



Solar Sister, Inc.

Financial Statements
Years Ended December 31, 2014 and 2013

and

Supplemental Information including
Schedule of Expenditures of Federal Awards and
Reports on Compliance and Internal Control
Year Ended December 31, 2014

SOLAR SISTER, INC.

FINANCIAL STATEMENTS

Years Ended December 31, 2014 and 2013

AND

SUPPLEMENTAL INFORMATION INCLUDING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
REPORTS ON COMPLIANCE AND INTERNAL CONTROL

Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Solar Sister, Inc.
Bristol, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of Solar Sister, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 2014 financial statements referred to above present fairly, in all material respects, the financial position of Solar Sister, Inc. as of December 31, 2014, 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.

Prior Year Financial Statements

The financial statements of Solar Sister, Inc. as of December 31, 2013, were audited by other auditors whose report dated July 15, 2014, expressed an unmodified opinion on those statements.

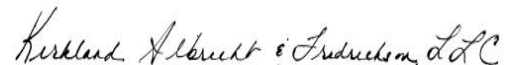
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The divisional schedule of activities is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is also presented for 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 the 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 our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 28, 2015, on our consideration of Solar Sister, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Solar Sister, Inc.'s internal control over financial reporting and compliance.



Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

July 28, 2015

SOLAR SISTER, INC.

Statements of Financial Position
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 166,836	\$ 258,915
Accounts receivable, net	1,126	25,043
Grants receivable	144,000	-
Inventory	103,442	54,797
Prepaid travel advances	16,173	13,700
Prepaid expenses	3,322	5,745
Total current assets	<u>434,899</u>	358,200
FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$7,671 in 2014 and \$4,311 in 2013	16,045	12,103
INTANGIBLE ASSETS, NET	<u>1,657</u>	1,853
Total assets	<u>\$ 452,601</u>	<u>\$ 372,156</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 11,857	\$ 14,252
Current portion of long term debt	-	3,000
Total current liabilities	<u>11,857</u>	17,252
LONG-TERM DEBT	<u>-</u>	650
Total liabilities	<u>11,857</u>	17,902
NET ASSETS:		
Unrestricted	(194,978)	(79,849)
Temporarily restricted	635,722	434,103
Total net assets	<u>440,744</u>	354,254
Total liabilities and net assets	<u>\$ 452,601</u>	<u>\$ 372,156</u>

See notes to financial statements.

SOLAR SISTER, INC.

Statements of Activities

Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT:						
Sales revenues	\$ 274,433	\$ -	\$ 274,433	\$ 137,698	\$ -	\$ 137,698
Less: cost of sales revenues	(251,493)	-	(251,493)	(70,524)	-	(70,524)
Net revenues from sales	22,940	-	22,940	67,174	-	67,174
Grants	161,473	934,653	1,096,126	100,000	872,750	972,750
Contributions	57,465	-	57,465	48,846	-	48,846
Donated goods and services	20,861	-	20,861	106,906	-	106,906
Interest income	168	-	168	66	-	66
Net assets released from restriction	733,034	(733,034)	-	515,845	(515,845)	-
Total revenues and other support	995,941	201,619	1,197,560	838,837	356,905	1,195,742
EXPENSES:						
Program	858,343	-	858,343	758,113	-	758,113
Management and general	201,554	-	201,554	176,455	-	176,455
Fundraising	13,072	-	13,072	1,754	-	1,754
Total expenses	1,072,969	-	1,072,969	936,322	-	936,322
Increase (decrease) in net assets before foreign currency translation gain/(loss)	(77,028)	201,619	124,591	(97,485)	356,905	259,420
FOREIGN CURRENCY TRANSLATION GAIN/(LOSS)	(38,101)	-	(38,101)	3,737	-	3,737
Increase (decrease) in net assets	(115,129)	201,619	86,490	(93,748)	356,905	263,157
NET ASSETS, BEGINNING OF YEAR	(79,849)	434,103	354,254	13,899	77,198	91,097
NET ASSETS, END OF YEAR	\$ (194,978)	\$ 635,722	\$ 440,744	\$ (79,849)	\$ 434,103	\$ 354,254

See notes to financial statements.

