

Audited Financial Statements

**Water to Thrive**

*For the Years Ended December 31, 2024 and 2023  
With Independent Auditor's Report*

# **Water to Thrive**

## **Audited Financial Statements**

*For the Years Ended December 31, 2024 and 2023*

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## Independent Auditor's Report

To the Board of Directors of  
Water to Thrive  
Austin, Texas

### Opinion

We have audited the accompanying financial statements of Water to Thrive (the "Organization") (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Water to Thrive as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's 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.

### 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 within one year after the date that the financial statements are available to be issued.

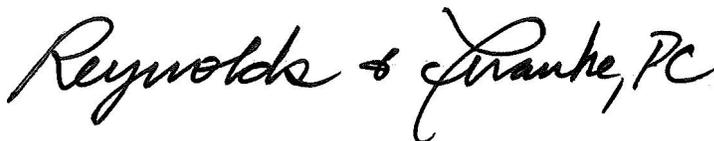
## Auditor's Responsibilities for the Audit of the Financial Statements

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, 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.



Austin, Texas  
August 15, 2025

## **Audited Financial Statements**

## Water to Thrive

### Statements of Financial Position

*December 31, 2024 and 2023*

	2024	2023
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 333,721	\$ 380,446
Trust receivable with donor restrictions - current	38,831	38,831
Contributions receivable	90	-
Other receivables	1,084	3,656
Contributions receivable with donor restrictions	23,620	92,428
Accrued interest receivable	180	7,617
Inventory	5,202	5,622
Prepaid expenses and other current assets	23,981	29,089
Total current assets	426,709	557,689
Cash and cash equivalents with donor restrictions	329,332	39,540
Investments with donor restrictions	125,175	375,179
Endowment Fund	1,109,413	711,117
Trust receivable with donor restrictions - noncurrent	72,173	106,365
Property and equipment, net (see Note 5)	-	-
Operating right-of-use assets	34,744	57,816
Other noncurrent assets	27,957	53,532
Total assets	\$ 2,125,503	\$ 1,901,238
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 14,055	\$ 10,520
Accrued liabilities	68,712	108,038
Deferred revenue	-	4,340
Operating lease liability - current	24,348	23,072
Notes payable - current	3,574	3,757
Total current liabilities	110,689	149,727
Operating lease liability - noncurrent	10,396	34,744
Notes payable - noncurrent	137,948	141,498
Total liabilities	259,033	325,969
<b>Net Assets</b>		
Without donor restrictions	313,783	241,098
With donor restrictions	1,552,687	1,334,171
Total net assets	1,866,470	1,575,269
Total liabilities and net assets	\$ 2,125,503	\$ 1,901,238

*The accompanying notes are an integral part of these financial statements.*

## Water to Thrive

### Statement of Activities

*For the Year Ended December 31, 2024*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and other support:			
Contributions	\$ 384,181	\$ 1,250,356	\$ 1,634,537
Investment earnings	129,582	-	129,582
Other	12,159	-	12,159
Change in value of split-interest agreement	-	5,808	5,808
Total revenues and other support	525,922	1,256,164	1,782,086
Special events:			
Special events revenues	21,085	-	21,085
Special events expenses	(1,320)	-	(1,320)
Special events, net	19,765	-	19,765
Merchandise sales:			
Gross sales	958	-	958
Cost of goods sold	(828)	-	(828)
Merchandise sales, net	130	-	130
Net assets released from donor restrictions	1,037,648	(1,037,648)	-
Total revenues, support, and reclassifications	1,583,465	218,516	1,801,981
Expenses:			
Program services	1,176,464	-	1,176,464
Fundraising	200,391	-	200,391
Management and general	133,925	-	133,925
Total expenses	1,510,780	-	1,510,780
Total change in net assets	72,685	218,516	291,201
Net assets, beginning of the year	241,098	1,334,171	1,575,269
Net assets, end of the year	\$ 313,783	\$ 1,552,687	\$ 1,866,470

