

# **UGANDAN WATER PROJECT**

**(NON-PROFIT ORGANIZATION)**

**Financial Statements**  
for the year ended December 31, 2021

# UGANDAN WATER PROJECT

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Ugandan Water Project  
Lima NY 14485

We have audited the accompanying financial statements of the Ugandan Water Project (a non-profit organization), which comprise the statement of assets, liabilities, and net assets as of December 31, 2021, and the related statements of support, revenue, expenses, and changes in net assets, functional expenses, and cash flows for the year 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 auditors' 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 auditors consider 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.

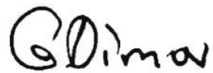
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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 assets, liabilities, and net assets of the Ugandan Water Project (a non-profit organization) as of December 31, 2021, and its support, revenue, expenses, and changes in net assets, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Sincerely,

A handwritten signature in black ink that reads "G Dimov". The signature is written in a cursive, slightly slanted style.

George Dimov, CPA  
New York, NY  
October 18, 2022

**dimov**

*GEORGE DIMOV CPA*

**UGANDAN WATER PROJECT  
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS  
AS OF DECEMBER 31, 2021**

<b>ASSETS</b>	<b>December 31, 2021</b>
<b>Current assets</b>	
Cash and cash equivalents	307,726
Inventory	7,231
Prepaid expenses	6,757
<b>Total Current Assets</b>	<u><b>321,714</b></u>
<b>Non-current assets</b>	
Property and equipment (Note 3)	3,846
Investments	198,953
<b>Total non-current assets</b>	<u><b>202,799</b></u>
<b>TOTAL ASSETS</b>	<u><u><b>524,513</b></u></u>
 <b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities</b>	
Accounts payable	1,480
EIDL Loan (Note 4)	55,900
Credit cards	26
Other liabilities	2,391
<b>Total current liabilities</b>	<u><b>59,797</b></u>
Unrestricted net assets	<u>312,925</u>
Restricted net assets	<u>30,000</u>
Opening balance equity	<u>(11,200)</u>
Net Revenue	<u>132,911</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u><b>524,513</b></u></u>

The accompanying notes are an integral part of these financial statements.  
The independent auditor's report is on pages 3-4.

**UGANDAN WATER PROJECT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Year ended December 31, 2021	Year ended December 31, 2021
	Unrestricted	Restricted
<b>Revenue</b>		
Contributions General	172,402	-
Donations Water Project Income	1,040,689	-
Grants from Foundations	-	105,678
Development Revenue	180,634	-
Other revenue	36,339	-
	<u>1,430,065</u>	<u>105,678</u>
<b>Total revenues</b>	<b><u>1,430,065</u></b>	<b><u>105,678</u></b>
<b>Cost of Goods Sold (COGS)</b>		
Water Project Expenses	(770,480)	(95,678)
Salary	(192,111)	-
Expenses for Red Rhino	(106,058)	-
AquaTrust Expense	(30,700)	-
Other expenses	(18,201)	-
	<u>(1,117,549)</u>	<u>(95,678)</u>
<b>Total COGS</b>	<b><u>(1,117,549)</u></b>	<b><u>(95,678)</u></b>
<b>Gross profit</b>	<b><u>312,516</u></b>	<b><u>10,000</u></b>
<b>Expenditures</b>		
Advertising, Marketing, & Media	(31,349)	-
Auto	(3,777)	-
Bank Charges & Fees	(7,043)	-
Technology Expenses	(9,217)	-
Depreciation Expense (Note 3)	(15)	-
Dues & Subscriptions	(2,565)	-
Meals & Entertainment	(2,279)	-
Insurance	(2,132)	-
Rent	(7,200)	-
Office Expense	(8,854)	-
Postage	(3,207)	-
Professional Fees	(28,070)	-

