

**CLEAN WATER FUND**

**FINANCIAL STATEMENTS**

**December 31, 2022**

# CLEAN WATER FUND

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# *Alan C. Young & Associates, P.C.*

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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7310 Woodward Ave, Suite 740  
Detroit, MI 48202

(313) 873-7500 (Tel.)  
(313) 873-7502 (Fax)  
[www.alancyoung.com](http://www.alancyoung.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Clean Water Fund

### **Opinion**

We have audited the accompanying financial statements of Clean Water Fund (a nonprofit organization) (the Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

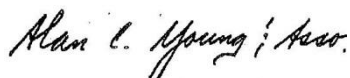
### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 GAAS 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 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.



Detroit, Michigan  
October 16, 2023

# CLEAN WATER FUND

## Statement of Financial Position December 31, 2022

### ASSETS

#### Current Assets

Cash and Cash Equivalents (Note 4)	\$ 4,237,853
Investments (Note 8)	879,356
Accounts Receivable (Note 6)	1,978,405
Prepaid Expenses	54,763
<b>Total Current Assets</b>	<u>7,150,377</u>

#### Furniture and Equipment, Net (Note 10)

26,241

#### Other Assets

Lease Right of Use Assets, Net (Note 13)	103,380
<b>Total Assets</b>	<u>\$ 7,279,998</u>

### LIABILITIES

#### Current Liabilities

Pass Through Liabilities (Note 2)	\$ 297,590
Accounts Payable	116,975
Due to Affiliate (Note 7)	433,499
Refundable Advances	197,510
Current Portion of Lease Obligations (Note 13)	35,246
<b>Total Current Liabilities</b>	<u>1,080,820</u>

Lease Obligations, Net of Current Portion (Note 13)

68,316

#### Total Liabilities

1,149,136

#### Net Assets

Without Donor Restrictions	1,572,238
With Donor Restrictions (Note 11)	4,558,624
<b>Total Net Assets</b>	<u>6,130,862</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 7,279,998</u>

*The accompanying notes are an integral part of these financial statements.*

# CLEAN WATER FUND

## Statement of Activities Year Ended December 31, 2022

	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>Revenue, Gains and Other Support</b>			
Individual Contributions	\$ 1,705,117	\$ 100,000	\$ 1,805,117
Institutional and Corporate Grants	236,148	935,923	1,172,071
Foundational Awards	217,917	2,886,410	3,104,327
Governmental Awards	6,467	267,227	273,694
In-kind Donations (Note 12)	36,621	16,153	52,774
PPP Loan Forgiveness (Note 3)	418,000	-	418,000
Investment Income (Loss) (Note 9)	(184,311)	(129)	(184,440)
Net Assets Released From Restrictions (Note 11)	3,719,364	(3,719,364)	-
<b>Total Revenue, Gains and Other Support</b>	<b>6,155,323</b>	<b>486,220</b>	<b>6,641,543</b>
<b>Expenses</b>			
Program Services	4,590,330	-	4,590,330
Management and General	664,846	-	664,846
Fundraising	383,498	-	383,498
<b>Total Expenses</b>	<b>5,638,674</b>	<b>-</b>	<b>5,638,674</b>
<b>Change In Net Assets</b>	<b>516,649</b>	<b>486,220</b>	<b>1,002,869</b>
Net Assets, Beginning of Year	1,055,589	4,072,404	5,127,993
<b>Net Assets, End of Year</b>	<b>\$ 1,572,238</b>	<b>\$ 4,558,624</b>	<b>\$ 6,130,862</b>

*The accompanying notes are an integral part of these financial statements.*

# CLEAN WATER FUND

## Statement of Functional Expenses For the Year Ended December 31, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Functional Expenses</u>
Salaries and Benefits	\$ 3,732,353	\$ 478,010	\$ 237,819	\$ 4,448,182
Consulting Services	302,376	-	685	303,061
Office Expenses	119,699	164,950	41,589	326,238
Meetings and Conferences	43,531	12,001	8,580	64,112
Transportation	24,008	3,001	3,102	30,111
Occupancy	321,803	-	73,252	395,055
Depreciation	13,483	794	1,586	15,863
Other Expenses	33,077	6,090	16,885	56,052
<b>Total Expenses</b>	<u>\$ 4,590,330</u>	<u>\$ 664,846</u>	<u>\$ 383,498</u>	<u>\$ 5,638,674</u>