*The accompanying notes are an integral part of these financial statements.*

# Water to Thrive

## Statement of Activities

*For the Year Ended December 31, 2023*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Revenues and other support:			
Contributions	\$ 353,081	\$ 1,251,039	\$ 1,604,120
Investment earnings	78,818	-	78,818
Change in value of split-interest agreement	-	7,123	7,123
Other	4,200	-	4,200
Total revenues and other support	436,099	1,258,162	1,694,261
Special events:			
Special events revenues	55,788	-	55,788
Special events expenses	(697)	-	(697)
Special events, net	55,091	-	55,091
Merchandise sales:			
Gross sales	2,068	-	2,068
Cost of goods sold	(1,543)	-	(1,543)
Merchandise sales, net	525	-	525
Net assets released from donor restrictions	905,970	(905,970)	-
Total revenues, support, and reclassifications	1,397,685	352,192	1,749,877
Expenses:			
Program services	1,038,984	-	1,038,984
Fundraising	151,592	-	151,592
Management and general	90,116	-	90,116
Total expenses	1,280,692	-	1,280,692
Total change in net assets	116,993	352,192	469,185
Net assets, beginning of the year	124,105	981,979	1,106,084
Net assets, end of the year	\$ 241,098	\$ 1,334,171	\$ 1,575,269

*The accompanying notes are an integral part of these financial statements.*

## Water to Thrive

### Statement of Functional Expenses

*For the Year Ended December 31, 2024*

	Supporting Services					Total
	Program Services	Fundraising	Direct Benefits to Donors	Cost of Goods Sold	Management & General	
Salaries	\$ 150,950	\$ 114,842	\$ -	\$ -	\$ 62,263	\$ 328,055
Payroll taxes	11,956	9,013	-	-	4,946	25,915
Employee benefits	7,940	4,794	-	-	2,248	14,982
Water projects	969,285	10,863	-	-	-	980,148
Office	14,513	4,560	-	-	32,551	51,624
Professional fees	-	18,077	-	-	10,000	28,077
Operating lease expense	11,282	8,420	-	-	3,370	23,072
Bank service charges	-	-	-	-	11,310	11,310
Conferences and conventions	-	10,582	-	-	-	10,582
Promotional	5,604	2,402	1,320	828	-	10,154
Travel and entertainment	1,053	6,719	-	-	-	7,772
Printing	-	5,915	-	-	-	5,915
Interest expense	-	-	-	-	4,327	4,327
Postage and shipping	515	1,417	-	-	644	2,576
Website	1,459	972	-	-	-	2,431
Utilities	854	641	-	-	285	1,780
Insurance	-	-	-	-	1,634	1,634
Dues and subscriptions	491	613	-	-	123	1,227
Marketing	562	561	-	-	-	1,123
Other	-	-	-	-	224	224
<b>Total expenses</b>	<b>1,176,464</b>	<b>200,391</b>	<b>1,320</b>	<b>828</b>	<b>133,925</b>	<b>1,512,928</b>
Less expenses included with revenues on the statements of activities	-	-	(1,320)	(828)	-	(2,148)
<b>Total expenses included in the expenses section of the statements of activities</b>	<b>\$ 1,176,464</b>	<b>\$ 200,391</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 133,925</b>	<b>\$ 1,510,780</b>
Percentage of total expenses	<b>78%</b>	<b>13%</b>	<b>0%</b>	<b>0%</b>	<b>9%</b>	<b>100%</b>

