

WATER FOR PEOPLE

AUDIT REPORT

**FINANCIAL AND FEDERAL AWARD
COMPLIANCE EXAMINATION**

FOR THE YEAR ENDED SEPTEMBER 30, 2025

WATER FOR PEOPLE

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CONSOLIDATED FINANCIAL STATEMENTS

WATER FOR PEOPLE

**FOR THE YEARS ENDED
SEPTEMBER 30, 2025 AND 2024**

WATER FOR PEOPLE

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Water for People
Greenwood Village, Colorado

Opinion

We have audited the accompanying consolidated financial statements of Water for People (WFP), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WFP as of September 30, 2025 and 2024, and the consolidated changes in its net assets and its consolidated 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of WFP 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 Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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 WFP's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Auditor's Responsibilities for the Audit of the Consolidated 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 and *Government 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 WFP'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 WFP'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.

Other Information Included in WFP's Annual Report

Management is responsible for the other information included in WFP's annual report. The other information comprises a summary of financial information and metrics but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page I-22 and the Consolidating Schedule of Activities on pages I-(23 - 26), are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The Schedule of Expenditures of Federal Awards on page I-27 as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2026, on our consideration of WFP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of WFP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering WFP's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

March 4, 2026

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF SEPTEMBER 30, 2025 AND 2024

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,637,080	\$ 4,460,240
Investments	8,988,892	9,360,521
Grants and pledges receivable, net	3,397,337	4,187,064
Prepaid expenses and other current assets	<u>903,152</u>	<u>1,466,442</u>
Total current assets	<u>18,926,461</u>	<u>19,474,267</u>
PROPERTY AND EQUIPMENT, NET	<u>461,087</u>	<u>351,060</u>
OTHER ASSETS		
Long-term investments	482,134	1,456,772
Grants and pledges receivable, net of current portion	-	772,591
Right-of-use assets - Operating leases, net	341,032	612,579
Right-of-use assets - Financing leases, net	<u>5,324</u>	<u>9,539</u>
Total other assets	<u>828,490</u>	<u>2,851,481</u>
TOTAL ASSETS	<u>\$ 20,216,038</u>	<u>\$ 22,676,808</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,533,803	\$ 3,735,150
Provision for unanticipated losses	25,000	107,448
Refundable advances	2,488,826	2,441,310
Operating lease liabilities, current portion	265,298	270,565
Financing lease liabilities, current portion	<u>4,449</u>	<u>4,215</u>
Total current liabilities	<u>7,317,376</u>	<u>6,558,688</u>
LONG-TERM LIABILITIES		
Operating lease liabilities, net of current portion	102,754	383,243
Finance lease liabilities, net of current portion	<u>875</u>	<u>5,324</u>
Total long-term liabilities	<u>103,629</u>	<u>388,567</u>
Total liabilities	<u>7,421,005</u>	<u>6,947,255</u>
NET ASSETS		
Without donor restrictions	11,092,382	12,655,149
With donor restrictions	<u>1,702,651</u>	<u>3,074,404</u>
Total net assets	<u>12,795,033</u>	<u>15,729,553</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 20,216,038</u>	<u>\$ 22,676,808</u>

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**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 10,752,927	\$ 15,355,837	\$ 26,108,764
U.S. Government grants	-	3,378,040	3,378,040
Contributed nonfinancial assets	309,847	-	309,847
Net investment return	640,670	-	640,670
Special events, net of expenses	110,120	-	110,120
Other income	618,056	-	618,056
Net assets released from donor restrictions	<u>20,105,630</u>	<u>(20,105,630)</u>	<u>-</u>
Total support and revenue	<u>32,537,250</u>	<u>(1,371,753)</u>	<u>31,165,497</u>
EXPENSES			
Program Services	<u>26,703,240</u>	<u>-</u>	<u>26,703,240</u>
Supporting Services:			
Management and General	3,939,673	-	3,939,673
Fundraising	<u>3,457,104</u>	<u>-</u>	<u>3,457,104</u>
Total supporting services	<u>7,396,777</u>	<u>-</u>	<u>7,396,777</u>
Total expenses	<u>34,100,017</u>	<u>-</u>	<u>34,100,017</u>
Changes in net assets	(1,562,767)	(1,371,753)	(2,934,520)
Net assets at beginning of year	<u>12,655,149</u>	<u>3,074,404</u>	<u>15,729,553</u>
NET ASSETS AT END OF YEAR	<u>\$ 11,092,382</u>	<u>\$ 1,702,651</u>	<u>\$ 12,795,033</u>

