

THE DIGDEEP RIGHT TO WATER PROJECT

FINANCIAL STATEMENTS

**YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE
YEAR ENDED DECEMBER 31, 2020)**



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**THE DIGDEEP RIGHT TO WATER PROJECT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
The DigDeep Right to Water Project
Los Angeles, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The DigDeep Right to Water Project (the Organization), which comprise the statement of financial position as of December 31, 2021, 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 DigDeep Right to Water Project as of December 31, 2021, and change in 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Organization 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.

Report on Comparative Information

The financial statements of The DigDeep Right to Water Project as of and for the year ended December 31, 2020, were audited by other auditors whose report, dated May 10, 2021, expressed an unmodified opinion on those financial statements. The summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it was derived.

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 for one year after the date the financial statements are available to be issued.

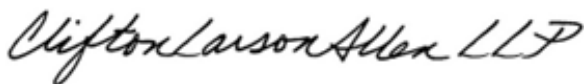
Auditors' Responsibilities for the Audit of the Financial Statements

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 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.



CliftonLarsonAllen LLP

Pasadena, California
July 29, 2022

THE DIGDEEP RIGHT TO WATER PROJECT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	2021	2020
ASSETS		
Cash	\$ 12,714,591	\$ 8,806,475
Investments	1,678,879	1,344,227
Contributions Receivable	90,000	-
Prepaid Expenses and Other Assets	158,604	30,016
Fixed Assets, Net	2,314,426	1,800,270
Total Assets	\$ 16,956,500	\$ 11,980,988
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 281,639	\$ 188,751
PPP Loan Payable	-	132,400
Total Liabilities	281,639	321,151
NET ASSETS		
Without Donor Restrictions	5,935,210	3,332,864
With Donor Restrictions	10,739,651	8,326,973
Total Net Assets	16,674,861	11,659,837
Total Liabilities and Net Assets	\$ 16,956,500	\$ 11,980,988

See accompanying Notes to Financial Statements.

THE DIGDEEP RIGHT TO WATER PROJECT
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
REVENUE AND SUPPORT				
Contributions	\$ 1,211,962	\$ 6,496,559	\$ 7,708,521	\$ 6,981,044
Grants	2,035,065	2,532,613	4,567,678	4,292,164
Investment Income, Net	16,808	-	16,808	14,528
Sales, Net of Cost of Goods Sold of \$56,474 for 2021 and \$62,026 for 2020	26,576	-	26,576	13,665
Donated Stock	75,017	73,065	148,082	100,786
Donated Goods	-	-	-	329,314
Net Assets Released from Purpose Restrictions	6,689,559	(6,689,559)	-	-
Total Revenue and Support	<u>10,054,987</u>	<u>2,412,678</u>	<u>12,467,665</u>	<u>11,731,501</u>
EXPENSES AND LOSSES				
Program Services	5,786,195	-	5,786,195	3,235,372
General and Administrative	741,388	-	741,388	226,224
Fundraising	862,688	-	862,688	334,045
Total Expenses	<u>7,390,271</u>	<u>-</u>	<u>7,390,271</u>	<u>3,795,641</u>
Loss on Disposal of Fixed Assets	62,370	-	62,370	-
Total Expenses and Losses	<u>7,452,641</u>	<u>-</u>	<u>7,452,641</u>	<u>3,795,641</u>
CHANGE IN NET ASSETS	2,602,346	2,412,678	5,015,024	7,935,860
Net Assets - Beginning of Year	<u>3,332,864</u>	<u>8,326,973</u>	<u>11,659,837</u>	<u>3,723,977</u>
NET ASSETS - END OF YEAR	<u><u>\$ 5,935,210</u></u>	<u><u>\$ 10,739,651</u></u>	<u><u>\$ 16,674,861</u></u>	<u><u>\$ 11,659,837</u></u>

See accompanying Notes to Financial Statements.

