



# *GivePower Foundation*

*Consolidated Financial Statements  
December 31, 2020 and December 31, 2019*



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# GIVEPOWER FOUNDATION

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
GivePower Foundation  
San Francisco, CA

We have audited the accompanying consolidated financial statements of GivePower Foundation (a nonprofit organization) and subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the Consolidated 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 consolidated 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 audit. We conducted our audit 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 GivePower Foundation and subsidiaries as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Report on Summarized Comparative Information***

We have previously audited GivePower Foundation's 2019 consolidated financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated May 26, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited consolidated financial statements from which it was derived.

*Howdsworth, Russo & Company, P.C.*

Las Vegas, Nevada  
July 23, 2021

# GIVEPOWER FOUNDATION

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,767,255	\$ 725,938
Cash and cash equivalents, restricted	1,029,750	452,540
Accounts receivable	721	4,655
Pledges receivable	547,287	500,758
Deposits	55,641	47,275
Prepaid expenses	9,018	2,862
	<u>3,409,672</u>	<u>1,734,028</u>
OTHER ASSETS		
Property and equipment, net	2,332,393	815,005
Work in progress	1,355,276	1,438,456
	<u>3,687,669</u>	<u>2,253,461</u>
Total assets	<u>\$ 7,097,341</u>	<u>\$ 3,987,489</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 347,491	\$ 409,508
Accrued liabilities	3,507	-
	<u>350,998</u>	<u>409,508</u>
OTHER LIABILITIES		
Deferred revenue	48,946	-
	<u>48,946</u>	<u>-</u>
Total liabilities	399,944	409,508
NET ASSETS		
Without donor restrictions	5,120,360	2,624,683
With donor restrictions	1,577,037	953,298
	<u>6,697,397</u>	<u>3,577,981</u>
Total net assets	<u>6,697,397</u>	<u>3,577,981</u>
Total liabilities and net assets	<u>\$ 7,097,341</u>	<u>\$ 3,987,489</u>

See accompanying notes to consolidated financial statements.

# GIVEPOWER FOUNDATION

## CONSOLIDATED STATEMENTS OF ACTIVITIES YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue, gains, and other support:		
Contributions and grants	\$ 5,295,679	\$ 3,603,185
In-kind contributions	309,748	-
Program revenue	60,399	10,098
Interest income	5,569	3,554
Foreign currency exchange gain	275,068	-
Net assets released from restrictions	<u>564,655</u>	<u>302,120</u>
	6,511,118	3,918,957
Expenses and losses:		
Program services	2,661,224	1,537,150
Supporting services:		
Management and general	321,202	198,412
Fundraising	<u>1,033,015</u>	<u>860,496</u>
	<u>4,015,441</u>	<u>2,596,058</u>
	2,495,677	1,322,899
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions and grants	1,188,394	764,719
Net assets released from restrictions	<u>(564,655)</u>	<u>(302,120)</u>
	<u>623,739</u>	<u>462,599</u>
INCREASE IN NET ASSETS	3,119,416	1,785,498
NET ASSETS AT BEGINNING OF YEAR	<u>3,577,981</u>	<u>1,792,483</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 6,697,397</u></u>	<u><u>\$ 3,577,981</u></u>

See accompanying notes to consolidated financial statements.

# GIVEPOWER FOUNDATION

## CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

DECEMBER 31, 2020

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2019)

	Program Services	Supporting Services		2020 Totals	2019 Totals
		Management and General	Fundraising		
Advertising	\$ 3,436	\$ 75	\$ 2,749	\$ 6,260	\$ 26,704
Bank fees	-	24,742	-	24,742	16,555
Depreciation	80,128	-	-	80,128	42,290
Dues and subscriptions	3,707	5,514	11,044	20,265	13,794
Insurance	7,120	4,845	-	11,965	11,051
Professional fees	1,152,520	205,145	984,577	2,342,242	1,521,601
Project costs and materials	1,212,299	-	-	1,212,299	735,709
Office expenses and supplies	31,266	8,712	669	40,647	25,065
Repairs and maintenance	3,200	-	-	3,200	-
Rental and facilities	3,889	60,420	-	64,309	62,545
Salaries and related	126,741	1,026	8,354	136,121	-
Travel and entertainment	36,918	10,723	25,622	73,263	140,744
	<u>\$ 2,661,224</u>	<u>\$ 321,202</u>	<u>\$ 1,033,015</u>	<u>\$ 4,015,441</u>	<u>\$ 2,596,058</u>

See accompanying notes to consolidated financial statements.

