SAHA GLOBAL, INC.

FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2018 AND 2017

ACCOUNTING • TAX • ADVISORY

SAHA GLOBAL, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017

Table of Contents

ACCOUNTING • TAX • ADVISORY

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, 2018 and 2017, 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, 2018 and 2017, 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.

DiCicco, Gulman & Company LLP

Boston, Massachusetts
July 25, 2019

SAHA GLOBAL, INC.

STATEMENTS OF FINANCIAL POSITION

December 31,	**2018**	2017
ASSETS		
Cash	**$ 154,887**	$ 246,069
Pledges receivable	**19,035**	37,000
Prepaid expenses and other assets	**4,533**	2,761
	$ 178,455	$ 285,830
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 19,034**	$ 21,287
Note payable	**-**	33,333
Total liabilities	**19,034**	54,620
Net assets:		
Without donor restrictions	**159,421**	142,543
With donor restrictions	**-**	88,667
Total net assets	**159,421**	231,210
	$ 178,455	$ 285,830

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,	**2018**	2017
Net assets without donor restrictions:		
Support and revenue:		
Grants and contributions	**$ 524,189**	$ 494,529
Donated goods and services	**58,057**	70,155
Net assets released from restriction	**88,667**	43,333
Total support and revenue	**670,913**	608,017
Expenses:		
Program services	**406,490**	296,385
Support services		
Management and general	**126,027**	121,294
Fundraising	**121,518**	71,425
Total expenses	**654,035**	489,104
Changes in net assets without donor restrictions	**16,878**	118,913
Net assets with donor restrictions:		
Grants and contributions	**-**	132,000
Net assets released from restriction	**(88,667)**	(43,333)
Changes in net assets with donor restrictions	**(88,667)**	88,667
Changes in net assets	**(71,789)**	207,580
Net assets, beginning of year	**231,210**	23,630
Net assets, end of year	**$ 159,421**	$ 231,210

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

SAHA GLOBAL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31,	2018				2017			
		Support Services				Support Services		
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Personnel:								
US salaries and wages	$ 67,581	$ 23,283	$ 60,548	$ 151,412	$ 61,033	$ 21,818	$ 57,860	$ 140,711
Ghana staff salaries, taxes and benefits	105,413	-	-	105,413	43,826	-	-	43,826
US payroll taxes and benefits	7,537	2,596	6,752	16,885	7,078	2,530	6,710	16,318
Total personnel	180,531	25,879	67,300	273,710	111,937	24,348	64,570	200,855
Occupancy:								
Rent and utilities	10,331	-	-	10,331	9,684	-	-	9,684
Rent - donated	675	675	3,150	4,500	585	585	2,730	3,900
Total occupancy	11,006	675	3,150	14,831	10,269	585	2,730	13,584
Other:								
Bank charges and interest	1,113	3,241	-	4,354	6,883	3,811	-	10,694
Depreciation	-	-	-	-	407	-	-	407
General and liability insurance	-	2,085	-	2,085	-	3,341	-	3,341
Marketing and advertising	1,874	348	51,068	53,290	4,922	889	4,125	9,936
Miscellaneous expenses	21,768	4,720	-	26,488	4,318	5,513	-	9,831
Office supplies and expenses	2,332	888	-	3,220	2,500	2,212	-	4,712
Professional fees	5,491	24,397	-	29,888	-	8,613	-	8,613
Professional fees - donated	-	53,557	-	53,557	-	66,255	-	66,255
Program materials	43,953	-	-	43,953	23,276	-	-	23,276
Telecommunications expense	9,297	3,942	-	13,239	3,963	1,422	-	5,385
Travel and meals	129,125	6,295	-	135,420	127,910	4,305	-	132,215
Total other expenses	214,953	99,473	51,068	365,494	174,179	96,361	4,125	274,665
Total functional expenses	$ 406,490	$ 126,027	$ 121,518	$ 654,035	$ 296,385	$ 121,294	$ 71,425	$ 489,104

