SAHA GLOBAL, INC.

FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2019 AND 2018

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SAHA GLOBAL, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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Independent Auditor's Report

To the Board of Directors
Saha Global, Inc.

We have audited the accompanying financial statements of Saha Global, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, 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. 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 Saha Global, Inc. as of December 31, 2019 and 2018, 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.

Emphasis of Matter

As more fully described in Note 9 to the financial statements, Saha Global, Inc. has been negatively impacted by the outbreak of a novel coronavirus ("COVID-19"), which was declared a Global Pandemic by the World Health Organization on March 11, 2020. Our opinion is not modified with respect to this matter.

DiCicco, Gulman + Company LLP

Boston, Massachusetts
June 26, 2020

SAHA GLOBAL, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,	**2019**	2018
ASSETS		
Cash	**$ 297,109**	$ 154,887
Pledges receivable	**1,000**	19,035
Prepaid expenses and other assets	**6,904**	4,533
	$ 305,013	$ 178,455
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 8,997**	$ 19,034
Net assets:		
Without donor restrictions	**274,461**	159,421
With donor restrictions	**21,555**	-
Total net assets	**296,016**	159,421
	$ 305,013	$ 178,455

The accompanying notes are an integral part of the financial statements.

SAHA GLOBAL, INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended December 31,	**2019**	2018
Net assets without donor restrictions:		
Support and revenue:		
Grants and contributions	**$ 522,521**	$ 524,189
Donated goods and services	**42,042**	58,057
Net assets released from restriction	**378,445**	88,667
Total support and revenue	**943,008**	670,913
Expenses:		
Program services	**595,738**	406,490
Support services		
Management and general	**118,983**	126,027
Fundraising	**113,247**	121,518
Total expenses	**827,968**	654,035
Changes in net assets without donor restrictions	**115,040**	16,878
Net assets with donor restrictions:		
Grants and contributions	**400,000**	-
Net assets released from restriction	**(378,445)**	(88,667)
Changes in net assets with donor restrictions	**21,555**	(88,667)
Changes in net assets	**136,595**	(71,789)
Net assets, beginning of year	**159,421**	231,210
Net assets, end of year	**$ 296,016**	$ 159,421

The accompanying notes are an integral part of the financial statements.

SAHA GLOBAL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31,	**2019**				2018			
		Support Services				Support Services		
	Program Services	**Management and General**	**Fundraising**	**Total**	Program Services	Management and General	Fundraising	Total
Personnel:								
Ghana staff salaries, taxes and benefits	**$ 238,789**	**$ -**	**$ -**	**$ 238,789**	$ 105,413	$ -	$ -	$ 105,413
US salaries and wages	**73,519**	**29,202**	**60,551**	**163,272**	67,581	23,283	60,548	151,412
US payroll taxes and benefits	**10,554**	**3,259**	**4,696**	**18,509**	7,537	2,596	6,752	16,885
Total personnel	**322,862**	**32,461**	**65,247**	**420,570**	180,531	25,879	67,300	273,710
Occupancy:								
Rent and utilities	**15,314**	**-**	**-**	**15,314**	10,331	-	-	10,331
Rent - donated	**-**	**-**	**-**	**-**	675	675	3,150	4,500
Total occupancy	**15,314**	**-**	**-**	**15,314**	11,006	675	3,150	14,831
Other:								
Bank charges and interest	**178**	**791**	**-**	**969**	1,113	3,241	-	4,354
General and liability insurance	**-**	**6,763**	**-**	**6,763**	-	2,085	-	2,085
Marketing and advertising	**1,117**	**-**	**48,000**	**49,117**	1,874	348	51,068	53,290
Miscellaneous expenses	**32,188**	**6,773**	**-**	**38,961**	21,768	4,720	-	26,488
Office supplies and expenses	**5,095**	**844**	**-**	**5,939**	2,332	888	-	3,220
Professional fees	**39**	**23,245**	**-**	**23,284**	5,491	24,397	-	29,888
Professional fees - donated	**-**	**42,042**	**-**	**42,042**	-	53,557	-	53,557
Program materials	**53,065**	**-**	**-**	**53,065**	43,953	-	-	43,953
Telecommunications expense	**13,529**	**2,486**	**-**	**16,015**	9,297	3,942	-	13,239
Travel and meals	**152,351**	**3,578**	**-**	**155,929**	129,125	6,295	-	135,420
Total other expenses	**257,562**	**86,522**	**48,000**	**392,084**	214,953	99,473	51,068	365,494
Total functional expenses	**$ 595,738**	**$ 118,983**	**$ 113,247**	**$ 827,968**	$ 406,490	$ 126,027	$ 121,518	$ 654,035

The accompanying notes are an integral part of the financial statements.