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**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 7,297,965	\$ 21,182,861	\$ 28,480,826
U.S. Government grants	-	5,630,153	5,630,153
Contributed nonfinancial assets	297,805	-	297,805
Net investment return	1,336,689	-	1,336,689
Special events, net of expenses	84,878	-	84,878
Other income	47,978	-	47,978
Net assets released from donor restrictions	<u>24,905,103</u>	<u>(24,905,103)</u>	<u>-</u>
Total support and revenue	<u>33,970,418</u>	<u>1,907,911</u>	<u>35,878,329</u>
EXPENSES			
Program Services	<u>30,462,030</u>	<u>-</u>	<u>30,462,030</u>
Supporting Services:			
Management and General	4,762,210	-	4,762,210
Fundraising	<u>3,281,587</u>	<u>-</u>	<u>3,281,587</u>
Total supporting services	<u>8,043,797</u>	<u>-</u>	<u>8,043,797</u>
Total expenses	<u>38,505,827</u>	<u>-</u>	<u>38,505,827</u>
Changes in net assets	(4,535,409)	1,907,911	(2,627,498)
Net assets at beginning of year	<u>17,190,558</u>	<u>1,166,493</u>	<u>18,357,051</u>
NET ASSETS AT END OF YEAR	<u>\$ 12,655,149</u>	<u>\$ 3,074,404</u>	<u>\$ 15,729,553</u>

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**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	<u>Supporting Services</u>			<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		
Salaries and benefits	\$ 9,631,718	\$ 2,685,881	\$ 1,562,019	\$ 4,247,900	\$ 13,879,618
Direct program expenses and country contributions	12,592,152	-	-	-	12,592,152
Professional fees and contract services	1,606,130	424,732	894,092	1,318,824	2,924,954
Travel and meetings	1,072,050	46,176	199,765	245,941	1,317,991
Technology and supplies	518,440	189,638	128,800	318,438	836,878
Marketing and communication	263,752	8,111	513,589	521,700	785,452
Occupancy	621,186	65,620	46,312	111,932	733,118
Contributed nonfinancial assets	72,331	237,516	-	237,516	309,847
Other	30,591	87,685	111,805	199,490	230,081
Insurance	97,412	108,027	-	108,027	205,439
Telephone and internet	144,286	11,907	722	12,629	156,915
Depreciation and amortization	53,192	74,380	-	74,380	127,572
TOTAL	\$ 26,703,240	\$ 3,939,673	\$ 3,457,104	\$ 7,396,777	\$ 34,100,017

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**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	<u>Supporting Services</u>			<u>Total Expenses</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>		<u>Total Supporting Services</u>
Direct program expenses and country contributions	\$ 16,242,494	\$ -	\$ -	\$ -	\$ 16,242,494
Salaries and benefits	9,000,035	3,136,012	1,643,041	4,779,053	13,779,088
Professional fees and contract services	1,206,505	585,485	930,178	1,515,663	2,722,168
Travel and meetings	2,110,397	157,596	177,961	335,557	2,445,954
Technology and supplies	486,441	187,526	83,360	270,886	757,327
Occupancy	616,853	68,150	39,203	107,353	724,206
Marketing and communication	335,848	6,840	309,193	316,033	651,881
Other	35,000	317,006	98,538	415,544	450,544
Contributed nonfinancial assets	92,240	205,565	-	205,565	297,805
Insurance	84,320	85,374	-	85,374	169,694
Telephone and internet	147,555	12,656	113	12,769	160,324
Depreciation and amortization	104,342	-	-	-	104,342
TOTAL	\$ 30,462,030	\$ 4,762,210	\$ 3,281,587	\$ 8,043,797	\$ 38,505,827

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**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (2,934,520)	\$ (2,627,498)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation and amortization	127,572	104,342
Realized and unrealized gain	(110,878)	(721,412)
Change in discount on long-term receivables	(87,242)	87,242
Change in allowance for bad debt	(136,847)	136,792
Amortization of right-of-use assets - Operating leases	271,547	174,256
Amortization of right-of-use-assets - Financing leases	4,215	3,994
Decrease (increase) in:		
Grants and pledges receivable	1,786,407	(3,825,480)
Prepaid expenses and other current assets	563,290	(435,147)
Increase (decrease) in:		
Accounts payable and accrued liabilities	798,652	(2,659,300)
Provision for unanticipated losses	(82,448)	41,219
Refundable advances	47,516	(1,300,126)
Operating lease liabilities	<u>(285,756)</u>	<u>(186,875)</u>
Net cash used by operating activities	<u>(38,492)</u>	<u>(11,207,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(237,599)	(172,975)
Purchases of investments	(2,880,886)	(10,039,898)
Proceeds from sales of investments	<u>4,338,032</u>	<u>17,050,822</u>
Net cash provided by investing activities	<u>1,219,547</u>	<u>6,837,949</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liabilities	<u>(4,215)</u>	<u>(3,994)</u>
Net cash used by financing activities	<u>(4,215)</u>	<u>(3,994)</u>
Net increase (decrease) in cash and cash equivalents	1,176,840	(4,374,038)
Cash and cash equivalents at beginning of year	<u>4,460,240</u>	<u>8,834,278</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,637,080</u>	<u>\$ 4,460,240</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

Water for People (WFP) is a non-profit organization, incorporated in the State of Colorado and headquartered in Greenwood Village, Colorado. Water for People is a global non-profit organization working overseas across nine countries to achieve lasting quality water and sanitation services. The purpose of Water for People is to promote the development of high-quality drinking water and sanitation services, accessible to all, and sustained by strong communities, businesses, and Governments. Water for People does this through a model called "Everyone Forever."