*The accompanying notes are an integral part of these financial statements.*

# CLEAN WATER FUND

## Statement of Cash Flows Year Ended December 31, 2022

### Cash Flows From Operating Activities

Change in Net Assets	\$ 1,002,869
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	15,863
PPP Loan Forgiveness	(418,000)
Unrealized Loss on Investment	188,519
Amortization of Lease Right of Use Assets	23,298
Changes in Operating Assets and Liabilities that (Used) Provided Cash:	
Accounts Receivable	(175,108)
Prepaid Expenses	(35,692)
Pass Through Liabilities	202,998
Accounts Payable	100,141
Due to Affiliates	45,460
Refundable Advances	112,560
Accrued Rent	(1,032)
Lease Obligations	(23,116)
<b>Net Cash Provided by Operating Activities</b>	<u>1,038,760</u>
<b>Cash Flows From Investing Activities</b>	
Purchase of Furniture and Equipment	(12,524)
Purchase of Investments	(1,971)
<b>Net Cash Used in Investing Activities</b>	<u>(14,495)</u>
<b>Net Increase In Cash and Cash Equivalents</b>	1,024,265
Cash and Cash Equivalents, Beginning of Year	<u>3,213,588</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 4,237,853</u>
<b>Supplemental Disclosure of Cash Flows Information -</b>	
Interest Paid to Clean Water Action	<u>\$ 14,326</u>

*The accompanying notes are an integral part of these financial statements.*



## 1) NATURE OF ACTIVITIES

Clean Water Fund (the Organization) is a not-for-profit organization incorporated in the District of Columbia. Its major programs include strategies to ensure (1) safe, affordable drinking water; (2) control of community and workplace toxic hazards; (3) protection and conservation of wetlands, surface waters, coastal areas, groundwater, and other critical natural resources; (4) safe waste management practices; and (5) protection of public health and environmental safety for all citizens. These programs are conducted from a national office in Washington, D.C. and from locally staffed field offices serving multistate regions around the country.

## 2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting and Reporting

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates and assumptions.

### Cash and Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

### Investments and Related Income

Investments consist of mutual funds that are recorded at fair value based on quoted market prices.

### Investments Risks and Uncertainties

The Organization invests in mutual funds. Investment securities are exposed to various risks, such as interest rate, 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 Organization's balances and the amounts reported in the financial statements.

### Accounts Receivable

The Organization's accounts receivable primarily consist of amounts due from various grantors and contributors generated from corporations, foundation grants, and governmental grants. No provision for doubtful accounts has been recorded at December 31, 2022 since it is the opinion of management that all accounts receivable are collectible in full.

## 2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Furniture and Equipment

Furniture and equipment are recorded at cost when purchased or at fair value at the date of donation if contributed. Furniture and equipment are depreciated using the straight-line method over the useful lives of the assets (three to seven years). Costs of maintenance and repairs are charged to expense when incurred.

### Prepaid Expenses

Certain payments to vendors reflect cost applicable to future years and are recorded as prepaid expenses.

### Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

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

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

### Conditional Promises to Give and Refundable Advances

Conditional promises to give and indications of intentions to give are reported at fair value on the date the gift becomes unconditional or is received. Funds received on conditional contributions are reported as refundable advances on the statement of financial position.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Individual Contributions and Foundation Awards

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions. Contributions that are used according to donor restrictions in the period in which the contributions are received are recognized as support with donor restrictions and reclassified as net assets released from restrictions in the same period. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

Institutional, Corporate, and Governmental Grants

The Organization recognizes revenue on certain institutional, corporate, and governmental grant contracts ratably over applicable contract periods or as services are performed. Amounts billed and collected before the services are performed are included in deferred revenue.

Revenue on contracts with no commensurate value to the resource provider is recognized consistent with individual contributions and foundation awards noted above.

Pass-through Liabilities

The Organization enters into agreements where awards are agreed to be passed through to independent organizations. These pass-through liabilities are intended to be passed through based on the Organization's request from the donor; therefore, revenue is not recognized by the Organization.

