

SUSTAINABLE INNOVATIONS, INC.

FINANCIAL STATEMENTS

**For the Years Ended December 31, 2019
and December 31, 2018**

ASK International, Inc.
Certified Public Accountants

SUSTAINABLE INNOVATIONS, INC.

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INDEPENDENT AUDITOR'S REPORT

**To The Board of Directors
Sustainable Innovations, Inc.
12150 Monument Drive, 4th FL
Fairfax, VA 22033**

We have audited the accompanying financial statements of Sustainable Innovations, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2019 and December 31, 2018, and the related statements of activities 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 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 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 Sustainable Innovations, Inc. as of December 31, 2019 and December 31, 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.

**ASK Int'l, Inc.
May 14, 2020**

Sustainable Innovations, Inc.
Statement of Financial Position
As of December 31,

	2019	2018
<u>Assets</u>		
Current Assets		
Cash and Cash Equivalents	\$ 39,227	\$ 17,861
Investment Accounts	317,919	325,882
Prepaid Expenses	0	750
Total Current Assets	357,146	344,493
Fixed Assets		
Office Equipment	1,430	1,430
Accumulated Depreciation	(1,430)	-1,430
Net Fixed Assets	0	0
Total Assets	357,146	\$344,493
 <u>Liabilities & Equity</u>		
Current Liabilities		
Direct Deposit Liabilities	0	3,942
Payroll Tax Liabilities	1,316	1,328
Total Current Liabilities	1,316	5,270
Long Term Liabilities		
Deferred Compensation	262,000	252,000
Total Long Term Liabilities	262,000	252,000
Total Liabilities	263,316	257,270
 Net Assets		
Unrestricted Net Assets	93,830	87,223
Total Equity	93,830	87,223
Total Liabilities & Equity	\$ 357,146	\$ 344,493

See independent auditor's report and accompanying notes to the financial statements.

Sustainable Innovations, Inc.
Statement of Activities and Net Assets
For the Year Ended December 31,

	2019	2018
Revenue		
Direct Public Support	\$ 87,142	\$ 7,750
Total Revenue	87,142	7,750
Project Expenses		
Project Development	120,000	120,000
Outside Contract Services	43,615	15,903
Software Development	980	11,400
Travel and Meetings	297	242
Per Diem and Meals	103	119
Total Project Expenses	164,995	147,664
Gross Surplus (Deficit)	(77,853)	(139,914)
Operating Expenses		
Accounting/Auditing	3,795	3,700
Bank/Finance Charges	18	290
Business Software	133	253
Computer & Internet Expenses	1,525	604
Conference/Convention/Meeting	0	1,020
Donations	0	48
Memberships and Dues	50	100
Miscellaneous	19	89
Office Supplies	144	168
Parking	17	74
Payroll Taxes	4,833	4,833
Registration Fees	155	470
Total Operating Expenses	10,688	11,649
Other Income		
Debt Forgiveness	50,000	50,000
Interest/Dividends	9,208	16
Exchange Gain or Loss	3,430	0
Total Other Income	62,638	50,016
Net Surplus (Deficit)	(\$25,903)	(\$101,547)
Beginning Net Assets	96,862	198,409
Unrealized Gain (Loss)	15,578	(9,639)
PY Adjustment	7,293	0
Ending Net Assets	\$ 93,830	\$ 87,223

See independent auditor's report and accompanying notes to the financial statements.

Sustainable Innovations, Inc.
Statement of Cash Flows
For the Year Ended December 31,

	2019	2018
Net Income (Loss) from Operating Activities	\$ (25,903)	\$(101,547)
Cash from Operating Activities		
Increase (Decrease) of Prepaid Expenses	750	0
Increase (Decrease) of Direct Deposit Liabilities	(3,942)	(4,102)
Increase (Decrease) of Payroll Tax Liabilities	(12)	(75)
Net Cash Provided by Operating Activities	(29,107)	(105,724)
Cash from Investing Activities		
MSSB Investment Accounts	7,963	111,656
Unrealized Gain (Loss)	25,217	(9,639)
Net Cash Provided by Investing Activities	33,180	102,017
Cash from Financing Activities		
Increase (Decrease) of Deferred Compensation	10,000	10,000
Net Cash Provided by Financing Activities	10,000	10,000
Net Cash Increase (Decrease)	\$14,073	\$6,293
Cash at the beginning of period	17,861	11,568
Prior Year Adjustment	7,293	0
Cash at the end of period	\$39,227	\$17,861

See independent auditor's report and accompanying notes to the financial statements.

Sustainable Innovations, Inc.
Notes to the Financial Statements
For the Years Ended December 31, 2019

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sustainable Innovations, Inc. was incorporated in April, 2007 as a Non-Stock Corporation.

The Articles of incorporation were amended in December 2007, to include Religious, Charitable, Scientific and Educational activities.

Sustainable Innovations, Inc. (The Company) was organized to engage in religious, charitable, scientific and educational purposes. On March 31, 2008, IRS determined that the organization is exempt from Federal Income Tax under section 501(c) (3) of the Internal Revenue Code.

