

**Charity Global, Inc.**

Financial Statements  
and  
Auditor's Report

Year Ended December 31, 2011

Board of Directors  
Charity Global, Inc.  
New York, New York

**Independent Auditor's Report**

We have audited the accompanying statement of financial position of Charity Global, Inc. as of December 31, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of Charity Global, Inc. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Charity Global, Inc. and Affiliate December 31, 2010 consolidated financial statements and, in our report dated June 20, 2011, we expressed an unqualified opinion on those consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Charity Global, Inc. internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Charity Global, Inc. as of December 31, 2011, and the changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 100% Model Schedule on page 14 is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 100% Model is fairly stated in all material respects from the organization's inception through December 31, 2011 in relation to the financial statements as a whole.

*Lambrides, Lamos, Taylor LLP*

June 1, 2012

**Charity Global, Inc.**  
**Statement of Financial Position**  
**December 31, 2011**  
**With Summarized Comparative Figures at December 31, 2010**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>2011 Totals</b>	<b>2010 Totals</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 7,015,537	\$ 10,768,577	\$ 17,784,114	\$ 10,095,966
Contributions and pledges receivable, net	321,118	5,647,785	5,968,903	3,153,452
Prepays and other current assets	125,564		125,564	109,729
Fixed assets (net of accumulated depreciation)	<u>228,806</u>	<u>                    </u>	<u>228,806</u>	<u>166,893</u>
 Total assets	 <u>\$ 7,691,025</u>	 <u>\$ 16,416,362</u>	 <u>\$ 24,107,387</u>	 <u>\$ 13,526,040</u>
 <b>Liabilities and Net Assets:</b>				
Liabilities:				
Committed to water programs		\$ 10,472,362	\$ 10,472,362	\$ 5,535,190
Accounts payable	\$ 32,230		32,230	82,574
Accrued expenses	<u>61,873</u>	<u>                    </u>	<u>61,873</u>	<u>63,562</u>
 Total liabilities	 <u>94,103</u>	 <u>10,472,362</u>	 <u>10,566,465</u>	 <u>5,681,326</u>
 Net assets:				
Unrestricted	7,596,922		7,596,922	2,330,493
Temporarily restricted	<u>                    </u>	<u>5,944,000</u>	<u>5,944,000</u>	<u>5,514,221</u>
 Total net assets	 <u>7,596,922</u>	 <u>5,944,000</u>	 <u>13,540,922</u>	 <u>7,844,714</u>
 Total liabilities and net assets	 <u>\$ 7,691,025</u>	 <u>\$ 16,416,362</u>	 <u>\$ 24,107,387</u>	 <u>\$ 13,526,040</u>

See notes to financial statements.

**Charity Global, Inc.**  
**Statement of Activities**  
**For the Year Ended December 31, 2011**  
**With Summarized Comparative Figures for the Year Ended December 31, 2010**

	Unrestricted	Temporarily Restricted	2011 Totals	2010 Totals
<b>Public support and revenue:</b>				
<i>Public support:</i>				
Individuals	\$ 6,573,723	\$ 13,327,455	\$ 19,901,178	\$ 10,818,740
Corporations	236,701	1,287,620	1,524,321	1,751,960
Foundations and other organizations	1,407,938	2,117,000	3,524,938	2,211,945
Special event revenue:				
Contributions	631,987	1,344,631	1,976,618	1,063,369
Ticket sales	247,360		247,360	76,640
Less: net direct benefit to donor	(304,970)		(304,970)	(139,817)
<i>Revenue:</i>				
Interest and other income	34,651		34,651	33,486
Foreign currency remeasurement loss				(2,012)
Net assets released due to satisfaction of restrictions	<u>17,646,927</u>	<u>(17,646,927)</u>	<u>                    </u>	<u>                    </u>
Total public support and revenue	<u>26,474,317</u>	<u>429,779</u>	<u>26,904,096</u>	<u>15,814,311</u>
<b>Expenses:</b>				
Program services	18,505,476		18,505,476	9,378,708
Management and general	1,166,703		1,166,703	934,174
Development	<u>1,528,984</u>		<u>1,528,984</u>	<u>1,044,384</u>
Total expenses	<u>21,201,163</u>	<u>                    </u>	<u>21,201,163</u>	<u>11,357,266</u>
<b>Change in net assets before the effect of in-kind donations and other items</b>				
	5,273,154	429,779	5,702,933	4,457,045
Donated goods, services and use of facilities - revenue				
	1,624,843		1,624,843	498,621
Donated goods, services and use of facilities - expense				
	(1,624,843)		(1,624,843)	(498,621)
Loss on disposal of equipment				
	<u>(6,725)</u>		<u>(6,725)</u>	<u>                    </u>
<b>Change in net assets</b>	5,266,429	429,779	5,696,208	4,457,045
<b>Net assets at beginning of year</b>	<u>2,330,493</u>	<u>5,514,221</u>	<u>7,844,714</u>	<u>3,387,669</u>
<b>Net assets at end of year</b>	<u>\$ 7,596,922</u>	<u>\$ 5,944,000</u>	<u>\$ 13,540,922</u>	<u>\$ 7,844,714</u>