Everyone Forever is defined as a reliable and lasting water and sanitation service for every family, clinic and school in the regions where Water for People works. To do this, financial, physical and operational investments are made by local and national Governments, community residents, entrepreneurs and other organizations to address current and future challenges of water systems and services. Water for People monitors field results until water service is sustainable by the local service authority and the monitoring capacity and responsibility are formally embedded within communities and Government. Data and results are publicly available to everyone through Water for People's visually dynamic reporting platform, EF Tracker.

Everyone Forever programming expands from full coverage at district levels to national level and beyond, freeing countries from water and sanitation aid dependence, and providing a sustainable solution to end the global water and sanitation crisis.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

Cash and cash equivalents -

WFP considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents, excluding money market funds held by investment managers in the amount of \$5,638,935 and \$5,283,817 as of September 30, 2025 and 2024, respectively. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Cash and cash equivalents (continued) -

At times during the year, WFP maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

WFP had approximately \$2,079,000 and \$1,560,000 of cash and cash equivalents held at financial institutions in foreign countries at September 30, 2025 and 2024, respectively. A portion of the funds deposited in foreign countries are uninsured.

Investments -

Investments are recorded at their readily determinable fair value. Interests, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Certificates of deposit held for investment are included in "Investments". Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Certificates of deposit with remaining maturities greater than one year are classified as "long-term investments".

Grants and pledges receivable -

Grants and pledges receivable include unconditional promises to give that are expected to be collected in future years. Grants and pledges receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on the long-term grants and pledges receivable is computed using risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions. An allowance for doubtful accounts has been established based on historical trends of pledge fulfillment, as well as the confidence level of current outstanding pledges.

Property and equipment -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Leasehold improvements are amortized over the lesser of the useful life of the related asset or the remaining life of the lease.

The cost of maintenance and repairs is recorded as expenses are incurred. Depreciation and amortization expense for the years ended September 30, 2025 and 2024 totaled \$127,572 and \$104,342, respectively.

Income taxes -

WFP is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. WFP is not a private foundation. Additionally, all controlled entities have been granted tax exempt status within their respective countries.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Support from grants and contributions, including Federal awards -

WFP receives grants and contributions, including Federal awards from the U.S. Government. Grants and contributions are recognized in the appropriate category of net assets in the period received. WFP performs an analysis of the individual award agreements to determine whether they qualify as contributions or exchange transactions depending upon whether the award is deemed nonreciprocal or reciprocal in accordance with ASC Topic 958.

For awards qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Conditional contributions contain a right of return and a measurable barrier and are recognized when conditions have been satisfied. Certain Federal and other grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. WFP's refundable advances totaled \$2,488,826 and \$2,441,310 as of September 30, 2025 and 2024, respectively.

In addition, WFP has been awarded conditional contributions which will be recognized in future years. WFP's unrecognized conditional contributions to be recognized in future years totaled approximately \$23,000,000 and \$22,560,000 as of September 30, 2025 and 2024, respectively.

Contributed nonfinancial assets -

Contributed nonfinancial assets are recorded at their fair value as of the date of the gift and consisted of donated software subscriptions, event space, services, supplies and materials. Fair value is estimated based on prevailing prices of comparable items in WFP's primary market.

Foreign currency translation -

The U.S. Dollar is the functional currency for WFP's worldwide operations. Transactions in currencies other than U.S. Dollars are translated into Dollars at the rate of exchange in effect during the month of the transaction. Assets and liabilities denominated in currencies other than U.S. Dollars are translated into Dollars at the exchange rate in effect at the date of the Consolidated Statements of Financial Position. Currency gains and losses from translation are included in Other income in the accompanying Consolidated Statements of Activities and Changes in Net Assets.

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Provision for unanticipated losses -

WFP has established a provision for unanticipated losses. The provision is to cover expenses that result from programs which WFP may maintain for which there is no donor funding as well as potential losses as a result of pending litigation costs. Management is of the opinion that the ultimate liability, if any, from the final resolution of these matters will not have a material effect on WFP's consolidated financial statements.

Functional allocation of expenses -

The costs of providing WFP's programs and supporting services have been summarized on a functional basis in the Consolidated Statements of Activities and Changes in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Investment risks and uncertainties -

WFP invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statements.

