

**CONSOLIDATED FINANCIAL STATEMENTS**

# **WATER FOR PEOPLE**

**FOR THE YEARS ENDED  
SEPTEMBER 30, 2022 AND 2021**

# WATER FOR PEOPLE

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**CPAs & ADVISORS**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Water for People  
Greenwood Village, Colorado

**Opinion**

We have audited the accompanying consolidated financial statements of Water for People (WFP), which comprise the consolidated statements of financial position as of September 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WFP as of September 30, 2022 and 2021, and the consolidated changes in its net assets and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of WFP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about WFP's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 WFP's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about WFP's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page 24 and the Consolidating Schedule of Activities on pages 25 - 28 are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2023, on our consideration of WFP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WFP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WFP's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman". The signature is written in black ink and is positioned below the main body of text.

February 15, 2023

## WATER FOR PEOPLE

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS OF SEPTEMBER 30, 2022 AND 2021**

**ASSETS**

	<u>2022</u>	<u>2021</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 19,309,923	\$ 1,940,042
Investments	1,875,133	6,956,011
Grants and pledges receivable, net	4,067,694	4,940,506
Accounts receivable	560,457	414,803
Prepaid expenses and other	<u>527,943</u>	<u>358,852</u>
Total current assets	<u>26,341,150</u>	<u>14,610,214</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>411,716</u>	<u>339,057</u>
<b>OTHER ASSETS</b>		
Long term investments	1,366,649	-
Grants and pledges receivable, net of current portion	-	1,228,361
Right-of-use assets, net	<u>1,071,625</u>	<u>-</u>
Total other assets	<u>2,438,274</u>	<u>1,228,361</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 29,191,140</u></b>	<b><u>\$ 16,177,632</u></b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,568,700	\$ 2,058,323
Provision for unanticipated losses	94,349	70,786
Refundable advances	2,102,080	1,910,560
Operating lease liabilities	285,679	-
Deferred rent	<u>-</u>	<u>18,203</u>
Total current liabilities	<u>6,050,808</u>	<u>4,057,872</u>
<b>LONG-TERM LIABILITIES</b>		
Operating lease liabilities, net of current portion	<u>848,146</u>	<u>-</u>
Total liabilities	<u>6,898,954</u>	<u>4,057,872</u>
<b>NET ASSETS</b>		
Without donor restrictions	20,146,182	8,287,526
With donor restrictions	<u>2,146,004</u>	<u>3,832,234</u>
Total net assets	<u>22,292,186</u>	<u>12,119,760</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 29,191,140</u></b>	<b><u>\$ 16,177,632</u></b>

## WATER FOR PEOPLE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants and contributions	\$ 22,606,810	\$ 15,427,947	\$ 38,034,757
U.S. Government grants	-	2,998,296	2,998,296
Gifts in-kind	334,491	-	334,491
Royalty income	734	-	734
Investment loss, net	(110,132)	-	(110,132)
Special events, net of expenses	59,515	-	59,515
Other loss	(116,640)	-	(116,640)
Net assets released from donor restrictions	<u>20,112,473</u>	<u>(20,112,473)</u>	<u>-</u>
Total support and revenue	<u>42,887,251</u>	<u>(1,686,230)</u>	<u>41,201,021</u>
<b>EXPENSES</b>			
Program Services	<u>25,675,301</u>	<u>-</u>	<u>25,675,301</u>
Supporting Services:			
Management and General	3,576,599	-	3,576,599
Fundraising	<u>1,764,553</u>	<u>-</u>	<u>1,764,553</u>
Total supporting services	<u>5,341,152</u>	<u>-</u>	<u>5,341,152</u>
Total expenses	<u>31,016,453</u>	<u>-</u>	<u>31,016,453</u>
Changes in net assets before other item	11,870,798	(1,686,230)	10,184,568
<b>OTHER ITEM</b>			
De-obligated awards and funds returned to donors	<u>(12,142)</u>	<u>-</u>	<u>(12,142)</u>
Changes in net assets	11,858,656	(1,686,230)	10,172,426
Net assets at beginning of year	<u>8,287,526</u>	<u>3,832,234</u>	<u>12,119,760</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 20,146,182</u></b>	<b><u>\$ 2,146,004</u></b>	<b><u>\$ 22,292,186</u></b>