*The accompanying notes are an integral part of these financial statements.*

## Water to Thrive

### Statement of Functional Expenses

*For the Year Ended December 31, 2023*

	<b>Supporting Services</b>					<b>Total</b>
	<b>Program Services</b>	<b>Fundraising</b>	<b>Direct Benefits to Donors</b>	<b>Cost of Goods Sold</b>	<b>Management &amp; General</b>	
Salaries	\$ 120,024	\$ 110,793	\$ -	\$ -	\$ 60,204	\$ 291,021
Payroll taxes	9,327	8,613	-	-	4,681	22,621
Employee benefits	7,871	4,580	-	-	1,859	14,310
Water projects	865,970	-	-	-	-	865,970
Operating lease expense	10,030	8,553	-	-	3,271	21,854
Office	11,470	3,486	-	-	1,995	16,951
Bank service charges	5,950	3,966	-	-	70	9,986
Professional fees	-	600	-	-	9,000	9,600
Promotional	3,038	868	-	1,543	434	5,883
Interest expense	-	-	-	-	4,588	4,588
Travel and entertainment	-	2,981	-	-	-	2,981
Postage and shipping	596	1,638	-	-	744	2,978
Dues and subscriptions	1,521	1,170	-	-	234	2,925
Other	167	1,665	697	-	238	2,767
Website	1,324	883	-	-	-	2,207
Insurance	-	-	-	-	2,129	2,129
Printing	337	928	-	-	422	1,687
Utilities	629	503	-	-	125	1,257
Marketing	730	365	-	-	122	1,217
<b>Total expenses</b>	<b>1,038,984</b>	<b>151,592</b>	<b>697</b>	<b>1,543</b>	<b>90,116</b>	<b>1,282,932</b>
Less expenses included with revenues on the statements of activities	-	-	(697)	(1,543)	-	(2,240)
<b>Total expenses included in the expenses section of the statements of activities</b>	<b>\$ 1,038,984</b>	<b>\$ 151,592</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 90,116</b>	<b>\$ 1,280,692</b>
Percentage of total expenses	81%	12%	0%	0%	7%	100%

*The accompanying notes are an integral part of these financial statements.*

# Water to Thrive

## Statements of Cash Flows

*For the Years Ended December 31, 2024 and 2023*

	2024	2023
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 291,201	\$ 469,185
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Amortization of discount on trust receivable	(5,808)	(7,123)
Amortization of operating right-of-use assets	23,072	21,854
Unrealized gains	(125,044)	(47,064)
(Increase) decrease in operating assets:		
Contributions receivable	(90)	4,360
Other receivables	2,572	(2,467)
Contributions receivable with donor restrictions	68,808	(92,428)
Accred interest receivable	7,437	(7,617)
Inventory	420	1,184
Trust receivable with donor restrictions	40,000	40,000
Prepaid expenses and other current assets	5,108	(23,671)
Other noncurrent assets	25,575	-
Increase (decrease) in operating liabilities:		
Accounts payable	3,535	2,034
Accrued liabilities	(39,326)	59,609
Deferred revenue	(4,340)	3,340
Operating lease liability	(23,072)	(21,854)
Net cash provided by operating activities	270,048	399,342
<b>Cash flows from investing activities</b>		
Purchases of investments	(130,000)	(375,000)
Sales of investments	378,768	500,677
Endowment Fund purchases	(299,228)	(508,894)
Endowment Fund sales	27,212	3,824
Net cash used in investing activities	(23,248)	(379,393)
<b>Cash flows from financing activities</b>		
Principal payments on notes payable	(3,733)	(3,654)
Net cash used in financing activities	(3,733)	(3,654)
Net change in cash and cash equivalents	243,067	16,295
Cash and cash equivalents, beginning of the year	419,986	403,691
Cash and cash equivalents, end of the year	\$ 663,053	\$ 419,986
<b>Cash and cash equivalents consists of the following:</b>		
Cash and cash equivalents	\$ 333,721	\$ 380,446
Cash and cash equivalents with donor restrictions	329,332	39,540
Total cash and cash equivalents	663,053	419,986
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 3,959	\$ 4,588

*The accompanying notes are an integral part of these financial statements.*

# Water to Thrive

## Notes to Financial Statements

*For the Years Ended December 31, 2024 and 2023*

### **Note 1 – Summary of Significant Accounting Policies**

#### **Nature of Activities**

Water to Thrive (the “Organization”), was established in 2008. The Organization is a nonprofit organization whose mission is to provide freshwater wells to impoverished areas in developing countries through non-governmental organizations and partners. The Organization is dedicated to spreading awareness of the global water crisis while raising funds needed to construct water wells for those who need them in rural Africa. The Organization’s revenues are primarily generated from individual contributions and special events.

