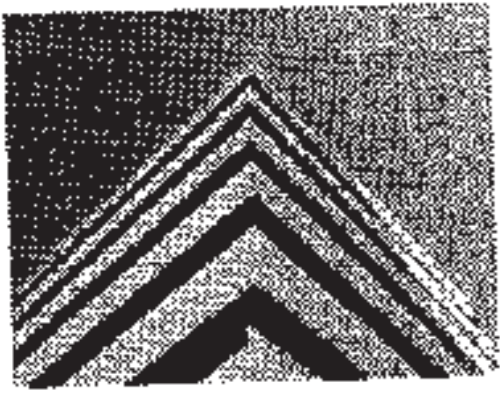


COMMUNITY PURE WATER FOUNDATION, INC

**FINANCIAL STATEMENTS
December 31, 2023, and 2022**



McMillan Dunn & Company LLP
Certified Public Accountants

Phone: 973-223-7686
41 Vreeland Ave
Totowa, NJ 07512

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Community Pure Water Foundation, Inc

Opinion

We have audited the accompanying financial statements of the Community Pure Water Foundation, Inc (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023, and 2022, and the related statements of activities, functional expenses and cash flows for the years 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 Community Pure Water Foundation, Inc as of December 31, 2023, and 2022, and the changes in its net assets and its 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Community Pure Water Foundation, Inc 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 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 of events, considered in the aggregate, that raise substantial doubt about the Community Pure Water Foundation, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 judgement made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 Community Pure Water Foundation, Inc's internal control.
- 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 Community Pure Water Foundation, Inc'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 have identified during the audit.

McMillan, Dunn & Company, LLP

McMillan, Dunn & Company, LLP

Randolph, New Jersey

May 15, 2024

COMMUNITY PURE WATER FOUNDATION, INC
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents (Note 1b and 4)	<u>\$ 222,889</u>	<u>\$ 80,621</u>
Total Assets	<u><u>\$ 222,889</u></u>	<u><u>\$ 80,621</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 100,000</u>	<u>\$ -</u>
Total Liabilities	<u>100,000</u>	<u>-</u>
Net Assets		
Unrestricted (Notes 2 and 3)	<u>122,889</u>	<u>80,621</u>
Temporarily restricted	<u>-</u>	<u>-</u>
Permanently restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u><u>122,889</u></u>	<u><u>80,621</u></u>
Total Liabilities and Net Assets	<u><u>\$ 222,889</u></u>	<u><u>\$ 80,621</u></u>

COMMUNITY PURE WATER FOUNDATION, INC
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals 2023</u>	<u>Comparative Totals 2022</u>
Changes in Net Assets					
Support and Revenue					
Contributions and Grants (Note 1c)	\$ 175,503	\$ -	\$ -	\$ 175,503	\$ 60,070
In-kind contributions	-	-	-	-	1,750,245
Miscellaneous Income - Interest (Note 5)	3,336	-	-	3,336	7
Total Support and Revenue	178,839	-	-	178,839	1,810,322
Expenses					
Program Services					
Gross funds awarded/distributed	113,246	-	-	113,246	1,762,330
Total Program Services	113,246	-	-	113,246	1,762,330
Supporting Services					
	23,325	-	-	23,325	18,061
Total Expenses	136,571	-	-	136,571	1,780,391
Increase in net assets	42,268	-	-	42,268	29,931
Net assets, beginning of year	80,621	-	-	80,621	50,690
Net Assets, end of year	\$ 122,889	\$ -	\$ -	\$ 122,889	\$ 80,621

COMMUNITY PURE WATER FOUNDATION, INC
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	SUPPORTING SERVICES				Totals 2023	Totals 2022
	Total Program Services	Management and General	Fund Raising	Total Supporting Services		
Grants - direct program related	\$ 104,850		\$ -	\$ -	\$ 104,850	\$ 5,860
In-kind - direct program services	-	-	-	-	-	1,750,245
Travel costs	8,396	-	-	-	8,396	6,226
Bank fees	-	300	-	300	300	210
Listing	-	-	2,000	2,000	2,000	-
Marketing / branding	-	-	3,500	3,500	3,500	10,370
Professional fees	-	1,985	-	1,985	1,985	1,000
Website	-	-	7,500	7,500	7,500	-
Postage	-	216	-	216	216	194
State fees	-	601	-	601	601	757
Office supply and expenses	-	657	-	657	657	905
Administrative services	-	1,500	-	1,500	1,500	1,500
Communication, IT services	-	5,066	-	5,066	5,066	3,124
Total Expenses, 2023	\$ 113,246	\$ 10,325	\$ 13,000	\$ 23,325	\$ 136,571	
Total Expenses, 2022	\$ 1,762,330	\$ 7,691	\$ 10,370	\$ 18,061		\$ 1,780,391

