

Financial Statements

Waterstep, Inc.

December 31, 2023 and 2022

Financial Statements

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

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Independent Auditors' Report

Board of Directors
Waterstep, Inc.
Louisville, Kentucky

Opinion

We have audited the accompanying financial statements of Waterstep, Inc. (formally Edge Outreach, Inc.) (the "Organization"), which comprise the statement of financial position as of December 31, 2023 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 Waterstep, Inc. as of December 31, 2023, 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 ("GAAP").

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 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements as of and for the year ended December 31, 2022 were audited by Strothman and Company, who merged with LBMC, PC as of November 1, 2023, and whose report dated June 1, 2023 expressed an unmodified opinion on those statements.

Change in Accounting Principle

As discussed in Note B, the Organization adopted the requirements of Financial Accounting Standards Board Accounting Standards Update No. 2016-013, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP; this includes 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 available to be issued.

Auditors' Responsibility 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.

LBMC, PC

Louisville, Kentucky
July 26, 2024

Statements of Financial Position

Waterstep, Inc. (formally Edge Outreach, Inc.)

	December 31	
	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,155,086	\$ 369,168
Restricted cash	120,184	171,648
Accounts receivable	88,496	8,399
Inventories	326,951	304,925
Prepaid expenses and other assets	19,823	15,897
Total Current Assets	1,710,540	870,037
Property and Equipment , net of accumulated depreciation	843,675	859,977
Other Intangible Assets , net of accumulated amortization of \$4,447 (2023) and \$3,358 (2022)	14,073	15,162
Total Assets	\$ 2,568,288	\$ 1,745,176
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 77,228	\$ 78,237
Current maturities of long-term debt	17,059	16,393
Total Current Liabilities	94,287	94,630
Long-Term Debt , less current maturities	227,454	244,509
Total Liabilities	321,741	339,139
Net Assets		
Without donor restriction	2,126,363	1,234,389
With donor restriction	120,184	171,648
Total Net Assets	2,246,547	1,406,037
Total Liabilities and Net Assets	\$ 2,568,288	\$ 1,745,176

See Notes to Financial Statements

Statements of Activities

Waterstep, Inc. (formally Edge Outreach, Inc.)

	Year Ended December 31, 2023			Year Ended December 31, 2022		
	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
Revenues and Support						
Program Service Revenues						
Product sales	\$ 334,875		\$ 334,875	\$ 415,657		\$ 415,657
Shoe program	160,743		160,743	120,450		120,450
Support						
Contributions	2,015,199	\$ 149,018	2,164,217	760,656	\$ 335,839	1,096,495
In-kind contributions	133,432		133,432	115,280		115,280
Grants		68,021	68,021		5,000	5,000
Fundraising events	\$ 136,427		\$ 138,848			
Less direct fundraising expenses	<u>38,929</u>		<u>39,710</u>			
Rental income	97,498		97,498	95,267	3,871	99,138
Miscellaneous income	34,894		34,894	24,600		24,600
	14,852		14,852	1,642		1,642
	<u>2,791,493</u>	<u>217,039</u>	<u>3,008,532</u>	<u>1,533,552</u>	<u>344,710</u>	<u>1,878,262</u>
Net Assets Released from Restrictions	<u>268,503</u>	<u>(268,503)</u>		<u>389,639</u>	<u>(389,639)</u>	
Total Revenues and Support	3,059,996	(51,464)	3,008,532	1,923,191	(44,929)	1,878,262
Expenses						
Program Services	1,759,062		1,759,062	1,584,854		1,584,854
General and administrative	241,847		241,847	150,855		150,855
Fundraising	<u>180,215</u>		<u>180,215</u>	<u>136,920</u>		<u>136,920</u>
Total Expenses	2,181,124		2,181,124	1,872,629		1,872,629
Other Income						
Interest income	<u>13,102</u>		<u>13,102</u>	<u>55</u>		<u>55</u>
Changes in Net Assets	891,974	(51,464)	840,510	50,617	(44,929)	5,688
Net Assets at Beginning of Year	<u>1,234,389</u>	<u>171,648</u>	<u>1,406,037</u>	<u>1,183,772</u>	<u>216,577</u>	<u>1,400,349</u>
Net Assets at End of Year	<u>\$ 2,126,363</u>	<u>\$ 120,184</u>	<u>\$ 2,246,547</u>	<u>\$ 1,234,389</u>	<u>\$ 171,648</u>	<u>\$ 1,406,037</u>

See Notes to Financial Statements

Statement of Functional Expenses

Waterstep, Inc. (formally Edge Outreach, Inc.)