The mission is accomplished by:

- In the US, the Organization works with individuals, churches, corporate offices, and schools to raise funds.
- The Organization then partners with African non-governmental organizations to implement water work.

#### **Basis of Accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recorded in the accounting period incurred.

#### **Basis of Presentation**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Financial statements presentation follows the recommendations of the *Not-for-Profit Entities* Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC 958). Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – These types of net assets are not subject to donor-imposed stipulations. This also includes net assets with Board designations for specific purposes, since these Board designations may be reversed by the Board of Directors at any time in the future.

Net assets with donor restrictions – These types of net assets are subject to donor-imposed stipulations, which limit their use by the Organization, either permanently or temporarily, to a specific purpose and/or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

# Water to Thrive

## Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Use of Estimates**

The preparation of financial statements 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 and expenses during the reporting periods. Actual results could differ from these estimates.

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

#### **Other Receivables**

Other receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with clients having outstanding balances and current relationships with them, it has concluded that credit losses on outstanding balances at December 31, 2024 and 2023 will be immaterial.

#### **Contributions Receivable**

Contributions receivable are recognized as revenues when the donor's commitment is received. The Organization has not set up an allowance for uncollectible contributions receivable as of December 31, 2024 and 2023, because management estimated that the contributions receivable are collectible, and write-offs are historically unusual and small.

#### **Charitable Lead Trust Receivable**

The Organization's beneficial interest in a charitable lead unitrust was recorded as net assets with donor restrictions when the Organization was notified of the trust's existence. The assets for the contribution receivable from the trust consist of investments that are held and managed by a trustee. The Organization has no control over those assets. The contribution receivable is reported at fair value, which is estimated using an income approach based on assumptions developed by the Organization about the future distributions it will receive from the trust. Changes in the fair value of the contribution receivable are reflected in the net assets with donor restrictions. Distributions from the trust are reflected as reductions in the contribution receivable and reclassifications from net assets with donor restrictions to net assets without donor restrictions.

#### **Inventory**

Inventories consist of coffee, clothing and jewelry and are valued at the lower of cost or market on a first-in, first-out basis.

# Water to Thrive

## Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Investments**

Investments are stated at fair value. Realized and unrealized gains and losses are reported in the statements of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

#### **Property and Equipment**

Property and equipment are stated at cost, if purchased, and at fair market value at date of gift, if received by donation. The Organization capitalizes assets with cost/fair value of \$1,000 or more and a useful life of more than one year. Provision has been made for depreciation of property and equipment using the straight-line method over an estimated useful life of three years. Upon the sale or retirement of depreciable assets, the related cost and accumulated depreciation are removed from the account. Any gain or loss on the sale or retirement is recognized in current operations.

#### **Federal Income Taxes**

Water to Thrive is a nonprofit organization exempt from Federal income taxes on their operating income under Section 501(c)(3) of the Internal Revenue Code, except to the extent of unrelated business income, if any.

The most significant tax positions of the Organization are its assertion that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business income tax (UBIT). Management has determined that the Organization had activities subject to UBIT in the years ended December 31, 2024 and 2023. For the years ended December 31, 2024 and 2023, the Organization had deductible expenses in excess of unrelated business income and thus incurred no UBIT. All significant tax positions have been considered by management and it has determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

The Organization is required to file Form 990 (Return of Organization Exempt from Income Tax) annually and the Form 990-T (Exempt Organization Business Income Tax Return) in years in which the Organization is subject to UBIT. All tax returns are subject to examination by the Internal Revenue Service (IRS), generally up to three years from the later of the original due date or the date the tax return was filed. The Forms 990 for the years ended December 31, 2023, 2022, and 2021 and Forms 990-T for the years ended December 31, 2023, 2022, and 2021 are open to examination by the IRS as of December 31, 2024.