## WATER FOR PEOPLE

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants and contributions	\$ 8,300,205	\$ 11,570,876	\$ 19,871,081
U.S. Government grants	-	175,779	175,779
Gifts in-kind	215,504	-	215,504
Royalty income	4,542	-	4,542
Investment income, net	1,228	-	1,228
Special events, net of expenses	32,450	-	32,450
Other revenue	77,867	-	77,867
Net assets released from donor restrictions	<u>13,322,062</u>	<u>(13,322,062)</u>	<u>-</u>
Total support and revenue	<u>21,953,858</u>	<u>(1,575,407)</u>	<u>20,378,451</u>
<b>EXPENSES</b>			
Program Services	<u>18,127,341</u>	<u>-</u>	<u>18,127,341</u>
Supporting Services:			
Management and General	2,584,627	-	2,584,627
Fundraising	<u>1,368,964</u>	<u>-</u>	<u>1,368,964</u>
Total supporting services	<u>3,953,591</u>	<u>-</u>	<u>3,953,591</u>
Total expenses	<u>22,080,932</u>	<u>-</u>	<u>22,080,932</u>
Changes in net assets before other items	(127,074)	(1,575,407)	(1,702,481)
<b>OTHER ITEMS</b>			
Forgiveness of debt principal and interest	783,458	-	783,458
De-obligated awards and funds returned to donors	<u>-</u>	<u>(18,410)</u>	<u>(18,410)</u>
Changes in net assets	656,384	(1,593,817)	(937,433)
Net assets at beginning of year	<u>7,631,142</u>	<u>5,426,051</u>	<u>13,057,193</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 8,287,526</u></b>	<b><u>\$ 3,832,234</u></b>	<b><u>\$ 12,119,760</u></b>



## WATER FOR PEOPLE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	<u>Supporting Services</u>			<b>Total Supporting Services</b>	<b>Total Expenses</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Fundraising</b>		
Direct program expenses and country contributions	\$ 13,837,692	\$ -	\$ -	\$ -	\$ 13,837,692
Salaries and benefits	7,646,621	2,245,323	1,114,112	3,359,435	11,006,056
Professional fees and contract services	1,086,331	161,350	133,804	295,154	1,381,485
Training, travel and meetings	1,095,462	47,696	138,407	186,103	1,281,565
Other	71,311	466,783	127,314	594,097	665,408
Rent/occupancy	559,733	153,664	41,272	194,936	754,669
Depreciation and amortization	177,789	30,234	19,473	49,707	227,496
Technology and supplies	598,389	123,008	42,599	165,607	763,996
Gifts in-kind expense	125,978	208,513	-	208,513	334,491
Telephone	155,940	11,732	559	12,291	168,231
Insurance	65,454	62,872	-	62,872	128,326
Printing, publications and website	254,601	65,424	147,013	212,437	467,038
<b>TOTAL</b>	<b><u>\$ 25,675,301</u></b>	<b><u>\$ 3,576,599</u></b>	<b><u>\$ 1,764,553</u></b>	<b><u>\$ 5,341,152</u></b>	<b><u>\$ 31,016,453</u></b>

## WATER FOR PEOPLE

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Direct program expenses and country contributions	\$ 7,626,716	\$ -	\$ -	\$ -	\$ 7,626,716
Salaries and benefits	7,089,975	1,945,603	914,488	2,860,091	9,950,066
Professional fees and contract services	1,005,291	119,712	27,063	146,775	1,152,066
Training, travel and meetings	622,522	1,506	25,211	26,717	649,239
Other	64,853	78,440	120,905	199,345	264,198
Rent/occupancy	506,787	105,049	58,890	163,939	670,726
Depreciation and amortization	146,333	38,419	19,473	57,892	204,225
Technology and supplies	454,729	118,800	18,171	136,971	591,700
Gifts in-kind expense	123,953	49,712	51,438	101,150	225,103
Telephone	144,490	5,783	-	5,783	150,273
Insurance	56,646	74,283	-	74,283	130,929
Printing, publications and website	285,046	47,320	133,325	180,645	465,691
<b>TOTAL</b>	<b><u>\$ 18,127,341</u></b>	<b><u>\$ 2,584,627</u></b>	<b><u>\$ 1,368,964</u></b>	<b><u>\$ 3,953,591</u></b>	<b><u>\$ 22,080,932</u></b>

## WATER FOR PEOPLE

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 10,172,426	\$ (937,433)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	227,496	204,225
Realized and unrealized loss	138,467	1,414
Forgiveness of debt principal	-	(776,192)
Forgiveness of accrued interest on debt	-	(7,266)
Change in discount on long-term receivables	(2,017)	(5,660)
Change in allowance for bad debt	8,520	(1,509)
Gain on sale of property and equipment	-	(21,403)
Change in measurement of operating lease	62,200	-
Decrease (increase) in:		
Grants and pledges receivable	2,094,670	106,666
Accounts receivable	(145,654)	(216,104)
Prepaid expenses and other	(169,091)	(158,934)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,510,377	(203,365)
Provision for unanticipated losses	23,563	(23,750)
Refundable advances	191,520	1,034,354
Deferred rent	<u>(18,203)</u>	<u>(33,846)</u>
Net cash provided (used) by operating activities	<u>14,094,274</u>	<u>(1,038,803)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(300,155)	(125,059)
Proceeds from sales of property and equipment	-	21,403
Purchases of investments	(765,812)	(2,042,873)
Proceeds from sales of investments	<u>4,341,574</u>	<u>2,500,000</u>
Net cash provided by investing activities	<u>3,275,607</u>	<u>353,471</u>
Net increase (decrease) in cash and cash equivalents	17,369,881	(685,332)
Cash and cash equivalents at beginning of year	<u>1,940,042</u>	<u>2,625,374</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 19,309,923</u></b>	<b><u>\$ 1,940,042</u></b>

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

Water for People (WFP) is a non-profit organization, incorporated in the State of Colorado and headquartered in Greenwood Village, Colorado. Water for People is a global non-profit organization working across nine countries to achieve lasting quality water and sanitation services. The purpose of Water for People is to promote the development of high-quality drinking water and sanitation services, accessible to all, and sustained by strong communities, businesses and governments. Water for People does this through a model called "Everyone Forever."

