

**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY INFORMATION**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**SOLAR SISTER, INC. AND AFFILIATES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Solar Sister, Inc. and Affiliates

We have audited the accompanying consolidated financial statements of Solar Sister, Inc. and Affiliates (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Solar Sister, Inc. and Affiliates as of December 31, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts  
November 12, 2019

**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

**ASSETS**

	<b><u>2018</u></b>	<b><u>2017</u></b>
Current assets:		
Cash	\$ 376,455	\$ 491,401
Receivables	12,500	-
Inventory	114,132	81,671
Prepaid expenses	<u>16,049</u>	<u>2,710</u>
Total current assets	519,136	575,782
Furniture and equipment, net of accumulated depreciation of \$3,980 in 2018 and \$3,279 in 2017	286	987
Intangible assets, net of accumulated amortization of \$1,073 in 2018 and \$878 in 2017	<u>877</u>	<u>1,072</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 520,299</u></b>	<b><u>\$ 577,841</u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable and accrued expenses	\$ <u>16,715</u>	\$ <u>56,465</u>
Net assets:		
Net assets without donor restrictions	262,864	490,676
Net assets with donor restrictions	<u>240,720</u>	<u>30,700</u>
Total net assets	<u>503,584</u>	<u>521,376</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 520,299</u></b>	<b><u>\$ 577,841</u></b>

See accompanying notes to consolidated financial statements.

**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018			2017		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and other support:						
Sales	\$ 674,022	\$ -	\$ 674,022	\$ 480,919	\$ -	\$ 480,919
Grants	547,238	980,848	1,528,086	-	1,861,791	1,861,791
Contributions	69,754	-	69,754	125,981	30,700	156,681
Other income	23	-	23	246	-	246
Loss on disposal of assets	-	-	-	(8,263)	-	(8,263)
Net assets released from restriction	<u>770,828</u>	<u>(770,828)</u>	<u>-</u>	<u>1,930,242</u>	<u>(1,930,242)</u>	<u>-</u>
Total revenues and other support	<u>2,061,865</u>	<u>210,020</u>	<u>2,271,885</u>	<u>2,529,125</u>	<u>(37,751)</u>	<u>2,491,374</u>
Expenses:						
Program	2,040,805	-	2,040,805	1,882,839	-	1,882,839
Management and general	223,903	-	223,903	136,083	-	136,083
Fundraising	<u>17,358</u>	<u>-</u>	<u>17,358</u>	<u>21,591</u>	<u>-</u>	<u>21,591</u>
Total expenses	<u>2,282,066</u>	<u>-</u>	<u>2,282,066</u>	<u>2,040,513</u>	<u>-</u>	<u>2,040,513</u>
Change in net assets before foreign currency translation loss	(220,201)	210,020	(10,181)	488,612	(37,751)	450,861
Foreign currency translation loss	<u>(7,611)</u>	<u>-</u>	<u>(7,611)</u>	<u>(3,029)</u>	<u>-</u>	<u>(3,029)</u>
Change in net assets	(227,812)	210,020	(17,792)	485,583	(37,751)	447,832
Net assets at beginning of year	<u>490,676</u>	<u>30,700</u>	<u>521,376</u>	<u>5,093</u>	<u>68,451</u>	<u>73,544</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 262,864</u>	<u>\$ 240,720</u>	<u>\$ 503,584</u>	<u>\$ 490,676</u>	<u>\$ 30,700</u>	<u>\$ 521,376</u>

See accompanying notes to consolidated financial statements.

**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<b>2018</b>			
	Program	Management and General	Fundraising	Total Expenses
Personnel costs	\$ 851,569	\$ 61,905	\$ 13,265	\$ 926,739
Cost of sales	581,669	-	-	581,669
Professional fees	188,640	115,162	959	304,761
Travel	127,126	623	133	127,882
Training and professional development	98,532	1,140	244	99,916
Advertising	51,468	279	60	51,807
Office supplies	50,400	10,794	338	61,532
Rent	26,326	4,441	952	31,719
Website and computer	25,605	4,319	925	30,849
Communications	26,136	-	-	26,136
Bank fees	-	11,308	-	11,308
Insurance	12,590	2,124	455	15,169
Miscellaneous	-	11,683	-	11,683
Depreciation and amortization	744	125	27	896
<b>TOTAL EXPENSES</b>	<b>\$ 2,040,805</b>	<b>\$ 223,903</b>	<b>\$ 17,358</b>	<b>\$ 2,282,066</b>