Year Ended December 31, 2023

	Program Activities				Supporting Activities			Total Expenses
	Safe Water	Disaster Relief	Shoe Program	Program Subtotal	General and Administrative	Fundraising	Supporting Subtotal	
Salaries	\$ 337,769	\$ 114,719	\$ 99,668	\$ 552,156	\$ 143,591	\$ 101,267	\$ 244,858	\$ 797,014
Payroll taxes	18,958	6,836	7,001	32,795	10,452	7,105	17,557	50,352
Employee benefits	24,733	11,500	9,072	45,305	9,887	12,476	22,363	67,668
Total Salary and Related Expenses	381,460	133,055	115,741	630,256	163,930	120,848	284,778	915,034
Safe water supplies	344,562	37,645		382,207				382,207
Safe water products	356,434	11,684		368,118				368,118
Professional fees	690	230	230	1,150	34,000		34,000	35,150
Travel	21,191	1,872	1,983	25,046		5,467	5,467	30,513
Supplies			23,759	23,759				23,759
Printing and advertising	18,194	6,065	6,065	30,324		14,765	14,765	45,089
Meals	8,143	2,715	4,007	14,865				14,865
Postage and shipping	581	194	790	1,565	966	968	1,934	3,499
Insurance	10,270	3,423	3,423	17,116	5,019	958	5,977	23,093
Utilities	18,843	6,281	6,281	31,405	661	992	1,653	33,058
Building supplies and equipment	12,650	4,217	4,217	21,084	443	666	1,109	22,193
Service contracts	12,386	4,129	4,129	20,644	434	652	1,086	21,730
Auto expense	2,670	890	10,546	14,106	4,449	4,449	8,898	23,004
Banking and finance fees	2,550	850	850	4,250	5,155	3,514	8,669	12,919
Repairs and maintenance	2,910	970	970	4,850	103	153	256	5,106
Interest expense	6,051	2,017	2,017	10,085	213	318	531	10,616
Information technology	29,597	9,866	9,866	49,329	6,166	6,166	12,332	61,661
Office expense	7,685	2,562	2,562	12,809	10,976	9,629	20,605	33,414
Telephone expense	1,537	512	512	2,561	2,564	2,562	5,126	7,687
Depreciation	52,120	17,373	17,373	86,866	1,829	2,743	4,572	91,438
Amortization	1,089			1,089				1,089
Membership dues	2,963	988	988	4,939	4,939	4,939	9,878	14,817
Conferences and conventions	383	128	128	639		426	426	1,065
	\$ 1,294,959	\$ 247,666	\$ 216,437	\$ 1,759,062	\$ 241,847	\$ 180,215	\$ 422,062	\$ 2,181,124

See Notes to Financial Statements

Statement of Functional Expenses

Waterstep, Inc. (formally Edge Outreach, Inc.)