See notes to financial statements.

**Charity Global, Inc.**  
**Statement of Functional Expenses**  
**For the Year Ended December 31, 2011**  
**With Summarized Comparative Figures for the Year Ended December 31, 2010**

	<b>Program Services</b>	<b>Supporting Services</b>		<b>2011 Totals</b>	<b>2010 Totals</b>
		<b>Management and General</b>	<b>Development</b>		
Water program funding	\$ 17,646,927			\$ 17,646,927	\$ 8,609,576
Salaries, employee benefits and taxes	645,245	\$ 419,490	\$ 904,670	1,969,405	1,690,196
Professional fees	63,836	200,886	223,710	488,432	296,874
Travel, meals and meetings	101,528	36,060	76,384	213,972	168,476
Rent, utilities and cleaning	14,983	48,695	44,949	108,627	107,372
Event costs			22,131	22,131	29,968
Communication, printing and postage	9,128	29,665	68,710	107,503	101,545
Bank charges, merchant and credit card fees		260,462		260,462	157,806
Branding, education and promotion			16,185	16,185	3,783
Office equipment and supplies	<u>15,984</u>	<u>51,948</u>	<u>148,710</u>	<u>216,642</u>	<u>149,115</u>
 Total expenses before the effect of other non-cash items	 18,497,631	 1,047,206	 1,505,449	 21,050,286	 11,314,711
 Unfulfilled pledges		94,000		94,000	
Depreciation	<u>7,845</u>	<u>25,497</u>	<u>23,535</u>	<u>56,877</u>	<u>42,555</u>
 Total expenses	 <u>\$ 18,505,476</u>	 <u>\$ 1,166,703</u>	 <u>\$ 1,528,984</u>	 <u>\$ 21,201,163</u>	 <u>\$ 11,357,266</u>

See notes to financial statements.

**Charity Global, Inc.**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2011**  
**With Comparative Figures for the Year Ended December 31, 2010**

	<b>2011</b>	<b>2010</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 5,696,208	\$ 4,457,045
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	56,877	42,555
Loss on disposal of fixed assets	6,725	
Donated securities	(696,612)	(66,416)
Increase in:		
Contributions and pledges receivable	(2,815,451)	(1,921,262)
Prepays and other current assets	(15,835)	(1,678)
Increase (decrease) in:		
Committed to water programs	4,937,172	1,258,096
Accounts payable	(50,344)	23,607
Accrued expenses	<u>(1,689)</u>	<u>49,587</u>
Net cash provided by operating activities	<u>7,117,051</u>	<u>3,841,534</u>
<b>Cash flows from investing activities:</b>		
Purchases of fixed assets	(125,515)	(109,728)
Proceeds from the sale of securities	<u>696,612</u>	<u>66,416</u>
Net cash used by investing activities	<u>571,097</u>	<u>(43,312)</u>
Net increase in cash and cash equivalents	7,688,148	3,798,222
<b>Cash and cash equivalents at beginning of year</b>	<u>10,095,966</u>	<u>6,297,744</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 17,784,114</u>	<u>\$ 10,095,966</u>

See notes to financial statements.

**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**1. Organization and Purpose:**

**Charity Global, Inc.** (hereinafter referred to as “**charity: water**”) is a non-profit organization stimulating greater global awareness about extreme poverty issues, educating the public, and provoking compassionate and intelligent giving.

charity: water provides clean, safe drinking water, hygiene and basic sanitation to people in developing nations. Since 2006, charity: water has funded more than 6,000 water projects in 19 countries through innovative and sustainable programs and technologies that include drilled wells, hand-dug wells, rehabilitations, spring protections, rainwater catchments and BioSand filters. When complete, these projects can serve more than 2 million people.