#### **Reclassifications**

Certain 2023 amounts have been reclassified to conform to the 2024 financial statements presentation. These reclassifications have no effect on the 2023 reported change in net assets.

# Water to Thrive

## Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Contributions**

Contributions received are recorded as increases in activities with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for use without donor restrictions unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the donor restriction. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from donor restrictions.

#### **Leases**

Management reviews contracts to identify leases and properly classify leases as either operating or finance. Operating right-of-use (ROU) liabilities are recognized based on the net present value of lease payments over the lease term at the commencement date of the lease, and are reduced by payments made on each lease on the straight-line basis. Since most of the leases do not provide an implicit rate of return, the Organization uses its incremental borrowing rate based on information available at the commencement date of the lease in determining the present value of lease payments. Therefore, the Organization generally uses its incremental borrowing rate as the discount rate for the lease. The Organization's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments using similar terms.

If a lease contains a renewal option at the commencement date and management considers it reasonably certain that the option will be exercised to renew the lease, the renewal option payments are included in the determination of the ROU assets and lease liabilities. Leases with an initial term of 12 months or less are not recorded on the statements of financial position; rather, rent expense for these short-term leases is recognized on a straight-line basis over the lease term, or when incurred if a month-to-month lease.

All lease agreements generally require the Organization to pay maintenance, repairs, property taxes, and insurance costs, which are variable amounts based on actual costs incurred during each applicable period. Such costs are not included in the determination of the ROU lease liability or ROU lease asset.

Variable lease payments associated with the Organization's leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented in expenses in the statements of activities.

# Water to Thrive

## Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

### **Note 1 – Summary of Significant Accounting Policies (continued)**

#### **Functional Allocation of Expenses**

The expense information contained in the statements of activities is presented on a functional basis. Accordingly, certain expenses are allocated among the programs and supporting services benefited. Expenses which cannot be specifically identified have been allocated based on management's best estimate of usage. Salaries, payroll taxes, and employee benefits are allocated based on estimated time spent by the employees for each function. Operating lease expense is allocated based on the estimated space usage. Depreciation is allocated on estimated usage in each function.

#### **Date of Management's Review**

These financial statements considered subsequent events through August 15, 2025, the date the financial statements were available to be issued.

### **Note 2 – Concentration of Risk**

Financial instruments which potentially subject the Organization to credit risk principally consist of cash and cash equivalents and investments. To minimize this risk, the Organization places its temporary cash investments with high credit quality financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) and the Securities Investor Protection Corporation (SIPC). Effective January 1, 2013, deposit insurance coverage by the FDIC changed to \$250,000 per bank per entity for all interest bearing and non-interest bearing accounts. Securities are protected by the SIPC which currently protects brokerage accounts up to \$500,000 in securities. At December 31, 2024 and 2023, the Organization had \$1,513,034 and \$841,141, respectively, in uninsured balances. The Organization has not experienced any losses in such accounts in the past.

### **Note 3 – Charitable Lead Trust**

During 2012, a donor established a trust with a bank naming the Organization as the lead beneficiary of a charitable lead unitrust. Under terms of the split-interest agreement, the Organization is to receive an annual distribution equal to \$40,000 for 15 years beginning in 2013. On an annual basis, the Organization remeasures the estimated fair value of the contribution receivable based on an applicable discount rate of 4%. The Organization received \$40,000 from the trust during each of the years ended December 31, 2024 and 2023, which was recorded as a reduction in the receivable and a corresponding reclassification from net assets with donor restrictions to net assets without donor restrictions.