COMMUNITY PURE WATER FOUNDATION, INC
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities	\$ 42,268	\$ 29,931
Change in net assets		
Adjustment to reconcile change in net assets to net cash flows from operating activities:		
Increase (decrease) in operating assets:	-	-
Increase (decrease) in operating liabilities:	<u>100,000</u>	<u>-</u>
Net Cash Provided by Operating Activities	142,268	29,931
Cash Flows From Investing Activities		
Purchase of investments	<u>-</u>	<u>-</u>
Net Cash Flows from Investing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents	142,268	29,931
Cash and Cash Equivalents, Beginning of Year	<u>80,621</u>	<u>50,690</u>
Cash and Cash Equivalents, End of Year	<u>\$ 222,889</u>	<u>\$ 80,621</u>

COMMUNITY PURE WATER FOUNDATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 1 – Organization and Summary of Significant Accounting Policies

a – Organization

The Community Pure Water Foundation, Inc (“CPWF” or the “Organization”) is a not-for-profit organization formed to provide financial, technological, and managerial resources toward helping the rural communities of India obtain and sustain access to clean drinking water.

CPWF has a Donation Agreement with Community Pure Water which is an initiative of Community Development Foundation (“the Trust” or “CPW”), located in India, a registered charitable trust with 80G, 12A and FCRA. The Trust will carry out developmental activities with funds provided by CPWF. During 2024, CPWF and the Trust shared common members on their respective Boards of Directors, the transactions of the Trust have not been included in the accompanying financial statements.

Grants to the Trust from CPWF, to support program related expenses, totaled \$100,000 and \$1,750,245 for the years ended December 31, 2023, and 2022, respectively (Note 8). The outstanding advance to the Trust was \$100,000 at December 31, 2023.

b – Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents, except short-term investments and cash managed by CPWF’s investment manager as part of their long-term investment strategies.

c – Contributions and Contributions Receivable

Contributions are recognized when the donor makes a promise to give to the Organization, that is in substance, unconditional. Contributions that are restricted by the donor are reported as increases to net assets with donor restrictions. When a restriction is met, net assets with donor restrictions are reclassified to net assets with donor restrictions. Conditional promises to give, that have a measurable performance or other barriers and a right of return, are not recognized as support until conditions have been met.

The Organization uses the allowance method to determine uncollectible promises to give, if any. The allowance is based on prior years’ experience and management’s analysis of specific promises made.

CPWF received 28% of its contributions from one donor during the year ended December 31, 2023.

d – Fair Value Measurements

Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs. The fair value hierarchy prioritizes inputs to valuation techniques used to measure fair value into three levels.

COMMUNITY PURE WATER FOUNDATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

d – Fair Value Measurements (continued)

Unadjusted quoted prices in active markets for identical assets and liabilities are referred to as Level 1 inputs. Inputs other than quoted market prices that are observable, either directly or indirectly and reasonably available are referred to as Level 2 inputs. Observable inputs reflect assumptions market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the Organization. Unobservable inputs reflect the assumptions developed based on available information about what market participants would use in valuing the asset or liability and are referred to as Level 3 inputs.

An asset or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Availability of observable inputs can vary and is affected by a variety of factors. The investment managers use judgement in determining fair value of assets and liabilities. Level 3 assets and liabilities involve greater judgment than Level 1 or Level 2 assets and liabilities.

The classification of investments in the fair value hierarchy is not necessarily an indication of the risks, liquidity, or degree of difficulty in estimating fair value of each investment's underlying assets and liabilities.

All of the Organization's marketable investments are classified within Level 1 (prices in active markets for identical assets or liabilities) of the fair value hierarchy.

e – Investments

The Organization reflects its marketable investments at fair value in the statement of financial position. Restricted stock is reflected at the appraised value at the time of the donation. Interest, dividend, and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions, unless their use is restricted by the explicit donor stipulations of by law.

Purchases and sales of investments reflected in the statement of cash flows are reported net of short-term investments with maturities of three months or less.

f – Property and Equipment

Property and equipment acquired are recorded at cost and are depreciated using the straight-line method over the estimated useful life of the related asset.

g – Grants Awarded

Unconditional grants are recorded when awarded to the grantee organization.

h – Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with accounting principles generally accepted in the United States, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

COMMUNITY PURE WATER FOUNDATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 1 – Organization and Summary of Significant Accounting Policies (continued)

h – Financial Statement Presentation (continued)

Net Assets Without Donor Restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objective of the Organization. These net assets may be used at the discretion of the Organization’s management and Board of Directors.

Net Assets With Donor Restrictions

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

i – Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j – Income Taxes

The Community Pure Water Foundation, Inc is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

k – Subsequent Events

The Organization has evaluated subsequent events through May 15, 2024, the date that the financial statements are considered available to be issued.

l – Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of the Organization’s expenses are directly related to program activities. The expenses that are allocated could include consulting fees, travel expenses, office supplies, and certain miscellaneous expenses which are allocated on the basis of staff time and effort.