	<b>2017</b>			
	Program	Management and General	Fundraising	Total Expenses
Personnel costs	\$ 685,975	\$ 56,676	\$ 21,591	\$ 764,242
Cost of sales	440,432	-	-	440,432
Professional fees and consultants	275,621	34,507	-	310,128
Travel	252,634	-	-	252,634
Training and professional development	47,100	-	-	47,100
Advertising	44,856	-	-	44,856
Miscellaneous	22,041	10,375	-	32,416
Rent	22,424	5,371	-	27,795
Website and computer	27,747	-	-	27,747
Communications	25,641	-	-	25,641
Office supplies	21,855	-	-	21,855
Insurance	5,826	14,428	-	20,254
Professional fees	-	14,726	-	14,726
Bank fees	9,550	-	-	9,550
Depreciation and amortization	1,137	-	-	1,137
<b>TOTAL EXPENSES</b>	<b>\$ 1,882,839</b>	<b>\$ 136,083</b>	<b>\$ 21,591</b>	<b>\$ 2,040,513</b>

See accompanying notes to consolidated financial statements.

**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
Operating activities:		
Change in net assets	\$ (17,792)	\$ 447,832
Translation adjustments	7,611	3,029
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	896	1,137
Loss on disposal of furniture and equipment	-	8,263
Changes in assets and liabilities:		
Accounts receivable	(12,500)	-
Inventory	(32,311)	(15,441)
Prepaid expenses	(13,339)	8,804
Accounts payable and accrued expenses	(39,750)	31,655
Deferred revenue	<u>-</u>	<u>(186,395)</u>
Net cash provided by (used in) operating activities	<u>(107,185)</u>	<u>298,884</u>
Effect of exchange rate changes on cash flows	<u>(7,761)</u>	<u>5,534</u>
Net increase (decrease) in cash	(114,946)	304,418
Cash, beginning of year	<u>491,401</u>	<u>186,983</u>
<b>CASH, END OF YEAR</b>	<b><u><u>\$ 376,455</u></u></b>	<b><u><u>\$ 491,401</u></u></b>

See accompanying notes to consolidated financial statements.

**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1. ORGANIZATION**

Solar Sister, Inc. ("Solar Sister") is a non-profit organization located in Great Falls, VA and operates its programs in Uganda or Tanzania and Nigeria. Solar Sister 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. Solar Sister recruits, trains and launches grassroots green collar businesses. The program has provided this opportunity to over 3,000 Solar Sister entrepreneurs who sell Solar Sister's clean energy products to service 1.6 million African residents. Solar Sister's sales are derived entirely from its programs in foreign countries. In 2017, Solar Sister withdrew from operations in Uganda, but remains affiliated with an unrelated organization that provides similar services in Uganda.

Solar Sister is required to maintain certain corporate structures in the countries in which it does business. Solar Sister controls the activities of Solar Sister Global Inc. ("Global"), Solar Sister Nigeria, Inc. ("SS Nigeria"), and Solar Sister Tanzania Inc. ("SS Tanzania"). These non-profit corporations did not conduct business activities in 2018 and 2017. However, SS Nigeria and SS Tanzania each own 50% of Solar Sister Entrepreneurs Nigeria LTD/GTE ("SS Entrepreneurs Nigeria") and Solar Sister Tanzania Limited ("SS Tanzania LTD"). Those entities were organized in their local jurisdictions to meet the requirements of doing business in those countries.

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts and transactions of Solar Sister, Global, SS Nigeria, SS Tanzania, SS Entrepreneurs Nigeria and SS Tanzania LTD (collectively the "Organization"). All significant intercompany transactions and accounts have been eliminated in consolidation.

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 accompanying consolidated financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which require the Organization 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 directors.

*Net assets with donor restrictions* - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor had stipulated the funds be maintained in perpetuity.