## Water to Thrive

### Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

#### Note 3 – Charitable Lead Trust (continued)

Future payments from the charitable lead trust at December 31, 2024 are as follows:

2025	\$	40,000
2026		40,000
2027		40,000
		<u>120,000</u>
Discount to present value		<u>(8,996)</u>
Total	\$	<u>111,004</u>

#### Note 4 – Contributions Receivable

The summary of contributions receivable (including contributions receivable with donor restrictions) as of December 31, 2024 and 2023 is as follows:

	2024	2023
Due in less than one year	<u>\$ 23,710</u>	<u>\$ 92,428</u>
Total	<u>\$ 23,710</u>	<u>\$ 92,428</u>

#### Note 5 – Investments

At December 31, 2024 and 2023, investments consist of the following:

	2024	2023
Certificates of deposit	<u>\$ 125,175</u>	<u>\$ 375,179</u>
Total	<u>\$ 125,175</u>	<u>\$ 375,179</u>

#### Note 6 – Water to Thrive Endowment Fund

The Organization established a permanent endowment fund (the “Fund”) in February 2021 with Thrivent Charitable Impact & Investing. The purpose of the Fund is to encourage its members and supporters to make legacy gifts to the Fund and to create a stable and growing source of revenue to support the Organization’s mission. The Fund is a permanent investment fund for the Organization’s long-term security. Donor contributions make up the principal and are invested in a diversified portfolio. The investment earnings are held without donor restrictions and are distributed upon advisement by the Endowment Committee and approved by the Organization’s Board of Directors.

## Water to Thrive

### Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

#### Note 6 – Water to Thrive Endowment Fund (continued)

The activity and the balance of the Fund during the years ended December 31, 2024 and 2023 are summarized as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Fund at December 31, 2022	\$ (21,045)	\$ 182,085	\$ 161,040
Contributions	-	499,743	499,743
Interest and dividends	9,151	-	9,151
Gains	45,007	-	45,007
Fees and expenses	(3,824)	-	(3,824)
Fund at December 31, 2023	\$ 29,289	\$ 681,828	\$ 711,117
Contributions	-	<b>299,228</b>	<b>299,228</b>
Grants	-	<b>(17,500)</b>	<b>(17,500)</b>
Gains	<b>126,280</b>	-	<b>126,280</b>
Fees and expenses	<b>(9,712)</b>	-	<b>(9,712)</b>
Fund at December 31, 2024	<b>\$ 145,857</b>	<b>\$ 963,556</b>	<b>\$ 1,109,413</b>

From time to time, certain donor-restricted endowment funds may have fair values that are less than the amount required to be maintained by donors or by law (underwater endowments).

#### Note 7 – Property and Equipment

At December 31, 2024 and 2023, property and equipment consist of the following:

	2024	2023
Computer equipment	\$ 7,330	\$ 7,330
Website	8,000	8,000
Less: accumulated depreciation	<b>(15,330)</b>	<b>(15,330)</b>
Property and equipment, net	\$ -	\$ -

For the years ended December 31, 2024 and 2023 the Organization had no depreciation expense.

#### Note 8 – Contract Liabilities

At December 31, 2024, 2023, and 2022, the Organization's contract liabilities consisted of the following:

	2024	2023	2022
Deferred Revenue:			
Mission travel income	\$ -	\$ 4,300	\$ 1,000
Other	-	40	-
Total	<b>\$ -</b>	<b>\$ 4,340</b>	<b>\$ 1,000</b>

## Water to Thrive

### Notes to Financial Statements (continued)

For the Years Ended December 31, 2024 and 2023

#### Note 9 – Notes Payable

On June 17, 2020, the Organization received a \$150,000 Economic Injury Disaster Loan (“EIDL loan”) from the Small Business Administration (SBA). The proceeds from the EIDL loan are for working capital purposes. The EIDL loan has a term of 30 years and accrues interest at the rate of 2.75% per annum. Monthly payments of principal and interest of \$641 was set to begin in June 2021. The SBA has issued an automatic payment deferral of 30 months after the date of the note. However, the Organization began making payments of \$641 in August 2021 towards accrued interest. As of December 31, 2024 and 2023, the EIDL loan balance was \$141,522 and \$145,255, respectively.