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, WFP has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The 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). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statements of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market WFP has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

WATER FOR PEOPLE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the years ended September 30, 2025 and 2024. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Money Market Funds* - The money market funds are open-end funds that are registered with the Securities and Exchange Commission (SEC) and are deemed to be actively traded.
- *Equity Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by WFP are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by WFP are deemed to be actively traded.
- *Certificates of Deposit* - Generally valued at original cost plus accrued interest, which approximates fair value.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2025:

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 5,638,935	\$ -	\$ -	\$ 5,638,935
Equity mutual funds	2,030,812	-	-	2,030,812
Certificates of deposit	<u>-</u>	<u>1,801,279</u>	<u>-</u>	<u>1,801,279</u>
TOTAL INVESTMENTS	<u>\$ 7,669,747</u>	<u>\$ 1,801,279</u>	<u>\$ -</u>	<u>\$ 9,471,026</u>

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of September 30, 2024:

Asset Class:	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market funds	\$ 5,283,817	\$ -	\$ -	\$ 5,283,817
Equity mutual funds	2,453,175	-	-	2,453,175
Certificates of deposit	<u>-</u>	<u>3,080,301</u>	<u>-</u>	<u>3,080,301</u>
TOTAL INVESTMENTS	<u>\$ 7,736,992</u>	<u>\$ 3,080,301</u>	<u>\$ -</u>	<u>\$ 10,817,293</u>

Net investment return consisted of the following for the years ended September 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 554,213	\$ 615,552
Realized and unrealized gain	110,878	721,412
Investment expenses	<u>(24,421)</u>	<u>(275)</u>
NET INVESTMENT RETURN	<u>\$ 640,670</u>	<u>\$ 1,336,689</u>

WATER FOR PEOPLE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

3. GRANTS AND PLEDGES RECEIVABLE

As of September 30, 2025 and 2024, contributors to WFP have made written promises to give totaling \$3,454,638 and \$5,241,045, respectively.

Grants and pledges receivable are due as follows at September 30, 2025 and 2024:

	2025	2024
Less than one year	\$ 3,454,638	\$ 4,347,766
One to five years	-	893,279
Subtotal	3,454,638	5,241,045
Less: Allowance to discount balance to present value	-	(87,242)
Less: Reserve for uncollectable grants	(57,301)	(194,148)
TOTAL GRANTS AND PLEDGES RECEIVABLE, NET	\$ 3,397,337	\$ 4,959,655

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at September 30, 2025 and 2024:

	2025	2024
Equipment	\$ 71,710	\$ 75,973
Furniture	144,219	147,827
Computer software and equipment	653,081	590,476
Vehicles	1,080,820	963,311
Leasehold improvements	134,281	135,809
Total Property and equipment	2,084,111	1,913,396
Less: Accumulated depreciation and amortization	(1,623,024)	(1,562,336)
NET PROPERTY AND EQUIPMENT	\$ 461,087	\$ 351,060

5. LINE OF CREDIT

WFP has a bank line of credit up to \$6,147,063 as of September 30, 2025 (\$5,739,939 as of September 30 2024), which has no maturity date. Amounts borrowed under this agreement bear interest at a variable interest rate which, as of September 30, 2025 and 2024, was 6.168% and 7.023%, respectively. There were no outstanding balances on the line of credit as of September 30, 2025 and 2024. The line of credit is collateralized by cash held with the bank.

WATER FOR PEOPLE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30, 2025 and 2024:

	2025	2024
Global Programs	\$ 351,895	\$ 769,899
Malawi Programs	262,727	259,709
Bolivia Programs	-	16,357
Guatemala Programs	253,257	425,762
Honduras Programs	7,868	20,000
India Programs	400,000	900,955
Rwanda Programs	292,253	303,422
Uganda Programs	134,651	378,300
NET ASSETS WITH DONOR RESTRICTIONS	\$ 1,702,651	\$ 3,074,404

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

	2025	2024
Global Programs	\$ 1,671,107	\$ 997,017
Malawi Programs	2,676,920	5,095,798
Bolivia Programs	659,047	1,229,172
Guatemala Programs	626,857	825,682
Honduras Programs	519,038	901,876
India Programs	760,941	440,866
Rwanda Programs	8,506,627	10,198,223
Peru Programs	500,367	556,402
Uganda Programs	3,601,719	4,560,067
Other Programs	583,007	-
Tanzania Programs	-	100,000
NET ASSETS RELEASED FROM DONOR RESTRICTIONS	\$ 20,105,630	\$ 24,905,103

7. LIQUIDITY AND AVAILABILITY

Financial assets available for use for general expenditures within one year of the Consolidated Statements of Financial Position date comprise the following:

	2025	2024
Cash and cash equivalents	\$ 5,637,080	\$ 4,460,240
Current portion of Investments	8,988,892	9,360,521
Grants and pledges receivable, net	3,397,337	4,959,655
Subtotal financial assets available within one year	18,023,309	18,780,416
Less: Donor-restricted funds	(1,702,651)	(3,074,404)
Less: Board designated funds	-	(890,415)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	\$ 16,320,658	\$ 14,815,597

WATER FOR PEOPLE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

7. LIQUIDITY AND AVAILABILITY (Continued)

WFP has a policy to structure its financial assets to be available and liquid as its obligations become due. In addition, WFP has a line of credit agreement (as further discussed in Note 5) which allows for additional available borrowings up to \$6,147,063 as of September 30, 2025, and \$5,739,939 as of September 30, 2024.