**2. Summary of Significant Accounting Policies:**

**a. Accrual Basis Financial Statements**

The accompanying financial statements of charity: water have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America as applicable to not-for-profit entities.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

**c. Allocation of Functional Expenses**

The cost of providing charity: water programs, management and general, and development services has been summarized on a functional basis in the accompanying statement of activities. Directly identifiable expenses are charged to programs, management and general, and development services. Certain indirect costs have been allocated in reasonable ratios as determined by management.

The allocation of indirect costs, as well as directly identifiable expenses charged to programs, management and general, and development services, other than those due to established partner organizations, exclude all funds raised publicly for water programs.

**d. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in checking, savings and temporary investment accounts. For financial reporting purposes, charity: water considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents.

**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**2. Summary of Significant Accounting Policies:** (Continued)

**e. Concentrations**

charity: water places its cash and investments with high-credit-quality financial institutions. At times, such balances may exceed insured limits. Uninsured cash balances at December 31, 2011 approximated \$7,575,596, however, management believes that charity: water does not face a significant risk of loss on these accounts due to the possible failure of these financial institutions.

**f. Contributions and Pledges Receivable**

Unconditional promises to give are reported at net realizable value if, at the time the promise is made, payment is expected to be received in one year or less. Unconditional promises to give that are expected to be collected in future years are recorded at fair value at the time of the pledge. charity: water measures fair value using the present value of expected future cash flows, and discounts on those amounts are computed using interest rates commensurate with the risks involved. Amortization of discounts is included in contribution revenue.

Management provides for probable uncollectible amounts based on its assessment of collection history and knowledge of donor giving capacity.

Conditional promises to give are not included as support until the conditions are substantially met.

It is also the policy of charity: water to record for the year contributions considered to be in transit at the close of the year, that is, those dated in December and received during January, as contributions receivable.

**g. Fixed Assets**

Fixed assets consist of furniture, fixtures and equipment. Acquisitions are capitalized at cost if purchased and at fair market value at the date of receipt if donated.

All acquisitions of furniture, fixtures, software and equipment greater than or equal to \$5,000 with a useful life of greater than or equal to 5 years are capitalized.

**h. Water Program Funding**

charity: water invests 100% of publicly raised funds in water programs through established partner organizations experienced in providing various water solutions. All partner organizations are researched by management, and all funding is carefully considered and approved by the Board of Directors.

Expense is recognized upon Board approval of the partnership agreement. Liabilities are reported at net realizable value at the time the promise is made. All commitments are expected to be paid in one year or less.

It is the policy of management to assign all foreign currency exposure to partner organizations, as the U.S. dollar is charity: water's functional currency for investments in water programs.



**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**2. Summary of Significant Accounting Policies: (Continued)**

**i. Net Assets**

The net assets of charity: water and changes therein are classified and reported as follows:

- Unrestricted net assets include all resources which are not subject to donor-imposed restrictions.
- Temporarily restricted net assets carry specific, donor-imposed restrictions as to their use. Temporary restrictions may expire either because certain actions are taken by the organization which fulfill the restrictions or because of the passage of time. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as unrestricted.

**j. Fair Value Measurements**

Fair market value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the entity transacts. charity: water must determine whether its assets and liabilities recorded at fair value were based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs), or Level 3 (valued based on significant unobservable inputs) measurements within the fair value hierarchy. charity: water had no assets or liabilities at December 31, 2011 that required valuation under fair value measurement standards.

**k. Contributions**

Contributions are recorded as revenue upon receipt of cash or unconditional promises to give (pledge). Contributions received are recorded as increases in unrestricted or temporarily restricted net assets, depending on the existence and/or nature of any donor-imposed restrictions. Donated marketable securities and gifts in-kind are recorded as contributions at fair value as of the date of the donation.

**l. Donated Services and Use of Facilities**

Donated services are recognized as if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals who possess those skills, and would otherwise need to be purchased by the organization. These services are valued based on the estimated cost of services that would otherwise have to have been purchased.

charity: water also receives a significant amount of donated services from unpaid volunteers who assist in various program and supporting services. No amounts have been recognized in the statement of activities for these services because the criteria for recognition under generally accepted accounting principles have not been satisfied.

The value of donated facilities is calculated based on the estimated fair rental value of the space used. The fair rental value is the amount that would be charged for similar space that is rented under similar terms. Since the free use of facilities is not promised for any specified period of time, charity: water recognizes the revenue and related expense for the period it occupies the space.