**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 within the net assets with donor restrictions category, and a reclassification to net assets without donor restrictions made to reflect the expiration of such restrictions.

Contributions of services are reported as revenues and expenses of the net assets without donor restrictions 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. There were no donated services in 2018 or 2017.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP 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 revenues 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 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 maintains its cash in highly rated financial institutions and management believes it is not exposed to significant credit risk on cash. At December 31, 2018 and 2017, cash held in foreign bank accounts totaled \$123,492 and \$58,105, respectively.

Receivables

Receivables consistent of grants are valued based on non-recurring fair value measurements. An allowance is made for uncollectible receivables based on management's judgment, past collection experience and other relevant factors. Management has determined that the receivables are fully collectible; therefore, no allowance for uncollectible receivables is considered necessary at December 31, 2018 and 2017.

Inventory

Inventory is stated at the lower of cost or net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Inventory consists of solar-powered devices sold to the general population by Solar Sister entrepreneurs.

**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 estimated useful lives ranging from five to seven years. Depreciation expense totaled \$701 in 2018 and \$942 in 2017.

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 which 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 2018 and 2017. Amortization expense will be \$195 per year over the next four years and \$97 in 2023.

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, 2018 and 2017, the Organization has determined that long-lived assets are not impaired.

Functional Allocation of Expenses

Expenses have been summarized on a functional basis in the accompanying financial statements. Certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Allocated expenses include total personnel and related costs, program support, program supplies, and other expenses, which are allocated on the basis of time and effort. Occupancy costs and depreciation and amortization are allocated based on square footage.

Advertising Costs

The Organization uses advertising to promote its programs within the communities it serves. The Organization's advertising expenses totaled \$51,807 in 2018 and \$44,856 in 2017.

Shipping and Handling Costs

The Organization expenses shipping and handling costs when incurred and such costs are included in cost of sales within program expenses.

**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

SS Entrepreneurs Nigeria and SS Tanzania LTD may be responsible for certain local taxes in their respective countries. There are no material amounts incurred for local taxes in 2018 and 2017.

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. 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 consolidated statements of activities and changes in net assets. The local currencies of Uganda, Tanzania and Nigeria are the Ugandan shilling ("UGX"), Tanzanian shilling ("TZS"), and the Naira ("NGN"), respectively.

Recently Issued But Not Yet Effective Accounting Pronouncements

*Revenue* - In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* ("Topic 606"), as amended (commonly referred to as "ASC 606"), which requires an entity to recognize revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 replaces most existing revenue recognition guidance in US GAAP, including industry specific guidance, when it becomes effective. For annual reporting periods, this standard is effective for the Organization on January 1, 2019 and for interim periods within annual periods that begin one year later. The standard permits the use of either the retrospective or cumulative effect transition method. The Organization is currently completing its initial assessment and evaluation of the impact that Topic 606 will have on its financial statements and related disclosures.

The Organization expects, at a minimum, the adoption will result in expanded disclosures that will enable users to better understand the nature, amount, timing, and uncertainty, if any, of revenues and cash flows arising from the Organization's activities.

**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Recently Issued But Not Yet Effective Accounting Pronouncements (continued)

*Contributions* - In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* ("ASU 2018-08"), which provides guidance for determining whether a transaction should be accounted for as a contribution or an exchange transaction, and whether a contribution is conditional or unconditional. This ASU is effective for years beginning after December 15, 2018. The Organization is currently completing its initial assessment and evaluation of the impact that ASU 2018-08 will have on its financial statements and related disclosures and has determined that there will not be a significant impact.

*Leases* - In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). This update requires all leases with a term greater than 12 months to be recognized on the statement of position through a right-of-use asset and a lease liability and the disclosure of key information pertaining to leasing arrangements. This new guidance is effective for years beginning after December 15, 2019, with early adoption permitted. The Organization is evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures.

Recently Adopted Accounting Pronouncements

*Financial Statement Presentation* - In August 2016, the FASB issued ASU No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities* ("ASU 2016-14"), which reduces the number of net asset classes from three to two and increases disclosures about liquidity risks, among other changes. This ASU is effective for years beginning after December 15, 2017. The Organization has adopted the pronouncement for the year ended December 31, 2018 and retroactively applied for the year ended December 31, 2017.

