



Solar Sister, Inc.

Financial Statements  
Years Ended December 31, 2015 and 2014  
and  
Supplemental Information including  
Schedule of Expenditures of Federal Awards and  
Reports on Compliance and Internal Control

Year Ended December 31, 2015

***SOLAR SISTER, INC.***

FINANCIAL STATEMENTS

Years Ended December 31, 2015 and 2014

AND

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

Year Ended December 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Solar Sister, Inc.  
Washington, D.C.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Solar Sister, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 financial statements referred to above present fairly, in all material respects, the financial position of Solar Sister, Inc. as of December 31, 2015 and 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.

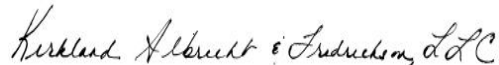
## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying combining statement of financial position and activities are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 September 12, 2016, 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

September 12, 2016

**SOLAR SISTER, INC.**

Statements of Financial Position  
December 31, 2015 and 2014

	<u>ASSETS</u>	
	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 410,183	\$ 166,836
Accounts receivable, net	-	1,126
Grants receivable	-	144,000
Inventory	200,787	103,442
Prepaid travel advances	20,529	16,173
Prepaid expenses	14,103	3,322
	<hr/>	
Total current assets	645,602	434,899
FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$12,840 in 2015 and \$7,671 in 2014	32,732	16,045
INTANGIBLE ASSETS, NET	1,462	1,657
	<hr/>	
Total assets	\$ 679,796	\$ 452,601
	<hr/> <hr/>	
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued expenses	\$ 85,789	\$ 11,857
Deferred revenue	350,000	-
	<hr/>	
Total current liabilities	435,789	11,857
	<hr/>	
<b>NET ASSETS:</b>		
Unrestricted	(273,233)	(194,978)
Temporarily restricted	517,240	635,722
	<hr/>	
Total net assets	244,007	440,744
	<hr/>	
Total liabilities and net assets	\$ 679,796	\$ 452,601
	<hr/> <hr/>	

*See notes to financial statements.*

**SOLAR SISTER, INC.**

Statements of Activities

Years Ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND OTHER SUPPORT:</b>						
Sales revenues	\$ 489,589	\$ -	\$ 489,589	\$ 274,433	\$ -	\$ 274,433
Less: cost of sales revenues	(437,910)	-	(437,910)	(251,493)	-	(251,493)
Net revenue from sales	51,679	-	51,679	22,940	-	22,940
Grants	165,497	1,126,000	1,291,497	161,473	934,653	1,096,126
Contributions	137,221	-	137,221	57,465	-	57,465
Donated goods and services	25,698	-	25,698	20,861	-	20,861
Interest income	369	-	369	168	-	168
Net assets released from restriction	1,244,482	(1,244,482)	-	733,034	(733,034)	-
Total revenues and other support	1,624,946	(118,482)	1,506,464	995,941	201,619	1,197,560
<b>EXPENSES:</b>						
Program	1,435,201	-	1,435,201	858,343	-	858,343
Management and general	184,272	-	184,272	201,554	-	201,554
Fundraising	33,860	-	33,860	13,072	-	13,072
Total expenses	1,653,333	-	1,653,333	1,072,969	-	1,072,969
Increase (decrease) in net assets before foreign currency translation loss	(28,387)	(118,482)	(146,869)	(77,028)	201,619	124,591
FOREIGN CURRENCY TRANSLATION LOSS	(49,868)	-	(49,868)	(38,101)	-	(38,101)
Increase (decrease) in net assets	(78,255)	(118,482)	(196,737)	(115,129)	201,619	86,490
NET ASSETS, BEGINNING OF YEAR	(194,978)	635,722	440,744	(79,849)	434,103	354,254
NET ASSETS, END OF YEAR	\$ (273,233)	\$ 517,240	\$ 244,007	\$ (194,978)	\$ 635,722	\$ 440,744

See notes to financial statements.

