KOPERNIK SOLUTIONS

Financial Statements

December 31, 2019

Fasten Halberstam

40 Wall Street Suite 3602 New York, NY 10005 (212) 751-8337 Fax (646) 417-6851 www.fhllp.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Kopernik Solutions

We have reviewed the accompanying financial statements of Kopernik Solutions (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

Fasten Halberstam LLP

Fasten Halberstam LLP
New York, New York
October 22, 2020

KOPERNIK SOLUTIONS
Statement of Financial Position
December 31, 2019

ASSETS		
Current assets		
Cash	$	68,757
Investments		1,672,358
Accounts receivable		20,690
Prepaid expenses and other assets		600
Total current assets		1,762,405
Total assets	$	1,762,405
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	$	7,664
Total current liabilities		7,664
Total net assets without donor restrictions		1,754,741
Total liabilities and net assets	$	1,762,405

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Grants	$ 350,000	$ -	$ 350,000
General contributions	29,160	-	29,160
Program service revenue	20,690	-	20,690
In-kind support	11,250	-	11,250
Interest income	35	-	35
Total revenues	411,135	-	411,135
Expenses			
Program services	59,164	-	59,164
Supporting services			
Management and general	126,066	-	126,066
Fundraising	2,813	-	2,813
Total supporting services	128,879	-	128,879
Total expenses	188,043	-	188,043
Change in net assets from operations	223,092	-	223,092
Other income			
Net investment return	175,895	-	175,895
Change in net assets	398,987	-	398,987
Net assets - beginning of year	1,355,754	-	1,355,754
Net assets - end of year	$ 1,754,741	$ -	$ 1,754,741

KOPERNIK SOLUTIONS

Statement of Functional Expenses

For the Year Ended December 31, 2019

		Supporting Services			
	Program Services	**Management and General**	**Fundraising**	**Total Supporting Services**	**Total**
Grants	$ 22,135	$ -	$ -	$ -	$ 22,135
Advertising	-	-	2,653	2,653	2,653
Conference and travel	-	7,847	-	7,847	7,847
Depreciation	-	1,165	-	1,165	1,165
License, dues and fees	4,993	1,072	-	1,072	6,065
Information technology	96	3,136	160	3,296	3,392
Office expenses	-	5,081	-	5,081	5,081
Officers' compensation and benefits	20,690	94,587	-	94,587	115,277
Professional fees	-	13,178	-	13,178	13,178
Expenses before in-kind	47,914	126,066	2,813	128,879	176,793
Services (in-kind)	11,250	-	-	-	11,250
Total expenses	$ 59,164	$ 126,066	$ 2,813	$ 128,879	$ 188,043

Cash flows from operating activities		
Change in net assets	$	398,987
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Net realized and unrealized loss (gain) on investments		(175,895)
Depreciation		1,165
Changes in operating assets and liabilities		
Accounts receivable		(14,440)
Prepaid expenses and other assets		6,443
Accounts payable and accrued expenses		(3,632)
Grants payable		(5,262)
Net cash provided by operating activities		207,366
Cash flows from investing activities		
Proceeds from sales of investments		100,000
Purchase of investments		(300,000)
Net cash used in investing activities		(200,000)
Net increase in cash, cash equivalents and restricted cash		7,366
Cash, cash equivalents and restricted cash - beginning of year		61,391
Cash, cash equivalents and restricted cash - end of year	$	68,757

1. PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization

Kopernik Solutions (the "Organization") is a not-for-profit organization incorporated on September 18, 2009 in New York State. The Organization was formed for the charitable purpose of providing developmental assistance to poor and disadvantaged communities in the world through the use of technology or innovative products, services and solutions designed to improve the quality of their lives.

Support for the Organization's programs is derived from foundation grants and general contributions. The Organization is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Organization within Internal Revenue Code requirements.

Basis of Accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit organizations on an accrual basis. The significant accounting and reporting policies used by the Organization are described below.

New Accounting Pronouncements

We have considered all new accounting pronouncements and have concluded that there are no new pronouncements that may have a material impact on our results of operations, financial condition, or cash flows, based on current information, except for those listed below.

During the year, the Organization adopted ASU No. 2016-18, Statement of Cash Flows (Topic 230): Restricted Cash (ASU 2016-18), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Upon assessment of the cash flow issues subject to amendment, the adoption of ASU 2016-18 did not have a material impact on the Organization's statement of cash flows.

