

UGANDAN WATER PROJECT

(NON-PROFIT ORGANIZATION)

Financial Statements
for the year ended December 31, 2022

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, 2022, 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.

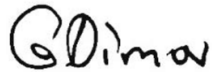
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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, 2022, 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 "G" is large and stylized, and the "Dimov" is written in a cursive-like script.

George Dimov, CPA
New York, NY
May 18, 2023

dimov

GEORGE DIMOV CPA

**UGANDAN WATER PROJECT
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
AS OF DECEMBER 31, 2022**

ASSETS	December 31, 2022
Current assets	
Cash and cash equivalents (Note 5)	300,940
Accounts receivable	(284)
Prepaid expenses	6,502
Inventory	4,426
Total Current Assets	<u>311,584</u>
Non-current assets	
Property and equipment (Note 3)	4,986
Investments (Note 4)	102,030
Total non-current assets	<u>107,016</u>
TOTAL ASSETS	<u><u>418,600</u></u>
 LIABILITIES AND NET ASSETS	
Current liabilities	
Accounts payable	1,480
EIDL Loan (Note 5)	55,900
Credit cards	10,704
Other liabilities	1,316
Total current liabilities	<u>69,400</u>
Equity	
Unrestricted net assets	445,459
Restricted net assets	30,000
Opening balance equity	(11,120)
Net Revenue	(115,139)
Total Equity	349,200
TOTAL LIABILITIES AND NET ASSETS	<u><u>418,600</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, 2022**

	Year ended December 31, 2022	Year ended December 31, 2022
	Unrestricted	Temporarily Restricted
Revenue		
Contributions General	207,902	-
Donations Water Project Income	946,901	-
Grants from Foundations	30,000	238,258
Development Revenue	186,515	-
Other revenue	99,548	-
	<u>1,470,865</u>	<u>238,258</u>
Total revenues	<u>1,470,865</u>	<u>238,258</u>
Cost of Goods Sold (COGS)		
Water Project Expenses	(649,051)	(241,211)
Salary	(196,028)	-
Expenses for Red Rhino	(172,651)	-
AquaTrust Expense	(50,000)	-
Other expenses	(47,347)	-
	<u>(1,115,077)</u>	<u>(241,211)</u>
Total COGS	<u>(1,115,077)</u>	<u>(241,211)</u>
Gross profit	<u>355,788</u>	<u>(2,953)</u>
Expenditures		
Advertising, Marketing, & Media	(10,837)	-
Auto	(2,436)	-
Bank Charges & Fees	(13,503)	-
Technology Expenses	(13,585)	-
Donations to Organizations	(239)	-
Depreciation Expense (Note 3)	(382)	-
Dues & Subscriptions	(6,739)	-
Meals & Entertainment	(3,223)	-
Insurance	(2,209)	-
Rent	(16,515)	-
Office Expense	(6,852)	-
Postage	(3,573)	-
Professional Fees	(43,974)	-

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**UGANDAN WATER PROJECT
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Year ended December 31, 2022	Year ended December 31, 2022
	Unrestricted	Temporarily Restricted
Professional Development	(24,117)	-
Payroll Expenses	(200,135)	-
Utilities	(972)	-
Travel General	(17,950)	-
Other	<u>(4,209)</u>	<u>-</u>
Total expenses	<u>(371,449)</u>	<u>-</u>
Net Operating Revenue	<u>(15,660)</u>	<u>(2,953)</u>
Other Expenditures		
Investment Gain/Loss	(95,911)	-
Other Gain/Loss	(3)	-
Depreciation (Note 3)	(605)	-
Other expenses	<u>(6)</u>	<u>-</u>
Total Other Expenditures	<u>(96,525)</u>	<u>-</u>
CHANGE IN NET ASSETS FOR THE YEAR	<u>(112,186)</u>	<u>(2,953)</u>
TOTAL CHANGE IN NET ASSETS FOR THE YEAR	<u>(115,139)</u>	