The Company plans to focus its resources on two activities: (1) Project Arogya, identifying common, easily diagnosable and treatable medical ailments, and (2) Project Aakash Ganga, designing methods for providing clean water. Both activities will be targeted towards rural, impoverished and underserved populations, wherever they may be located.

The Company has been working in providing support services in rural areas of India.

The Company maintains their accounting system on an accrual basis.

Note 2 – CASH AND CASH EQUIVALENTS

The Company maintains its funds primarily in money market and mutual funds managed by Morgan Stanley. The money market portion of the investments is utilized for financial transactions in lieu of a traditional checking account and thus is classified as a cash equivalent. The money market balance at December 31, 2019 is \$36,634.22. A PayPal account set up for receipt of donations is also included in cash equivalents. The PayPal balance at December 31, 2019 is \$2,592.98.

Note 3 – FIXED ASSETS

The Company has office equipment which has maximum of three years of useful life. At this time, it is fully depreciated.

Note 4 – GRANTS

In 2019, the Company received an unrestricted grant of \$60,000.00 from Jain Family Foundation.

Note 5 – DIRECTOR COMPENSATION

In July 2009, the Board authorized to provide the Executive Director, B.P. Agrawal, \$10,000 per month as compensation for direct labor on project development. The direct labor for project Aakash Ganga was \$72,000 and for project Arogya was \$48,000. For 2010, Mr. Agrawal deferred \$64,000 in compensation, of which he was paid \$8,000 in January, 2011. Mr. Agrawal has decided to waive 50% of the remaining deferred compensation, or \$28,000, of his own volition. That means the books will show only \$28,000 in deferred compensation at 12/31/2010.

In 2011, Mr. Agrawal was paid \$52,000 in compensation for project development, in addition to the \$8,000 for the prior year. Of the remaining \$68,000 authorized for 2011, Mr. Agrawal deferred 50%, or \$34,000, and waived 50%, or \$34,000.

In 2012, Mr. Agrawal was paid \$40,000 in compensation for project development and has deferred \$80,000. The direct labor for project Aakash Ganga was \$48,000 and for project Arogya was \$72,000.

In 2013, Mr. Agrawal was paid \$35,000 in compensation for project development. Of the remaining \$85,000 authorized for 2013, Mr. Agrawal deferred \$50,000 and waived \$35,000. The direct labor for project Askash Ganga was \$17,000 and for project Arogya was \$68,000.

In 2014, Mr. Agrawal was paid \$40,000 in compensation for project development. Of the remaining \$ 80,000 authorized for 2014, Mr. Agrawal deferred \$ 40,000 and waived \$ 40,000. The direct labor for project Aakash Ganga was \$ 13,333 and for project Arogya was \$ 66,667.

In 2015, Mr. Agrawal was paid \$30,000 in compensation for project development. Of the remaining \$ 90,000 authorized for 2015, Mr. Agrawal deferred \$ 45,000 and waived \$ 45,000. The direct labor for project Aakash Ganga was \$ 15,000 and for project Arogya was \$ 60,000.

In 2016, Mr. Agrawal was paid \$40,000 in compensation for development of Project Arogya. Mr. Agrawal deferred the remaining \$80,000 authorized for 2016. Mr. Agrawal waived \$50,000 of deferred compensation from prior years, consisting of \$28,000 from 2010 and \$22,000 from 2011.

In 2017, Mr. Agrawal was paid \$71,977 in compensation and waived the remaining \$48,023 authorized for 2017. The total compensation was allocated \$32,389 for project Aakash Ganga, \$32,390 for project Arogya and \$7,198 for G&A. Mr. Agrawal waived \$65,000 of deferred compensation from prior years, consisting of \$12,000 from 2011 and \$53,000 from 2012.

In 2018, Mr. Agrawal was paid \$60,000 in compensation and deferred the remaining \$60,000 authorized for 2018. The total compensation was allocated \$30,000 for project Aakash Ganga and \$30,000 for project Arogya. Mr. Agrawal waived \$50,000 of deferred compensation from prior years, consisting of \$27,000 from 2012 and \$23,000 from 2013.

In 2019, Mr. Agrawal was paid \$60,000 in compensation and deferred the remaining \$60,000 authorized for 2019. The total compensation was allocated \$30,000 for project Aakash Ganga and

\$30,000 for project Arogya. Mr. Agrawal waived \$50,000 of deferred compensation from prior years, consisting of \$27,000 from 2013 and \$23,000 from 2014.

At December 31, 2019, the balance of Mr. Agrawal's deferred compensation is \$262,000, and the total amount waived is \$455,023.

The following table summarizes the deferred and waived compensation by year:

<u>Year</u>	<u>Deferred Compensation</u>	<u>Waived Compensation</u>
2010	\$ 0	\$56,000
2011	\$ 0	\$68,000
2012	\$ 0	\$80,000
2013	\$ 0	\$85,000
2014	\$17,000	\$63,000
2015	\$45,000	\$45,000
2016	\$80,000	\$ 0
2017	\$ 0	\$48,023
2018	\$60,000	\$ 0
2019	<u>\$60,000</u>	<u>\$ 0</u>
Total	\$262,000	\$445,023