Year Ended December 31, 2022

	Program Activities				Supporting Activities			Total Expenses
	Safe Water	Disaster Relief	Shoe Program	Program Subtotal	General and Administrative	Fundraising	Supporting Subtotal	
Salaries	\$ 317,270	\$ 78,550	\$ 73,399	\$ 469,219	\$ 74,833	\$ 75,633	\$ 150,466	\$ 619,685
Payroll taxes	16,203	4,669	5,328	26,200	5,491	5,215	10,706	36,906
Employee benefits	19,785	7,267	3,466	30,518	4,804	8,241	13,045	43,563
Total Salary and Related Expenses	353,258	90,486	82,193	525,937	85,128	89,089	174,217	700,154
Safe water supplies	146,448	24,937		171,385				171,385
Safe water products	479,344	41,401		520,745				520,745
Professional fees	6,720	2,240	2,240	11,200	12,766		12,766	23,966
Travel	9,791	3,913	1,682	15,386	6,867		6,867	22,253
Supplies			13,768	13,768				13,768
Printing and advertising	13,919	4,640	4,640	23,199	2,378	17,932	20,310	43,509
Meals	8,818	2,939	3,514	15,271	-			15,271
Postage and shipping	608	203	1,077	1,888	1,013	1,013	2,026	3,914
Insurance	8,904	2,968	2,968	14,840	3,982	870	4,852	19,692
Utilities	18,631	6,210	6,210	31,051	654	981	1,635	32,686
Building supplies and equipment	8,696	2,899	2,899	14,494	304	458	762	15,256
Service contracts	10,319	3,440	3,440	17,199	361	543	904	18,103
Auto expense	619	206	8,982	9,807	1,031	1,031	2,062	11,869
Banking and finance fees	2,408	803	803	4,014	8,644		8,644	12,658
Repairs and maintenance	2,285	762	762	3,809	79	120	199	4,008
Interest expense	6,385	2,128	2,128	10,641	225	336	561	11,202
Information technology	27,776	9,259	9,259	46,294	5,786	5,787	11,573	57,867
Office expense	8,371	2,790	2,790	13,951	8,401	8,399	16,800	30,751
Telephone expense	1,495	498	498	2,491	2,492	2,491	4,983	7,474
Depreciation	60,438	20,146	20,146	100,730	2,121	3,181	5,302	106,032
Amortization	1,089			1,089				1,089
Loss on disposal of equipment	4,317	1,439	1,439	7,195	151	227	378	7,573
Membership dues	2,677	892	892	4,461	4,464	4,462	8,926	13,387
Conferences and conventions	2,405	802	802	4,009	4,008		4,008	8,017
	<u>\$ 1,185,721</u>	<u>\$ 226,001</u>	<u>\$ 173,132</u>	<u>\$ 1,584,854</u>	<u>\$ 150,855</u>	<u>\$ 136,920</u>	<u>\$ 287,775</u>	<u>\$ 1,872,629</u>

See Notes to Financial Statements

Statements of Cash Flows

Waterstep, Inc. (formally Edge Outreach, Inc.)

	Year Ended December 31	
	2023	2022
Cash Flows From Operating Activities		
Changes in net assets	\$ 840,510	\$ 5,688
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	91,438	106,032
Amortization	1,089	1,089
Loss on disposal of equipment		7,573
Changes in operating assets and liabilities		
Accounts receivable	(80,097)	66,142
Employee Retention Credit receivable		41,382
Inventory	(22,026)	(97,509)
Prepaid expenses and other assets	(3,926)	(1,024)
Accounts payable	(1,009)	61,284
Net Cash Provided By Operating Activities	825,979	190,657
Cash Flows From Investing Activity		
Purchases of property and equipment	(75,136)	(47,224)
Cash Flows From Financing Activity		
Net payments on long-term debt	(16,389)	(15,718)
Net Increase in Cash	734,454	127,715
Cash Beginning of Year	540,816	413,101
Cash at End of Year	\$ 1,275,270	\$ 540,816
Cash	\$ 1,155,086	\$ 369,168
Restricted cash	120,184	171,648
Cash at End of Year	\$ 1,275,270	\$ 540,816
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest	\$ 10,616	\$ 11,202

See Notes to Financial Statements

Notes to Financial Statements

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note A--Nature of Organization

Waterstep, Inc., (the "Organization") acting through its Board of Directors, operates as a not-for-profit organization established to empower ordinary people to provide safe water solutions, sanitation and basic needs to communities in need. The Organization is dependent on contributions from supporters and revenues from mission projects, product sales and community education and engagement program services. The Organization changed its name from Edge Outreach, Inc. to Waterstep, Inc. during 2023.

Note B--Summary of Significant Accounting Policies

Basis of Accounting--The financial statements of the Organization are prepared on the accrual basis of accounting. The *Accounting Standards Codification* ("ASC") as produced by the Financial Accounting Standards Board ("FASB") is the sole source of authoritative generally accepted accounting principles ("GAAP").

Basis of Presentation--The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The Organization classifies mission trip revenue as net assets with donor restrictions until the related mission trip is taken. The Organization reports contributions as support with donor restrictions if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, net assets with donor restrictions are reported in the statements of activities as net assets released from restrictions. Certain contributions and grants received and earned within the same year are recorded as support without donor restrictions in the accompanying statements of activities.