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

SAHA GLOBAL, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31,	2018	2017
Cash flows from operating activities:		
Change in net assets	**$ (71,789)**	$ 207,580
Adjustments to reconcile the change in net assets to net cash (used in) provided by operating activities:		
Depreciation	**-**	407
Forgiveness of advances	**-**	(36,050)
Change in operating assets and liabilities:		
Pledges receivable	**17,965**	(37,000)
Prepaid expenses and other assets	**(1,772)**	(718)
Accounts payable and accrued expenses	**(2,253)**	2,433
Total adjustments	**13,940**	(70,928)
Net cash (used in) provided by operating activities	**(57,849)**	136,652
Cash flows from financing activities:		
Proceeds from note payable	**-**	50,000
Payments of note payable	**(33,333)**	(16,667)
Payments of advances	**-**	(19,206)
Net cash (used in) provided by financing activities	**(33,333)**	14,127
Net (decrease) increase in cash	**(91,182)**	150,779
Cash, beginning of year	**246,069**	95,290
Cash, end of year	**$ 154,887**	$ 246,069

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

NOTES TO 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 August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, Presentation of Financial Statements of Not for Profit Entities. This pronouncement addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization adopted the ASU effective January 1, 2018, on a retrospective basis to all periods presented. See Note 7 for required disclosure on availability of financial assets and liquidity.

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.

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, 2018 and 2017, the value of the Organization's cash denominated in the Ghanaian cedi in a Ghanaian financial institution converted to U.S. Dollars was approximately $900 and $3,247, respectively.

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2018 and 2017, 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.

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.

Note 2 - Summary of Significant Accounting Policies (Continued)

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, 2018 or 2017.

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 2015. 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, 2018 and 2017 includes foreign exchange transaction losses of approximately $16,000 and $1,000, respectively.

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 2 - Summary of Significant Accounting Policies (Continued)

Reclassifications
Certain 2017 amounts have been reclassified in order to conform to the 2018 presentation. The reclassifications had no effect on previously reported net assets or change in net assets.

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 2018 and 2017, the Organization received donated legal services from a related party. The fair value of these services amounted to $53,557 and $58,255 for the years ended December 31, 2018 and 2017, respectively.

During 2017, the Organization received accounting services that were donated from a related party. The fair value of these services amounted to $8,000 for the year ended December 31, 2017.

The office space for the Organization's corporate headquarters, located in Boston, Massachusetts, was donated in 2018 and 2017. The fair value of the donated rent amounted to $4,500 and $3,900 for the years ended December 31, 2018 and 2017, respectively.

Note 4 - Advances

During 2013 a board member made an unsecured cash advance to the Organization amounting to $36,050. The advance did not bear interest and was payable on demand. During 2017 the board member elected to forgive the advance as an unrestricted contribution.

During 2016 an individual related to a board member made cash advances totaling $19,206 to the Organization. The advances are governed by a promissory note, entered into on December 29, 2016. The note accrues interest at a rate of 0.25% annually and had an initial maturity date of December 31, 2018. During 2017 the advance was repaid in full.

For the years ended December 31, 2018 and 2017, interest expense relating to all advances and purchases under credit agreements amounted to $3,241 and $3,811, 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, 2018 and 2017, net assets with donor restrictions consisted of the following time and purpose restrictions:

	2018	2017
Time restricted	$ -	$ 66,667
Purpose restricted	-	22,000
	$ -	$ 88,667

For the years ended December 31, 2018 and 2017, net assets of $86,667 and $43,333, respectively, were released from restriction upon the satisfaction of donor restrictions.

Note 7 - Liquidity and Availability

As of December 31, 2018 and 2017, 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:

	2018	2017
Cash	$ 154,887	$ 246,069
Pledges receivable	19,035	-
Total financial assets and liquidity resources available within one year	$ 173,922	$ 246,069

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 as well as 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 $160,000 based on 2018 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, 2018 and 2017 cash paid for interest amounted to $3,241 and $3,811, respectively.

Note 9 - Subsequent Events

The Organization has evaluated subsequent events through July 25, 2019, 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 below, that would require recognition in, or disclosure in the notes to, the financial statements.

On April 12, 2019, the Organization entered into a short term, non-interest bearing note in the amount of $30,000 with a member of the Board of Directors. The purpose of the note was to cover cash requirements in an interim period of approximately 90-days, or the time between when a multi-year grant was formally issued by a third-party foundation (April 1, 2019) and when the disbursements of the first annual grant payment was made (June 26, 2019). Upon receipt of the grant payment the note was repaid in full on June 27, 2019.