SOLAR SISTER, INC.

Statement of Functional Expenses

Year Ended December 31, 2014

	2014			
	Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ 368,676	\$ 119,848	\$ 6,285	\$ 494,809
Employee benefits	34,238	1,916	-	36,154
Payroll taxes	5,099	8,205	432	13,736
Total personnel costs	408,013	129,969	6,717	544,699
Consultants	107,063	39,750	-	146,813
Travel	125,308	4,438	-	129,746
Training and professional development	59,570	-	-	59,570
Advertising	27,201	-	2,482	29,683
Rent	26,118	-	-	26,118
Website and computer	20,247	2,198	3,566	26,011
Professional fees	996	20,861	-	21,857
Miscellaneous	16,120	1,660	307	18,087
Small equipment	16,775	-	-	16,775
Communication	14,873	-	-	14,873
Inventory and travel write off	13,482	-	-	13,482
Office supplies	11,751	-	-	11,751
Bank fees	6,370	-	-	6,370
Depreciation and amortization	3,415	893	-	4,308
Insurance	422	1,785	-	2,207
Postage and delivery	619	-	-	619
Total expenses	\$ 858,343	\$ 201,554	\$ 13,072	\$ 1,072,969

See notes to financial statements.

SOLAR SISTER, INC.

Statements of Functional Expenses

Year Ended December 31, 2013

	2013			
	Program Expenses	Management and General	Fundraising	Total Expenses
Salaries	\$ 283,440	\$ 24,341	\$ -	\$ 307,781
Payroll taxes	24,269	1,413	-	25,682
Employee benefits	4,013	1,880	-	5,893
Total personnel costs	311,722	27,634	-	339,356
Consultants	157,954	-	169	158,123
Professional fees	2,212	111,183	-	113,395
Travel	93,427	15,552	-	108,979
Local sub awards	101,096	-	-	101,096
Inventory and travel write off	30,263	-	-	30,263
Training and professional development	29,400	-	-	29,400
Advertising	12,064	-	-	12,064
Communication	9,246	-	-	9,246
Small equipment	3,646	1,890	-	5,536
Bank fees	-	4,676	-	4,676
Office supplies	-	4,659	-	4,659
Rent	4,605	-	-	4,605
Miscellaneous	2,478	1,636	-	4,114
Postage and delivery	-	3,713	-	3,713
Website and computer	-	1,586	1,585	3,171
Depreciation and amortization	-	2,549	-	2,549
Insurance	-	1,377	-	1,377
Total expenses	\$ 758,113	\$ 176,455	\$ 1,754	\$ 936,322

See notes to financial statements.

SOLAR SISTER, INC.

Statements of Cash Flows

Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 124,591	\$ 259,420
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	4,308	2,549
Loss on disposal of property and equipment	989	-
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	16,507	6,978
Grants receivable	(144,000)	-
Inventory	(57,219)	(31,377)
Prepaid travel advances	(3,935)	(13,700)
Prepaid expenses	2,089	(5,745)
Travel expense write offs	-	3,700
Increase (decrease) in:		
Accounts payable and accrued expenses	(2,247)	2,704
Net cash provided (used) by operating activities	<u>(58,917)</u>	<u>224,529</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(9,504)	(5,155)
Purchase of intangibles	-	(1,950)
Net cash used in investing activities	<u>(9,504)</u>	<u>(7,105)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Repayment) proceeds received from loan	<u>(3,650)</u>	<u>3,650</u>
Net cash provided (used) in financing activities	<u>(3,650)</u>	<u>3,650</u>
EFFECT OF EXCHANGE RATES ON CASH FLOWS	<u>(20,008)</u>	<u>-</u>
NET CHANGE IN CASH	(92,079)	221,074
Cash, beginning of year	<u>258,915</u>	<u>37,841</u>
Cash, end of year	<u><u>\$ 166,836</u></u>	<u><u>\$ 258,915</u></u>

See notes to financial statements.