8. CONTRIBUTED NONFINANCIAL ASSETS

During the years ended September 30, 2025 and 2024, WFP was the beneficiary of donated goods, services and subscriptions which allowed WFP to provide greater resources toward various programs. The donated goods, services and subscriptions are valued at fair market value, which is either provided by the donors or estimated based on the prevailing rates for comparable items within WFP's primary market. There were no donor-imposed restrictions associated with the gifts in-kind during the years ended September 30, 2025 and 2024.

The contributed nonfinancial assets consisted of the following for the years ended September 30, 2025 and 2024:

	2025	2024
Donated software subscriptions	\$ 237,516	\$ 205,565
Donated services	24,096	-
Donated event space	28,870	-
Donated supplies and materials	19,365	92,240
TOTAL	\$ 309,847	\$ 297,805

The contributed nonfinancial assets have been recorded in support and in the following functional expense categories for years ended September 30, 2025 and 2024:

	2025	2024
Program Services	\$ 72,331	\$ 92,240
Management and General	237,516	205,565
TOTAL	\$ 309,847	\$ 297,805

9. LEASE COMMITMENTS

WFP follows FASB ASC 842 for leases. WFP has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. WFP has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

Short-term Leases:

WFP leases certain office space on an as-needed basis. The Organization has elected the practical expedient for these short-term leases as the lease terms are less than 12 months. Total short-term lease expense included in operating expenses for the years ended September 30, 2025 and 2024 was \$180,514 and \$128,133, respectively.

WATER FOR PEOPLE

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024**

9. LEASE COMMITMENTS (Continued)

Operating Leases:

WFP has an operating lease for office space in Greenwood Village, Colorado that commenced on April 1, 2022 and expires in March 2027. The office lease includes an escalation of base rentals which is being amortized on a basis to achieve straight-line rent expense over the life of the lease. Under the lease agreement, WFP received rent abatement for the first five months of the lease as well as an allowance for improvements to the new space. WFP also leases office space in foreign countries under lease agreements which expire at various dates in 2025 and 2026.

For the years ended September 30, 2025 and 2024, total lease cost was \$465,463 and \$413,082, respectively, and is included in Occupancy in the accompanying Consolidated Statements of Functional Expenses. Total cash paid was \$481,279 and \$424,376, respectively, for all operating leases. As of September 30, 2025, the weighted-average remaining lease term and discount rate for operating leases was 1.88 years and 5.36%. As of September 30, 2024, the weighted-average remaining lease term and discount rate for operating leases was 2.20 years and 5.38%.

Financing Leases:

WFP has entered into two separate leases for office equipment under noncancelable financing leases. Both leases commenced in October 2021. Expiration dates are September 2026 and December 2026. Lease one is \$91 per month and lease two is \$295 per month.

For the years ended September 30, 2025 and 2024, total amortization on the right-of-use assets was \$4,215 and \$3,994, respectively, and total interest expense was \$412 and \$633, respectively, for all financing leases. As of September 30, 2025, the weighted-average remaining lease term and discount rate for financing leases was 1.16 years and 5.40%. As of September 30, 2024, the weighted-average remaining lease term and discount rate for financing leases was 2.20 years and 5.40%.

The following is a schedule of the future minimum lease payments due under operating and financing leases as of September 30, 2025:

<u>Year Ending September 30,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2026	\$ 278,108	\$ 4,627
2027	<u>104,372</u>	<u>883</u>
Subtotal	382,480	5,510
Less: Imputed interest	<u>(14,428)</u>	<u>(186)</u>
Subtotal	368,052	5,324
Less: Current portion	<u>(265,298)</u>	<u>(4,449)</u>
LONG-TERM PORTION	<u>\$ 102,754</u>	<u>\$ 875</u>

WATER FOR PEOPLE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

9. LEASE COMMITMENTS (Continued)

The following is a schedule of the future minimum lease payments due under operating and financing leases as of September 30, 2024:

<u>Year Ending September 30,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2025	\$ 299,158	\$ 4,627
2026	294,072	4,627
2027	<u>104,372</u>	<u>883</u>
Subtotal	697,602	10,137
Less: Imputed interest	<u>(43,794)</u>	<u>(598)</u>
Subtotal	653,808	9,539
Less: Current portion	<u>(270,565)</u>	<u>(4,215)</u>
LONG-TERM PORTION	<u>\$ 383,243</u>	<u>\$ 5,324</u>

10. RETIREMENT PLAN

WFP provides retirement benefits to its US employees through a defined contribution plan covering all full-time employees who work more than 20 hours per week. WFP's matching contributions to the Plan during the years ended September 30, 2025 and 2024 totaled \$320,824 and \$286,465, respectively. WFP also provides retirement benefits to overseas employees through various plans established under local laws. WFP's contributions to the overseas plans during the years ended September 30, 2025 and 2024 totaled \$346,606 and \$396,269, respectively.