**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**2. Summary of Significant Accounting Policies:** (Continued)

**m. Accounting for Uncertainty in Income Taxes**

charity: water's current accounting policy is to disclose liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor is it aware of any exposure to unrelated business income tax.

**n. Reclassification**

Certain amounts previously reported in the financial statements for December 31, 2010 have been reclassified to facilitate comparability with the December 31, 2011 amounts with no effect on the change in net assets as previously reported.

**o. Prior Year Summarized Comparative Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with charity: water's financial statements for the year ended December 31, 2010, from which the summarized information was derived.

**3. Contributions and Pledges Receivable:**

Contributions and pledges receivable at December 31 are expected to be received as follows:

In less than one year	\$4,191,754
In one to five years	<u>2,030,098</u>
	6,221,852
Less discount to net present value	(158,949)
Less allowance for unfulfilled pledges	<u>(94,000)</u>
	<u>\$5,968,903</u>

Of the \$5,968,903 net amounts receivable at December 31, \$4,544,329 are unconditional promises to give unrestricted support through a private membership program called *The Well*. *The Well* is a 3-year commitment to fund charity: water's operating costs.

Unconditional promises to give, where estimated future cash flows are expected, are valued at net present value using a discount rate commensurate with risk. The discount rate used on long-term promises to give was the U.S. prime lending rate at December 31, or 3.25%. Prior to December 31, the discount on amounts receivable in future years was either fully-amortized or not material and, therefore, not recognized.

charity: water provides for potential unfulfilled pledges using the allowance method. Management applies an estimate based on known economic conditions, historical trends, and knowledge of the specific donors promising to give. It is charity: water's policy to write-off contributions and pledges receivable as soon as amounts are deemed to be uncollectible.

**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**4. Fixed Assets:**

At December 31, 2011, fixed assets consist of:

Furniture, fixtures and equipment	\$337,128
Less: accumulated depreciation	<u>(108,322)</u>
	<u>\$228,806</u>

**5. Committed to Water Programs:**

Funding authorized but unpaid at year-end totaled \$10,472,362 and is reported as a liability. The entire amount is expected to be paid in the subsequent fiscal year.

As of June 1, 2012, charity: water has entered into multiple arrangements with various partners, committing \$2,227,787 of 2012 public donations to fund water programs in 6 countries.

**6. Contributions:**

charity: water's operating costs are underwritten by private donors, companies, and foundations that support the organization through unrestricted donations and in-kind gifts. 100% of the money raised through charity: water's public fundraising campaigns is restricted to directly fund water programs in developing nations. In 2011, charity: water funded programs in 15 countries – Bangladesh, Bolivia, Cambodia, Democratic Republic of Congo, Ethiopia, Guatemala, Honduras, India, Kenya, Liberia, Nepal, Malawi, Rwanda, Sierra Leone, and Tanzania. When completed, these programs can serve nearly 725,000 people with clean, safe drinking water.

charity: water received \$696,612 in donated securities in 2011. charity: water's policy is to sell donated securities upon receipt; therefore, such donations are immediately converted to cash and recorded as individual public support in the accompanying financial statements.

**7. Gifts in-Kind:**

charity: water received donated goods of \$106,274. Donations of such items are recorded as gift in-kind support at their estimated fair value at the date of donation. Donated goods are recorded as revenue and expense in the accompanying financial statements, and were allocated on a functional basis as follows: Program Services \$14,878; Management and General \$47,824; Development \$43,572.

charity: water also received donated food, drink, and event materials and equipment valued at \$119,369 in connection with the annual *charity: ball* and other supporter gatherings and events. These items are recognized as special event contributions and net direct benefit to donor (*charity: ball*) and as revenue and expense (other) in the accompanying financial statements.

charity: water creates video content and other digital media to engage the public and spread awareness about the global water crisis. In 2011, charity: water received \$984,835 of donated advertising space in connection with the educational piece, *Water Changes Everything*®. This amount was allocated on a functional basis to Program Services, and is recorded as revenue and expense at estimated fair value in the accompanying financial statements.

charity: water also received \$109,000 of donated traditional promotion and advertising. These placements were allocated on a functional basis to Development, and are recorded as revenue and expense at their estimated fair values in the accompanying financial statements.