In May 2014, the FASB issued a new revenue recognition standard entitled Revenue from Contracts with Customers under ASU 2014-09. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods 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. New disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers are also required. The standard is effective for nonpublic entities for annual reporting periods beginning after December 15, 2019, with early adoption permitted. Entities must adopt the new guidance using one of two retrospective application methods. Although the Organization has not yet adopted ASU 2014-09, it is currently evaluating the standard to determine the impact of its adoption on the financial statements. In accordance with ASU 2020-05, the Organization has deferred the adoption of ASU 2014-09 until the following year.

PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

During 2019, the Organization adopted ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of ASC Topic 958, Not for Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The adoption of this standard did not materially impact the Organization's result of operations or financial position.

Net Assets

Net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be used for any purpose in performing the main objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to terms imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has specified the funds be maintained in perpetuity.

Contributions and grants received with donor restrictions whose restrictions are met in the same reporting period they are received are generally reported as support without donor restrictions in the same reporting year.

Cash Equivalents

Cash equivalents are short term, interest bearing, highly liquid investments with original maturities of three months or less, unless the investments are held for meeting restrictions of a capital or endowment nature.

The Organization maintains all of its cash, aside from petty cash, in a financial institution. The financial institution is FDIC insured up to $250,000 per depositor. At times, the Organization's cash balance may exceed the FDIC's insured limits. This exposes the Organization to potential risk of loss in the event of the financial institution becomes insolvent.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are initially recorded at fair value upon the performance of services and are stated net of allowances for uncollectible accounts which represent estimated losses resulting from the inability of customers to make the required payments. Accounts receivable are charged off against allowances after a designated period of collection efforts. Subsequent cash recoveries are recognized as income in the period when they occur. The Organization considers the full amount of receivables to be collectible and has not established an allowance for uncollectibility.

PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Property and Equipment

Land, buildings, property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All land and buildings are capitalized. Equipment is capitalized if it has a cost of $3,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Revenue

Revenue is reported as increases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor 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 as release from restrictions in the statement of activities. Gains or losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by donors or by law.

Foreign Currency

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 rates which approximate those in effect on transactions dates. When relevant, net transaction and translation gains and losses are included as foreign currency exchange gain or loss in the accompanying statement of activities.

Gifts-in-Kind (Non-Cash Contributions)

The Organization periodically receives contributions in a form other than cash or investments. If the Organization receives a non-cash contribution, the contributed asset is recognized as an asset at its estimated fair value at the date of gift, provided that the value of the asset and its estimated useful life meets the Organization's capitalization policy. Donated supplies are recorded as contributions at the date of gift and as expenses when the donated items are placed into service or distributed.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2019 amounted to $2,653.

Expense Recognition and Allocation

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited. General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not

PRINCIPAL BUSINESS ACTIVITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

conduct its fundraising activities in conjunction with its other activities.

Income Taxes
The Organization is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At December 31, 2019, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. Management annually reviews its tax positions and has determined that there are no material uncertain tax positions that require recognition in the financial statements.

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

Reclassifications
Certain balances and amounts in the prior year financial statements have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported net income.

Subsequent Events
The Organization has evaluated subsequent events through October 22, 2020, the date these financial statements were available to be issued. With the exception of those matters disclosed below, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

2. RESTRICTED NET ASSETS:

The Organization had no net assets with donor restrictions at December 31, 2019. The details for the net assets for the year ending December 31, 2019, are as follows:

Name	Restriction Details	Balance Beginning of Year	Net Assets with Donor Restrictions	Net Assets Released from Restrictions	Balance End of Year
Exxonmobil Foundation	Funds restricted for purpose	$ -	$ 350,000	$ (350,000)	$ -
Total		$ -	$ 350,000	$ (350,000)	$ -

3. IN-KIND SERVICES:

In-kind contributions are reflected as contributions at their fair value as of the date of donation and are reported as support without restrictions unless explicit donor stipulations specify how donated assets must be used. For the year ending December 31, 2019, the Organization benefited from donated technology services which were valued by the Organization at $11,250. The donated services were utilized in the Organization's program services.

4. VOLUNTEER SERVICES:

The volunteer services the Organization receives are essential to helping fulfill its mission. Although substantial, these services do not meet the criteria for recording as revenue and expense under accounting principles generally accepted in the United States of America.