SAHA GLOBAL, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31,	2019	2018
Cash flows from operating activities:		
Change in net assets	**$ 136,595**	$ (71,789)
Adjustments to reconcile the change in net assets to net cash provided by (used in) operating activities:		
Change in operating assets and liabilities:		
Pledges receivable	**18,035**	17,965
Prepaid expenses and other assets	**(2,371)**	(1,772)
Accounts payable and accrued expenses	**(10,037)**	(2,253)
Total adjustments	**5,627**	13,940
Net cash provided by (used in) operating activities	**142,222**	(57,849)
Cash flows from financing activities:		
Payments of note payable	**-**	(33,333)
Proceeds from advances	**68,664**	-
Payments of advances	**(68,664)**	-
Net cash used in financing activities	**-**	(33,333)
Net increase (decrease) in cash	**142,222**	(91,182)
Cash, beginning of year	**154,887**	246,069
Cash, end of year	**$ 297,109**	$ 154,887

The accompanying notes are an integral part of the financial statements.

Note 1 - Nature of Activities and Organization

Saha Global, Inc. (the "Organization"), a nonprofit organization, was formed on October 23, 2008, under the laws of the Commonwealth of Massachusetts. The Organization partners with rural communities in Ghana, Africa to establish sustainable water treatment businesses that are owned and operated by the communities that the businesses serve; and generate economic growth and empower women in the community. The capital necessary for the initial establishment of these businesses is generated from the Organization's fundraising activities. The water treatment businesses use simple, affordable technologies to enable the treatment, distribution, and storage of clean, safe drinking water. The foreign operations of the Organization subject them to certain risks associated with foreign currency rate exchange volatility, foreign legislation and policy, and foreign economic and political conditions.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Issued and Adopted Accounting Pronouncements

In June 2018, the FASB issued Accounting Standards Update 2018-08 ("ASU 2018-08"), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this update provide a framework for evaluating whether grants should be accounted for as exchange transactions or as nonexchange transactions. The Organization adopted ASU 2018-08 effective January 1, 2019, on a modified prospective basis. The change in accounting method resulted in recognizing certain significant grants as conditional rather than donor restricted as it would under the previous guidance.

Subsequent Events

Management has evaluated subsequent events through June 26, 2020, the date the financial statements were approved and authorized for issuance by management, and determined that there have been no subsequent events, except as disclosed in Note 2 and Note 9, that would require recognition in, or disclosure in the notes to, the financial statements.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Note 2 - Summary of Significant Accounting Policies (Continued)

Concentration of Credit Risk

The Organization maintains its cash at high quality financial institutions within the United States of America ("U.S.") and Ghana. Cash held at those financial institutions may occasionally exceed the amount of insurance provided on such accounts. The Organization has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risks relating to its balances of cash in the U.S. At December 31, 2019 and 2018, the value of the Organization's cash denominated in the Ghanaian cedi in a Ghanaian financial institution converted to U.S. Dollars was approximately $3,200 and $900, respectively.

Pledges Receivable

Promises to give are included in the financial statements as pledges receivable, subject to a discount, if applicable, and recorded in the appropriate net asset category, at the time a donor makes a promise that is, in substance, unconditional. The Organization evaluates its pledges receivable for collectability on a periodic basis and establishes an allowance based on prior experience and an analysis of specific promises made. These receivables are written off to bad debt expense when deemed uncollectible. At December 31, 2019 and 2018, the Organization considered its pledges receivable to be fully collectible. Accordingly, no allowance for doubtful accounts was recorded.

