

GeoHazards International

**Financial Statements with Report of Independent Auditors
December 31, 2021 and 2020**

GEOHAZARDS INTERNATIONAL
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December 31, 2021 and 2020

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Report of Independent Auditors

To the Board of Trustees of
GeoHazards International:

Opinion

We have audited the accompanying financial statements of GeoHazards International, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GeoHazards International as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 GeoHazards International and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 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.

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 GeoHazards International's ability to continue as a going concern within one year after the date that the 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 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 GeoHazards International'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 GeoHazards International'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.

Novogradac & Company LLP

Walnut Creek, California
May 1, 2023

GEOHAZARDS INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 304,395	\$ 242,711
Donations receivable	14,692	6,593
Grants receivable	251,233	147,083
Investments at fair value	1,006,375	917,777
Other assets	2,934	2,233
	<u>1,579,629</u>	<u>1,316,397</u>
Total assets	<u>\$ 1,579,629</u>	<u>\$ 1,316,397</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 75,588	\$ 63,390
Accrued expenses	35,896	27,136
Accrued interest	-	746
Paycheck protection program note payable	-	110,707
	<u>111,484</u>	<u>201,979</u>
Total liabilities	<u>111,484</u>	<u>201,979</u>
NET ASSETS		
Without donor restrictions	1,163,655	821,780
With donor restrictions	304,490	292,638
	<u>1,468,145</u>	<u>1,114,418</u>
Total net assets	<u>1,468,145</u>	<u>1,114,418</u>
Total liabilities and net assets	<u>\$ 1,579,629</u>	<u>\$ 1,316,397</u>

GEOHAZARDS INTERNATIONAL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Grants:			
Federal	\$ 476,404	\$ -	\$ 476,404
Corporations and foundations	238,233	98,536	336,769
Contributions	264,097	222,780	486,877
Net investment income (loss)	88,836	-	88,836
In-kind contributions	19,239	-	19,239
Other income	244,343	-	244,343
Net assets released from restrictions	309,464	(309,464)	-
Total support and revenue	1,640,616	11,852	1,652,468
Operating expenses:			
Program services	797,920	-	797,920
Supporting services:			
Management and general	381,527	-	381,527
Fundraising	119,294	-	119,294
Total Operating expenses	1,298,741	-	1,298,741
CHANGE IN NET ASSETS	341,875	11,852	353,727
NET ASSETS AT BEGINNING OF YEAR	821,780	292,638	1,114,418
NET ASSETS AT END OF YEAR	\$ 1,163,655	\$ 304,490	\$ 1,468,145

GEOHAZARDS INTERNATIONAL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
	<u> </u>	<u> </u>	<u> </u>
Support and revenue:			
Grants:			
Federal	\$ 150,992	\$ -	\$ 150,992
Corporations and foundations	696,548	119,661	816,209
Contributions	208,117	88,500	296,617
Net investment income (loss)	156,544	-	156,544
In-kind contributions	12,239	-	12,239
Other income	399	-	399
Net assets released from restrictions	197,698	(197,698)	-
Total support and revenue	<u>1,422,537</u>	<u>10,463</u>	<u>1,433,000</u>
Operating expenses:			
Program services	798,663	-	798,663
Supporting services:			
Management and general	374,965	-	374,965
Fundraising	111,261	-	111,261
Total Operating expenses	<u>1,284,889</u>	<u>-</u>	<u>1,284,889</u>
CHANGE IN NET ASSETS	137,648	10,463	148,111
NET ASSETS AT BEGINNING OF YEAR	<u>684,132</u>	<u>282,175</u>	<u>966,307</u>
NET ASSETS AT END OF YEAR	<u>\$ 821,780</u>	<u>\$ 292,638</u>	<u>\$ 1,114,418</u>