Future maturities of the notes payable at December 31, 2024 are as follows:

2025	\$	3,574
2026		3,956
2027		4,066
2028		4,179
2029		4,295
Thereafter		121,452
Total	\$	<u>141,522</u>

#### Note 10 – Lease Commitments

The Organization has entered into an operating lease agreement for office space which expires at May 2026.

The following summarizes the line items in the statements of financial position for the operating leases as of December 31, 2024 and 2023:

Operating leases:	<b>2024</b>	<b>2023</b>
Operating right-of-use assets	<u>\$ 34,744</u>	<u>\$ 57,816</u>
Operating lease liability – current	\$ 24,348	\$ 23,072
Operating lease liability – noncurrent	<u>10,396</u>	<u>34,744</u>
Total operating lease liabilities	<u>\$ 34,744</u>	<u>\$ 57,816</u>

The following summarizes the weighted-average remaining operating lease term and discount rate as of December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Weighted-average remaining lease term:		
Operating leases	<b>1.42 years</b>	2.42 years
Weighted-average discount rate:		
Operating leases	<b>0.81%</b>	0.81%

## Water to Thrive

### Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

#### Note 10 – Lease Commitments (continued)

Future minimum lease payments to be paid on these operating leases are due as follows:

<i>Year Ending December 31,</i>	<b>Undiscounted Cash Flows</b>	<b>Interest</b>	<b>Discounted Cash Flows</b>
2025	\$ 24,524	\$ (176)	\$ 24,348
2026	10,410	(14)	10,396
Total	\$ 34,934	\$ (190)	\$ 34,744

The following summarizes the line items in the statements of functional expense which include the components of operating lease costs for the years ended December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Operating lease expense	\$ 23,072	\$ 21,854
Interest expense includes		
interest on operating lease liability	368	550
Total operating lease costs	\$ 23,440	\$ 22,404

The following summarizes cash flow information related to operating leases for the years ended December 31, 2024 and 2023:

	<b>2024</b>	<b>2023</b>
Cash paid for amounts included in the measurement of operating lease liabilities:		
Operating cash flows from operating leases	\$ 23,440	\$ 22,404

#### Note 11 – Fair Value Disclosures

The Organization follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, whose provisions relate to the Organization’s financial assets and liabilities be carried at fair value and the Organization’s fair value disclosures related to financial assets and liabilities. FASB ASC 820 defines fair value, expands related disclosure requirements, and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the measures of fair value.

Guidance provided by the FASB defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, a fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described on the following page:

# Water to Thrive

## Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

### Note 11 – Fair Value Disclosures (continued)

Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access at the measurement date. The type of investments included in Level 1 includes listed equities and listed derivatives.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methods used may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2024.

The following tables set forth by level, within the fair value hierarchy, the Organization's trust receivable, investments, and Endowment Fund at fair value as of December 31, 2024 and 2023:

<b>Description</b>	<b>Fair Value Measurements Using:</b>			
	<b>2024 Fair Value</b>	<b>Quoted Prices in Active Markets for Identical (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Charitable lead trust receivable	\$ 111,004	\$ -	\$ -	\$ 111,004
Endowment Fund	1,109,413	-	1,109,413	-
Certificates of deposit	125,175	125,175	-	-
<b>Total</b>	<b>\$ 1,345,592</b>	<b>\$ 125,175</b>	<b>\$ 1,109,413</b>	<b>\$ 111,004</b>

<b>Description</b>	<b>Fair Value Measurements Using:</b>			
	<b>2023 Fair Value</b>	<b>Quoted Prices in Active Markets for Identical (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
Charitable lead trust receivable	\$ 145,196	\$ -	\$ -	\$ 145,196
Endowment Fund	711,117	-	711,117	-
Certificates of deposit	375,179	375,179	-	-
<b>Total</b>	<b>\$ 1,231,492</b>	<b>\$ 375,179</b>	<b>\$ 711,117</b>	<b>\$ 145,196</b>

## Water to Thrive

### Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

#### Note 11 – Fair Value Disclosures (continued)

The Organization’s other financial instruments consist principally of cash and cash equivalents, cash and cash equivalents with donor restrictions, contributions receivable, other receivables, contributions receivable with donor restrictions, accounts payable, accrued liabilities, operating lease liability, and notes payable. The Organization believes all of the other financial instruments’ recorded values approximate current market values, primarily because of the relatively short-term maturity of those instruments. The carrying amount of the notes payable and operating lease liability approximates fair value because the interest rate approximates the current market interest rate.