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**UGANDAN WATER PROJECT  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Year ended December 31, 2021	Year ended December 31, 2021
	Unrestricted	Restricted
Professional Development	(5,886)	-
Payroll Expenses	(88,474)	-
Discretionary Staff Expenses	(3,180)	-
Travel General	(25,646)	-
Other	(588)	-
	<hr/>	<hr/>
<b>Total expenses</b>	<b><u>(229,482)</u></b>	<b><u>-</u></b>
<b>Net Operating Revenue</b>	<b><u>83,035</u></b>	<b><u>10,000</u></b>
<b>Other Expenditures</b>		
Investment Gain/Loss	43,951	-
Other Gain/Loss	(1,951)	-
Depreciation (Note 3)	(1,906)	-
Other expenses	(218)	-
	<hr/>	<hr/>
<b>Total Other Expenditures</b>	<b><u>39,876</u></b>	<b><u>-</u></b>
<b>CHANGE IN NET ASSETS FOR THE YEAR</b>	<b><u>122,911</u></b>	<b><u>10,000</u></b>
<b>NET ASSETS, START OF THE YEAR</b>	<b><u>(11,120)</u></b>	
<b>NET ASSETS, END OF THE YEAR</b>	<b><u>121,791</u></b>	

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**UGANDAN WATER PROJECT STATEMENT  
OF FUNCTIONAL EXPENSES FOR THE  
YEAR ENDED DECEMBER 31, 2021**

	Development	General and Administrative	Water Programs	Total expenses (2021)
Water Project Expenses	-	-	866,158	866,158
Salary	14,525	17,650	159,936	192,111
Expenses for Red Rhino	-	-	106,058	106,058
AquaTrust Expense	-	-	30,700	30,700
Other expenses	184	-	18,016	18,201
<b>Cost of Goods Sold</b>	<b><u>14,709</u></b>	<b><u>17,650</u></b>	<b><u>1,180,868</u></b>	<b><u>1,213,227</u></b>
<b>Expenses</b>				
Advertising, Marketing, & Media	15,859	3,069	12,421	31,349
Auto	1,262	1,694	821	3,777
Bank Charges & Fees	3,299	104	3,639	7,043
Technology Expenses	2,726	3,724	2,767	9,217
Depreciation Expense	-	15	-	15
Dues & Subscriptions	658	1,248	658	2,565
Meals & Entertainment	225	1,919	135	2,279
Insurance	965	608	559	2,132
Rent	2,160	2,880	2,160	7,200
Office Expense	694	6,010	2,150	8,854
Postage	1,467	1,406	334	3,207
Professional Fees	7,792	12,251	8,027	28,070
Professional Development	520	4,155	1,211	5,886
Payroll Expenses	22,134	42,322	24,018	88,474
Discretionary Staff Expenses	-	-	3,180	3,180
Travel General	561	1,644	23,441	25,646
Other	93	143	353	588
<b>Total expenditures</b>	<b><u>60,416</u></b>	<b><u>83,193</u></b>	<b><u>85,874</u></b>	<b><u>229,481</u></b>
Investment Gain/Loss	-	(43,951)	-	(43,951)
Other Gain/Loss	-	(50)	2,001	1,951
Depreciation	-	1,906	-	3,180
Other	-	-	218	218
<b>Total Other expenditures</b>	<b><u>-</u></b>	<b><u>(42,094)</u></b>	<b><u>2,219</u></b>	<b><u>39,876</u></b>

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**UGANDAN WATER PROJECT STATEMENT  
OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Year ended  
December 31,  
2021**

**Cash flows from operating activities**

Change in net assets	132,911
Adjustments for:	
Depreciation	1,921
Chase credit card	(7,279)
Changes in accounts payable	1,480
Prepaid expenses	(232)
FSA Withholding	2,100
IRA Withholding	241
Staff expenses	(10,115)
Changes in inventory	8,013

**Net cash provided by operating activities** **129,039**

**Cash flows from investing activities**

Fixed Assets	(370)
Investments	(128,091)

**Net cash used by investing activities** **(128,461)**

**Cash flows from financing activities**

Net Assets	0
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**Net cash provided by financing activities** **0**

**Net cash flow during the year** **578**

**CASH - START OF THE YEAR** **307,148**

**CASH - END OF THE YEAR** **307,726**

The accompanying notes are an integral part of these financial statements.  
The independent auditor's report is on pages 3-4.