GEOHAZARDS INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Total
Personnel expenses:				
Salaries and wages	\$ 255,543	\$ 253,175	\$ 89,068	\$ 597,786
Employee benefits and payroll taxes	55,637	55,122	19,392	130,151
Total personnel expenses	311,180	308,297	108,460	727,937
Consulting and professional fees	327,963	48,722	5,092	381,777
Computer, software, and equipment	2,270	5,495	2,199	9,964
Conferences and meetings	10,985	1,362	-	12,347
Insurance	-	6,752	-	6,752
Interest	-	1,031	-	1,031
Occupancy	10,436	4,066	-	14,502
Other	10,122	2,092	1,865	14,079
Postage and shipping	119	125	384	628
Printing and reproduction	250	-	852	1,102
Repairs and maintenance	-	150	-	150
Recruiting	126	-	-	126
Office supplies	-	141	83	224
Project expenses	108,294	-	-	108,294
Telephone and internet	4,850	2,448	359	7,657
Travel and per diem	11,325	846	-	12,171
Total expenditures	<u>\$ 797,920</u>	<u>\$ 381,527</u>	<u>\$ 119,294</u>	<u>\$ 1,298,741</u>

GEOHAZARDS INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total
Personnel expenses:				
Salaries and wages	\$ 275,737	\$ 239,026	\$ 78,550	\$ 593,313
Employee benefits and payroll taxes	61,173	53,029	17,426	131,628
Total personnel expenses	336,910	292,055	95,976	724,941
Consulting and professional fees	377,580	37,292	-	414,872
Computer, software, and equipment	2,837	2,884	1,975	7,696
Conferences and meetings	12,267	689	-	12,956
Insurance	-	7,383	-	7,383
Interest	-	746	-	746
Occupancy	36,157	24,129	7,930	68,216
Other	6,091	3,730	2,647	12,468
Postage and shipping	126	-	1,103	1,229
Printing and reproduction	277	-	725	1,002
Supplies	17,850	1,624	-	19,474
Telephone and internet	4,174	3,036	252	7,462
Travel and per diem	4,394	1,397	653	6,444
Total expenditures	\$ 798,663	\$ 374,965	\$ 111,261	\$ 1,284,889

GEOHAZARDS INTERNATIONAL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 353,727	\$ 148,111
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Realized gains on investments	(50,583)	(45,770)
Appreciation on investments	(25,426)	(98,486)
Debt forgiveness	(232,424)	-
(Increase) decrease in operating assets:		
Donations receivable	(8,099)	(768)
Grants receivable	(104,150)	86,350
Other assets	(701)	1,032
Increase (decrease) in operating liabilities:		
Accounts payable	12,198	(24,216)
Accrued expenses	8,760	(12,216)
Accrued interest	(746)	746
Contract advances	-	(16,408)
Net cash (used in) provided by operating activities	<u>(47,444)</u>	<u>38,375</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	-	80,000
Dividends reinvested	(12,589)	(12,215)
Net cash (used in) provided by investing activities	<u>(12,589)</u>	<u>67,785</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from paycheck protection program note payable	<u>121,717</u>	<u>110,707</u>
Net cash provided by financing activities	121,717	110,707
Net change in cash and cash equivalents	61,684	216,867
Cash and cash equivalents at beginning of year	<u>242,711</u>	<u>25,844</u>
Cash and cash equivalents at end of year	<u>\$ 304,395</u>	<u>\$ 242,711</u>
Supplemental disclosure of cash flow information:		
Donated securities	<u>\$ 57,300</u>	<u>\$ 10,598</u>

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

1. Organization

GeoHazards International (the “Organization”) was established in 1991 as a non-profit organization to improve the safety of communities at risk from geological hazards. Current Organization initiatives include projects in India, Nepal, Bhutan, Haiti and the Dominican Republic. Other programs include public education and outreach to raise awareness of earthquake risk.

2. Summary of significant accounting policies

Basis of accounting

The Organization prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Basis of presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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 the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or fewer at the date of acquisition.

Concentration of credit risk

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Contributions and pledges receivable

Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fair value measurements

The Organization applies the accounting provisions related to fair value measurements. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Organization's own assumptions.

The following tables present the Organization's assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2021 and 2020:

	December 31, 2021			Fair Value Measurements
	Level 1	Level 2	Level 3	
Assets				
Mutual funds	\$ 1,006,375	-	-	\$ 1,006,375
Total assets	\$ 1,006,375	\$ -	\$ -	\$ 1,006,375

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Fair value measurements (continued)

Assets	December 31, 2020			Fair Value Measurements
	Level 1	Level 2	Level 3	
Mutual funds	\$ 917,777	-	-	\$ 917,777
Total assets	\$ 917,777	\$ -	-	\$ 917,777

Investments

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of individual lots. Interest income is recorded when earned and dividends are recorded on the ex-dividend date.