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UGANDAN WATER PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Development	General and Administrative	Water Programs	Total expenses (2022)
Water Project Expenses	1,370	-	888,892	890,262
Salary	15,277	16,835	163,916	196,098
Expenses for Red Rhino	-	-	172,651	172,651
AquaTrust Expense	-	-	50,000	50,000
Other expenses	47	-	47,300	47,347
Cost of Goods Sold	<u>16,694</u>	<u>16,835</u>	<u>1,322,758</u>	<u>1,356,287</u>
Expenses				
Advertising, Marketing, & Media	7,801	2,846	190	10,837
Auto	1,010	1,006	421	2,436
Bank Charges & Fees	1,818	5,175	6,511	13,503
Technology Expenses	6,736	4,838	2,012	13,585
Depreciation Expense	114	210	57	382
Donations	-	-	239	239
Dues & Subscriptions	1,468	3,803	1,468	6,739
Meals & Entertainment	252	2,656	314	3,223
Insurance	382	897	1,029	2,309
Rent	4,193	8,129	4,193	16,515
Office Expense	828	3,897	2,127	6,852
Postage	731	2,212	630	3,573
Professional Fees	21,845	12,844	9,284	43,974
Professional Development	2,759	3,297	18,061	24,117
Payroll Expenses	68,102	49,828	82,205	200,135
Discretionary Staff Expenses	-	-	-	-
Travel General	4,918	1,343	11,689	17,950
Other	115	5,010	57	5,181
Total expenditures	<u>123,701</u>	<u>107,891</u>	<u>140,487</u>	<u>371,449</u>
Investment Gain/Loss	-	95,911	-	95,911
Other Gain/Loss	-	3	-	3
Depreciation	-	605	-	605
Other	-	1	5	6
Total Other expenditures	<u>-</u>	<u>96,520</u>	<u>5</u>	<u>96,525</u>

The accompanying notes are an integral part of these financial statements.
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**UGANDAN WATER PROJECT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

**Year ended
December 31,
2022**

Cash flows from operating activities

Change in net assets	(115,139)
Adjustments for:	
Depreciation	987
Chase credit card	9,307
Changes in accounts payable	-
Changes in accounts receivables	284
Prepaid expenses	(144)
FSA Withholding	992
IRA Withholding	(2,067)
Ramp Card	1,371
Changes in inventory	<u>2,805</u>

Net cash provided by operating activities **(101,605)**

Cash flows from investing activities

Fixed Assets	(2,127)
Investments	<u>96,924</u>

Net cash used by investing activities **94,797**

Cash flows from financing activities

Net Assets	21
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Net cash provided by financing activities **21**

Net cash flow during the year **(6,786)**

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

CASH - END OF THE YEAR **300,940**

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, 2022**

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.

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 55% (\$948,728) of the total contributions received by the Organization during the year ended December 31, 2022.

Temporarily Restricted part of donations was \$238,258 during the year ended December 31, 2022.

The Organization received government grant Julia Taft Grant 10/28/2022 (\$17,044).

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, 2022 were as follows:

	December 31, 2022
Vehicles	8,856
Leasehold improvements	4,278
Furniture	719
Equipment asset	7,004
Less: accumulated depreciation	<u>(15,871)</u>
	<u><u>4,986</u></u>

Depreciation expenses for the year ended December 31, 2022 were \$987.

NOTE 4: INVESTMENTS

Investments of the Organization as of December 31, 2022 were as follows:

	December 31, 2022
Montage account	50,764
Giving Block Crypto Currencies	29,125
Ethereum Investment	17,325
Abundant Resource Development	<u>4,816</u>
	<u><u>102,030</u></u>

NOTE 5: 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, 2022 the amount of EIDL loan was \$55,900.

NOTE 6: CASH AND CASH EQUIVALENTS

Cash and cash equivalents balance as of December 31, 2022 was \$300,940

NOTE 7: RELATED PARTY TRANSACTIONS

There were no any related party transactions during the year ended December 31, 2022.

NOTE 8: EVALUATION OF SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 18, 2023, the date on which the financial statements were available to be issued. All subsequent events requiring recognition as of December 31, 2022 have been incorporated into these

financial statements and there are no subsequent events that require disclosure.

NOTE 9: APPROVAL OF FINANCIAL STATEMENTS

Financial statements have been approved by management of the Organization and authorized for issue on May 18, 2023.