#### Note 12 – Net Assets With Donor Restrictions

The Organization had the following net assets with donor restrictions activity for the year ended December 31, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Released from Donor Restrictions</u>	<u>Ending Balance</u>
<b>Donor Restricted for a Specified Purpose:</b>				
Water projects	\$ 473,335	\$ 883,408	\$ (974,461)	\$ 382,282
Health clinics	33,812	-	(5,687)	28,125
<b>Time Restricted:</b>				
Annuity trust	145,196	5,808	(40,000)	111,004
Future periods	-	67,720	-	67,720
<b>Permanently Restricted:</b>				
Water to Thrive Endowment Fund	<u>681,828</u>	<u>299,228</u>	<u>(17,500)</u>	<u>963,556</u>
<b>Total</b>	<b><u>\$1,334,171</u></b>	<b><u>\$ 1,256,164</u></b>	<b><u>\$ (1,037,648)</u></b>	<b><u>\$1,552,687</u></b>

The Organization had the following net assets with donor restrictions activity for the year ended December 31, 2023:

	<u>Beginning Balance</u>	<u>Reclass</u>	<u>Additions</u>	<u>Released from Donor Restrictions</u>	<u>Ending Balance</u>
<b>Donor Restricted for a Specified Purpose:</b>					
Water projects	\$ 175,671	\$ 306,687	\$ 751,296	\$ (760,319)	\$ 473,335
Health clinics	446,150	(306,687)	-	(105,651)	33,812
<b>Time Restricted:</b>					
Annuity trust	178,073	-	7,123	(40,000)	145,196
<b>Permanently Restricted:</b>					
Water to Thrive Endowment Fund	<u>182,085</u>	<u>-</u>	<u>499,743</u>	<u>-</u>	<u>681,828</u>
<b>Total</b>	<b><u>\$ 981,979</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,258,162</u></b>	<b><u>\$ (905,970)</u></b>	<b><u>\$1,334,171</u></b>

# Water to Thrive

## Notes to Financial Statements (continued)

*For the Years Ended December 31, 2024 and 2023*

### Note 13 – Related Party Transactions

During the years ended December 31, 2024 and 2023, the Organization received income of \$4,200 each year from a company owned by a member of the Board of Directors for professional services.

During the years ended December 31, 2024 and 2023, members of the Board of Directors made contributions totaling \$91,901 and \$144,871, respectively.

### Note 14 – Liquidity and Availability of Financial Assets

The Organization's working capital and cash flows have seasonal variations during the year attributable to timing of receipts of contributions and from special events. Monthly cash outflows vary each year based on the specific requirements of the Organization's programming during the year.

The following reflects the Organization's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Organization's Board of Directors approves that action.

	<u>2024</u>	<u>2023</u>
Financial assets available:		
Cash and cash equivalents	\$ 333,721	\$ 380,446
Contributions receivable collectible in less than one year	90	-
Other receivables collectible in less than one year	1,084	3,656
Contributions receivable with donor restrictions collectible in less than one year	23,620	92,428
Trust receivable with donor restrictions collectible in less than one year	38,831	38,831
Cash and cash equivalents with donor restrictions	329,332	39,540
Investments with donor restrictions	125,175	375,179
Total financial assets, excluding noncurrent receivables	<u>851,853</u>	930,080
Contractual or donor-imposed restrictions:		
With donor restrictions	<u>(516,958)</u>	(545,978)
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 334,895</u>	<u>\$ 384,102</u>