Use of Estimates--The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

Program Service Revenues and Accounts Receivable--The Organization sells water chlorination and sanitation devices and related materials. Items are recognized as revenue when shipped and the Organization records these amounts as receivables. Allowance for credit losses are determined based on historical collectability, knowledge of the creditor, and future economic conditions that may impact the Organization's ability to collect on the accounts receivable. The Organization does not anticipate any issues with collectability of accounts receivable, therefore an allowance for credit losses was not considered necessary at December 31, 2023 or 2022.

Continued

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note B--Summary of Significant Accounting Policies--Continued

Cash and Cash Equivalents--The Organization considers all short-term investments purchased with maturities of three months or less to be cash equivalents.

Inventories--Inventories of chlorination and sanitation devices and related materials are recorded at the lower of cost (average cost method) or net realizable value. Reserves for obsolete inventory are recorded when an impairment of value is identified. No reserves were recorded at December 31, 2023 or 2022.

Property and Equipment--Property and equipment is stated at cost if purchased, or at fair market value if donated. Depreciation is computed using the straight-line basis over the estimated useful lives of the assets. Renewals and betterments in excess of \$1,000 and that extend the economic useful lives of the related assets are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are reduced, and any gain or loss is included in the statements of activities. Estimated useful lives used for depreciation are as follows:

Automobiles and trucks	10 years
Equipment, furniture and fixtures	5-10 years
Buildings and Land improvements	15 years

Other Intangible Asset--The Organization has a patent-related intangible asset recorded on the statements of financial position. The patent was internally developed and carried at the legal and filing costs associated with obtaining and defending the patent. The patent is amortized on a straight-line basis over its estimated useful life at 17 years. Amortization expense was \$1,089 for the years ended December 31, 2023 and 2022.

Management evaluates the useful life of the patent-related intangible asset and reviews for potential impairment annually whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable.

Impairment of Long-Lived Assets--Management of the Organization reviews for the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss would be recognized when estimated future cash flows expected to result from the use of the asset and its eventual disposition, are less than its carrying amount. There were no charges for impairment of long-lived assets during 2023 or 2022.

Continued

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note B--Summary of Significant Accounting Policies--Continued

In-Kind Contributions--The Organization receives a substantial amount of services donated by volunteers, equipment, and supplies in carrying out the Organization's mission. Such in-kind contributions are recorded as support and program expenses in the accompanying statements of activities at their fair value, in accordance with GAAP. Contributed manufacturing labor is recorded at an hourly rate determined by average volunteer national and state hourly rates. Contributed manufacturing supplies and shipping are recorded at fair value based on the cost of comparable goods and services.

The Organization also receives some free non-technical services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities because these services do not meet the criteria for recording as in-kind support and expenses.

Income Taxes--The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 141.010(1)(f) of the Kentucky Revised Statutes. The Organization had no unrelated business income for the years ended December 31, 2023 and 2022. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization follows GAAP which prescribe a comprehensive model for how an organization should measure, recognize, present and disclose in its financial statements uncertain tax positions that an organization has taken or expects to take on a tax return. For the years ended December 31, 2023 and 2022, the Organization determined it did not have any uncertain tax positions and the Organization did not incur or accrue any associated interest or penalties related to those positions.

Contributions--Unconditional promises to give contributions are recognized as support when the donor makes a promise that is in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Management periodically reviews the collectability of promises to give, and any amounts where collection is questionable are reserved.

Advertising Costs--Advertising costs are expensed as incurred. Total advertising expense was \$45,089 and \$43,509 for the years ended December 31, 2023 and 2022, respectively.

Continued

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note B--Summary of Significant Accounting Policies--Continued

Functional Expenses--The costs of providing the various programs and other activities have been summarized in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management estimates the expense allocations based on the percentage of square footage or hours worked for the benefited programs or functions.

New Accounting Pronouncements--In June 2016, the Financial Accounting Standards Board issued guidance ("FASB ASC 326") which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable. Effective January 1, 2023, the Organization adopted the standard. The impact of adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

Subsequent Events--Management evaluated the activity of the Organization through July 26, 2024, the date the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Note C--Concentrations

The Organization maintains their cash accounts with two banks. The Federal Depository Insurance Corporation ("FDIC") insures these balances up to \$250,000 at each institution. At December 31, 2023 and 2022, the Organization's cash accounts exceeded its FDIC insurance by approximately \$900,000 and \$251,000, respectively.