Subsequent Events

In accordance with FASB ASC 855, *Subsequent Events*, the Organization has evaluated subsequent events through November 12, 2019, the date on which these consolidated financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these consolidated financial statements.

**NOTE 3. AVAILABILITY AND LIQUIDITY**

The following represents the Organization's available financial assets as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 376,455	\$ 491,401
Accounts receivable	<u>12,500</u>	<u>-</u>
Total financial assets	<u>\$ 388,955</u>	<u>\$ 491,401</u>

**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 3. AVAILABILITY AND LIQUIDITY (CONTINUED)**

The Organization has certain donor-restricted net assets totaling \$240,720 that are available for general expenditure within one year of December 31, 2018 because the restrictions on those net assets are expected to be met by conducting the normal activities of its programs in the coming year. Accordingly, the related resources have been included in the quantitative information detailing the financial assets available for general expenditures within one year.

The Organization's goal is to maintain readily available financial assets to meet three months of operating expenses. As of 2018, the board of directors has not designated any of the Organization's net assets without donor restrictions for specific purposes.

**NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS**

The Organization had net assets with donor restrictions of \$240,720 and \$30,700 at December 31, 2018 and 2017, respectively. These net assets were restricted by grantors or donors for use and expansion of programs in specific countries where the Organization operates its programs.

Net assets were released from donor restrictions in 2018 and 2017 by incurring expenses satisfying the restricted purposes established by donors. Net assets released from restrictions totaled \$770,828 in 2018 and \$1,930,242 in 2017.

**NOTE 5. OPERATING LEASES**

The Organization leases office space in Tanzania and Nigeria on a month to month basis. Rent expense totaled \$31,719 in 2018 and \$27,795 in 2017.

**NOTE 6. FOREIGN CURRENCY TRANSLATION ADJUSTMENTS**

Foreign currency translation losses for 2018 and 2017 consist of foreign currency translation adjustments associated with the operations in Uganda, Tanzania, and Nigeria. Changes in accumulated translation adjustments are reported in the consolidated statements of activities and changes in net assets. The accumulated translation adjustments are a component of net assets without donor restrictions at December 31, 2018 and 2017 in the consolidated statements of financial position. The changes in accumulated translation adjustments in 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Balance at beginning of year	\$ (97,741)	\$ (94,712)
Foreign currency translation adjustments	<u>(7,611)</u>	<u>(3,029)</u>
Balance at end of year	<u>\$ (105,352)</u>	<u>\$ (97,741)</u>

**NOTE 7. SIGNIFICANT GRANTORS**

During 2018, three grantors accounted for approximately 42% of total grants received by the Organization and 28% of total revenue. During 2017, three grantors accounted for approximately 73% of total grants received by the Organization and 54% of total revenue.

**SUPPLEMENTARY INFORMATION**



**CITRIN COOPERMAN®**

Accountants and Advisors

**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors  
Solar Sister, Inc. and Affiliates

We have audited the consolidated financial statements of Solar Sister, Inc. and Affiliates as of and for the years ended December 31, 2018 and 2017, and our report thereon dated November 12, 2019, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information included on pages 13 through 21, which is the responsibility of management, is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and, accordingly, we do not express an opinion or provide any assurance on it.