**UGANDAN WATER PROJECT NOTES TO  
THE FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2021**

**NOTE 1: NATURE OF OPERATIONS**

The Ugandan Water Project (the "Organization") is a New York-based 501(c)(3) non-profit organization founded in 2009 that funds, implements, and advocates for water, sanitation and hygiene projects benefiting communities through Uganda. The Ugandan Water Project works to end the water crisis affecting millions of people in Uganda by alleviating suffering in communities that demonstrate acute water-related needs.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. These financial statements are presented in US Dollars, unless otherwise indicated. These financial statements have been prepared under the historical cost convention, except for the evaluation of certain financial instruments carried at fair value.

**Basis of Presentation**

Financial Statement presentation follows the presentation requirements of Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117 the Organization is required to report information regarding its combined financial position and activities according to three classes of net assets; permanently restricted, temporarily restricted or unrestricted

**Unrestricted, Temporarily Restricted or Permanently Restricted Net Assets**

<i>Unrestricted Net Assets</i>	Consist of resources available without restriction for the various programs and administration of the organization.
<i>Temporarily Restricted Net Assets</i>	Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.
<i>Permanently Restricted Net Assets</i>	Net assets subject to donor imposed stipulations that the Organization permanently maintain certain contributed assets. Permanent restrictions do not pass with the expiration of time, nor can they be removed through the Organization's actions.

## **Going Concern**

The Organization's management has assessed the Organization's ability to continue as a going concern and is satisfied that the Organization has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Organization's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

## **Cash and Cash Equivalents**

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less to be cash and cash equivalents.

## **Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation. Maintenance and repair costs are charged to operations as incurred. Renewals and betterments are charged to the appropriate asset account. Depreciation is provided using the straight-line over the estimated useful lives of the assets.

## **Contributed Assets**

Assets with fair market values in excess of \$5,000 (per unit) that are contributed to the Organization shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

## **In-kind Services and Materials, Inventory**

In kind professional services are recorded at the respective fair values of the services received. Donated materials and inventory are recorded at fair value at the date of donation.

## **Functional Allocation of Expenses**

The costs of development, general and administrative, water programs are presented on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

## **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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support, revenue, and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

## **Concentration and Credit Risks**

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Organization has never experienced any losses related to these balances.

The biggest donations are made for Water Project Income 68% (\$1,040,689) of the total contributions received by the Organization during the year ended December 31, 2021.

Restricted part of donations was \$105,678 during the year ended December 31, 2021.

## **Taxes and Tax-Exempt Status**

The Ugandan Water Project is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi). However, income from activities not directly related to UWP's tax-exempt purpose is subject to taxation as unrelated business income.

The Organization believes that it has conducted its operations in accordance with, and has properly maintained, its tax-exempt status, and that it has taken no material uncertain tax positions that qualify for recognition or disclosure in the financial statements.

### **NOTE 3: PROPERTY AND EQUIPMENT**

Property and equipment of the Organization as of December 31, 2021 were as follows:

	<b>December 31, 2021</b>
Vehicles	8,856
Leasehold improvements	2,500
Furniture	370
Equipment asset	7,004
Less: accumulated depreciation	<u>(14,884)</u>
	<u><u>3,846</u></u>

Depreciation expenses for the year ended December 31, 2021 were \$1,921.

### **NOTE 4: EIDL LOAN**

On August 10, 2020, the Organization received loan proceeds in the amount of \$56,000 under the under Section 7(b) of the Small Business Act.

Installment payments, including principal and interest, of \$240.00 Monthly, will begin Twelve (12) months from the date of the promissory Note. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory Note.

Interests are accrued at the rate of 2.75% per annum and are accrued only on funds actually advanced from the date(s) of each advance.

For loan amounts of greater than \$25,000, the Organization grants to SBA "Collateral".

UWP uses all the proceeds of this Loan solely as working capital.

As of December 31, 2021 the amount of EIDL loan was \$55,900.

### **NOTE 5: RELATED PARTY TRANSACTIONS**

There were no any related party transactions during the year ended December 31, 2021.

### **NOTE 6: EVALUATION OF SUBSEQUENT EVENTS**

Management has evaluated subsequent events through October 18, 2022, the date on which the financial statements were available to be issued. All subsequent events

requiring recognition as of December 31, 2021 have been incorporated into these financial statements and there are no subsequent events that require disclosure.

**NOTE 7: APPROVAL OF FINANCIAL STATEMENTS**

Financial statements have been approved by management of the Organization and authorized for issue on October 18, 2022.