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note D--Inventories

Inventories consist of the following:

	Year Ended December 31	
	2023	2022
Raw materials	\$ 94,965	\$ 125,115
Finished goods	231,986	179,810
	<u>\$ 326,951</u>	<u>\$ 304,925</u>

Note E--Property and Equipment

Property and equipment consists of the following:

	December 31	
	2023	2022
Land	\$ 40,320	\$ 40,320
Building	1,089,523	1,086,211
Furniture, fixtures, and equipment	377,254	330,429
Vehicles	42,802	42,802
	<u>1,549,899</u>	<u>1,499,762</u>
Less accumulated depreciation	731,224	639,785
	818,675	859,977
Construction-in-progress	25,000	
	<u>\$ 843,675</u>	<u>\$ 859,977</u>

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note F--Line of Credit

The Organization maintains a revolving line of credit with Republic Bank which allows for borrowings up to \$175,000 and expires in July 2025. Outstanding borrowings bear interest at the prime rate plus 0.5% (not to be less than 5.25%.) The bank's prime rate was 8.5% and 7.5% at December 31, 2023 and 2022, respectively. The line of credit is collateralized by the Organization's building. There were no outstanding borrowings on the line of credit as of December 31, 2023 and 2022.

Note G--Long-Term Debt

Long-term debt consists of the following:

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Note payable to Republic Bank, requiring monthly principal and interest payments of \$2,244 through May 2030; interest at 4.10%; collateralized by the building	\$ 244,513	\$ 260,902
Less current maturities	<u>17,059</u>	<u>16,393</u>
	<u>\$ 227,454</u>	<u>\$ 244,509</u>

Future minimum payments are as follows:

<u>Year Ending December 31</u>	
2024	\$ 17,059
2025	17,810
2026	18,564
2027	19,351
2028	20,151
Thereafter	<u>151,578</u>
	<u>\$ 244,513</u>

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note H--Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for specified purposes as follows:

	December 31	
	2023	2022
Restricted for Specified Purposes:		
Disaster relief	\$ 111,473	\$ 92,989
Mission projects	7,652	47,600
Equipment		30,000
Miscellaneous	1,059	1,059
	<u>\$ 120,184</u>	<u>\$ 171,648</u>

Note I--Liquidity and Availability of Financial Assets

The Organization's major sources of support are corporate grants and contributions, and even though this support can fluctuate significantly from year to year, the Organization has a strong cash position to cover its monthly financial obligations.

Continued

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note I--Liquidity and Availability of Financial Assets--Continued

The following table 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 because of contractual or donor-imposed restrictions or internal designations.

	December 31	
	2023	2022
Cash	\$ 1,155,086	\$ 369,168
Restricted cash	120,184	171,648
Accounts receivable, to be collected in less than one year	88,496	8,399
	<hr/>	<hr/>
Total Financial Assets, Excluding Noncurrent Receivables	1,363,766	549,215
Less those unavailable for general expenditure within one year, due to:		
Donor restricted for disaster relief	(111,473)	(92,989)
Donor restricted for mission projects	(7,652)	(47,600)
Donor restricted for the purchase of equipment		(30,000)
Donor restricted for miscellaneous projects	(1,059)	(1,059)
	<hr/>	<hr/>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 1,243,582</u>	<u>\$ 377,567</u>

Note J--Retirement Plan

The Organization has a Simplified Employee Pension ("SEP") Individual Retirement Account covering all full-time employees. The Organization can provide discretionary contributions each year to the individual retirement account or individual retirement annuity ("IRA"). No employer contributions were incurred for the year ended December 31, 2023 or December 31, 2022.

Notes to Financial Statements--Continued

Waterstep, Inc. (formally Edge Outreach, Inc.)

December 31, 2023 and 2022

Note K--In-Kind Contributions

Amounts recorded as in-kind contributions consisted of the following:

	December 31		
	2023	2022	Usage
Manufacturing labor	\$ 115,825	\$ 110,000	Volunteer hours are used for the manufacturing of safe water products
Manufacturing supplies	<u>17,607</u>	<u>5,280</u>	Manufacturing of safe water products
	<u><u>\$ 133,432</u></u>	<u><u>\$ 115,280</u></u>	

No in-kind contributions were restricted.