  
CERTIFIED PUBLIC ACCOUNTANTS

Braintree, Massachusetts  
November 12, 2019

**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION BY LOCATION**  
**DECEMBER 31, 2018**

	<u>ASSETS</u>					
	<u>USA</u>	<u>Uganda</u>	<u>Tanzania</u>	<u>Nigeria</u>	<u>Eliminations</u>	<u>Total</u>
Current assets:						
Cash	\$ 226,347	\$ 7,664	\$ 25,667	\$ 116,777	\$ -	\$ 376,455
Receivables	12,500	-	-	-	-	12,500
Inventory	-	-	59,057	55,075	-	114,132
Prepaid expenses	<u>14,234</u>	<u>-</u>	<u>1,815</u>	<u>-</u>	<u>-</u>	<u>16,049</u>
Total current assets	253,081	7,664	86,539	171,852	-	519,136
Furniture and equipment, net of accumulated depreciation of \$3,980	286	-	-	-	-	286
Intangible assets, net of accumulated amortization of \$1,073	<u>877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>877</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 254,244</u></b>	<b><u>\$ 7,664</u></b>	<b><u>\$ 86,539</u></b>	<b><u>\$ 171,852</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 520,299</u></b>
	<u>LIABILITIES AND NET ASSETS</u>					
	<u>USA</u>	<u>Uganda</u>	<u>Tanzania</u>	<u>Nigeria</u>	<u>Eliminations</u>	<u>Total</u>
Current liabilities:						
Accounts payable and accrued expenses	<u>\$ 15,338</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,377</u>	<u>\$ -</u>	<u>\$ 16,715</u>
Net assets:						
Net assets without donor restrictions	(1,814)	7,664	86,539	170,475	-	262,864
Net assets with donor restrictions	<u>240,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,720</u>
Total net assets	<u>238,906</u>	<u>7,664</u>	<u>86,539</u>	<u>170,475</u>	<u>-</u>	<u>503,584</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 254,244</u></b>	<b><u>\$ 7,664</u></b>	<b><u>\$ 86,539</u></b>	<b><u>\$ 171,852</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 520,299</u></b>

See independent auditor's report on supplementary information and notes to supplementary information.



**SOLAR SISTER, INC. AND AFFILIATES**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY LOCATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

	USA			Uganda			Tanzania			Nigeria			Eliminations			Total		
	Net Assets		Total	Net Assets		Total	Net Assets		Total	Net Assets		Total	Net Assets		Total	Net Assets		Total
	Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions		Without Donor Restrictions	With Donor Restrictions	
Revenues and other support:																		
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525,616	\$ -	\$ 525,616	\$ 541,701	\$ -	\$ 541,701	\$ (393,295)	\$ -	\$ (393,295)	\$ 674,022	\$ -	\$ 674,022
Grants	420,544	874,872	1,295,416	-	-	-	-	-	-	126,694	105,976	232,670	-	-	-	547,238	980,848	1,528,086
Contributions	69,754	-	69,754	-	-	-	-	-	-	-	-	-	-	-	-	69,754	-	69,754
Other income	23	-	23	-	-	-	-	-	-	-	-	-	-	-	-	23	-	23
Transfer of grants	(610,000)	-	(610,000)	-	-	-	465,000	-	465,000	145,000	-	145,000	-	-	-	-	-	-
Net assets released from restriction	664,852	(664,852)	-	-	-	-	-	-	-	105,976	(105,976)	-	-	-	-	770,828	(770,828)	-
Total revenues and other support	545,173	210,020	755,193	-	-	-	990,616	-	990,616	919,371	-	919,371	(393,295)	-	(393,295)	2,061,865	210,020	2,271,885
Expenses:																		
Program	598,004	-	598,004	94	-	94	946,202	-	946,202	889,800	-	889,800	(393,295)	-	(393,295)	2,040,805	-	2,040,805
Management and general	223,903	-	223,903	-	-	-	-	-	-	-	-	-	-	-	-	223,903	-	223,903
Fundraising	17,358	-	17,358	-	-	-	-	-	-	-	-	-	-	-	-	17,358	-	17,358
Total expenses	839,265	-	839,265	94	-	94	946,202	-	946,202	889,800	-	889,800	(393,295)	-	(393,295)	2,282,066	-	2,282,066
Change in net assets before foreign currency translation loss	(294,092)	210,020	(84,072)	(94)	-	(94)	44,414	-	44,414	29,571	-	29,571	-	-	-	(220,201)	210,020	(10,181)
Foreign currency translation loss	-	-	-	(163)	-	(163)	(5,442)	-	(5,442)	(2,006)	-	(2,006)	-	-	-	(7,611)	-	(7,611)
Change in net assets	(294,092)	210,020	(84,072)	(257)	-	(257)	38,972	-	38,972	27,565	-	27,565	-	-	-	(227,812)	210,020	(17,792)
Net assets at beginning of year	292,278	30,700	322,978	7,921	-	7,921	47,567	-	47,567	142,910	-	142,910	-	-	-	490,676	30,700	521,376
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ (1,814)</b>	<b>\$ 240,720</b>	<b>\$ 238,906</b>	<b>\$ 7,664</b>	<b>\$ -</b>	<b>\$ 7,664</b>	<b>\$ 86,539</b>	<b>\$ -</b>	<b>\$ 86,539</b>	<b>\$ 170,475</b>	<b>\$ -</b>	<b>\$ 170,475</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262,864</b>	<b>\$ 240,720</b>	<b>\$ 503,584</b>