Everyone Forever is defined as a reliable and lasting water and sanitation service for every family, clinic and school in the regions where Water for People works. To do this, financial, physical and operational investments are made by local and national governments, community residents, entrepreneurs and other organizations to address current and future challenges of water systems and services. Water for People monitors field results until water service is sustainable by the local service authority and the monitoring capacity and responsibility are formally embedded within communities and Government. Data and results are publicly available to everyone through Water for People's visually dynamic reporting platform, EF Tracker.

Everyone Forever programming expands from full coverage at district levels to national level and beyond, freeing countries from water and sanitation aid dependence, and providing a sustainable solution to end the global water and sanitation crisis.

##### Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities* and Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. In accordance with FASB ASC 958-810, *Not for Profit Entities, Consolidation*, the accompanying consolidated financial statements include the accounts of Water for People country offices in Malawi, Bolivia, Guatemala, Honduras, India, Rwanda, Peru, Uganda and Nicaragua. The accounts of these country offices are consolidated due to the control the United States office has over these offices. All material intercompany activity has been eliminated.

In accordance with ASU 2016-14, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets With Donor Restrictions** - Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in "net assets with donor restrictions", depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Consolidated Statements of Activities and Changes in Net Assets as net assets released from donor restrictions. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### New accounting pronouncements adopted -

During the year ended September 30, 2022, WFP adopted *Accounting Standards Update (ASU) 2019-01, Leases (Topic 842)*, which changed the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosure of key information about leasing arrangements. WFP applied the new standard to all existing leases in 2022 and also the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 11 for further details.

Also during the year ended September 30, 2022, WFP adopted *Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this ASU address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

##### Cash and cash equivalents -

WFP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amount of \$369,540 and \$6,956,011 as of September 30, 2022 and 2021, respectively. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, WFP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

WFP had approximately \$460,653 and \$480,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2022 and 2021, respectively. A portion of the funds deposited in foreign countries are uninsured.

##### Investments -

Investments are recorded at their readily determinable fair value. Interests, dividends, realized and unrealized gains and losses are included in investment (loss) income, which is presented net of investment expenses paid to external investment advisors in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Certificates of deposit held for investment that are not debt securities are included in "Investments". Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Certificates of deposit with remaining maturities greater than one year are classified as "long-term investments".

##### Grants and pledges receivable, net -

Grants and pledges receivable are recorded at their net realizable value, which approximates fair value. Grants and pledges receivable that are expected to be collected in future years are recorded at the present value of their future cash flows.

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Grants and pledges receivable, net (continued) -

The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. An allowance for doubtful accounts has been established based on historical trends of pledge fulfillment, as well as the confidence level of current outstanding pledges.

##### Accounts receivable -

Accounts receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established.

##### Property and equipment -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years (30 years for buildings or permanent structures). Leasehold improvements are amortized over the remaining life of the lease. The cost of maintenance and repairs is recorded as expenses as incurred. Depreciation and amortization expense for the years ended September 30, 2022 and 2021 totaled \$227,496 and \$204,225, respectively.

##### Income taxes -

WFP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. WFP is not a private foundation. Additionally, all controlled entities have been granted tax exempt status within their respective countries.

##### Uncertain tax positions -

For the years ended September 30, 2022 and 2021, WFP has documented its consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes, and has determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

##### Revenue -

##### Grants and contributions -

WFP receives contributions, including unconditional promises to give, from many sources as well as grants from the U.S. Government, organizations and other entities. Grants and contributions are recognized in the appropriate category of net assets in the period received. WFP performs an analysis of the individual grants and contributions to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transaction is deemed nonreciprocal or reciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*.

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Revenue (continued) -

Grants and contributions (continued) -

For grants and contributions qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Grants and contributions qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying financial statements.

Grants and contributions qualifying as conditional contributions contain a right of return and a barrier. Such awards also have donor restrictions. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions "with donor restrictions" when the condition or conditions are satisfied, and simultaneously, an equivalent amount of net assets with donor restrictions are released to "without donor restrictions".

Funds received in advance of the incurrence of qualifying expenditures are recorded as a refundable advances.

For grants and contributions treated as contributions, WFP had approximately \$30,311,000 and \$26,116,000 in unrecognized conditional awards as of September 30, 2022 and 2021.

Gifts in-kind -

Gifts in-kind consist of donated software subscriptions, services, supplies and materials. Gifts in-kind are recorded at their fair value as of the date of the gift.

Foreign currency translation -

The U.S. Dollar is the functional currency for WFP's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position. Currency gains and losses from translation are included in Other revenue (loss) in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Use of estimates -

The preparation of the 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 the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

##### Provision for unanticipated losses -

WFP has established a provision for unanticipated losses. The provision is to cover expenses that result from programs which WFP may maintain for which there is no donor funding as well as potential losses as a result of pending litigation costs. Management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on WFP's financial statements.

##### Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of WFP are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

##### Investment risks and uncertainties -

WFP invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

##### Fair value measurement -

WFP adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurements. WFP accounts for a significant portion of its financial instruments at fair value or considers fair value in their measurement.

#### 2. INVESTMENTS

Investments consisted of the following as of September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
	<u>Fair Value</u>	<u>Fair Value</u>
Money market funds	\$ 369,540	\$ 6,956,011
Equity mutual funds	541,041	-
Certificates of deposit	<u>2,331,201</u>	<u>-</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 3,241,782</u></b>	<b><u>\$ 6,956,011</u></b>



**WATER FOR PEOPLE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021**

**2. INVESTMENTS (Continued)**

Included in investment (loss) income are the following:

	<b>2022</b>	<b>2021</b>
Interest and dividends	\$ 29,505	\$ 2,944
Realized and unrealized loss	(138,467)	(1,414)
Investment expenses	(1,170)	(302)
<b>TOTAL INVESTMENT (LOSS) INCOME, NET</b>	<b>\$ (110,132)</b>	<b>\$ 1,228</b>

In accordance with FASB ASC 820, *Fair Value Measurement*, WFP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market WFP has the ability to access.

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy or changes in the valuation methodologies used during the years ended September 30, 2022 and 2021. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end mutual funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equity Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by WFP are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by WFP are deemed to be actively traded.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

**WATER FOR PEOPLE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021**

**2. INVESTMENTS (Continued)**

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2022:

<b>Asset Class:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money Market Funds	\$ 369,540	\$ -	\$ -	\$ 369,540
Equity Mutual Funds	541,041	-	-	541,041
Certificates of Deposit	-	2,331,201	-	2,331,201
<b>TOTAL</b>	<b>\$ 910,581</b>	<b>\$ 2,331,201</b>	<b>\$ -</b>	<b>\$ 3,241,782</b>

The table below summarizes, the investments measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2021:

<b>Asset Class:</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Money Market Funds</b>	<b>\$ 6,956,011</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,956,011</b>

**3. GRANTS AND PLEDGES RECEIVABLE**

As of September 30, 2022 and 2021, contributors to WFP have made written promises to give totaling \$4,108,836 and \$6,203,506, respectively.

Grants and pledges due in more than one year have been recorded at the present value of the estimated cash flows, using a discount rate of .16% as of September 30, 2021. There were no grants or pledges due in more than one year as of September 30, 2022.

Grants and pledges receivable are due as follows at September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Less than one year	\$ 4,108,836	\$ 4,940,506
One to five years	-	1,263,000
Total	4,108,836	6,203,506
Less: Allowance to discount balance to present value	-	(2,017)
Less: Reserve for uncollectable grants	(41,142)	(32,622)
<b>TOTAL GRANTS AND PLEDGES RECEIVABLE</b>	<b>\$ 4,067,694</b>	<b>\$ 6,168,867</b>

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Equipment	\$ 88,252	\$ 69,431
Furniture	143,585	117,869
Computer software and equipment	305,962	242,151
Vehicles	1,144,666	1,100,150
Leasehold improvements	<u>136,687</u>	<u>138,864</u>
Total Property and equipment	1,819,152	1,668,465
Less: Accumulated depreciation and amortization	<u>(1,407,436)</u>	<u>(1,329,408)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<b><u>\$ 411,716</u></b>	<b><u>\$ 339,057</u></b>

#### 5. NOTE PAYABLE

On May 5, 2020, WFP received loan proceeds in the amount of \$776,192 under the Paycheck Protection Program. The promissory note bore interest at a rate of 1.00% per year and called for monthly principal and interest payments amortized over the term of the promissory note with a deferral of payments for the first six months. WFP applied for forgiveness of the loan after completing the 24 week spending period. In April 2021, WFP received notification that the loan, plus all accrued interest thereon, had been forgiven in full by the Small Business Administration. For the year ended September 30, 2021 the loan forgiveness has been recorded as forgiveness of debt in the other items section in the accompanying Consolidated Statement of Activities and Changes in Net Assets.

#### 6. LINE OF CREDIT

WFP has a \$1,500,000 bank line of credit which has no maturity date. Amounts borrowed under this agreement bear interest at a variable rate of 2.58% plus the Secured Overnight Financing Rate (SOFR) (.0298% as of September 30, 2022). For the year ended September 30, 2021, the interest rate benchmark was the LIBOR rate (.080% as of September 30, 2021). There were no outstanding balances on the line of credit as of September 30, 2022 and 2021. The line of credit is collateralized by cash held with the bank.

#### 7. BOARD DESIGNATED NET ASSETS

A Strategic Investment Fund (SIF) was created via full Board approval on September 26th, 2018. The Fund was seeded with \$2,000,000 generated from previous year's financial surplus. The SIF is to be used by WFP for a range of purposes, including: acceleration of currently programmed district-level work activities (Everyone Forever), acceleration of scale activities, acceleration of global leadership activities, financial support to local partners, and research and development in water and sanitation. The use of the Fund, and the activities funded by it, require an approval by the Board of Directors.

