THE WATER PROJECT, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Water Project, Inc.
Concord, New Hampshire

Opinion

We have audited the accompanying consolidated financial statements of The Water Project, Inc., (a nonprofit organization) and subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 audit. 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 consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Board of Directors
The Water Project, Inc.

In preparing the consolidated 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 consolidated 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 consolidated 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 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

Board of Directors
The Water Project, Inc.

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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2024 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 9, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Paolilli, Jorek, Hession & Pare, LLC

Manchester, New Hampshire
July 2, 2026

THE WATER PROJECT, INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2025 and 2024

ASSETS

	2025	2024
Current assets		
Cash and cash equivalents	**$ 2,057,177**	$ 2,648,883
Contribution receivables, net	**358,428**	553,705
Prepaid expense	**30,025**	32,720
Total current assets	**2,445,630**	3,235,308
Long-term assets		
Long-term contribution receivables, less current portion	**48,309**	86,539
Investments	**6,955,074**	5,102,199
Property and equipment, net	**1,034,777**	1,139,251
Intangible assets	**-**	962,399
Deposit	**871**	871
Total long-term assets	**8,039,031**	7,291,259
Total assets	**$ 10,484,661**	$ 10,526,567

LIABILITIES AND NET ASSETS

	2025	2024
Current liabilities		
Accounts payable	**$ 10,465**	$ 3,027
Accrued expenses	**96,595**	68,447
Total current liabilities	**107,060**	71,474
Net assets		
Without donor restrictions	**9,957,996**	9,772,893
With donor restrictions	**419,605**	682,200
Total net assets	**10,377,601**	10,455,093
Total liabilities and net assets	**$ 10,484,661**	$ 10,526,567

THE WATER PROJECT, INC.

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2025
(with summarized comparative totals for the year ended December 31, 2024)

	Without Donor Restrictions	With Donor Restrictions	**2025**	2024
Support and revenues				
Contributions	$ 4,735,696	$ 379,605	**$ 5,115,301**	$ 4,696,077
In-kind donations	366,571	-	**366,571**	1,315,849
Interest income	52,019	-	**52,019**	59,065
Net assets released from restrictions	642,200	(642,200)	**-**	-
Total support and revenues	5,796,486	(262,595)	**5,533,891**	6,070,991
Expenses				
Program	4,277,568	-	**4,277,568**	4,013,065
Development and public relations	1,245,889	-	**1,245,889**	1,260,466
Management and general	470,045	-	**470,045**	422,236
Total expenses	5,993,502	-	**5,993,502**	5,695,767
(Decrease) increase in net assets from operations	(197,016)	(262,595)	**(459,611)**	375,224
Non-operating income (expense)				
Net investment income	195,647	-	**195,647**	145,388
Realized gain	685,454	-	**685,454**	128,585
Unrealized (loss) gain	(498,982)	-	**(498,982)**	598,505
Loss on disposal of fixed assets	-	-	**-**	(1,485)
Total non-operating income (expense)	382,119	-	**382,119**	870,993
Increase (decrease) in net assets	185,103	(262,595)	**(77,492)**	1,246,217
Net assets, beginning of year	9,772,893	682,200	**10,455,093**	9,208,876
Net assets, end of year	$ 9,957,996	$ 419,605	**$ 10,377,601**	$ 10,455,093

THE WATER PROJECT, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2025
(with summarized comparative totals for the year ended December 31, 2024)