Note 2 – Information Regarding Liquidity and Availability

The Organization operates a balanced budget for each fiscal year based on the revenue expected to be available to fund anticipated expenses. A substantial portion of annual revenue is

COMMUNITY PURE WATER FOUNDATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 2 – Information Regarding Liquidity and Availability (continued)

comprised of contribution revenue raised during the current year, and revenue from other sources earned during the year. The Organization considers general expenditures to consist of all expenses related to its ongoing program activities, and the expenses related to general and administrative and fundraising activities undertaken to support those services.

The Organization regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs and has a policy to maintain liquid financial assets on an ongoing basis sufficient to cover ninety days of general expenditures. Financial assets in excess of daily cash requirements are invested in money market funds.

The Organization’s financial assets as of December 31, 2023, and 2022 available to meet cash needs for general expenditures within one year are summarized as follows:

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 222,889	\$ 80,621
Investments	-	-
Contributions receivable	-	-
	222,889	80,621
 Less: Amounts not Available to be Used with One Year:		
Net assets with donor restrictions, subject to expenditure for specific purpose or passage of time	-	-
 Plus: Net Assets with donor restrictions expected to be met in less than one year	1,250,000	-
 Net assets with donor restrictions for endowment, subject to spending policy and appropriation	-	-
	-	-
 Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 1,472,889</u>	<u>\$ 80,621</u>

Note 3 – Net Assets With Donor Restrictions

a – Time and Purpose Restrictions

Net assets at December 31, 2023 and 2022 do not have any restrictions.

COMMUNITY PURE WATER FOUNDATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 4 – Concentration of Credit Risk

The Organization maintains cash and cash equivalent balances in financial institutions, which, from time to time, may exceed the Federal Depository Insurance Corporation limit and subject the Organization to concentration of credit risk.

Note 5 – Investments

Investments are reflected at the carrying value and consist of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>2022</u>
	<u>Cost</u>	<u>Carrying Value</u>	<u>Cost</u>	<u>Carrying Value</u>
Cash and money market funds	\$ 222,889	\$ 222,889	\$ 80,621	\$ 80,621
Investments, Level 1, carried at fair value	\$ 222,889	\$ 222,889	\$ 80,621	\$ 80,621

Net investment income is summarized as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Interest and dividend income	\$ 3,336	\$ 7
Realized gain on investments	-	-
Unrealized gain (loss) on investments	-	-
Investment fees	-	-
	<u>\$ 3,336</u>	<u>\$ 7</u>

Note 7– Property and Equipment

The Organization does not own any property and equipment as of December 31, 2023 and 2022.

Note 8 – Grant Making Activities

CPWF awards grants to organizations in support of its programs toward helping the rural communities of India obtain and sustain access to clean drinking water.

COMMUNITY PURE WATER FOUNDATION, INC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

Note 8 – Grant Making Activities (continued)

During the year ended December 31, 2023, CPWF provided grants to Indian non-governmental organizations (NGO's) that are executing like minded projects in India. CPWF is committed to improving the lives of India's rural communities for access to clean drinking water. The Organization has launched special drives to educate the rural communities on the importance of personal hygiene and sanitation. CPWF's agenda is synchronous with the United Nations' Sustainable Goal No. 6, namely Ensure Availability & Sustainable Management of Water and Sanitation for all, and the ESG Business Framework.

The Organization implemented its intervention in 195 locations of Telangana, Andhra Pradesh, Uttar Pradesh, Punjab and Madhya States and dispensed 69,412,288 liters of water to 522,749 users including educational institutions, healthcare institutions and Anganwadi Centers during the period April 2023 to March 2024. In a significant development, the Organization made a presence in the city of Hyderabad and established 3 Water Purification Centers in one school and one hospital. New Water Purification Centers were set up across 32 locations in 16 villages, 14 schools, and 1 hospital, participated 277 in community engagement activities in 72 villages with 2,110 participants, and resolved a total of 722 operational and technical issues during the year.

CPWF enters into Donation Agreements with the NGO's. The NGO's are responsible for carrying out developmental activities with funds provided by CPWF, and, if applicable, with matching contributions provided by other organizations. The amounts due to the NGO's are generally payable at the discretion of the Board of Directors based on certain criteria and/or milestones achieved as contained within the Donation Agreement. If at any stage CPWF is not satisfied with the quantity or quality of the work on the project, it can withhold payment. Therefore, the unpaid balance is not reflected in these financial statements.

Donation Agreements are written in which each installment to be paid to a NGO is contingent upon the NGO's compliance with the requirements. The contingent balance of these Donation Agreements as of December 31, 2023 was \$0.