**WATER FOR PEOPLE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021**

**7. BOARD DESIGNATED NET ASSETS (Continued)**

Following is a summary of net asset activity as of and for the years ended September 30, 2022 and 2021:

	<u>Without Donor Restrictions</u>			<u>Total With Donor Restrictions</u>	<u>Total Net Assets</u>
	<u>Undesignated</u>	<u>Board Designated</u>	<u>Total Without Donor Restrictions</u>		
Balance at September 30, 2020	\$ 6,085,554	\$ 1,545,588	\$ 7,631,142	\$ 5,426,051	\$ 13,057,193
Revenue	8,631,796	-	8,631,796	11,746,655	20,378,451
Net assets released from donor restrictions	13,322,062	-	13,322,062	(13,322,062)	-
Expenses	(22,080,932)	-	(22,080,932)	-	(22,080,932)
Other items	<u>783,458</u>	<u>-</u>	<u>783,458</u>	<u>(18,410)</u>	<u>765,048</u>
Change in net assets before SIF appropriations	656,384	-	656,384	(1,593,817)	(937,433)
SIF appropriations	<u>261,150</u>	<u>(261,150)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>917,534</u>	<u>(261,150)</u>	<u>656,384</u>	<u>(1,593,817)</u>	<u>(937,433)</u>
Balance at September 30, 2021	<u>7,003,088</u>	<u>1,284,438</u>	<u>8,287,526</u>	<u>3,832,234</u>	<u>12,119,760</u>
Revenue	22,774,778	-	22,774,778	18,426,243	41,201,021
Net assets released from donor restrictions	20,112,473	-	20,112,473	(20,112,473)	-
Expenses	(31,016,453)	-	(31,016,453)	-	(31,016,453)
De-obligated funds	<u>(12,142)</u>	<u>-</u>	<u>(12,142)</u>	<u>-</u>	<u>(12,142)</u>
Change in net assets before SIF appropriations	11,858,656	-	11,858,656	(1,686,230)	10,172,426
SIF appropriations	<u>394,023</u>	<u>(394,023)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>12,252,679</u>	<u>(394,023)</u>	<u>11,858,656</u>	<u>(1,686,230)</u>	<u>10,172,426</u>
<b>BALANCE AT SEPTEMBER 30, 2022</b>	<b><u>\$ 19,255,767</u></b>	<b><u>\$ 890,415</u></b>	<b><u>\$ 20,146,182</u></b>	<b><u>\$ 2,146,004</u></b>	<b><u>\$ 22,292,186</u></b>

**8. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
U.S. Programs	\$ 154,222	\$ 50,000
Malawi Programs	-	1,329
Bolivia Programs	-	175,000
Guatemala Programs	4,574	194,952
Honduras Programs	-	150,000
India Programs	448,771	-
Rwanda Programs	1,486,969	2,838,124
Peru Programs	-	150,000
Uganda Programs	51,468	172,829
Nicaragua Programs	<u>-</u>	<u>100,000</u>
<b>TOTAL NET ASSETS WITH DONOR RESTRICTIONS</b>	<b><u>\$ 2,146,004</u></b>	<b><u>\$ 3,832,234</u></b>

**WATER FOR PEOPLE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021**

**8. NET ASSETS WITH DONOR RESTRICTIONS (Continued)**

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	<b>2022</b>	<b>2021</b>
U.S. Programs	\$ 374,525	\$ 263,495
Malawi Programs	3,339,012	2,709,879
Bolivia Programs	553,651	463,981
Guatemala Programs	757,535	763,149
Honduras Programs	799,817	690,425
India Programs	634,325	930,226
Rwanda Programs	9,827,127	4,371,192
Peru Programs	271,129	209,419
Uganda Programs	3,349,637	2,480,106
Nicaragua Programs	205,715	440,190
<b>NET ASSETS RELEASED FROM DONOR RESTRICTIONS</b>	<b>\$ 20,112,473</b>	<b>\$ 13,322,062</b>

**9. LIQUIDITY AND AVAILABILITY**

Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 19,309,923	\$ 1,940,042
Investments	1,875,133	6,956,011
Grants and pledges receivable, net	4,067,694	6,168,867
Accounts receivable	560,457	414,803
Subtotal financial assets available within one year	25,813,207	15,479,723
Less: Donor restricted funds	(2,146,004)	(3,832,234)
Less: Board designated funds	(890,415)	(1,284,438)
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b>\$ 22,776,788</b>	<b>\$ 10,363,051</b>

WFP has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, WFP has a line of credit agreement (as further discussed in Note 6) which allows for additional available borrowings up to \$1,500,000.

**10. GIFTS IN-KIND**

During the years ended September 30, 2022 and 2021, WFP was the beneficiary of donated goods, services and subscriptions which allowed WFP to provide greater resources toward various programs. There were no donor-imposed restrictions associated with the gifts in-kind during the years ended September 30, 2022 and 2021.