SOLAR SISTER, INC.

Notes to Financial Statements

Years Ended December 31, 2014 and 2013

1. ORGANIZATION

Solar Sister, Inc. (the “Organization”) is a not-for-profit organization located in Bristol, Rhode Island and operates its programs in Uganda, Tanzania and Nigeria. The Organization eradicates energy poverty, empowering women and girls with economic opportunity by creating a deliberately woman-centered direct sales network to bring the breakthrough potential of clean energy technology to even the most remote communities in rural Africa. Energy products include solar powered lights, mobile phone chargers, and other clean energy products. The Organization recruits, trains and launches grassroots green collar businesses. The program has provided this opportunity to over 3,000 Solar Sister Entrepreneurs who sell the Organization’s clean energy products to service 1.6 million African residents. The Organization’s sales revenues and net revenues from sales are derived entirely from its programs in foreign countries.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Net Assets – The Organization follows the Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Subtopic *Presentation of Financial Statements* for not-for-profit entities. Therefore, the Organization reports information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed restrictions. The Organization may designate portions of its unrestricted net assets as board-designated for various purposes.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may 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 must be maintained permanently by the Organization. Generally, the donors of these assets permit the use of all or part of the income earned on related investments for general or specific purposes. At December 31, 2014 and 2013, the Organization did not have permanently restricted net assets.

Contributions – Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions on which they depend are substantially met. Contributions of assets other than cash are reported at their estimated fair value.

Contributions and grants received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset category, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

SOLAR SISTER, INC.

Notes to Financial Statements

Years Ended December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Contributions...continued – Contributions of services are reported as revenues and expenses of the unrestricted net asset category at the fair value of the services received only if the services create or enhance a non-financial asset or would typically need to be purchased if not provided by individuals with those specialized skills. Donated services totaled \$20,861 and \$106,906 for the years ended December 31, 2014 and 2013, respectively.

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 assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk – Financial instruments that expose the Organization to credit risk consist primarily of cash. The Organization maintains its cash in bank deposit accounts, both in the United States and Africa. Cash accounts maintained in foreign countries are not federally insured and amounts held in U.S. banks may, at times, exceed 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. At December 31, 2014, cash held in foreign bank accounts totaled \$47,131.

Accounts Receivable – Accounts receivable are primarily unsecured non-interest bearing amounts due from Entrepreneurs. Accounts receivable policies for the Organization changed during 2013, and the Organization no longer extends credit to the Entrepreneurs.

Grants Receivable – In 2014, grants receivable represent grants awarded to the Organization for which collection is expected in the next fiscal year. Management has evaluated the collectability of grants receivable and determined that these amounts are fully collectible at December 31, 2014.

Inventory – Inventory is stated at the lower of cost or market. Cost is determined on a first-in, first-out basis. Inventory consists of solar-powered devices sold to the general population by Solar Sister Entrepreneurs.

Furniture and Equipment – Furniture and equipment are recorded at cost or, if donated, fair value on the date of the contribution. Furniture and equipment that costs less than \$500 is expensed to operations as incurred. Capitalized furniture and equipment are depreciated using the straight-line method over useful lives of five – seven years. Depreciation expense totaled \$4,112 in 2014 and \$2,451 in 2013.

SOLAR SISTER, INC.

Notes to Financial Statements

Years Ended December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Intangible Assets – Intangible assets consist of a trademark registered in 2013. Intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. The estimated useful life of the trademark is the period over which the asset is expected to contribute directly or indirectly to the Organization’s future cash flows, 10 years. Amortization expense was \$196 in 2014 and \$98 in 2013. Amortization expense will be \$196 per year over the next five years and thereafter.

Impairment of Long-Lived Assets – The Organization’s long-lived assets are reviewed for impairment in accordance with the guidance of the FASB ASC Topic Property, Plant, and Equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reportable at the lower of the carrying amount or fair value, less costs to sell. At December 31, 2014 and 2013, the Organization has determined that long-lived assets are not impaired.