THE DIGDEEP RIGHT TO WATER PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	Program Services			Total Program	General and Administrative	Fundraising	Total 2021	Total 2020
	Water Projects	Education	Research					
Salaries	\$ 1,775,293	\$ -	\$ 36,000	\$ 1,811,293	\$ 198,442	\$ 339,844	\$ 2,349,579	\$ 1,147,795
Employee Related Benefits and Taxes	331,691	-	3,559	335,250	48,209	43,580	427,039	196,471
Subtotal	2,106,984	-	39,559	2,146,543	246,651	383,424	2,776,618	1,344,266
Project Costs	2,367,848	-	184,232	2,552,080	-	-	2,552,080	941,270
Fundraising and Consultant Fees	-	-	-	-	194,302	296,539	490,841	301,486
Depreciation	345,821	-	-	345,821	3,298	238	349,357	170,521
Advertising	59,699	-	-	59,699	60,918	-	120,617	29,373
Other Professional Services	156,307	33,233	5,980	195,520	11,003	17,133	223,656	98,695
Office	44,551	18	55	44,624	38,692	25,641	108,957	72,113
Bank Fees	-	-	-	-	3,364	105,523	108,887	104,723
Travel	86,402	10,965	11,687	109,054	4,588	11,870	125,512	124,285
Fuel	102,325	-	-	102,325	-	-	102,325	-
Accounting	-	-	-	-	98,220	-	98,220	61,976
Repair and Maintenance	84,997	-	-	84,997	679	-	85,676	-
Rent	62,804	-	-	62,804	19,998	-	82,802	109,383
Other	26,745	-	25	26,770	22,714	3,367	52,851	-
Website and Technology	12,315	8,398	2,194	22,907	26,943	18,087	67,937	-
Insurance	31,736	-	-	31,736	7,017	-	38,753	81,021
Postage	1,294	21	-	1,315	3,001	866	5,182	4,466
In-Kind Donations	-	-	-	-	-	-	-	329,314
Supplies	-	-	-	-	-	-	-	22,749
Total Functional Expenses	5,489,828	52,635	243,732	5,786,195	741,388	862,688	7,390,271	3,795,641
Cost of Goods Sold	56,474	-	-	56,474	-	-	56,474	62,026
Total Expenses	<u>\$ 5,546,302</u>	<u>\$ 52,635</u>	<u>\$ 243,732</u>	<u>\$ 5,842,669</u>	<u>\$ 741,388</u>	<u>\$ 862,688</u>	<u>\$ 7,446,745</u>	<u>\$ 3,857,667</u>

See accompanying Notes to Financial Statements.

THE DIGDEEP RIGHT TO WATER PROJECT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACITIVITIES		
Change in Net Assets	\$ 5,015,024	\$ 7,935,860
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Realized and Unrealized Investment Gain (Loss)	3,114	(1,084)
Donated Investments	(148,082)	(100,786)
Depreciation	349,357	170,521
Loss on Disposal of Fixed Assets	(62,370)	-
Changes in Assets and Liabilities:		
Contributions Receivable	(90,000)	-
Prepaid Expenses and Other Assets	(128,588)	(12,896)
Accounts Payable and Accrued Expenses	(47,960)	131,304
Deferred Revenue	-	(71,278)
Net Cash Provided by Operating Activities:	<u>4,890,495</u>	<u>8,051,641</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(189,684)	(96,630)
Proceeds from Sales of Investments	-	899,645
Purchase of Fixed Assets	(660,295)	(1,457,831)
Net Cash Used by Investing Activities	<u>(849,979)</u>	<u>(654,816)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program	-	132,400
Payment of Paycheck Protection Program	(132,400)	-
Net Cash Provided (Used) by Financing Activities	<u>(132,400)</u>	<u>132,400</u>
NET CHANGE IN CASH	3,908,116	7,529,225
Cash - Beginning of Year	<u>8,806,475</u>	<u>1,277,250</u>
CASH - END OF YEAR	<u>\$ 12,714,591</u>	<u>\$ 8,806,475</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Donated Investments	<u>\$ 148,082</u>	<u>\$ 100,786</u>
Accounts Payable for Property and Equipment	<u>\$ 140,848</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 1 ORGANIZATION

The DigDeep Right to Water Project (the Organization) is a nonprofit corporation organized under the general nonprofit corporation laws of the state of California.

DigDeep was founded in Los Angeles in 2012 and is the leading organization improving community-based water and sanitation (WASH) outcomes in the United States. Today, the organization runs several nationally-recognized water access programs that serve communities in New Mexico, Arizona, Utah, West Virginia, and Texas. DigDeep also develops research and education projects, and maintains an extensive network of academic, government, and water industry partners focused on solving America's water crisis.

The operations of the Organization are funded primarily by contributions from individuals and businesses.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting to conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to nonprofit institutions. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions – Net assets not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the audited financial statements for the year ended December 31, 2020, from which the summarized information was derived.

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair Value Measurements

The Fair Value Standards (ASC 820-10) establish a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring fair value. This hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three levels:

Level 1 – Quoted prices are available in active market for identical assets or liabilities as of the reporting date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization can develop inputs using the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Fixed Assets

The Organization records property and equipment additions over \$10,000 at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset, as follows: furniture, fixtures, and equipment over 3 to 10 years and buildings over 31 to 40 years. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities.

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of donor-imposed restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as net assets released from restrictions.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received and reported in their appropriate net asset group, subject to the existence or absence of donor-imposed stipulations. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a discount rate consistent with general principles for present value measurement. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on contributions. At December 31, 2021, future collections of contributions receivable are expected to be collected within one year.

Conditional promises, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. At December 31, 2021, the Organization does not have any outstanding conditional promises.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses requiring allocation are allocated on the basis of estimates of time and effort, and employee headcount.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions that affect the reported amounts of 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 those estimates, and those differences could be material.