Functional Allocation of Expenses

Costs of providing the program and support services have been reported on a functional basis in the statement of activities. Indirect costs have been allocated between the various programs and support services on several bases and estimates determined by management. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts. The Organization classifies its expenses according to the following functional classifications:

<u>Expenses</u>	<u>Allocation Method</u>
Salaries and Benefits	Time and Effort
Consulting Services	Time and Effort
Office Expenses	Square Footage
Conferences and meetings	Direct Usage
Transportation	Direct Usage
Occupancy	Square Footage
Depreciation	Square Footage

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Tax-Exempt Status

The Organization is exempt from federal income taxes under Section 501 (c)(3) of the U.S. Internal Revenue Code. As a result, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization's continued status as an exempt organization is considered to be a "tax position" in that the Organization must adhere to various requirements to remain tax-exempt. In addition, any Organization activities that may subject it to "unrelated business taxable income" are also considered tax positions. Management has analyzed the Organization's tax positions as of December 31, 2022 and has determined that no material uncertain tax positions exist that require recognition or disclosure in the accompanying financial statements.

The Organization's Federal tax returns for the prior three years remain subject to examinations by the Internal Revenue Service.

Concentration of Credit Risk Arising from Deposit Accounts

The Organization maintains cash balances at a bank. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board ("FASB") issued ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958), which is effective for fiscal years beginning after June 15, 2021, with early adoption permitted, and is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted and implemented this pronouncement on January 1, 2022. The adoption of ASU 2020-07 resulted in no material changes to the recognition of contributions.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Lease Accounting and Change in Accounting Principle

Effective January 1, 2022, the Organization adopted the FASB's ASU No. 2016-02, Leases (as amended) Topic 842). ASC 842 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASC 842, a lessee is required to recognize a right-of-use asset and lease liability, initially measured at the present value of the remaining lease payments, in the statements of financial position. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the organization's leasing activities.

The Organization elected the option to apply the transition requirements at the effective date of January 1, 2022, which allows the effects of initially applying ASU No. 2016-02 (as amended) to be recognized as a cumulative-effect adjustment to the retained earnings in the period of adoption. At the effective date of January 1, 2022, the Organization recorded noncash transactions to establish the liability for the present value of future minimum lease payments of \$17,306 and right of use assets of \$17,306. The Organization also elected the package of practical expedients, which permits the organizations to not reassess prior conclusions about lease identification, classification, and initial direct costs. In addition, the Organization elected the short-term lease recognition exemption for all leases with initial terms of 12 months or less that qualify under Topic 842.

In order to determine if a contract contains a lease, the Organization assesses whether it has the right to control the use of identified assets within the contract. This determination is made if the Organization has both the right to obtain substantially all of the economic benefits from use of the identified assets and the right to direct the use of the identified assets. The Organization allocates the consideration within a contract to respective lease and non lease components based on relative standalone prices. Leases are classified as either finance or operating, and a lease liability and right-of-use asset are recognized for all leases with a term greater than 12 months. All lease liabilities are measured as the present value of the future lease payments using a discount rate.

The future lease payments used to measure the lease liability include fixed payments, as well as the exercise price of any options to purchase the underlying asset that have been deemed reasonably certain to be exercised, if applicable.

The Organization makes certain assumptions and judgements in determining the discount rate, as most leases do not provide an implicit rate. The Organization uses an incremental borrowing rate based on the remaining lease term in determining the present value of lease payments for all classes of underlying leased assets.

**3) PPP LOAN**

On February 9, 2021, the Organization received a PPP term note through its primary bank of \$418,000. The Organization may use the funds on qualifying expenses over a covered period of up to 24 weeks. During the year ended December 31, 2022, the Organization applied for and received notification of forgiveness of the entire loan balance from the SBA. The amount of the loan forgiven has been recorded as PPP loan forgiveness on the statement of activities as revenue, gains, and other support.

In addition, the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 introduced the Employee Retention Credit (ERC) as pandemic relief for eligible organizations. The ERC is a refundable credit against certain employment taxes and qualifies as a government grant. Under generally accepted accounting principles, government grants are recognized as revenue in the period in which an entity substantially overcomes all measurable barriers to be entitled to the funding. Management has determined that the measurable barrier that must be overcome for entitlement to the ERC funding is qualifying for the credit based on meeting the threshold for gross receipts decline in 2020 compared to 2019.