11. CONCENTRATION OF REVENUE

For the year ended September 30, 2025, a single donor provided approximately 22% of WFP's total support and revenue. Additionally, awards from the United States Agency for International Development (USAID) comprised approximately 11% of total support and revenue. WFP's primary USAID award for work in Rwanda is scheduled to conclude during fiscal year 2026. During fiscal year 2025, as a result of changing priorities of the U.S. Presidential administration, USAID operations were substantially reduced and its remaining functions were transferred to the United States Department of State. Accordingly, while WFP's ongoing USAID award is expected to continue and conclude as scheduled, there is uncertainty regarding future U.S. Government funding opportunities.

For the year ended September 30, 2024, two donors provided approximately 39% of WFP's total support and revenue. As of September 30, 2024, approximately \$1,300,000 of the balance of grants and pledges receivable was attributable to two donors.

Except as noted above with respect to United States Government funding, WFP has no reason to believe that the relationships with these donors will be discontinued in the foreseeable future. However, any interruption of these relationships may result in a significant decrease in revenue.

WATER FOR PEOPLE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2025 AND 2024

12. CONTINGENCY

WFP receives grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits.

Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2025. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

13. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, WFP has evaluated events and transactions for potential recognition or disclosure through March 4, 2026, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

WATER FOR PEOPLE

**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	ASSETS										
	U.S.	Malawi	Bolivia	Guatemala	Honduras	India	Rwanda	Peru	Uganda	Tanzania	Total
CURRENT ASSETS											
Cash and cash equivalents	\$ 3,558,234	\$ 25,926	\$ 157,693	\$ 20,351	\$ 221,426	\$ 62,295	\$ 464,768	\$ 104,228	\$ 993,238	\$ 28,921	\$ 5,637,080
Investments	8,988,892	-	-	-	-	-	-	-	-	-	8,988,892
Grants and pledges receivable, net	3,259,710	-	34,151	1,376	8,935	-	-	93,165	-	-	3,397,337
Prepaid expenses and other	305,710	(5,290)	978	63,491	273	32,560	234,457	9,049	235,667	26,257	903,152
Total current assets	16,112,546	20,636	192,822	85,218	230,634	94,855	699,225	206,442	1,228,905	55,178	18,926,461
PROPERTY AND EQUIPMENT, NET	216,032	871	1,984	35,125	48,109	4,309	99,920	34,412	-	20,325	461,087
OTHER ASSETS											
Long-term investments	482,134	-	-	-	-	-	-	-	-	-	482,134
Grants and pledges receivable, net of current portion	-	-	-	-	-	-	-	-	-	-	-
Right-of-use assets - Operating leases, net	341,032	-	-	-	-	-	-	-	-	-	341,032
Right-of-use assets - Financing leases, net	5,324	-	-	-	-	-	-	-	-	-	5,324
Total other assets	828,490	-	-	-	-	-	-	-	-	-	828,490
TOTAL ASSETS	\$ 17,157,068	\$ 21,507	\$ 194,806	\$ 120,343	\$ 278,743	\$ 99,164	\$ 799,145	\$ 240,854	\$ 1,228,905	\$ 75,503	\$ 20,216,038
LIABILITIES AND NET ASSETS											
CURRENT LIABILITIES											
Accounts payable and accrued liabilities	\$ 1,086,923	\$ 274,374	\$ 238,718	\$ 356,781	\$ 193,001	\$ 220,508	\$ 1,454,576	\$ 406,406	\$ 247,313	\$ 55,203	\$ 4,533,803
Provision for unanticipated losses	25,000	-	-	-	-	-	-	-	-	-	25,000
Refundable advances	726,420	-	1,157	-	189,129	-	20,755	-	1,551,365	-	2,488,826
Operating lease liabilities, current portion	265,298	-	-	-	-	-	-	-	-	-	265,298
Financing lease liabilities, current portion	4,449	-	-	-	-	-	-	-	-	-	4,449
Total current liabilities	2,108,090	274,374	239,875	356,781	382,130	220,508	1,475,331	406,406	1,798,678	55,203	7,317,376
LONG-TERM LIABILITIES											
Operating lease liabilities, net of current portion	102,754	-	-	-	-	-	-	-	-	-	102,754
Financing lease liabilities, net of current portion	875	-	-	-	-	-	-	-	-	-	875
Total long-term liabilities	103,629	-	-	-	-	-	-	-	-	-	103,629
Total liabilities	2,211,719	274,374	239,875	356,781	382,130	220,508	1,475,331	406,406	1,798,678	55,203	7,421,005
NET ASSETS											
Without donor restrictions	13,242,698	(252,867)	(45,069)	(236,438)	(103,387)	(121,344)	(676,186)	(165,552)	(569,773)	20,300	11,092,382
With donor restrictions	1,702,651	-	-	-	-	-	-	-	-	-	1,702,651
Total net assets	14,945,349	(252,867)	(45,069)	(236,438)	(103,387)	(121,344)	(676,186)	(165,552)	(569,773)	20,300	12,795,033
TOTAL LIABILITIES AND NET ASSETS	\$ 17,157,068	\$ 21,507	\$ 194,806	\$ 120,343	\$ 278,743	\$ 99,164	\$ 799,145	\$ 240,854	\$ 1,228,905	\$ 75,503	\$ 20,216,038