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Concentration

Financial instruments that potentially subject the Organization to concentration of credit risk are investments and contributions receivable. The Organization manages deposit concentration risk by placing cash, money market accounts, and bank deposits with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by us and the investment committee of the board of directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

Income Taxes

The Organization has been granted exemption from income tax under Sections 501(c)(3) of the Internal Revenue Code and 23701(d) of the California Revenue and Taxation Code. GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by the Organization are more likely than not to be sustained upon examination.

Risk and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies and our communities. Specific to the Organization, COVID-19 may impact various parts of its 2022 operations and financial results including but not limited to decline in contributions and investment performance. Management believes that the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of December 31, 2021.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

The Organization has evaluated subsequent events through July 29, 2022, the date on which the financial statements were available to be issued. There were no subsequent events that would require adjustments or disclosures in these financial statements.

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements Effective in Future Accounting Periods

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-02, *Leases (Topic 842)*. This update increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal year beginning after December 15, 2021. Management will be evaluating the effects of this new standard.

NOTE 3 LIQUIDITY AND AVAILABILITY

As of December 31, 2021 and 2020, financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	2021	2020
Cash	\$ 12,714,591	\$ 9,951,399
Investments	1,678,879	199,303
Contributions Receivable	90,000	-
Less: Donor Restricted Net Assets	<u>(10,739,651)</u>	<u>(8,326,973)</u>
Total, Net	<u>\$ 3,743,819</u>	<u>\$ 1,823,729</u>

The Organization regularly monitors cash and liquidity to meet its operating needs. The Organization invests a portion of its cash not required for current operations in mutual funds.

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The following is the fair value measurement for investments measured on a recurring basis at December 31:

	2021			
	Total	Level 1	Level 2	Level 3
Mutual Funds	\$ 1,513,109	\$ 1,513,109	\$ -	\$ -
Cash Equivalents	165,770	-	-	-
Total Investments	<u>\$ 1,678,879</u>	<u>\$ 1,513,109</u>	<u>\$ -</u>	<u>\$ -</u>
	2020			
	Total	Level 1	Level 2	Level 3
U.S. Treasury	\$ 199,303	\$ 199,303	\$ -	\$ -
Cash Equivalents	1,144,924	-	-	-
Total Investments	<u>\$ 1,344,227</u>	<u>\$ 199,303</u>	<u>\$ -</u>	<u>\$ -</u>

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	2021	2020
Unrealized Loss	\$ (321,786)	\$ (803)
Realized Gain	319,231	1,887
Interest and Dividend Income	19,363	13,444
Total Investment Income	<u>\$ 16,808</u>	<u>\$ 14,528</u>

NOTE 5 FIXED ASSETS

Fixed assets at December 31 were comprised of the following:

	2021	2020
Land	\$ 213,526	\$ 213,526
Building and Improvements	382,779	313,072
Furniture and Equipment	6,023	6,023
Vehicles	2,235,728	1,527,786
Total	<u>2,838,056</u>	<u>2,060,407</u>
Less: Accumulated Depreciation	<u>(523,630)</u>	<u>(260,137)</u>
Total, Net	<u>\$ 2,314,426</u>	<u>\$ 1,800,270</u>

NOTE 6 NOTE PAYABLE

On April 27, 2020, the Organization received a loan from the Paycheck Protection Program (PPP) in the amount of \$132,400 with interest at 1% and maturity on April 27, 2022. On January 28, 2021, the loan was paid in full with interest for \$133,405, including interest of \$1,005.

NOTE 7 EMPLOYEE BENEFIT PLAN

Effective in 2020, the Organization began sponsorship of a defined contribution retirement [401(k)] plan for eligible employees. Eligibility begins after completion of one month of service and all contributions are immediately vested. Under the plan, the Organization contributions up to 50% on the first 8% of total compensation for qualified employees. For the year ended December 31, 2021, the Organization contributions to the plan totaled \$23,043.

THE DIGDEEP RIGHT TO WATER PROJECT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

NOTE 8 COMMITMENTS

In August 2021, the Organization entered into a noncancellable facility through July 2024. Under the lease agreement, the Organization will pay a minimum monthly rental of \$6,500, with scheduled 3% increases during August 2022 and August 2023. The agreement includes three months of abated rent.

At December 31, 2021, the future operating lease payments are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2022	\$ 78,975
2023	81,345
2024	48,272
Total	<u>\$ 208,592</u>

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of December 31:

	<u>2021</u>	<u>2020</u>
Water Project	\$ 10,648,723	\$ 8,068,902
Education	75,983	-
Research	14,945	258,071
Total	<u>\$ 10,739,651</u>	<u>\$ 8,326,973</u>

During the years ended December 31, 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	<u>2021</u>	<u>2020</u>
Water Project	\$ 6,410,012	\$ 4,559,475
Education	35,816	76,450
Research	243,731	23,224
Total	<u>\$ 6,689,559</u>	<u>\$ 4,659,149</u>



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