	Kenya	Sierra Leone	Uganda	Total Program	Development & Public Relations	Management & General	**2025**	2024
Salaries and wages	$ 881,628	$ 209,559	$ 134,717	$ 1,225,904	$ 597,917	$ 198,021	**$ 2,021,842**	$ 1,935,592
Employee benefits	212,778	59,183	38,046	310,007	155,764	50,867	**516,638**	385,416
Payroll taxes	72,083	17,166	11,036	100,285	48,888	16,203	**165,376**	154,782
Total salaries and related expenses	1,166,489	285,908	183,799	1,636,196	802,569	265,091	**2,703,856**	2,475,790
Partner program support	1,436,226	432,096	201,617	2,069,939	-	-	**2,069,939**	2,022,921
Software and cloud services	72,853	20,264	13,027	106,144	99,167	15,768	**221,079**	81,185
Public relations and development	103	29	18	150	177,741	22	**177,913**	157,482
Travel	64,580	16,031	10,306	90,917	61,146	7,802	**159,865**	184,489
Bank fees	1,872	3	2	1,877	10	93,826	**95,713**	141,642
Legal and professional	19,792	2,682	1,724	24,198	7,515	49,841	**81,554**	67,186
Contract services	77,037	-	-	77,037	-	-	**77,037**	153,733
Supplies	58,606	4,102	2,638	65,346	2,274	438	**68,058**	78,764
Facilities and equipment	36,082	5,536	3,558	45,176	11,484	7,033	**63,693**	57,739
Printing	641	178	115	934	41,039	139	**42,112**	33,904
Vehicle expense	26,177	-	-	26,177	2,520	-	**28,697**	33,133
Telephone and internet	8,562	1,736	1,116	11,414	4,864	1,359	**17,637**	15,199
Insurance	5,510	-	-	5,510	-	11,661	**17,171**	15,594
Staff development	8,897	713	458	10,068	2,364	488	**12,920**	10,339
Subscriptions and publications	7,969	2,217	1,425	11,611	744	178	**12,533**	16,946
Website services	4,210	1,171	753	6,134	3,749	916	**10,799**	13,012
Postage and shipping	1,817	506	325	2,648	6,538	355	**9,541**	6,084
Staff meals	3,362	935	601	4,898	1,972	522	**7,392**	13,423
Licenses and permits	820	44	28	892	124	5,625	**6,641**	6,904
Workers' compensation insurance	1,988	553	355	2,896	1,549	433	**4,878**	4,661
Expenses before depreciation	3,003,593	774,704	421,865	4,200,162	1,227,369	461,497	**5,889,028**	5,590,130
Depreciation	53,129	14,777	9,500	77,406	18,520	8,548	**104,474**	105,637
Total expenses	$ 3,056,722	$ 789,481	$ 431,365	$ 4,277,568	$ 1,245,889	$ 470,045	**$ 5,993,502**	$ 5,695,767

See notes to financial statements and independent auditors' report.

THE WATER PROJECT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	**$ (77,492)**	$ 1,246,217
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**104,474**	105,638
Net realized and unrealized (gain)	**(186,472)**	(727,090)
Loss on disposal of fixed assets	**-**	1,486
Decrease (increase) in contributions receivable	**233,507**	(98,301)
Decrease (increase) in prepaid expenses	**2,695**	(11,247)
Increase in accounts payable	**7,438**	1,003
Increase (decrease) in accrued expenses	**28,148**	(45,891)
Net cash provided by operating activities	**112,298**	471,815
Cash flows from investing activities		
Purchase of investments	**(2,186,372)**	(1,832,449)
Proceeds from sale of investments	**575,427**	1,331,211
Proceeds from sale of intangible assets	**906,941**	-
Donated intangible assets	**-**	(17)
Net cash (used in) investing activities	**(704,004)**	(501,255)
Net (decrease) in cash and cash equivalents	**(591,706)**	(29,440)
Cash and cash equivalents, beginning of year	**2,648,883**	2,678,323
Cash and cash equivalents, end of year	**$ 2,057,177**	$ 2,648,883

Note 1. NATURE OF OPERATIONS

The Water Project, Inc. (the "Organization") is a not-for-profit corporation, incorporated on December 5, 2007. The Organization is an independent organization based in Concord, New Hampshire that unlocks human potential by building and connecting global networks of local leaders, communities of generous supporters, and an informed public to provide sustainable water and sanitation programs to needlessly suffering communities in developing countries. The Organization develops like-minded local leadership and organizations (local teams and partners) within countries of operation – providing training, program auditing, strategic direction, and access to tools, equipment, technology, and organizational, financial, and human resources. Water programs are focused on the implementation of new water, sanitation, and hygiene projects, as well as the monitoring, maintenance, and repair of existing water projects. The Organization raises public awareness and support of each program, and, through transparent reporting, links donors to the specific projects/programs they are supporting.

WASH Technical Solutions Limited is an organization incorporated in Kenya on November 18, 2020. WASH Technical Solutions Limited was formed as a subsidiary of The Water Project, Inc. to act as a holding company for all major assets purchased in Kenya.

MajiOps Limited is an organization incorporated in Kenya on December 6, 2020. MajiOps Limited was formed as a subsidiary of WASH Technical Solutions Limited to act as the operating company in Kenya.