See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES**  
**UGANDA STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**

<b>CASH</b>	<b>\$ <u>7,664</u></b>
<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$ <u>7,664</u></b>

See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES  
UGANDA STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Expenses:			
Program expenses	\$ 94	\$ -	\$ 94
Change in net assets before foreign currency translation loss	(94)	-	(94)
Foreign currency translation loss	<u>(163)</u>	<u>-</u>	<u>(163)</u>
Change in net assets	(257)	-	(257)
Net assets at beginning of year	<u>7,921</u>	<u>-</u>	<u>7,921</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u><u>\$ 7,664</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ 7,664</u></u></b>

See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES  
TANZANIA STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018**

**ASSETS**

Current assets:		
Cash	\$	25,667
Inventory		59,057
Prepaid expenses		<u>1,815</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u>86,539</u></b>

**LIABILITIES AND NET ASSETS**

<b>TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$</b>	<b><u>86,539</u></b>
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See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES  
TANZANIA STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and other support:			
Sales	\$ 525,616	\$ -	\$ 525,616
Transfer of grants	<u>465,000</u>	<u>-</u>	<u>465,000</u>
Total revenues and other support	990,616	-	990,616
Expenses:			
Program expenses	<u>946,202</u>	<u>-</u>	<u>946,202</u>
Change in net assets before foreign currency translation loss	44,414	-	44,414
Foreign currency translation loss	<u>(5,442)</u>	<u>-</u>	<u>(5,442)</u>
Change in net assets	38,972	-	38,972
Net assets at beginning of year	<u>47,567</u>	<u>-</u>	<u>47,567</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 86,539</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 86,539</u></b>

See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES  
NIGERIA STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2018**

**ASSETS**

Current assets:		
Cash	\$	116,777
Inventory		<u>55,075</u>
<b>TOTAL ASSETS</b>	<b>\$</b>	<b><u><u>171,852</u></u></b>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable and accrued expenses	\$	1,377
Net assets without donor restrictions		<u>170,475</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$</b>	<b><u><u>171,852</u></u></b>

See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES  
NIGERIA STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and other support:			
Sales	\$ 541,701	\$ -	\$ 541,701
Grants	126,694	105,976	232,670
Transfer of grants	145,000	-	145,000
Net assets released from restriction	<u>105,976</u>	<u>(105,976)</u>	<u>-</u>
Total revenues and other support	919,371	-	919,371
Expenses:			
Program expenses	<u>889,800</u>	<u>-</u>	<u>889,800</u>
Change in net assets before foreign currency translation loss	29,571	-	29,571
Foreign currency translation loss	<u>(2,006)</u>	<u>-</u>	<u>(2,006)</u>
Change in net assets	27,565	-	27,565
Net assets at beginning of year	<u>142,910</u>	<u>-</u>	<u>142,910</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 170,475</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 170,475</u></b>

See independent auditor's report on supplementary information and notes to supplementary information.

**SOLAR SISTER, INC. AND AFFILIATES**  
**NOTES TO SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

**NOTE A.** The accompanying supplementary information which presents financial information by location does not include a full allocation of management and general expenses. Such expenses are primarily reported as USA operations expenses, which is the location in which the expense occurs.

**NOTE B.** Revenues from the grants and contributions which are designated by the donor or grantor for Tanzania, Nigeria or Uganda are reported as revenues with donor restrictions in the U.S.A. statement of activities. Such grants and contributions are released and transferred to the county to which they relate when the terms of the restriction have been met. Therefore, all net assets of Tanzania, Nigeria, and Uganda are presented as net assets without donor restrictions.