WATER FOR PEOPLE

**CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

	U.S.		Malawi		Bolivia	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Grants and contributions	\$ 10,788,955	\$ 3,001,158	\$ 828,077	\$ 2,660,879	\$ 371,559	\$ 470,822
U.S. Government grants	-	372,959	-	-	-	-
Contributed nonfinancial assets	237,516	-	-	-	-	-
Royalty income	-	-	-	-	-	-
Net investment return	638,300	-	-	-	-	-
Special events, net of expenses	51,736	-	-	-	-	-
Other income (loss)	189,851	-	18,111	-	328,171	-
Net assets released from donor restrictions	4,745,870	(4,745,870)	2,660,879	(2,660,879)	470,822	(470,822)
Total support and revenue	16,652,228	(1,371,753)	3,507,067	-	1,170,552	-
EXPENSES						
Program Services	10,080,963	-	3,584,525	-	1,116,588	-
Supporting Services:						
Management and General	3,939,673	-	-	-	-	-
Fundraising	3,457,104	-	-	-	-	-
Total supporting services	7,396,777	-	-	-	-	-
Total expenses	17,477,740	-	3,584,525	-	1,116,588	-
Change in net assets	(825,512)	(1,371,753)	(77,458)	-	53,964	-
Net assets at beginning of year	14,068,210	3,074,404	(175,409)	-	(99,033)	-
NET ASSETS AT END OF YEAR	\$ 13,242,698	\$ 1,702,651	\$ (252,867)	\$ -	\$ (45,069)	\$ -

WATER FOR PEOPLE

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Guatemala		Honduras		India	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Grants and contributions	\$ 726,645	\$ 352,802	\$ 478,740	\$ 399,646	\$ 1,657,755	\$ 235,341
U.S. Government grants	-	-	-	-	-	30,746
Contributed nonfinancial assets	-	-	-	-	-	-
Royalty income	-	-	-	-	-	-
Net investment return	951	-	137	-	-	-
Special events, net of expenses	-	-	-	-	-	-
Other income (loss)	(1,064)	-	8,064	-	34,311	-
Net assets released from donor restrictions	352,802	(352,802)	399,646	(399,646)	266,087	(266,087)
Total support and revenue	1,079,334	-	886,587	-	1,958,153	-
EXPENSES						
Program Services	1,162,205	-	875,089	-	2,016,707	-
Supporting Services:						
Management and General	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Total supporting services	-	-	-	-	-	-
Total expenses	1,162,205	-	875,089	-	2,016,707	-
Change in net assets	(82,871)	-	11,498	-	(58,554)	-
Net assets at beginning of year	(153,567)	-	(114,885)	-	(62,790)	-
NET ASSETS AT END OF YEAR	\$ (236,438)	\$ -	\$ (103,387)	\$ -	\$ (121,344)	\$ -

WATER FOR PEOPLE

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Rwanda		Peru		Uganda	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Grants and contributions	\$ (276,126)	\$ 4,740,513	\$ 815,775	\$ 297,506	\$ 1,115,004	\$ 3,197,170
U.S. Government grants	-	2,974,335	-	-	-	-
Contributed nonfinancial assets	-	-	72,331	-	-	-
Royalty income	-	-	-	-	-	-
Net investment return	563	-	-	-	652	-
Special events, net of expenses	-	-	58,384	-	-	-
Other income (loss)	124,045	-	(13,124)	-	(75,194)	-
Net assets released from donor restrictions	7,714,848	(7,714,848)	297,506	(297,506)	3,197,170	(3,197,170)
Total support and revenue	7,563,330	-	1,230,872	-	4,237,632	-
EXPENSES						
Program Services	8,126,495	-	1,124,975	-	4,350,394	-
Supporting Services:						
Management and General	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-
Total supporting services	-	-	-	-	-	-
Total expenses	8,126,495	-	1,124,975	-	4,350,394	-
Change in net assets	(563,165)	-	105,897	-	(112,762)	-
Net assets at beginning of year	(113,021)	-	(271,449)	-	(457,011)	-
NET ASSETS AT END OF YEAR	\$ (676,186)	\$ -	\$ (165,552)	\$ -	\$ (569,773)	\$ -