Net Assets

The Organization reports two classes of net assets and the changes in those net assets in its financial statements. These two classes are net assets without donor restrictions, and net assets with donor restrictions. These classifications are based on the existence or absence of donor-imposed restrictions. The two classifications are defined as follows:

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 management and the Board of Directors.

With Donor Restriction

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 may be perpetual in nature, whereby the donor has stipulated the funds to be maintained in perpetuity.

Support and Revenue

The Organization recognizes support and revenue in the period received or unconditionally pledged. Conditional promises to give are not recognized until they become unconditional, which is at the time the conditions on which they depend are substantially met. All contributions are available for unrestricted use unless specifically restricted by the donor. Donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restriction. Transfers are made to net assets without donor restrictions as purpose restrictions are achieved or time restrictions have lapsed. Contributions of assets other than cash are reported at their estimated fair value.

Note 2 - Summary of Significant Accounting Policies (Continued)

Support and Revenue (Continued)
In addition to the unconditional promises to give recognized in the financial statements, the Organization received two promises to give that included future funding tranches totaling $600,000 to be funded at various points in 2021 and 2022. Future funding is subject to meeting certain benchmarks and reporting requirements as defined in the agreements. The conditional promises will be recognized as revenue when the requirements as defined in the agreements are met. Subsequent to year end, the Organization met the requirements specified in one of the agreements and received funding of $200,000.

Contributions of donated services that create or enhance nonfinancial assets or that require specialized skill, are provided by individuals possessing those skills and would typically need to be purchased if not donated, are recorded at their fair market values when the donated services are provided.

Income Taxes
The Organization is exempt from income taxes under Internal Revenue Code ("IRC") Section 501(c)(3). The Organization is not classified as a private foundation. Contributions made to the Organization are deductible by donors as provided in IRC Section 170.

GAAP prescribes the threshold a tax position is required to meet before being recognized in the financial statements. The tax-exempt status of an entity is considered a tax position. An additional liability for uncertain tax positions ("UTPs") is recognized and recorded as a component of current income tax expense for differences between financial and income tax reporting positions which do not meet this threshold. Any interest and penalties related to UTPs are recorded as a component of income tax expense.

The Organization has reviewed its income tax positions and has not identified any material UTPs, including any tax positions that would jeopardize its tax exempt status, and thus has not recorded a liability at December 31, 2019 or 2018.

The Organization's income tax returns are subject to examination by taxing authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported could be changed at a later date upon final determination by taxing authorities. The Organization is no longer subject to examinations by tax authorities for years prior to 2016. Currently, there are no income tax audits in process.

Foreign Currency Matters
The Organization has entered into contracts with certain foreign vendors and donors that are settled in the applicable local currency. Transaction gains and losses resulting from fluctuations in currency exchange rates on transactions denominated in currencies other than the U.S. dollar are recognized upon settlement in the accompanying statements of activities and changes in net assets. Change in net assets for the years ended December 31, 2019 and 2018 includes foreign exchange transaction losses of approximately $24,000 and $16,000, respectively.

Note 2 - Summary of Significant Accounting Policies (Continued)

Foreign Currency Matters (Continued)
At each balance sheet date, the Company evaluates the outstanding accounts receivable and payable that will be settled in currencies other than the U.S. dollar for transaction gain or loss adjustments. Transaction adjustments resulting from this process are charged to the statements of activities and changes in net assets if material.

Functional Expenses
The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, payroll taxes, and fringe benefits, which are allocated based on estimates of time and effort. Occupancy expenses are allocated based on management's use of the functional area. Other expenses are allocated based on the nature of the specific expenditure.

Note 3 - Donated Goods and Services

The fair value of donated goods and services are reported in the accompanying statements of activities and changes in net assets as support and revenue with offsetting expenses included in management and general expenses.

During 2019 and 2018, the Organization received donated legal services from a related party. The fair value of these services amounted to $42,042 and $53,557 for the years ended December 31, 2019 and 2018, respectively.

The office space for the Organization's corporate headquarters, located in Boston, Massachusetts, was donated in 2018. The fair value of the donated rent amounted to $4,500 for the year ended December 31, 2018. The Organization did not use donated space in 2019.