**WATER FOR PEOPLE**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
SEPTEMBER 30, 2022 AND 2021**

**10. GIFTS IN-KIND (Continued)**

The following donations have been included in revenue for the years ended September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Donated software subscriptions	\$ 184,806	\$ 108,392
Donated services	147,900	81,150
Donated supplies and materials	1,785	25,962
<b>TOTAL</b>	<b>\$ 334,491</b>	<b>\$ 215,504</b>

The following programs have benefited from these donations for the years ended September 30, 2022 and 2021:

	<b>2022</b>	<b>2021</b>
Program services	\$ 125,978	\$ 123,953
Management and General	208,513	49,712
Fundraising	-	51,438
<b>TOTAL</b>	<b>\$ 334,491</b>	<b>\$ 225,103</b>

**11. LEASE COMMITMENTS**

Effective April 1, 2013, WFP entered into a nine-year lease for office space in Denver, Colorado that expired in March 2022. Monthly rental expense was based on an annual rate per square foot of the leased space, which increased by 50 cents per square foot annually beginning October 1, 2015. The lease agreement provided WFP with free rent for the first 12 months.

In July 2021, WFP entered into a five-year lease for office space in Greenwood Village, Colorado that commenced on April 1, 2022 and expires in March 2027. Base rent is \$12,994 per month. Monthly rental expense is based on an annual rate per square foot of the leased space, which increases by 50 cents per square foot annually beginning September 1, 2023. Under the lease agreement, WFP received rent abatement for the first five months of the lease as well as an allowance for improvements to the new space. The value of these improvements totaled \$145,725.

The Financial Accounting Standards Board (FASB) issued *Accounting Standards Update (ASU) 2019-01* related to *Leases (Topic 842)*, in order to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the Consolidated Statements of Financial Position and disclosing key information about leasing arrangements for operating leases that are greater than one year in duration. The ASU specifically requires an organization to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments in the Consolidated Statements of Financial Position and recognize a single lease cost, calculated so the cost of the lease is allocated over the lease term on a generally straight line basis. During the year ended September 30, 2022, WFP implemented the ASU on all existing leases and elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. As a result, WFP recorded right-of-use assets in the amount of \$1,290,019. WFP recorded operating lease liabilities in the amount of \$1,289,781 by calculating the present value using a discount rate of 5.403%. As of September 30, 2022, the right-of-use assets totaled \$1,071,625 and the operating lease liabilities totaled \$1,133,825.

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 11. LEASE COMMITMENTS (Continued)

WFP also leases office space in foreign countries under lease agreements which expire at various dates from 2023 to 2026 and also rents office equipment under noncancelable operating leases that have various expiration dates through 2027.

The following is a schedule of the future minimum lease payments:

#### Year Ending September 30,

2023	\$	339,942
2024		319,566
2025		262,625
2026		257,539
2027		<u>84,675</u>
	\$	<u><b>1,264,347</b></u>

Lease expense for the years ended September 30, 2022 and 2021 totaled \$480,525 and \$382,391, respectively, and is included in rent/occupancy in the accompanying Consolidated Statements of Functional Expenses.

#### 12. RETIREMENT PLAN

WFP provides retirement benefits to its US employees through a defined contribution plan covering all full-time employees who work more than 20 hours per week. WFP's matching contributions to the Plan during the years ended September 30, 2022 and 2021 totaled \$231,487 and \$208,292, respectively. WFP also provides retirement benefits to overseas employees through various plans established under local laws. WFP's contributions to the overseas plans during the years ended September 30, 2022 and 2021 totaled \$266,269 and \$220,893, respectively.

#### 13. CONCENTRATION OF REVENUE

For the year ended September 30, 2022, two donors provided approximately 60% of WFP's total revenue which included a one-time gift in the amount of \$15,000,000 from one donor. Management does not expect this level of funding from the same donor in future years and has created a plan to spend portions of this gift over the course of several years. With regards to the other donor, WFP has been partnering with this organization since 2007.

As of September 30, 2022, approximately \$2,180,000 of the balance of grants and pledges receivable was attributable to two donors.

For the year ended September 30, 2021, three donors provided approximately 40% of WFP's total revenue.

As of September 30, 2021, approximately \$4,900,000 of the balance of grants and pledges receivable was attributable to three donors.

## WATER FOR PEOPLE

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2022 AND 2021

#### 14. CONTINGENCY

WFP receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2022. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

#### 15. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, WFP has evaluated events and transactions for potential recognition or disclosure through February 15, 2023, the date the consolidated financial statements were issued.