The Organization's major source of support and revenue is from contributions from the general public.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The Organization uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative totals

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Principles of consolidation

The consolidated financial statements include the accounts of The Water Project, Inc., WASH Technical Solutions Limited, and MajiOps Limited. Because The Water Project, Inc. has control over and an economic interest in WASH Technical Solutions Limited and MajiOps, it has been included in the consolidated financial statements. All significant inter-entity accounts and transactions have been eliminated in consolidation.

Concentration of credit risk

The Organization maintains cash balances at certain financial institutions whereby the balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Certain deposits in excess of FDIC limits are sent to demand deposit accounts or money market deposit accounts through an Insured Cash Sweep (ICS) service for coverage on multi-million-dollar FDIC protection. At December 31, 2025, the Organization held $89,883 in uninsured funds.

Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments and money market accounts purchased with remaining maturities of three months or less. Cash allocated to the investment portfolio as part of the Organization's investment strategy is reported as investments.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contribution receivables

Unconditional contributions that are expected to be collected in less than one year are measured at net realizable value. Unconditional contributions that are expected to be collected in future years are initially recorded as fair value using the present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in the contribution revenue in the consolidated statement of activities. Contributions are written off when deemed uncollectible.

Investments

Investments, primarily consisting of equity and fixed income securities, are stated at fair value. Investments in equity and fixed income securities with readily determinable values are valued based on quoted market prices in active markets in which the securities are traded. Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Endowment investments

Endowment investments consist of investments purchased with the following resources:

- Board-designated endowments, which are resources set aside by the Board of Directors or an indeterminate period to operate in a manner similar to a donor-restricted endowment. Because a Board-designated endowment results from an internal designation, it can be spent upon action of the Board of Directors.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment are recorded at cost, or in the case of donated assets, at fair market value. Depreciation is provided on the straight-line method by charging to expense amounts to recover the cost of these assets over their estimated useful lives as follows:

Building and improvements	39 years
Furniture and equipment	3 - 7 years
Vehicles	5 years
Software	3 years

Expenditures for maintenance and repairs are charged to expense as incurred and purchases in excess of $5,000 are capitalized as additions to property and equipment.

Intangible assets

Intangible assets consist of cryptocurrency recorded at fair market value at December 31, 2024.

Net assets

The financial statements report net assets and changes in net assets that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

> Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's restrictions.

Revenue recognition

Contributions
Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are reported as increases in net assets without donor restrictions unless use of the contribution is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year payment is due, and therefore, are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. When a restriction applies, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions in the statement of activities. Any donor-restricted contribution that is received in the same year that the restriction is met is recorded as net assets without donor restrictions. Conditional promises to give must have both (a) a barrier to be overcome and (b) a right of return or right of release element present, therefore they are not included as revenue or promises to give until such time as the conditions have been substantially met.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

In-kind contributions

In-kind contributions included in the statement of activities are comprised of the following:

	2025	2024
Cryptocurrency	$ 154,273	$ 959,999
Stock	212,298	355,850
	$ 366,571	$ 1,315,849

The Organization recognized cryptocurrency and stocks within support and revenues on the statement of activities and changes in net assets. Cryptocurrency and stock are sold upon receipt and recorded at fair market value. Unless otherwise noted, in-kind contributions did not have donor-imposed restrictions.

Functional allocation of expenses

Functional expenses have been allocated between program services, development and public relations, and management and general based on an analysis of personnel time and space utilized for the related activities.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income as defined by Section 509(a)(1) of the Code is subject to federal income taxes. There was no unrelated business income at December 31, 2025.

WASH Technical Solutions Limited and MajiOps Limited are foreign subsidiaries and are treated as a disregarded entity for federal tax purposes.

The income tax filings for the tax years before 2022 are no longer subject to examination by federal and state taxing authorities.

Advertising costs

The Organization expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2025 and 2024 were $177,914 and $157,482, respectively.

Note 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

Leases

The Organization is a lessee in several noncancellable leases for equipment. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for contracts below their capital policy of $5,000, short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease costs associated with short-term leases on a straight-line basis over the lease term.

Note 3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of December 31 are:

	2025	2024
Financial assets:		
Cash and cash equivalents	**$ 2,057,177**	$ 2,648,883
Investments	**6,955,074**	5,102,199
Contributions receivable	**408,428**	643,705
Total financial assets	**9,420,679**	8,394,787
Less financial assets held to meet donor-imposed restrictions:		
Time-restricted	**(11,177)**	(38,495)
Less financial assets not available within one year:		
Contribution receivables	**(50,000)**	(90,000)
Board-designated endowment fund	**(3,022,100)**	(2,290,630)
Amount available for general expenditures within one year	**$ 6,337,402**	$ 5,975,662

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next year, the Organization operates with a balanced budget and anticipates collecting sufficient contributions to cover general expenditures.