# GIVEPOWER FOUNDATION

## CONSOLIDATED STATEMENTS OF CASH FLOWS DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 3,119,416	\$ 1,785,498
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	80,128	42,290
Donated property and equipment and work in progress	(283,653)	-
Changes in operating assets:		
Accounts receivable	3,707	(4,655)
Pledges receivable	(46,529)	(485,258)
Deposits	(4,758)	(47,275)
Prepaid expenses	(5,579)	(2,862)
Changes in operating liabilities:		
Accounts payable	(62,110)	238,440
Accrued liabilities	1,905	-
Deferred revenue	48,946	-
Net cash provided by operating activities	2,851,473	1,526,178
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment and work in progress	(1,080,637)	(1,393,207)
Net cash used in investing activities	(1,080,637)	(1,393,207)
Effect of exchange rates on cash and cash equivalents	(152,309)	-
NET INCREASE IN CASH	1,618,527	132,971
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,178,478	1,045,507
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,797,005</u>	<u>\$ 1,178,478</u>
Cash and cash equivalents	\$ 1,767,255	\$ 725,938
Cash and cash equivalents, restricted	1,029,750	452,540
	<u>\$ 2,797,005</u>	<u>\$ 1,178,478</u>

See accompanying notes to consolidated financial statements.

# GIVEPOWER FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Nature of Activities*

GivePower Foundation was incorporated in the State of Delaware and began operations in June 2014. GivePower Foundation and its subsidiaries (collectively, The Foundation) use solar energy to power basic necessities for communities who need it most. The Foundation's volunteer trekkers install microgrids to power villages, schools, food production, clinics, and other healthcare facilities. The Foundation builds and deploys solar water farms, which are self-sustaining solar-powered desalination systems that provide low-cost purified drinking water to at risk communities. In working with governments, non-governmental organizations, and private donors the Foundation builds microgrids to protect vulnerable populations, promote conservation, and protect endangered species. The Foundation has provided relief for over 550,000 people in 23 countries.

#### *Basis of Accounting*

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, and, accordingly, reflect all significant receivables, payables, and other liabilities.

#### *Financial Statement Presentation*

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC). Under FASB ASC, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

#### *Principles of Consolidation*

The consolidated financial statements include the financial information of the GivePower Foundation and its subsidiaries which include, Cannonball Community Solar Farm, LLC, a North Dakota Limited Liability Company, GiveWater Limited, a Kenya Private Limited Company, GivePower Colombia, a Colombia Private Limited Company, and Dlo Pou Lavi, S.A., a Haiti Private Limited Company. The subsidiaries are consolidated under the principles of FASB ASC as GivePower Foundation is the sole member of these subsidiaries. All material inter-organizational transactions have been eliminated.

#### *Income Tax Status*

The Foundation is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is generally exempt from income taxes on related income pursuant to the appropriate section of the Internal Revenue Code. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(2). The subsidiary, Cannonball Community Solar Farm, LLC, is a limited liability company and a disregarded entity for income tax purposes. Subsidiaries GiveWater Limited (formerly known as Pesa Za

# GIVEPOWER FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Income Tax Status (continued)*

Maja Limited), GivePower Colombia and Dlo Pou Lavi, S.A. were incorporated as Private Limited Companies and are disregarded entity for tax purposes.

#### *Use of Estimates*

Timely preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures, some of which may need revision in future periods.

#### *Cash and Cash Equivalents*

The Foundation considers all unrestricted highly-liquid investments with an initial maturity of three months or less to be cash equivalents.

#### *Accounts Receivable*

Receivables are stated at unpaid balances. It is the Foundation's policy to charge off uncollectible receivables when management determines the receivable will not be collected. Management believes the entire receivables balances at December 31, 2020 and 2019 to be collectible.

#### *Pledges Receivable*

Unconditional pledges are recognized as revenues in the period the pledge is made. There is no allowance or discount as of December 31, 2020 or 2019, as the pledges are determined to be fully collectible and due within one year.

#### *Property and Equipment*

The Foundation capitalizes all acquisitions of property and equipment in excess of \$25,000 with a useful life of over one year. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation.

Depreciation is computed using the straight-line method over the estimated useful lives.

#### *Impairment of Long-Lived Assets*

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset.

# GIVEPOWER FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Impairment of Long-Lived Assets (Continued)*

If such assets are considered to be impaired, the impairment to be recognized is measured by the amount which the carrying amount of the assets exceeds the fair value of the assets.

#### *Revenue Recognition*

Contributions received are recorded as increases in net assets with or without restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Program revenue is recognized when the services have been provided to the customer.