## **SUPPLEMENTAL INFORMATION**

## WATER FOR PEOPLE

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	ASSETS										
	U.S.	Malawi	Bolivia	Guatemala	Honduras	India	Rwanda	Peru	Uganda	Nicaragua	Total
<b>CURRENT ASSETS</b>											
Cash and cash equivalents	\$ 18,848,523	\$ 73,906	\$ 1,387	\$ 1,876	\$ 15,696	\$ 60,636	\$ 159,624	\$ 934	\$ 147,341	\$ -	\$ 19,309,923
Investments	1,875,133	-	-	-	-	-	-	-	-	-	1,875,133
Grants and pledges receivable, net	4,010,953	-	56,741	-	-	-	-	-	-	-	4,067,694
Accounts receivable	127,845	363,070	1,352	31,595	4,353	16,814	19	7,880	7,529	-	560,457
Prepaid expenses and other	307,382	12,367	-	3,756	4,228	2,167	168,771	795	28,477	-	527,943
Total current assets	25,169,836	449,343	59,480	37,227	24,277	79,617	328,414	9,609	183,347	-	26,341,150
<b>PROPERTY AND EQUIPMENT, NET</b>	7,712	144,408	18,634	32,178	17,132	33,541	66,421	12,193	79,497	-	411,716
<b>OTHER ASSETS</b>											
Long term investments	1,366,649	-	-	-	-	-	-	-	-	-	1,366,649
Right-of-use assets	1,071,625	-	-	-	-	-	-	-	-	-	1,071,625
Total other assets	2,438,274	-	-	-	-	-	-	-	-	-	2,438,274
<b>TOTAL ASSETS</b>	<b>\$ 27,615,822</b>	<b>\$ 593,751</b>	<b>\$ 78,114</b>	<b>\$ 69,405</b>	<b>\$ 41,409</b>	<b>\$ 113,158</b>	<b>\$ 394,835</b>	<b>\$ 21,802</b>	<b>\$ 262,844</b>	<b>\$ -</b>	<b>\$ 29,191,140</b>
<b>LIABILITIES AND NET ASSETS</b>											
<b>CURRENT LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ 1,040,327	\$ 132,660	\$ 145,714	\$ 228,458	\$ 110,632	\$ 90,534	\$ 1,160,856	\$ 164,634	\$ 494,885	\$ -	\$ 3,568,700
Provision for unanticipated losses	94,349	-	-	-	-	-	-	-	-	-	94,349
Refundable advances	2,111,338	(18,855)	-	-	-	-	-	-	9,597	-	2,102,080
Operating lease liabilities	285,679	-	-	-	-	-	-	-	-	-	285,679
Total current liabilities	3,531,693	113,805	145,714	228,458	110,632	90,534	1,160,856	164,634	504,482	-	6,050,808
<b>LONG-TERM LIABILITIES</b>											
Operating lease liabilities, net of current portion	848,146	-	-	-	-	-	-	-	-	-	848,146
Total liabilities	4,379,839	113,805	145,714	228,458	110,632	90,534	1,160,856	164,634	504,482	-	6,898,954
<b>NET ASSETS</b>											
Without donor restrictions	21,141,447	479,946	(67,600)	(159,053)	(69,223)	22,624	(766,021)	(142,832)	(293,106)	-	20,146,182
With donor restrictions	2,094,536	-	-	-	-	-	-	-	51,468	-	2,146,004
Total net assets	23,235,983	479,946	(67,600)	(159,053)	(69,223)	22,624	(766,021)	(142,832)	(241,638)	-	22,292,186
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 27,615,822</b>	<b>\$ 593,751</b>	<b>\$ 78,114</b>	<b>\$ 69,405</b>	<b>\$ 41,409</b>	<b>\$ 113,158</b>	<b>\$ 394,835</b>	<b>\$ 21,802</b>	<b>\$ 262,844</b>	<b>\$ -</b>	<b>\$ 29,191,140</b>

## WATER FOR PEOPLE

**CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	U.S.		Malawi		Bolivia	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>REVENUE</b>						
Grants and contributions	\$ 22,606,810	\$ 2,308,895	\$ 1,218,114	\$ 3,003,877	\$ 726,793	\$ 77,053
U.S. Government grants	-	165,139	-	-	-	-
Gifts in-kind	332,706	-	-	-	842	-
Royalty income	734	-	-	-	-	-
Investment loss, net	(114,300)	-	54	-	-	-
Special events, net of expenses	59,515	-	-	-	-	-
Other revenue (loss)	(2,946)	-	(33,924)	-	(6,276)	-
Net assets released from donor restrictions	4,038,903	(4,038,903)	3,003,877	(3,003,877)	77,053	(77,053)
Total revenue	<u>26,921,422</u>	<u>(1,564,869)</u>	<u>4,188,121</u>	<u>-</u>	<u>798,412</u>	<u>-</u>
<b>EXPENSES</b>						
Program Services	8,947,178	-	3,687,249	-	716,620	-
Supporting Services:						
Management and General	3,576,599	-	-	-	-	-
Fundraising	1,764,553	-	-	-	-	-
Total supporting services	<u>5,341,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>14,288,330</u>	<u>-</u>	<u>3,687,249</u>	<u>-</u>	<u>716,620</u>	<u>-</u>
Change in net assets before other items	12,633,092	(1,564,869)	500,872	-	81,792	-
<b>OTHER ITEM</b>						
De-obligated awards and funds returned to donors	(12,142)	-	-	-	-	-
Change in net assets	12,620,950	(1,564,869)	500,872	-	81,792	-
Net assets at beginning of year	8,520,497	3,659,405	(20,926)	-	(149,392)	-
<b>NET ASSETS AT END OF YEAR</b>	<u><u>\$ 21,141,447</u></u>	<u><u>\$ 2,094,536</u></u>	<u><u>\$ 479,946</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (67,600)</u></u>	<u><u>\$ -</u></u>