**SOLAR SISTER, INC.**

Statements of Functional Expenses

Years Ended December 31, 2015 and 2014

	2015			
	Program	Management and General	Fundraising	Total Expenses
Personnel costs	\$ 694,054	\$ 126,077	\$ 17,064	\$ 837,195
Travel	244,751	-	-	244,751
Training and professional development	156,305	-	-	156,305
Advertising	90,488	-	2,640	93,128
Consultants	57,907	8,218	-	66,125
Website and computer	41,949	4,588	13,765	60,302
Miscellaneous	39,708	6,205	391	46,304
Rent	35,893	750	-	36,643
Professional fees	5,630	25,191	-	30,821
Communication	28,157	-	-	28,157
Office supplies	27,241	-	-	27,241
Insurance	-	12,347	-	12,347
Bank fees	7,379	-	-	7,379
Depreciation and amortization	5,739	896	-	6,635
	<hr/>			
Total expenses	\$ 1,435,201	\$ 184,272	\$ 33,860	\$ 1,653,333
	<hr/>			
	2014			
	Program	Management and General	Fundraising	Total Expenses
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	32,895	1,660	307	34,862
Communication	14,873	-	-	14,873
Inventory and travel write off	13,482	-	-	13,482
Office supplies	12,370	-	-	12,370
Bank fees	6,370	-	-	6,370
Depreciation and amortization	3,415	893	-	4,308
Insurance	422	1,785	-	2,207
	<hr/>			
Total expenses	\$ 858,343	\$ 201,554	\$ 13,072	\$ 1,072,969
	<hr/>			

See notes to financial statements.

**SOLAR SISTER, INC.**

## Statements of Cash Flows

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (146,869)	\$ 124,591
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	6,635	4,308
Loss on disposal of property and equipment	-	989
Changes in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	1,126	16,507
Grants receivable	144,000	(144,000)
Inventory	(115,334)	(57,219)
Prepaid travel advances	(6,318)	(3,935)
Prepaid expenses	(11,209)	2,089
Increase (decrease) in:		
Accounts payable and accrued expenses	75,318	(2,247)
Deferred revenue	350,000	-
Net cash provided (used) by operating activities	<u>297,349</u>	<u>(58,917)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	<u>(26,164)</u>	<u>(9,504)</u>
Net cash used in investing activities	<u>(26,164)</u>	<u>(9,504)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments of debt	<u>-</u>	<u>(3,650)</u>
Net cash used in financing activities	<u>-</u>	<u>(3,650)</u>
EFFECT OF EXCHANGE RATES ON CASH FLOWS	<u>(27,838)</u>	<u>(20,008)</u>
NET CHANGE IN CASH	<u>243,347</u>	<u>(92,079)</u>
Cash, beginning of year	<u>166,836</u>	<u>258,915</u>
Cash, end of year	<u><u>\$ 410,183</u></u>	<u><u>\$ 166,836</u></u>

See notes to financial statements.



**SOLAR SISTER, INC.**

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

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**1. ORGANIZATION**

Solar Sister, Inc. (the “Organization”) is a not-for-profit organization located in Washington, D.C. 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, 2015 and 2014, 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, 2015 and 2014

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**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 \$25,698 in 2015 and \$20,861 in 2014.

**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, 2015 and 2014, cash held in foreign bank accounts totaled \$29,761 and \$47,131, respectively.

**Grants Receivable** – In 2014, grants receivable represent grants awarded to the Organization for which collection was expected in the next fiscal year. Management had evaluated the collectability of grants receivable and determined that amounts were fully collectible at December 31, 2014. All amounts were collected in 2015 and there were no grants receivable at December 31, 2015.

**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 cost less than \$500 are expensed to operations as incurred. Capitalized furniture and equipment are depreciated using the straight-line method over useful lives ranging from five to seven years. Depreciation expense totaled \$6,440 in 2015 and \$4,112 in 2014.

**Intangible Assets** – Intangible assets consist of a registered trademark. 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 ten years and is the period over which the asset is expected to contribute directly or indirectly to the Organization's future cash flows. Amortization expense was \$195 in 2015 and \$196 in 2014. Amortization expense will be \$196 per year over the next five years and thereafter.

**SOLAR SISTER, INC.**

Notes to Financial Statements

Years Ended December 31, 2015 and 2014

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued**

**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, 2015 and 2014, the Organization has determined at long-lived assets are not impaired.

**Allocation of Expenses** – The Organization allocates general expenses 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 \$93,128 in 2015 and \$29,683 in 2014.

**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. At December 31, 2015, management believes that the Organization has no material uncertain tax positions.

**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 2014 financial statements have been reclassified to conform to 2015 classifications. These reclassifications do not have a material effect on the prior year financial statements.