Allocation of Expenses – The Organization allocates general expense to program services from management and general expenses, utilizing estimates and judgements as to how programs and supporting services benefited from such expenses.

Advertising Costs – The Organization uses advertising to promote its programs within the communities it serves. The Organization’s advertising expenses totaled \$29,683 in 2014 and \$12,064 in 2013.

Shipping and Handling Costs – The Organization expenses shipping and handling costs when incurred and such costs are included in cost of sales.

Tax Status – The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code (the “Code”) and is exempt from federal and state income taxes.

The Organization accounts for uncertain tax positions in accordance with FASB ASC Topic *Income Taxes*. The Topic prescribes a recognition threshold and measurement process for financial statement recognition of uncertain tax positions taken or expected to be taken in a tax return. The Topic also provides guidance on recognition, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Organization files informational federal tax returns as required by the Code. The Organization is no longer subject to federal examinations by tax authorities for years before 2011.

At December 31, 2014, management believes that the Organization has no material uncertain tax positions.

SOLAR SISTER, INC.

Notes to Financial Statements

Years Ended December 31, 2014 and 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued

Foreign Currency Translation – The Organization’s foreign accounts and transactions in Uganda, Tanzania and Nigeria are recognized in the local foreign currency of those regions. The statement of financial position accounts are translated at exchange rates in effect at the end of the year and revenues and expenses are translated at the average foreign exchange rates prevailing throughout the fiscal year. Translation gains and losses are included in the accompanying statements of activities. The local currencies of Uganda, Tanzania and Nigeria are the Ugandan Shilling (UGX), Tanzanian shilling (TZS), and the Naira (NGN), respectively.

Reclassifications – Certain amounts in the 2013 financial statements have been reclassified to conform to 2014 classifications. These reclassifications do not have a material effect on the prior year financial statements.

Subsequent Events – The Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2014, through the date which the financial statements were available to be issued, July 28, 2015, and has determined that there are no subsequent events that require disclosure under FASB ASC Topic *Subsequent Events*.

3. GRANTS RECEIVABLE

At December 31, 2014, the Organization had grants receivable of \$144,000 from wPOWER. wPOWER is the Partnership on Women’s Entrepreneurship in Renewables launched by the U.S. Department of State to promote women’s critical role in clean energy solution to climate changes. The total grant receivable was collected subsequent to year end. There were no grants receivable at December 31, 2013.

4. LONG-TERM DEBT

During 2013, the Organization received proceeds from an agreement entered into during August, 2012 for non-interest bearing loans. The term of the note was not to exceed 60 months with no specific payment schedule. The balance of the note was \$3,650 at December 31, 2013. During 2014 the note was paid in full.

5. TEMPORARILY RESTRICTED NET ASSETS

The Organization had temporarily restricted net assets of \$635,722 and \$434,103 at December 31, 2014 and 2013, respectively. These net assets were restricted by grantors for use and expansion into specified countries in which the Organization operates its programs.

Net assets were released from donor restrictions during in 2014 and 2013 by incurring expenses satisfying the restricted purposes established by donors. Net assets released from restrictions totaled \$733,034 in 2014 and \$515,845 in 2013.

SOLAR SISTER, INC.

Notes to Financial Statements

Years Ended December 31, 2014 and 2013

6. LEASE OBLIGATIONS

The Organization leases space overseas under monthly operating agreements. Total rent expense was \$26,118 in 2014 and \$4,605 in 2013

7. SIGNIFICANT GRANTORS

During 2014, four grantors accounted for approximately 89% of total grants received by the Organization and 68% of total revenue. During 2013, three grantors accounted for approximately 76% of total grants received by the Organization and 89% of total revenue.

SUPPLEMENTAL INFORMATION

SOLAR SISTER, INC.