Note 3. LIQUIDITY AND AVAILABILITY (concluded)

The Organization's endowment funds consist of funds designated by the Board as an endowment. The endowment of $3,022,100 is subject to an annual spending rate as described in Note 10.

Note 4. FAIR VALUE MEASUREMENTS

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels:

> Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority.
>
> Level 2 inputs consist of quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or observable inputs other than quoted market prices.
>
> Level 3 inputs consist of inputs that are unobservable and significant to the fair value measurement and have the lowest priority.

The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of its unconditional promises to give and investments. An asset'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 must maximize the use of observable inputs and minimize the use of unobservable inputs.

THE WATER PROJECT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 5. CONTRIBUTION RECEIVABLES

Contribution receivables were as follows at December 31:

	2025	2024
Promises to give expected to be collected in		
Less than one year	$ 358,428	$ 553,705
One to five years	50,000	90,000
	408,428	643,705
Less discount to present value	(1,691)	(3,461)
Net contribution receivables	$ 406,737	$ 640,244

Contribution receivables are reported at their fair value, which is estimated as the present value of expected future cash inflows on a non-recurring basis. At December 31, 2025, a discount rate of 3.5% was considered to determine net present value. As discussed in Note 4, the valuation technique used by the Organization is a Level 3 measure because there are no observable market transactions.

Note 6. INVESTMENTS

Investments consisted of the following at December 31:

	2025		2024	
	Cost	Market Value	Cost	Market Value
Money market funds	$ 255,024	$ 255,024	$ 148,814	$ 148,814
Equities	1,425,922	1,790,735	1,317,244	1,470,758
Fixed income	1,098,215	1,095,009	757,487	729,444
Real estate trust	57,775	51,413	-	-
Certificates of deposit	3,760,000	3,762,893	2,750,000	2,753,183
Total	$ 6,596,936	$ 6,955,074	$ 4,973,545	$ 5,102,199

For the years ended December 31, 2025 and 2024, investment fees were $19,800 and $16,932, respectively.

Note 6. INVESTMENTS (concluded)

As discussed in Note 4 to these financial statements, the organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the organization's valuation techniques. Equities and real estate trust securities are determined by reference to quoted market prices and other relevant information generated by market transactions. The valuation technique used to measure equities and real estate trust securities is Level 1. Fixed income securities are primarily determined by using prices of bonds with similar characteristics such as rating, maturity, and coupon. Certificate of deposit is based on cost plus accrued interest which approximates fair value. The valuation technique used to measure fixed income and certificate of deposits is Level 2.

Note 7. PROPERTY AND EQUIPMENT

Property and equipment were comprised of the following at December 31:

	2025	2024
Building and improvements	**$ 948,727**	$ 948,727
Furniture, equipment and software	**347,847**	347,847
Vehicles	**163,964**	163,964
	1,460,538	1,460,538
Less accumulated depreciation	**425,761**	321,287
Property and equipment, net	**$ 1,034,777**	$ 1,139,251

Note 8. LINE OF CREDIT

The Organization entered into a $200,000 line of credit with a bank. The line of credit carries interest at the Wall Street Journal Prime Rate plus 1%, currently 7.75%. The line of credit is unsecured. At December 31, 2025, there was no outstanding borrowing on the line of credit.

Note 9. BOARD DESIGNATED NET ASSETS

At the end of 2025 and 2024, the Organization held approximately $1,060,499 and $1,085,383, respectively, in Board designated reserve funds. These are in addition to general operating reserves and are largely sourced from anonymous, one-time donors and donor investments into each individual fund.

Note 9. BOARD DESIGNATED NET ASSETS (concluded)

The Water Project held three separate Board designated reserve funds: The Water Promise Fund, Strategic Growth Fund, and Capital Investment Fund.

The Water Promise (www.thewaterproject.org/waterpromise) is the Organization's commitment to sustainability through ongoing monitoring, evaluation, training, service, and support programs to communities and schools to help ensure safe, reliable water access over time. In 2025, this initiative provided ongoing service and support programs to 2,796 communities/schools through regular monitoring, maintenance, and repair programs. These programs included 12,430 monitoring events and 1,227 maintenance/service/repair visits.