**SOLAR SISTER, INC.**

Notes to Financial Statements  
Years Ended December 31, 2015 and 2014

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES...continued**

*Subsequent Events* – The Organization has evaluated all events subsequent to the statement of financial position date of December 31, 2015, through the date which the financial statements were available to be issued, September 12, 2016, 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 harness the potential of women and women's networks to increase the use of clean energy technologies, which in turn helps reduce climate change. These grants receivable were collected in 2015. Although there were grants received in 2015, there were no grants receivable at December 31, 2015.

**4. TEMPORARILY RESTRICTED NET ASSETS**

The Organization had temporarily restricted net assets of \$517,240 and \$635,722 at December 31, 2015 and 2014, 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 in 2015 and 2014 by incurring expenses satisfying the restricted purposes established by donors. Net assets released from restrictions totaled \$1,244,482 in 2015 and \$733,034 in 2014.

**5. LEASE OBLIGATIONS**

The Organization leases space under monthly operating agreements and a non-cancelable operating lease that expires in 2017. Total rent expense was \$36,643 in 2015 and \$26,118 in 2014. The following is a schedule of future minimum rental payments required under the non-cancelable operating leases for each year succeeding December 31, 2015:

<u>Year</u>	<u>Amount</u>
2016	\$ 10,746
2017	<u>2,686</u>
	<u>\$ 13,432</u>

**6. SIGNIFICANT GRANTORS**

During 2015, three grantors accounted for approximately 87% of total grants received by the Organization and 57% of total revenue. During 2014, four grantors accounted for approximately 89% of total grants received by the Organization and 68% of total revenue.

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SUPPLEMENTAL INFORMATION

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**SOLAR SISTER, INC.**

Combining Statement of Financial Position  
Year Ended December 31, 2015

	<b><u>ASSETS</u></b>					
	USA	Uganda	Tanzania	Nigeria	Eliminations	Total
<b>CURRENT ASSETS:</b>						
Cash and cash equivalents	\$ 367,063	\$ 10,565	\$ 9,844	\$ 22,711	\$ -	\$ 410,183
Inventory	-	76,294	65,758	58,735	-	200,787
Prepaid travel advances	-	8,526	7,024	4,979	-	20,529
Prepaid expenses	10,097	3,581	425	-	-	14,103
Total current assets	377,160	98,966	83,051	86,425	-	645,602
FURNITURE AND EQUIPMENT, net of accumulated depreciation of \$12,840 in 2015 and \$7,671 in 2014	2,389	17,781	6,477	6,085	-	32,732
INTANGIBLE ASSETS, NET	1,462	-	-	-	-	1,462
Total assets	<u>\$ 381,011</u>	<u>\$ 116,747</u>	<u>\$ 89,528</u>	<u>\$ 92,510</u>	<u>\$ -</u>	<u>\$ 679,796</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>						
	USA	Uganda	Tanzania	Nigeria	Eliminations	Total
<b>CURRENT LIABILITIES:</b>						
Accounts payable and accrued expenses	\$ 55,596	\$ 30,048	\$ -	\$ 145	\$ -	\$ 85,789
Deferred revenue	350,000	-	-	-	-	350,000
Total current liabilities	405,596	30,048	-	145	-	435,789
<b>NET ASSETS:</b>						
Unrestricted	(541,825)	86,699	89,528	92,365	-	(273,233)
Temporarily restricted	517,240	-	-	-	-	517,240
Total net assets	(24,585)	86,699	89,528	92,365	-	244,007
Total liabilities and net assets	<u>\$ 381,011</u>	<u>\$ 116,747</u>	<u>\$ 89,528</u>	<u>\$ 92,510</u>	<u>\$ -</u>	<u>\$ 679,796</u>

