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SURGE FOR WATER, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2017

eder, casella & co.

SURGE FOR WATER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Surge for Water, Inc.
Chicago, Illinois

We have audited the accompanying financial statements of

Surge for Water, Inc.
(a nonprofit organization)

which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Surge for Water, Inc. as of December 31, 2017, and the changes in its net assets, cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
November 13, 2018

SURGE FOR WATER, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS	
Cash and Cash Equivalents	\$ 126,690
Total Current Assets	<u>\$ 126,690</u>
 TOTAL ASSETS	 <u><u>\$ 126,690</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Payroll Liabilities	\$ 1,040
Total Current Liabilities	<u>\$ 1,040</u>
 NET ASSETS	
Unrestricted	\$ 125,650
Total Net Assets	<u>\$ 125,650</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 126,690</u></u>

The Notes to Financial Statements are an integral part of this statement.

SURGE FOR WATER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2017

		Unrestricted
REVENUES, GAINS, AND OTHER SUPPORT		
Support		
Contributions		\$ 135,163
Sponsorships		84,096
Special Events		
Special events revenue	\$ 48,807	
Special events contributions	32,692	
Special events sponsorships	12,143	
Special events expenses	(46,043)	
Special events revenue, net of expenses		47,599
TOTAL REVENUE		\$ 266,858
EXPENSES		
Program Services		
Direct Support for Field Project	\$ 171,832	
Other Project Related Expenses	10,867	
Total Program Service Expenses		\$ 182,699
Supporting Services		
Management and General Expenses		51,881
Fundraising Expenses		8,314
TOTAL EXPENSES		\$ 242,894
CHANGE IN NET ASSETS		\$ 23,964
NET ASSETS AT BEGINNING OF YEAR		101,686
NET ASSETS AT END OF YEAR		\$ 125,650

The Notes to Financial Statements are an integral part of this statement.

SURGE FOR WATER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Supporting Services				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries and Wages	\$ -	\$ 43,800	\$ -	\$ 43,800	\$ 43,800
Payroll Expenses	-	3,679	-	3,679	3,679
Professional Fees	-	1,299	-	1,299	1,299
Dues and Subscriptions	-	173	3,397	3,570	3,570
Bank charges and credit card fees	621	-	4,867	4,867	5,488
Computer expenses	-	1,443	-	1,443	1,443
Direct support for field project partners	171,832	-	-	-	171,832
Meals	-	353	-	353	353
Other field project expenses	124	82	-	82	206
Postage and printing	24	103	-	103	127
Program promotion	-	728	50	778	778
Supplies	540	221	-	221	761
Travel	9,558	-	-	-	9,558
	<u>\$ 182,699</u>	<u>\$ 51,881</u>	<u>\$ 8,314</u>	<u>\$ 60,195</u>	<u>\$ 242,894</u>

The Notes to Financial Statements are an integral part of this statement.

SURGE FOR WATER, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 23,964
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities	
Increase/(Decrease) in Liabilities	
Payroll Liabilities	1,040
Net Cash Flows Provided/(Used) by Operating Activities	<u>\$ 25,004</u>
 NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	 \$ 25,004
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>101,686</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>\$ 126,690</u></u>

The Notes to Financial Statements are an integral part of this statement.

SURGE FOR WATER, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Surge for Water, Inc. (Organization), is an Illinois not-for-profit corporation formed in 2012. The Organization's purpose is to fund projects that provide access to safe water, sanitation and hygiene; to engage, educate and empower communities around the world; and to invest in innovation that drive sustainable solutions.

The Organization is supported primarily from private donors, sponsorships and fundraising.

Basis of Accounting and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles for not-for-profit organizations. Accordingly, all significant receivables, payables, and other liabilities have been reflected. Additionally, revenue is recognized when earned and expenses are recognized when incurred. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.
- Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as Net Assets Released from Restrictions. At December 31, 2017, the Organization had no temporarily restricted net assets.
- Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. At December 31, 2017, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of these financial statements, cash and cash equivalents are considered to be cash on hand, checking accounts, savings accounts, money market accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents are accounted for at cost, which equals market.

Donated Services

Contributions of donated services that create or enhance non-financial assets, or that require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the Statement of Activities. All direct expenses have been allocated to program expenses. In addition, various indirect expenses have been allocated to program services using percentages as determined by management.

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.

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization maintains its cash accounts at local financial institutions. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2017 all deposits were covered by federal depositing insurance.

NOTE 3 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 13, 2018, the date the financial statements were available to be issued.