WATER FOR PEOPLE

CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Tanzania		Eliminations		Consolidated Total	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
SUPPORT AND REVENUE						
Grants and contributions	\$ 548,257	\$ -	\$ (6,301,714)	\$ -	\$ 10,752,927	\$ 15,355,837
U.S. Government grants	-	-	-	-	-	3,378,040
Contributed nonfinancial assets	-	-	-	-	309,847	-
Royalty income	-	-	-	-	-	-
Net investment return	67	-	-	-	640,670	-
Special events, net of expenses	-	-	-	-	110,120	-
Other income (loss)	4,885	-	-	-	618,056	-
Net assets released from donor restrictions	-	-	-	-	20,105,630	(20,105,630)
Total support and revenue	553,209	-	(6,301,714)	-	32,537,250	(1,371,753)
EXPENSES						
Program Services	567,013	-	(6,301,714)	-	26,703,240	-
Supporting Services:						
Management and General	-	-	-	-	3,939,673	-
Fundraising	-	-	-	-	3,457,104	-
Total supporting services	-	-	-	-	7,396,777	-
Total expenses	567,013	-	(6,301,714)	-	34,100,017	-
Change in net assets	(13,804)	-	-	-	(1,562,767)	(1,371,753)
Net assets at beginning of year	34,104	-	-	-	12,655,149	3,074,404
NET ASSETS AT END OF YEAR	\$ 20,300	\$ -	\$ -	\$ -	\$ 11,092,382	\$ 1,702,651

WATER FOR PEOPLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Granting Agency and Program Title	Award Number	Assistance Listing Number	Pass-Through Entity	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	2025 Expenditures
United States Agency for International Development:						
USAID Foreign Assistance for Programs Overseas						
THRIVE-Water, Sanitation and Hygiene (WASH) Activity	720-696-21-CA-00002	98.001	N/A	N/A	\$ 1,210,799	\$ 3,343,775
Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability #2 (WASHPaLS)	7200AA21C00079	98.001	Tetra Tech	WASHPaLS #2-G05-WFP India	-	34,265
Subtotal Assistance Listing Number 98.001 USAID Foreign Assistance for Programs Overseas					1,210,799	3,378,040
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 1,210,799	\$ 3,378,040

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the Federal award activity of Water for People (WFP) under programs of the Federal Government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Schedule presents only a selected portion of the operations of WFP; accordingly, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of WFP.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. WFP has not elected to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

WATER FOR PEOPLE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

1). Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP on the accrual basis of accounting: Unmodified

2). Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

3). Noncompliance material to financial statements noted? Yes No

Federal Awards

4). Internal control over major Federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

5). Type of auditor's report issued on compliance for major Federal programs: Unmodified

6). Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

7). Identification of major Federal programs:

<u>Name of Federal Program</u>	<u>Assistance Listing Number</u>
USAID Foreign Assistance for Programs Overseas	98.001

8). Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

9). Auditee qualified as a low-risk auditee? Yes No

WATER FOR PEOPLE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025**

Section II - Financial Statement Findings

There were no reportable findings.

Section III - Federal Award Findings and Questioned Costs (2 CFR 200.516(a))

There were no reportable findings.

Section IV - Prior Year Findings With Current Year Status

There were no prior year reportable findings.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Water for People
Greenwood Village, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Water for People (WFP), as of and for the year ended September 30, 2025, and the related notes to the consolidated financial statements, which collectively comprise WFP's basic consolidated financial statements, and have issued our report thereon dated March 4, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered WFP's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances, for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of WFP's internal control. Accordingly, we do not express an opinion on the effectiveness of WFP's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of WFP's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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MEMBER OF CPAMERICA INTERNATIONAL, AN AFFILIATE OF CROWE GLOBAL
MEMBER OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS' PRIVATE COMPANIES PRACTICE SECTION

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether WFP's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Friedman".

March 4, 2026



CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Water for People
Greenwood Village, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Water for People's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Water for People's major Federal programs for the year ended September 30, 2025. WFP's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, WFP complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of WFP and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major Federal program. Our audit does not provide a legal determination of WFP's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable WFP's Federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on WFP's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about WFP's compliance with the requirements of each major Federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 WFP's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of WFP's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of WFP's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gelman Rosenberg & Freedman

March 4, 2026