*See independent auditor's report.*

**SOLAR SISTER, INC.**  
Combining Statement of Activities  
Year Ended December 31, 2015

	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
<b>REVENUES AND OTHER SUPPORT:</b>																		
Sales revenues	\$ 3,194	\$ -	\$ 3,194	\$ 782,407	\$ -	\$ 782,407	\$ 764,881	\$ -	\$ 764,881	\$ 451,398	\$ -	\$ 451,398	\$ (1,512,291)	\$ -	\$ (1,512,291)	\$ 489,589	\$ -	\$ 489,589
Less: cost of sales revenue	(1,126)	-	(1,126)	(150,467)	-	(150,467)	(186,222)	-	(186,222)	(100,095)	-	(100,095)	-	-	-	(437,910)	-	(437,910)
Net revenues from sales	2,068	-	2,068	631,940	-	631,940	578,659	-	578,659	351,303	-	351,303	(1,512,291)	-	(1,512,291)	51,679	-	51,679
Grants	165,497	1,126,000	1,291,497	-	-	-	-	-	-	-	-	-	-	-	-	165,497	1,126,000	1,291,497
Contributions	137,096	-	137,096	-	-	-	-	-	-	125	-	125	-	-	-	137,221	-	137,221
Donated goods and services	25,698	-	25,698	-	-	-	-	-	-	-	-	-	-	-	-	25,698	-	25,698
Interest income	40	-	40	-	-	-	-	-	-	329	-	329	-	-	-	369	-	369
Net assets released from restriction	1,244,482	(1,244,482)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,244,482	(1,244,482)	-
Total revenues and other support	1,574,881	(118,482)	1,456,399	631,940	-	631,940	578,659	-	578,659	351,757	-	351,757	(1,512,291)	-	(1,512,291)	1,624,946	(118,482)	1,506,464
<b>EXPENSES:</b>																		
Program	1,522,200	-	1,522,200	554,787	-	554,787	562,532	-	562,532	307,973	-	307,973	(1,512,291)	-	(1,512,291)	1,435,201	-	1,435,201
Management and general	184,272	-	184,272	-	-	-	-	-	-	-	-	-	-	-	-	184,272	-	184,272
Fundraising	33,860	-	33,860	-	-	-	-	-	-	-	-	-	-	-	-	33,860	-	33,860
Total expenses	1,740,332	-	1,740,332	554,787	-	554,787	562,532	-	562,532	307,973	-	307,973	(1,512,291)	-	(1,512,291)	1,653,333	-	1,653,333
Increase (decrease) in net assets before foreign currency translation loss:	(165,451)	(118,482)	(283,933)	77,153	-	77,153	16,127	-	16,127	43,784	-	43,784	-	-	-	(28,387)	(118,482)	(146,869)
FOREIGN CURRENCY TRANSLATION LOSS	-	-	-	(23,689)	-	(23,689)	(10,367)	-	(10,367)	(15,812)	-	(15,812)	-	-	-	(49,868)	-	(49,868)
Increase (decrease) in net assets	(165,451)	(118,482)	(283,933)	53,464	-	53,464	5,760	-	5,760	27,972	-	27,972	-	-	-	(78,255)	(118,482)	(196,737)
NET ASSETS, BEGINNING 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
NET ASSETS, END OF YEAR	\$ (541,825)	\$ 517,240	\$ (24,585)	\$ 86,699	\$ -	\$ 86,699	\$ 89,528	\$ -	\$ 89,528	\$ 92,365	\$ -	\$ 92,365	\$ -	\$ -	\$ -	\$ (273,233)	\$ 517,240	\$ 244,007

See independent auditor's report.

**SOLAR SISTER, INC.**

Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2015

<b>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>Agency for International Development:</b>			
Direct program:			
Partnership on Women's Entrepreneurship in Renewables (wPower)	19.017	N/A	\$ 456,000
<b>United States Agency for International Development:</b>			
Direct program:			
USAID Foreign Assistance for Programs Overseas	98.001	N/A	<u>320,000</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 776,000</u>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**NOTE A Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Solar Sister, Inc. under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Solar Sister, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Solar Sister, Inc. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Solar Sister, Inc. has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.





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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Solar Sister, Inc.  
Washington, D.C.

### **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 Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 a 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, 2015.

## 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Kirkland Albrecht & Fredrickson, LLC*

Kirkland Albrecht & Fredrickson, LLC  
Braintree, Massachusetts

September 12, 2016



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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.  
Washington, D.C.

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, 2015, 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 September 12, 2016.

### **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

September 12, 2016

**SOLAR SISTER, INC.**

Schedule of Findings and Questioned Costs  
Year Ended December 31, 2015

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**I. SUMMARY OF AUDITOR'S RESULTS**Financial 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 717  
of the Uniform Guidance? \_\_\_\_\_ 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>\$750,000</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, 2015

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**PRIOR YEAR AUDIT FINDINGS:**

**I. FINANCIAL STATEMENT FINDINGS**

None

**II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None