**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**8. Donated Services and Use of Facilities:**

charity: water received donated international shipping, media consulting, legal, and accounting professional services valued at \$341,419. Donated professional services are recorded as revenue and expense in the accompanying financial statements at their estimated fair values, and were allocated on a functional basis as follows: Program Services \$69,546; Management and General \$142,331; Development \$129,542.

charity: water also received \$38,671 in professional entertainment and catering services in connection with the annual *charity: ball* and other supporter gatherings and events. These services are recognized as special event contributions and net direct benefit to donor (*charity: ball*) and as revenue and expense (other) at their estimated fair values in the accompanying financial statements.

charity: water uses storage space, without charge, at a local storage facility. The fair value of this space was estimated at \$15,012 for the year. Donated use of facilities is recorded as revenue and expense in the accompanying financial statements at its estimated fair rental value.

**9. Lease Commitments:**

charity: water leases office space under a 36-month lease which expires in August of 2012.

Estimated lease payments for the succeeding years are as follows:

**Year Ending December 31,**

2012	<u>\$44,100</u>
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Rent expense for the office space amounted to approximately \$68,050 in 2011.

**10. Net Assets Released from Restriction:**

In 2011, charity: water invested \$17,646,927 in water programs in 15 countries – Bangladesh, Bolivia, Cambodia, Democratic Republic of Congo, Ethiopia, Guatemala, Honduras, India, Kenya, Liberia, Nepal, Malawi, Rwanda, Sierra Leone, and Tanzania. When completed, these programs can serve nearly 725,000 people with clean, safe drinking water.

**11. Temporarily Restricted Net Assets:**

Temporarily restricted net assets are available for the following purposes:

Water programs - general	\$1,385,950
Water programs - Haiti	10,826
Water programs - C.A.R.	2,895
Time-restricted pledges	<u>4,544,329</u>
	<u>\$5,944,000</u>

**Charity Global, Inc.**  
**Notes to the Financial Statements**  
**December 31, 2011**

**12. Discontinued Operations:**

In order to maintain focus on the core US operation, effective December 10, 2010, the Board of Directors of Charity Global Limited UK voted to discontinue operations with the support of the Board of Directors and management of Charity Global, Inc.

As of December 31, 2011, Charity Global Limited UK is no longer in operation as an affiliate organization of charity: water. All 2011 activity was immaterial and related to the closing of accounts and settling of outstanding obligations and liabilities. The remaining net assets were both transferred to charity: water and invested in water programs in 2011.

**13. Subsequent Events:**

Management of charity: water has evaluated subsequent events through June 1, 2012, which is the date the financial statements were available to be issued.

In November of 2011, a corporate donor filed a civil lawsuit against charity: water concerning the implementation of a 2008-2009 water program in Kenya. Legal counsel was appointed by charity: water's liability insurance carrier, and legal counsel has advised management that no loss or other damages are expected as a result of this litigation.

**Charity Global, Inc.**  
**100% Model Schedule**  
**Organization to Date as of December 31, 2011**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Organization To Date</b>
Public donations to water programs	\$ 246,106	\$ 1,222,486	\$ 4,106,618	\$ 5,992,550	\$ 10,769,912	\$ 16,023,988	\$ 38,361,660
Investments in water programs	(13,679)	(932,367)	(4,320,222)	(5,439,218)	(8,609,576)	(17,646,927)	<u>(36,961,989)</u>
Cumulative net assets reserved for water programs							<u>\$ 1,399,671</u>

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>Organization To Date</b>
Private donations to operations	\$ 296,940	\$ 563,623	\$ 2,171,652	\$ 2,552,493	\$ 5,079,438	\$ 11,060,690	\$ 21,724,836
Interest income and other gains (losses)	81	8,551	(13,578)	(9,600)	31,474	27,926	44,854
Operating expenses	(166,292)	(467,939)	(909,418)	(1,501,118)	(2,814,203)	(3,769,469)	<u>\$ (9,628,439)</u>
Cumulative net assets reserved for operations							<u>\$ 12,141,251</u>

**Notes:**

1. In-kind donations are excluded as they represent non-cash transfers of goods or services affecting both revenue and expense.
2. charity: water hosts one public event per year to raise money for operations - the annual charity: ball.
3. Certain classifications of net assets are required for financial statement presentation in accordance with GAAP. Some of those classifications were modified here, in order to accurately depict sources and uses of cash designated for water programs and charity: water operations.
4. Operating expenses include all costs incurred by charity: water in the normal course of business other than direct investments in water programs. Such costs include all other program services, as well as all management and general and development costs.