Combining Statement of Financial Position
Year Ended December 31, 2014

	<u>ASSETS</u>					
	USA	Uganda	Tanzania	Nigeria	Eliminations	Total
CURRENT ASSETS:						
Cash and cash equivalents	\$ 119,705	\$ 4,073	\$ 19,291	\$ 23,767	\$ -	\$ 166,836
Accounts Receivable	1,126	-	-	-	-	1,126
Grants receivable	144,000	-	-	-	-	144,000
Inventory	-	23,289	51,059	29,094	-	103,442
Prepaid travel advances	-	4,623	5,913	5,637	-	16,173
Prepaid expenses	-	-	-	3,322	-	3,322
Total current assets	<u>264,831</u>	<u>31,985</u>	<u>76,263</u>	<u>61,820</u>	<u>-</u>	<u>434,899</u>
PROPERTY AND EQUIPMENT						
Furniture and equipment	4,266	7,782	8,836	2,832	-	23,716
Accumulated depreciation	(1,176)	(4,905)	(1,331)	(259)	-	(7,671)
	<u>3,090</u>	<u>2,877</u>	<u>7,505</u>	<u>2,573</u>	<u>-</u>	<u>16,045</u>
INTANGIBLE ASSETS, NET						
	<u>1,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,657</u>
Total assets	<u>\$ 269,578</u>	<u>\$ 34,862</u>	<u>\$ 83,768</u>	<u>\$ 64,393</u>	<u>\$ -</u>	<u>\$ 452,601</u>
<u>LIABILITIES AND NET ASSETS</u>						
	USA	Uganda	Tanzania	Nigeria	Eliminations	Total
CURRENT LIABILITIES:						
Accounts payable and accrued expenses	\$ 10,230	\$ 1,627	\$ -	\$ -	\$ -	\$ 11,857
NET ASSETS:						
Unrestricted	(376,374)	33,235	83,768	64,393	-	(194,978)
Temporarily restricted	635,722	-	-	-	-	635,722
Total net assets	<u>259,348</u>	<u>33,235</u>	<u>83,768</u>	<u>64,393</u>	<u>-</u>	<u>440,744</u>
Total liabilities and net assets	<u>\$ 269,578</u>	<u>\$ 34,862</u>	<u>\$ 83,768</u>	<u>\$ 64,393</u>	<u>\$ -</u>	<u>\$ 452,601</u>

See independent auditor's report.

SOLAR SISTER, INC.