#### *Advertising*

The Foundation uses advertising to promote its programs. The production costs of advertising are expensed as incurred.

#### *Expense Allocation*

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and in the consolidated statement of functional expenses. Accordingly, certain costs have been directly allocated among the programs and supporting services benefited.

#### *Comparative Financial Information*

The consolidated financial statements include certain prior year summarized comparative information in total but not by function. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended December 31, 2019, from which the summarized information was derived.

# GIVEPOWER FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *Foreign Currency Translation*

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars, the reporting currency at exchange rates in effect at the consolidated statement of financial position date, and revenue and expenses are translated at approximate average rates in effect on transaction dates. Net transaction and translation gains and losses are included as foreign currency exchange gain in the accompanying consolidated statement of activities. As of December 31, 2020, the accumulated translation adjustment included in the Foundation's net assets was \$275,068. The Foundation did not have any accumulated translation adjustments included in net assets at December 31, 2019.

#### *Reclassifications*

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation.

### NOTE 2. CONCENTRATIONS

The Foundation maintains its balance of cash in multiple financial institutions. Balances at certain financial institution are insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation up to \$250,000. As of December 31, 2020, the Foundation had uninsured balances of \$2,284,593.

During the year ended December 31, 2020, the Foundation received 46% of its contributions from two donors. During the year ended December 31, 2019, the Foundation received 24% of its contributions from two donors.

During the year ended December 31, 2020, 44% of the pledges receivable balance was due from a single donor. There were no concentrations in pledges receivable for the year ended December 31, 2019.

### NOTE 3. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY

The Foundation receives contribution and program revenues, and considers contributions restricted for programs which are ongoing, major, and central to its operations to be available to meet cash needs for general expenditures. The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

# GIVEPOWER FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### NOTE 3. INFORMATION REGARDING LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects the Foundation's financial assets as of December 31, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,797,005	\$ 1,178,478
Accounts receivable	721	4,655
Pledges receivable	<u>547,287</u>	<u>500,758</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,345,013</u>	<u>\$ 1,683,891</u>

### NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 96,999	\$ 30,000
Desalination plants and solar water farms	2,029,583	513,655
Vehicles	18,350	-
Solar system	<u>330,762</u>	<u>330,762</u>
	2,475,694	847,417
Less accumulated depreciation	<u>(143,301)</u>	<u>(59,412)</u>
	<u>\$ 2,332,393</u>	<u>\$ 815,005</u>

Work in progress consists of the following at December 31:

	<u>2020</u>	<u>2019</u>
Bottling and distribution	\$ 15,931	\$ 26,954
Water and energy systems	1,104,411	1,067,520
Civil construction	90,963	200,723
Logistics and other development	<u>143,971</u>	<u>143,259</u>
	<u>\$ 1,355,276</u>	<u>\$ 1,438,456</u>

### NOTE 5. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2020 and 2019, the Foundation paid expenses totaling \$1,624,723 and \$443,515, respectively, to a company for which a board member is the founder.

The Foundation received contributions of \$2,166,754 and \$474,000 from board members and board member companies during the years ended December 31, 2020 and 2019, respectively.

# GIVEPOWER FOUNDATION

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) DECEMBER 31, 2020 AND 2019

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### NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2020</u>	<u>2019</u>
Desalination plants	\$ 366,106	\$ 152,022
Project materials and costs	118,751	114,004
Treks	544,893	186,514
Time restricted	<u>547,287</u>	<u>500,758</u>
	<u>\$ 1,577,037</u>	<u>\$ 953,298</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of passage of time or other events as follows for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Project materials and costs	\$ 63,897	\$ 205,120
Treks	-	81,500
Passage of time and/or receipts on pledges receivable	<u>500,758</u>	<u>15,500</u>
	<u>\$ 564,655</u>	<u>\$ 302,120</u>

Net assets with donor restrictions consisted of the following assets at December 31:

	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 1,029,750	\$ 452,540
Pledges receivable	<u>547,287</u>	<u>500,758</u>
	<u>\$ 1,577,037</u>	<u>\$ 953,298</u>

### NOTE 7. SUBSEQUENT EVENTS

The Foundation entered into a lease agreement for warehouse space effective February 1, 2021. The lease requires monthly payments of \$7,350 and expires January 1, 2022. Future minimum payments under this agreement are as follows:

2021	\$ 80,850
2022	<u>7,350</u>
	<u>\$ 88,200</u>

Subsequent events have been evaluated through July 23, 2021, the date the financial statements were available to be issued.