Investments are made according to the investment policy adopted by the Organization's board of trustees. The guidelines provide for investment in equities and other securities with performance measured against appropriate indices. Outside advisors are utilized by the Organization for the purpose of providing investment and consulting advice.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Income taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from California income and franchise taxes under Revenue and Taxation Code Section 23701(d). Accordingly, no provision for income taxes has been included in these financial statements.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Organization to report information regarding its exposure to various tax positions taken by the Organization. The Organization has determined whether any tax positions have met the recognition threshold and has measured the Organization's exposure to those tax positions. Management believes that the Organization has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. Any interest or penalties assessed to the Organization are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

2. Summary of significant accounting policies (continued)

Revenue recognition

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of 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 and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Unconditional pledges to give are recorded as contributions when pledged at the net present value of the amounts expected to be collected. Unconditional pledges to give that are expected to be received in future periods are discounted annually using the current interest rate the funds would earn. Amortization of the discount is recorded as contribution revenue.

Concentration of revenue

As of December 31, 2021, approximately 60% of grants receivable was from one funding source. For the year ended December 31, 2021, approximately 75% of federal grant revenue was from one funding source. As of December 31, 2020, 100% of grants receivable was from two funding sources. For the year ended December 31, 2020, 100% of federal grant revenue was from one funding source, and approximately 68% of corporation and foundation grant revenue was from one funding source.

Grant expense

Grants are recognized when all significant conditions are met, all due diligence has been completed and they are approved by staff or board committee. Grant refunds are recorded as a reduction of grant expense at the time the Organization receives or is notified of the refund.

Functional expenses

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting services of the Organization. Expenses that apply to more than one functional category have been allocated between program, management and general, and fundraising, based on the time spent on these functions by specific employees. Other costs are charged directly to the appropriate functional category.

Reclassifications

Certain reclassifications have been made to the prior year consolidated financial statements to conform to the current year presentation.

Subsequent events

Subsequent events have been evaluated through May 1, 2023, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

3. Liquidity and availability of financial assets

As of December 31, 2021, the Organization has \$1,576,695 of financial assets available within one year from the statement of financial position date to meet cash needs for general expenditures consisting substantially of cash and cash equivalents of \$304,395, donations receivable of \$14,692, grants receivable of \$251,233, and investments of \$1,006,375. As of December 31, 2020, the Organization had \$1,314,164 of financial assets available within one year from the statement of financial position date to meet cash needs for general expenditures consisting substantially of cash and cash equivalents of \$242,711, donations receivable of \$6,593, grants receivable of \$147,083, and investments of \$917,777. None of the financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The donations and grants receivable are expected to be collected within one year. The Organization's goal is generally to maintain financial assets to meet nine to twelve months of normal operating expenses. On average, monthly operating expenses are approximately \$90,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

4. Investments

Investments are stated at fair value and are comprised of the following as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Mutual funds	\$ 1,006,375	\$ 917,777
Total investments	<u>\$ 1,006,375</u>	<u>\$ 917,777</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 12,827	\$ 12,288
Realized and unrealized gains	<u>76,009</u>	<u>144,256</u>
Total investment income	<u>\$ 88,836</u>	<u>\$ 156,544</u>

5. Donations receivable

Donations receivable are composed of the following amounts at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Due in less than a year	\$ 14,692	\$ 6,593
Due in one to five years	<u>-</u>	<u>-</u>
Total donations receivable	14,692	6,593
Less discount to reflect donations receivable at present value	<u>-</u>	<u>-</u>
Donations receivable - net	<u>\$ 14,692</u>	<u>\$ 6,593</u>

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

6. Lease commitments

The Organization leases office space from a board member of the Organization under a lease agreement that commenced on July 1, 2016 and is maintained on a month-to-month basis. Beginning September 2020, monthly rental expense was reduced by \$3,059.64. The savings are presented as in-kind contributions on the accompanying statements of activities and changes in net assets. Effective December 31, 2020 both parties agreed to terminate the lease agreement. For the years ended December 31, 2021 and 2020, in-kind contributions were \$0 and \$12,239, respectively. For the years ended December 31, 2021 and 2020, rental expense was \$0 and \$57,258, respectively and is included in ‘Occupancy’ on the accompany Statements of Functional Expenses.