Note 4 - Advances

During 2019, two board members made noninterest bearing cash advances totaling $68,664 to the Organization. The purpose of the advances was to cover operating cash requirements during an interim period, the time between when grants were formally issued by third-party foundations and when the disbursements of the first grant payments were made. Upon receipt of the grant payments, the cash advances were repaid in full.

For the years ended December 31, 2019 and 2018, interest expense relating to all advances and purchases under credit agreements amounted to $791 and $3,241, respectively, and is included in bank charges and interest on the statements of functional expenses.

Note 5 - Note Payable

During 2017, the Organization received a loan from Kiva.Org, an organization that provides crowdfunded financing to people and organizations that cannot access fair and affordable credit. The loan had an original amount of $50,000, and was unsecured and non-interest bearing. The outstanding balance on the loan was paid in full during 2018.

Note 6 - Net Assets with Donor Restrictions

At December 31, 2019 and 2018, net assets with donor restrictions consisted of the following time and purpose restrictions:

	2019	2018
Time restricted	**$ -**	$ -
Purpose restricted	**21,555**	-
	$ 21,555	$ -

For the years ended December 31, 2019 and 2018, net assets of $378,445 and $88,667, respectively, were released from restriction upon the satisfaction of donor restrictions.

Note 7 - Liquidity and Availability

As of December 31, 2019 and 2018, financial assets and liquid resources available for general expenditures, that is, without donor or other restriction limiting their use, within one year of the statement of financial position dates, were as follows:

	2019	2018
Financial assets and liquid resources at year end		
Cash	**$ 297,109**	$ 154,887
Pledges receivable	**1,000**	19,035
Total	**298,109**	173,922
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donor for specific purposes	**21,555**	-
Total	**21,555**	-
Financial assets available to meet cash needs for general expenditures within one year	**$ 276,554**	$ 173,922

Note 7 - Liquidity and Availability (Continued)

The Organization's expenditures and commitments are funded 100% from third party fundraising and cash on the balance sheet. The Organization takes into consideration committed funding as well as its funding pipeline of expected grants, including renewal grants from existing foundations and grants from new foundations when setting its annual expenditure budget. The annual budget is approved by the Board of Directors in advance of the calendar year. Monthly financial statements are reviewed by the Finance Committee of the Board of Directors and, in the event that a funding shortfall is expected, spending is adjusted as necessary. The Organization strives to maintain liquid financial assets sufficient to cover 90 days of operating expense (approximately $210,000 based on 2019 actual expenditures). The Organization also maintains corporate credit cards with a total borrowing limit of $12,000.

Note 8 - Cash Flow Information

During the years ended December 31, 2019 and 2018 cash paid for interest amounted to $791 and $3,241, respectively.

Note 9 - Subsequent Events

On March 11, 2020, the World Health Organization declared a Global Pandemic related to the coronavirus (COVID-19). On March 13, 2020 a national emergency was declared by the President of the United States of America related to this pandemic. Resulting actions declared by governments around the world including Ghana, Africa, have disrupted and may continue to disrupt the Organization's operations. If these conditions persist, they may have an adverse effect on the Organization's financial position and ability to continue to provide services.

In response to this situation, the Organization has identified the health of staff and partner communities, spreading accurate information, and following the instructions of public health officials as priorities. A decision was made to pause any new water business openings and to focus efforts on making sure that the 247 current partner communities have the water treatment supplies that they need to keep their water businesses running smoothly, especially if travel becomes more restricted in the coming months. The organization is also reaching out to government partners to offer assistance to spread accurate information about COVID, hand washing and/or other important messages through the strong relationships developed with the numerous remote, rural villages covered by the Organization's partner communities. The Organization is working closely with its donor organizations to ensure that its focus is consistent with the objectives of those organizations.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in response to the COVID-19 pandemic. The Organization applied for and received an available Paycheck Protection Program loan of approximately $39,000 under the CARES Act, a portion of which may be forgiven upon meeting certain spending requirements as defined by the program.

Note 9 - Subsequent Events (Continued)

The duration and impact of the COVID-19 pandemic and resulting disruption to the Organizations' operations is uncertain and cannot be predicted as of the date of the report. Accordingly, no adjustments or additional disclosures are reflected in these financial statements.