WATER FOR PEOPLE

CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Guatemala		Honduras		India	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>REVENUE</b>						
Grants and contributions	\$ 367,742	\$ 423,366	\$ 337,328	\$ 652,039	\$ 941,468	\$ 183,097
U.S. Government grants	-	6,197	-	-	-	-
Gifts in-kind	-	-	943	-	-	-
Royalty income	-	-	-	-	-	-
Investment loss, net	701	-	12	-	-	-
Special events, net of expenses	-	-	-	-	-	-
Other revenue (loss)	1,324	-	2,682	-	(2,779)	-
Net assets released from donor restrictions	429,563	(429,563)	652,039	(652,039)	183,097	(183,097)
Total revenue	799,330	-	993,004	-	1,121,786	-
<b>EXPENSES</b>						
Program Services	830,750	-	965,162	-	1,106,293	-
Supporting Services:						
Management and General	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Total supporting services	-	-	-	-	-	-
Total expenses	830,750	-	965,162	-	1,106,293	-
Change in net assets before other items	(31,420)	-	27,842	-	15,493	-
<b>OTHER ITEM</b>						
De-obligated awards and funds returned to donors	-	-	-	-	-	-
Change in net assets	(31,420)	-	27,842	-	15,493	-
Net assets at beginning of year	(127,633)	-	(97,065)	-	7,131	-
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ (159,053)</b>	<b>\$ -</b>	<b>\$ (69,223)</b>	<b>\$ -</b>	<b>\$ 22,624</b>	<b>\$ -</b>

WATER FOR PEOPLE

CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Rwanda		Peru		Uganda	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>REVENUE</b>						
Grants and contributions	\$ 272,920	\$ 5,539,416	\$ 594,158	\$ 26,195	\$ 192,089	\$ 3,142,300
U.S. Government grants	-	2,791,958	-	-	-	35,002
Gifts in-kind	-	-	-	-	-	-
Royalty income	-	-	-	-	-	-
Investment loss, net	1,515	-	-	-	1,852	-
Special events, net of expenses	-	-	-	-	-	-
Other revenue	19,336	-	(8,311)	-	(87,024)	-
Net assets released from donor restrictions	8,331,374	(8,331,374)	26,195	(26,195)	3,298,663	(3,298,663)
Total revenue	8,625,145	-	612,042	-	3,405,580	(121,361)
<b>EXPENSES</b>						
Program Services	9,342,265	-	651,116	-	4,054,252	-
Supporting Services:						
Management and General	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Total supporting services	-	-	-	-	-	-
Total expenses	9,342,265	-	651,116	-	4,054,252	-
Change in net assets before other items	(717,120)	-	(39,074)	-	(648,672)	(121,361)
<b>OTHER ITEM</b>						
De-obligated awards and funds returned to donors	-	-	-	-	-	-
Change in net assets	(717,120)	-	(39,074)	-	(648,672)	(121,361)
Net assets at beginning of year	(48,901)	-	(103,758)	-	355,566	172,829
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ (766,021)</b>	<b>\$ -</b>	<b>\$ (142,832)</b>	<b>\$ -</b>	<b>\$ (293,106)</b>	<b>\$ 51,468</b>

WATER FOR PEOPLE

CONSOLIDATING SCHEDULE OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Nicaragua		Eliminations		Consolidated Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>REVENUE</b>						
Grants and contributions	\$ 371,783	\$ 71,709	\$ (5,022,395)	\$ -	\$ 22,606,810	\$ 15,427,947
U.S. Government grants	-	-	-	-	-	2,998,296
Gifts in-kind	-	-	-	-	334,491	-
Royalty income	-	-	-	-	734	-
Investment loss, net	34	-	-	-	(110,132)	-
Special events, net of expenses	-	-	-	-	59,515	-
Other revenue (loss)	1,278	-	-	-	(116,640)	-
Net assets released from donor restrictions	71,709	(71,709)	-	-	20,112,473	(20,112,473)
Total revenue	444,804	-	(5,022,395)	-	42,887,251	(1,686,230)
<b>EXPENSES</b>						
Program Services	396,811	-	(5,022,395)	-	25,675,301	-
Supporting Services:						
Management and General	-	-	-	-	3,576,599	-
Fundraising	-	-	-	-	1,764,553	-
Total supporting services	-	-	-	-	5,341,152	-
Total expenses	396,811	-	(5,022,395)	-	31,016,453	-
Change in net assets before other items	47,993	-	-	-	11,870,798	(1,686,230)
<b>OTHER ITEM</b>						
De-obligated awards and funds returned to donors	-	-	-	-	(12,142)	-
Change in net assets	47,993	-	-	-	11,858,656	(1,686,230)
Net assets at beginning of year	(47,993)	-	-	-	8,287,526	3,832,234
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,146,182</b>	<b>\$ 2,146,004</b>