7. Employee retirement plan

The Organization established a 403(b) savings and retirement plan for its employees. Under the universal availability requirement all employees who work at least 20 or more hours per week are eligible to join the plan. The Organization makes non-elective contributions equal to 6% of each employee’s eligible earnings. For the years ended December 31, 2021 and 2020, the Organization contributed \$35,482 and \$35,343, respectively, to the plan.

8. Paycheck protection program note payable

In response to the coronavirus (“COVID-19”) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans.

On April 28, 2020, the Organization obtained a PPP loan from WebBank in the amount of \$110,707. The loan has a term of 24 months and bears interest at a fixed annual rate of 1%. No payments are due during the deferral period which ends on either the date in which the Small Business Administration makes a decision on the application for forgiveness, or ten months after the last day of the covered period. The Organization used all of the proceeds from the loan for qualifying expenses. On May 13, 2021, the Organization received approval of its application for the PPP loan in the amount of \$110,707 to be forgiven.

On March 26, 2021, the Organization obtained a PPP loan from WebBank in the amount of \$121,717. The loan has a term of 60 months and bears interest at a fixed annual rate of 1%. No payments were due during the deferral period which ended on either the date in which the Small Business Administration makes a decision on the application for forgiveness, or ten months after the last day of the covered period. The Organization used all of the proceeds from the loan for qualifying expenses. On November 9, 2021, the Organization received approval of its application for the PPP loan in the amount of \$121,717 to be forgiven.

As of December 31, 2021 and 2020, the balance of the PPP loans was \$0 and \$110,707, respectively. Accrued interest as of December 31, 2021 and 2020 was \$0 and \$746, respectively. For the years ended December 31, 2021 and 2020, interest expense on the PPP loans was \$1,031 and \$746, respectively. During the year ended December 31, 2021, the Organization recognized debt forgiveness income of \$234,201 which is included in “Other income” on the accompanying Statement of Activities and Changes in Net Assets.

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

9. Net assets

Net assets without donor restrictions

Net assets without donor restrictions consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Total net assets without donor restrictions	\$ <u>1,163,655</u>	\$ <u>821,780</u>

Net assets with donor restrictions

Net assets with donor restrictions consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Time restricted:		
Foundations and corporations	\$ -	\$ -
Purpose restricted:		
AIR/Verisk Thimphu Buildings, Bhutan – Phase 1	-	6,736
Safety measures from landsliding in Kerala, India	13,419	20,946
Thornton Tomasetti inventory school building	23,800	23,800
Earthquake School Desk program, disaster safety programs in Bhutan, and programs in Haiti	29,713	139,638
Timoun an Aksyon! (Kids in Action) program	89,757	19,179
AIR/Verisk Thimphu Buildings, Bhutan – Phase 2	47,431	49,755
Nepal IABSE Amargdhi School Safety – Phase 1	-	11,116
Disaster preparedness for hospitals in Myanmar	-	21,468
Nepal school safety program	35,756	-
Earthquake response in Haiti	64,614	-
Total net assets with donor restrictions	\$ <u>304,490</u>	\$ <u>292,638</u>

GEOHAZARDS INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2021 and 2020

9. Net assets (continued)

Net assets released from restrictions

Net assets released from restrictions by satisfying the restricted purposes consist of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Time restricted:		
Foundations and corporations	\$ -	\$ -
Purpose restricted:		
AIR/Verisk Thimphu Buildings, Bhutan – Phase 1	6,736	35,228
Safety measures from landsliding in Kerala, India	7,527	2,684
Thornton Tomasetti inventory school building	-	-
Earthquake School Desk program, disaster safety programs in Bhutan, and programs in Haiti	109,925	60,362
Timoun an Aksyon! (Kids in Action) program	114,422	83,609
AIR/Verisk Thimphu Buildings, Bhutan – Phase 2	2,324	245
Nepal IABSE Amargdhi School Safety – Phase 1	11,116	13,884
Disaster preparedness for hospitals in Myanmar	21,468	1,686
Nepal school safety program	7,974	-
Earthquake response in Haiti	<u>27,972</u>	<u>-</u>
Total net assets released from restrictions	<u>\$ 309,464</u>	<u>\$ 197,698</u>

10. Contingencies

The severity of the impact of a novel strain of coronavirus (“COVID-19”) on the Organization’s operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Organization’s employees, all of which are uncertain and cannot be predicted. The Organization’s future results could be adversely impacted by delays in collections. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.