The Strategic Growth Fund supports multi-year strategic plans directly tied to future incremental revenue and donor engagement. Through this fund, the Organization makes key investments into future growth without using same-year general donations.

The Capital Investment Fund supports future, necessary capital expenditures. This fund limits the risk of future operational delays and budgetary impact from unforeseen and/or large capital improvement expenses.

Note 10. THE WATER PROMISE ENDOWMENT

The Water Promise (www.thewaterproject.org/waterpromise) is the Organization's commitment to sustainability through ongoing monitoring, evaluation, training, service, maintenance, repair, and support programs to communities and schools to help ensure safe, reliable water access over time. In 2020, the Organization established The Water Promise Endowment as a lasting partnership between participating donors, The Water Project, and communities in need of reliable water. The Water Promise Endowment fuels sustainability programs and brings security and scale to a 'clean water in perpetuity' vision within each community we have partnered with, are currently partnering with, and will partner with in the future.

The endowment consists of funds established by resources set aside by the Board of Directors to function as endowments (referred to as *board designated endowment funds*). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 10. THE WATER PROMISE ENDOWMENT (continued)

The State of New Hampshire enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA establishes law for the management and investment of donor-restricted endowment funds. The Board of Directors of the Organization has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds unless there are explicit donor stipulations to the contrary. The original gift is defined by the Organization as (*a*) the original value of gifts donated to all donor-restricted endowments, (*b*) the original value of any subsequent gifts to donor-restricted endowments, and (*c*) the original value of accumulations to donor-restricted endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. There were no donor-restricted endowment funds at December 31, 2025.

The Organization has adopted an investment policy to achieve an annualized total return in excess of 3.5% to meet the annual spend policy goal. Total return is defined as dividend or interest income, plus realized and unrealized capital appreciation or depreciation at fair market value, net of fees.

In recognition of the prudence required of fiduciaries, reasonable diversification is sought where possible. Asset allocation parameters have been developed based on investment objectives, liquidity needs, and time horizon for intended use.

The following schedule includes activity for the endowment held by the Organization:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets as of December 31, 2023	$ 2,044,911	$ -	$ 2,044,911
Investment return			
Net investment income	25,645	-	25,645
Realized gain	128,901	-	128,901
Unrealized gain	91,173	-	91,173
Total investment return	245,719	-	245,719
Endowment net assets as of December 31, 2024	$ 2,290,630	$ -	$ 2,290,630

Note 10. THE WATER PROMISE ENDOWMENT (concluded)

Investment return			
Net investment income	63,773	-	63,773
Realized gain	12,924	-	12,924
Unrealized gain	229,773	-	229,773
Total investment return	306,470	-	306,470
Contribution	425,000	-	425,000
Endowment net assets as of December 31, 2025	$ 3,022,100	$ -	$ 3,022,100

Investment Net Asset Composition by Fund Type

	Without Donor Restrictions	With Donor Restrictions	Total
December 31, 2025			
Board designated	$ 3,022,100	$ -	$ 3,022,100

	Without Donor Restrictions	With Donor Restrictions	Total
December 31, 2024			
Board designated	$ 2,290,630	$ -	$ 2,290,630

Note 11. NET ASSETS WITH DONOR RESTRICTIONS

At December 31, 2025, net assets with donor restrictions were available for the following purposes or periods:

Time restrictions:	
Contributions – use in future years	$ 11,177
Contribution receivable	408,428
Total net assets with donor restrictions	$ 419,605

Note 11. NET ASSETS WITH DONOR RESTRICTIONS (concluded)

At December 31, 2024, net assets with donor restrictions were available for the following purposes or periods:

Time restrictions:	
Contribution – use in future years	$ 38,495
Contribution receivable	643,705
Total net assets with donor restrictions	$ 682,200

Note 12. PENSION PLAN

The Organization established a 401(k)-pension plan that covers all eligible employees. The Organization's plan contributions are up to 5% of the employees' salary. For the years ended December 31, 2025 and 2024, the Organization contributed $90,671 and $87,154 to the plan, respectively.

Note 13. MAJOR PARTNERS

For the years ended December 31, 2025 and 2024, the Organization awarded grants to two major partners, representing 62% of total partner program support. At December 31, 2025 and 2024, there was no amount due to these major partners.

Note 14. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events from December 31, 2025 through July 2, 2026, the date at which the financial statements were available to be issued, and has not evaluated subsequent events after that date.