5. FAIR VALUE MEASUREMENTS:

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that a not-for-profit organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions). The primary uses of fair value measures in the Organization’s financial statements are the recurring measurement of investments.

Mutual Funds consist of investments in securities that are freely tradable and listed on major securities exchanges at their last reported sales price as of the valuation date. To the extent these securities are actively traded and valuation adjustments are not applied, they are categorized in Level 1 of the fair value hierarchy. Securities traded on inactive markets or valued by reference to similar instruments are generally categorized in Level 2 of the fair value hierarchy.

FAIR VALUE MEASUREMENTS (continued):

There were no significant transfers between the levels during the year. The following table summarizes the levels in the fair value hierarchy of the Organization's investments at December 31, 2019:

	Total	Level 1	Level 2	Level 3
Mutual funds – bonds	$1,337,886	$1,337,886	$ -	$ -
Mutual funds – stocks	334,472	334,472	-	-
Total investments	$1,672,358	$1,672,358	$ -	$ -

The composition of the investment return reported in the statement of activities is as follows:

Dividend income	$ 44,839
Net realized gains (losses)	4,585
Net unrealized gains (losses)	126,471
Net investment return	$ 175,895

6. AFFILIATED ORGANIZATIONS:

Kopernik Solutions works with affiliated organizations in Indonesia and Japan, which are governed by separate boards of directors in those countries. These affiliates, although not commonly controlled, share an overall mission to reduce poverty through the distribution of simple technology to people in need in developing countries.

Yayasan Kopernik is registered as an Indonesian Foundation (Yayasan) with the Indonesian Ministry of Law and Human Rights. Kopernik Japan is registered as a General Incorporated Association in Japan. Neither affiliate is controlled by, or in control of, the Organization and therefore, the accompanying financial statements do not include the accounts of Yayasan Kopernik or Kopernik Japan. Transactions with Yayasan Kopernik and Kopernik Japan are included in program services on the statement of activities.

7. LIQUIDITY AND AVAILABILITY:

The Organization 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. The Organization endeavors to structure its financial assets to be available and liquid as its general expenditures, liabilities, and other obligations become due. During the year ended December 31, 2019, the level of liquidity and reserves was managed within the policy requirements.

LIQUIDITY AND AVAILABILITY (continued): The following represents the Organization's financial assets at December 31, 2019:

Financial assets at year-end:		
Cash	$	68,757
Investments		1,672,358
Accounts receivable		20,690
Prepaid expenses and other assets		600
Total financial assets available to meet general expenditures over the next twelve months	$	1,762,405

8. RELATED PARTY TRANSACTIONS: The Organization's Indonesian affiliate, Yayasan Kopernik, is a legally separate entity and not under common control. The Organization has made grants to Yayasan to further the Organization's mission. Grants in the amount of $22,135 were made to Yayasan during the year ending December 31, 2019.

In 2019, the Organization entered into a service agreement with PT Kopernik, a related party with common directors. During 2019, the Organization earned income of $20,690 from PT Kopernik, and the total amount was outstanding at year-end.

9. CONCENTRATIONS: As of December 31, 2019, PT Kopernik, a related party, accounted for 100% of total accounts receivable.

For the year ended December 31, 2019, one donor's contribution accounted for approximately 17% of the Organization's donations.

For the year ended December 31, 2019, substantially all of the grants were made to Yayasan Kopernik in Indonesia.

10. SUBSEQUENT EVENT – TRANSFER OF FUNDS: In 2020, the Organization liquidated $750,000 of its investments and transferred the funds to Yayasan Kopernik.

11. SUBSEQUENT EVENT – CORONAVIRUS PANDEMIC: In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on the Organization's employees' ability to work and donors' ability to donate. Changes to the operating environment may increase operating costs. The future effects of these issues are unknown.

Additionally, the risk of further spreading of COVID-19 has led to significant uncertainty and volatility in the financial markets and disruption to the global economy, the consequences of which are currently unpredictable. Certain of the

SUBSEQUENT EVENT – CORONAVIRUS PANDEMIC (continued):

Organization's investments are likely to have exposure to businesses that, as a result of COVID-19, experience a slowdown or temporary suspension in business activities. These factors, as well as any restrictive measures instituted in order to prevent or control a pandemic or other public health crisis, such as the one posed by COVID-19, could have a material and adverse effect on the Organization's investments.