The Organization has recognized \$263,808 of governmental grant revenue for the year ended December 31, 2020, as management determined that the eligible criterion was met. The amount of \$ 232,603, is recorded as receivable within the statement of financial position as of December 31, 2022.

The Organization's ERC claim is subject to review by the Internal Revenue Service (IRS) within the applicable statute of limitations. If a portion or all of the ERC is determined to be ineligible upon IRS review the Organization would be required to return the ineligible portion on demand and could potentially be subject to penalties and interest on unpaid employment taxes.

**4) CASH AND CASH EQUIVALENTS**

The deposits of the Organization in bank accounts total \$4,090,060 of which \$500,000 was insured through Federal Deposit Insurance Corporation. The total uninsured deposits at December 31, 2022 were \$3,590,060.

**5) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's working capital and cash flows have variations during the year attributable to the timing of grant and contribution receipts. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

# CLEAN WATER FUND

Notes to the Financial Statements (Continued)  
December 31, 2022

## 5) LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Cash and Cash Equivalents	\$ 4,237,853
Investments	879,356
Accounts Receivable	<u>1,978,405</u>
	7,095,614
Less: Donor Restricted Net Assets	(4,558,624)
Less: Pass Through Liabilities	<u>(297,590)</u>
Financial Assets available within one year to meet cash needs for general expenditure within one year.	<u>\$ 2,239,400</u>

## 6) ACCOUNTS RECEIVABLE

Accounts receivable on the statement of financial position include unconditional promises to give, with \$1,635,036 and \$343,369 collectible in 2023 and 2024, respectively.

Additionally, the Organization receives conditional promises to give where revenue is not recognized until the conditions have been satisfied. The following represents activity related to these awards, given in support of various programs, for the year ended December 31, 2022:

Conditional Promises to give as of January 1, 2022	\$ 479,999
New Awards entered into during 2022	589,500
Conditions Satisfied - Promises recognized as institutional and corporate grants and government grants on the statement of activities	<u>(315,897)</u>
Conditional Promises to give as of December 31, 2022	<u>\$ 753,602</u>

## 7) RELATED PARTY TRANSACTIONS

The Organization is affiliated with Clean Water Action (CWA) through some common board membership. CWA does not have rights to the assets of the Organization, nor is it liable for the liabilities incurred by the Organization. CWA, a national 501 (c)(4) organization, conducts lobbying activities and canvass outreach programs in over 24 states nationwide. CWA acts as a paymaster for the Organization for shared office expenses, and allocations of personnel and overhead expenses are recorded in a due to/from affiliate account. The Organization remits an estimated amount to CWA to cover monthly expenses. The difference is then reconciled and applied to the subsequent month's activity. Interest on the balances between the Organization and CWA is calculated at 5 percent per annum.

# CLEAN WATER FUND

Notes to the Financial Statements (Continued)  
December 31, 2022

## 7) RELATED PARTY TRANSACTIONS

Related party activities between the Organization and CWA for the year ended December 31, 2022 were as follows:

January 1, 2022- Amount Due to CWA, including interest	\$ 388,039
Add: Allocated Expenses:	
Payroll and Payroll Related Expenses	3,867,378
Health Insurance	374,620
Rent and Occupancy Related	360,852
Direct Expenses, including interest	<u>78,540</u>
Total Expenses Paid by CWA on Behalf of the Organization	4,681,390
Less: Expense Reimbursements by the Organization	<u>4,635,930</u>
December 31, 2022- Amount Due to CWA, including interest	<u>\$ 433,499</u>

## 8) FAIR VALUE MEASUREMENTS

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Organization measures equity mutual funds at fair value on a recurring basis. The fair value of mutual funds is based primarily on Level 1 inputs, as described above.