Combining Statement of Activities
Year Ended December 31, 2014

	USA			Uganda			Tanzania			Nigeria			ELIMINATIONS			TOTAL		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT:																		
Sales revenues	\$ -	\$ -	\$ -	\$ 349,183	\$ -	\$ 349,183	\$ 401,271	\$ -	\$ 401,271	\$ 352,546	\$ -	\$ 352,546	\$ (828,567)	\$ -	\$ (828,567)	\$ 274,433	\$ -	\$ 274,433
Less: cost of sales revenues	-	-	-	(74,955)	-	(74,955)	(140,962)	-	(140,962)	(35,576)	-	(35,576)	-	-	-	(251,493)	-	(251,493)
Net revenues from sales	-	-	-	274,228	-	274,228	260,309	-	260,309	316,970	-	316,970	(828,567)	-	(828,567)	22,940	-	22,940
Grants	161,473	934,653	1,096,126	-	-	-	-	-	-	-	-	-	-	-	-	161,473	934,653	1,096,126
Contributions	57,465	-	57,465	-	-	-	-	-	-	-	-	-	-	-	-	57,465	-	57,465
Donated goods and services	20,861	-	20,861	-	-	-	-	-	-	-	-	-	-	-	-	20,861	-	20,861
Interest income	35	-	35	-	-	-	24	-	24	109	-	109	-	-	-	168	-	168
Net assets released from restriction	733,034	(733,034)	-	-	-	-	-	-	-	-	-	-	-	-	-	733,034	(733,034)	-
Total revenues and other support	972,868	201,619	1,174,487	274,228	-	274,228	260,333	-	260,333	317,079	-	317,079	(828,567)	-	(828,567)	995,941	201,619	1,197,560
EXPENSES:																		
Program	979,389	-	979,389	277,316	-	277,316	184,021	-	184,021	246,184	-	246,184	(828,567)	-	(828,567)	858,343	-	858,343
Management and general	201,554	-	201,554	-	-	-	-	-	-	-	-	-	-	-	-	201,554	-	201,554
Fundraising	13,072	-	13,072	-	-	-	-	-	-	-	-	-	-	-	-	13,072	-	13,072
Total expenses	1,194,015	-	1,194,015	277,316	-	277,316	184,021	-	184,021	246,184	-	246,184	(828,567)	-	(828,567)	1,072,969	-	1,072,969
Increase (decrease) in net assets before foreign currency translation gain/(loss)	(221,147)	201,619	(19,528)	(3,088)	-	(3,088)	76,312	-	76,312	70,895	-	70,895	-	-	-	(77,028)	201,619	124,591
FOREIGN CURRENCY TRANSLATION LOSS	-	-	-	(16,074)	-	(16,074)	(15,525)	-	(15,525)	(6,502)	-	(6,502)	-	-	-	(38,101)	-	(38,101)
Increase (decrease) in net assets	(221,147)	201,619	(19,528)	(19,162)	-	(19,162)	60,787	-	60,787	64,393	-	64,393	-	-	-	(115,129)	201,619	86,490
NET ASSETS, BEGINNING OF YEAR	(155,227)	434,103	278,876	52,397	-	52,397	22,981	-	22,981	-	-	-	-	-	-	(79,849)	434,103	354,254
NET ASSETS, END OF YEAR	\$ (376,374)	\$ 635,722	\$ 259,348	\$ 33,235	\$ -	\$ 33,235	\$ 83,768	\$ -	\$ 83,768	\$ 64,393	\$ -	\$ 64,393	\$ -	\$ -	\$ -	\$ (194,978)	\$ 635,722	\$ 440,744

See independent auditor's report.

SOLAR SISTER, INC.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Agency for International Development:			
Direct programs:			
Partnership on Women's Entrepreneurship in Renewables	19.017	N/A	\$ 335,541
United States Agency for International Development:			
Direct programs:			
USAID Foreign Assistance for Programs Overseas	98.001	N/A	<u>240,000</u>
Total Expenditures of Federal Awards			<u>\$ 575,541</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDSBasis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Solar Sister, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Solar Sister, Inc.
Bristol, Rhode Island

Report on Compliance for Each Major Federal Program

We have audited Solar Sister, Inc.'s (the "Organization") (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2014. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Solar Sister, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Solar Sister, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of Solar Sister, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Solar Sister, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

July 28, 2015



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

The Board of Directors
Solar Sister, Inc.
Bristol, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Solar Sister, Inc. (the "Organization") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 28, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Solar Sister, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

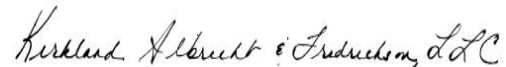
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Solar Sister, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Kirkland Albrecht & Fredrickson, LLC
Braintree, Massachusetts

July 28, 2015

SOLAR SISTER, INC.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

I. SUMMARY OF AUDITOR'S RESULTSFinancial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes x No

Significant deficiency(ies) identified
that are not considered to be material weaknesses? _____ Yes x
None reported

Noncompliance material to financial statements noted? _____ Yes x No

Federal Awards

Internal Control over major program:

Material weakness(es) identified? _____ Yes x No

Significant deficiency(ies) identified reported that
are not considered to be material weaknesses _____ Yes x
None reported

Type of auditor's report issued on compliance
for major program: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Section 510(a)
of OMB Circular A-133? _____ Yes x No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
19.017	Partnership on Women's Entrepreneurship in Renewables
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	_____ Yes <u> x </u> No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

SOLAR SISTER, INC.

Schedule of Prior Year Audit Findings
Year Ended December 31, 2014

PRIOR YEAR AUDIT FINDINGS:

I. FINANCIAL STATEMENT FINDINGS

None

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None