year ended June 30, 2019, the Organization received a \$200,000 interest free loan from Search. See Note 5 for further details.

**Note 9 - Availability and Liquidity**

The Organization maintains cash on hand to be available for its general expenditures, liabilities, 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 and program revenue to fund its operations and program activities.

The following reflects the Organization's financial assets at June 30, 2022 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:

Cash and cash equivalents	\$34,694
Fee for service receivable	13,206
Government grants receivable	<u>207,796</u>

Financial assets available to meet cash needs for general expenditures within one year	<u>\$255,696</u>
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**Note 10 - Subsequent Events**

Subsequent events have been evaluated through February 6, 2024, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.