# CLEAN WATER FUND

## Notes to the Financial Statements (Continued) December 31, 2022

### 9) INVESTMENT INCOME (LOSS)

Investment income consists of the following for the year ended December 31, 2022:

Realized and Unrealized Gains (Loss)	\$ (187,894)
Dividends and Interest	<u>3,454</u>
Total Investment Income (Loss)	<u>\$ (184,440)</u>

### 10) FURNITURE AND EQUIPMENT

Furniture and equipment were comprised of the following for the year ended December 31, 2022.

	<u>Balance January 1, 2022</u>	<u>Additions</u>	<u>Balance December 31, 2022</u>
Furniture and Equipment	\$ 106,877	\$ 12,524	\$ 119,401
<b>Total</b>	<u>106,877</u>	<u>12,524</u>	<u>119,401</u>
Accumulated Depreciation	77,297	15,863	93,160
Net Furniture and Equipment	<u>\$ 29,580</u>	<u>\$ (3,339)</u>	<u>\$ 26,241</u>

Depreciation expense was \$15,863 for the year ended December 31, 2022.

### 11) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2022 are available for the following purposes:

Subject to expenditures for a specified purpose:

Water Programs	\$ 2,173,597
Energy Programs	1,122,770
Waste Programs	365,460
Environmental Justice/ Health	473,610
Other	<u>187,859</u>
Total Subject to expenditures for a specified purpose:	4,323,296

Subject to Passage of Time:

Governmental Grants Receivable	232,603
In-kind Rent	<u>2,725</u>

**Total Net Assets with Donor Restrictions** \$ 4,558,624

# CLEAN WATER FUND

Notes to the Financial Statements (Continued)  
December 31, 2022

## 11) NET ASSETS WITH DONOR RESTRICTIONS (Continued)

During the year ended December 31, 2022, net assets were released from donor restrictions by incurring expenses, satisfying the restricted purposes, or by passage of time or occurrence of other events specified by donors as follows:

### Released from Purpose Restriction During the Year

Net Assets released from donor restriction	<u>\$ 3,719,364</u>
<b>Total Released During the Year</b>	<b><u>\$ 3,719,364</u></b>

## 12) IN-KIND DONATIONS

In-kind donations are recorded at their fair value in the period in which they are received and consisted of the following at December 31, 2022:

<u>Description</u>	<u>Amount</u>	<u>Donor Restrictions</u>	<u>Utilization in Programs/ Activities</u>
In-kind Donations	\$ 16,153	Restricted	NJ Nuclear Safety and Green Energy
In-kind Donations	<u>36,621</u>	Unrestricted	General Support
<b>Total In-kind Contributions</b>	<b><u>\$ 52,774</u></b>		

## 13) LEASES

The Organization has entered into operating lease agreements for various properties, vehicles and copiers. Only lease options that the Organization believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities. Lease assets are amortized over the life of the underlying lease.

The components of total lease cost are as follows:

	<u>Amount</u>
Operating Lease Cost, Included in Lease Expense:	<u>\$ 360,125</u>

# CLEAN WATER FUND

Notes to the Financial Statements (Continued)  
December 31, 2022

## 13) LEASES (Continued)

The maturities of lease liability as of December 31, 2022 were as follows:

<u>For Year Ended December 31,</u>	<u>Amount</u>
2023	\$ 36,121
2024	37,203
2025	31,774
Total Lease Payments	105,098
Less: Interest	1,536
Present Value of Lease Liabilities	<u>\$ 103,562</u>

The present value of lease liabilities are reported in the balance sheet as follows:

	<u>Amount</u>
Current Portion of Operating Lease Obligations	\$ 35,246
Operating Lease Obligations, Net of Current Portion	68,316
	<u>\$ 103,562</u>

Cash flow information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities:

Net Operating Cash Flows from Operating Leases	\$ 23,390
Right of Use Assets obtained in exchange for new Operating Lease Liabilities:	\$ 126,678
Amortization during year	\$ 23,298
Balance as of December 31, 2022	\$ 103,380

Other supplemental information as of and for the year ended December 31, 2022 is as follows:

Remaining Lease Term (in years), Operating Leases:	1 - 3
Discount Rate, Operating Leases:	1.00%

**14) SUBSEQUENT EVENTS**

Clean Water Fund has evaluated events through October 16, 2023, the date accompanying financial statements were available to be issued. No significant subsequent event was noted that required adjustment or disclosure in the financial statements.