
THE WATER FOUNDATION AND WATER ACTION FUND

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025**

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**THE WATER FOUNDATION AND WATER ACTION FUND
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Water Foundation and Water Action Fund
Sacramento, California

Opinion

We have audited the accompanying consolidated financial statements of The Water Foundation and Water Action Fund (a nonprofit 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 consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Water Foundation and Water Action Fund as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Water Foundation and Water Action Fund 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 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 The Water Foundation and Water Action Fund'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 Water Foundation and Water Action Fund'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 Water Foundation and Water Action Fund'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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying combining schedule of financial position and combining schedule of activities are presented for purposes of additional analysis and are 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 supplementary 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 combining schedule of financial position and combining schedule of activities are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

MUN CPAs, LLP

Sacramento, California
July 14, 2026

**THE WATER FOUNDATION AND WATER ACTION FUND
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025**

ASSETS

Current Assets

Cash and cash equivalents (Note 3)	\$ 25,032,102
Grants receivable, current portion (Note 4)	8,660,000
Government and other receivables	933,806
Prepaid expenses and other assets	<u>63,063</u>

Total Current Assets 34,688,971

Non-Current Assets

Grants receivable, net of current portion and discount (Note 4)	300,000
Property and equipment, net of accumulated depreciation and amortization of \$45,396	<u>50,463</u>

Total Non-Current Assets 350,463

TOTAL ASSETS \$ 35,039,434

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 333,561
Accrued salaries and related expenses	670,609
Grants payable	3,032,090
Deferred revenue	<u>299,922</u>

Total Current Liabilities 4,336,182

TOTAL LIABILITIES 4,336,182

NET ASSETS

Without donor restrictions	
Board designated (Note 7)	3,000,000
Undesignated (Note 7)	16,009,112
With donor restrictions (Note 7)	<u>11,694,140</u>

TOTAL NET ASSETS 30,703,252

TOTAL LIABILITIES AND NET ASSETS \$ 35,039,434

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

**THE WATER FOUNDATION AND WATER ACTION FUND
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>			
Grants and contributions	\$ 7,484,820	\$ 5,927,000	\$ 13,411,820
Government contracts	10,374,403	-	10,374,403
Interest and dividends	501,122	-	501,122
Other income	<u>25,700</u>	<u>-</u>	<u>25,700</u>
Total Support and Revenues	<u>18,386,045</u>	<u>5,927,000</u>	<u>24,313,045</u>
Net assets released from restriction	<u>12,542,493</u>	<u>(12,542,493)</u>	<u>-</u>
Total Revenues	<u>30,928,538</u>	<u>(6,615,493)</u>	<u>24,313,045</u>
<u>EXPENSES</u>			
Program services	23,133,239	-	23,133,239
Management and general	1,421,528	-	1,421,528
Fundraising	<u>136,809</u>	<u>-</u>	<u>136,809</u>
Total Expenses	<u>24,691,576</u>	<u>-</u>	<u>24,691,576</u>
CHANGE IN NET ASSETS	6,236,962	(6,615,493)	(378,531)
NET ASSETS - BEGINNING OF YEAR	<u>12,772,150</u>	<u>18,309,633</u>	<u>31,081,783</u>
NET ASSETS - END OF YEAR	<u>\$ 19,009,112</u>	<u>\$ 11,694,140</u>	<u>\$ 30,703,252</u>

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

**THE WATER FOUNDATION AND WATER ACTION FUND
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025**

	State and Basins	Federal	Transitioning Strategies	Water Table	Clean Water - Social Welfare	Total Program	Management and General	Fundraising	Total
Grants and contracts	\$ 9,050,126	\$ 6,842,490	\$ 190,586	\$ 16,758	\$ 1,760,476	\$ 17,860,436	\$ 5,340	\$ 1,208	\$ 17,866,984
Salaries and benefits	1,592,413	734,991	229,379	991,071	422,525	3,970,379	915,186	117,487	5,003,052
Professional services	217,049	174,989	29,104	347,280	109,825	878,247	130,324	15,472	1,024,043
Depreciation and amortization	2,437	2,437	2,437	2,437	-	9,748	2,438	-	12,186
Dues and subscriptions	320	30	-	35	495	880	51,631	-	52,511
Information technology	1,186	457	-	93	1,204	2,940	114,962	43	117,945
Office expenses	1,239	377	-	1,251	506	3,373	29,150	268	32,791
Travel and conferences	62,165	33,154	16,184	50,223	7,913	169,639	18,891	2,282	190,812
Events and meetings	72,107	2,113	377	104,638	-	179,235	139,220	-	318,455
Business insurance	2,295	1,986	1,986	1,986	1,025	9,278	2,149	37	11,464
Fees	1,710	1,710	1,710	1,710	348	7,188	1,763	12	8,963
Board meeting expenses	<u>10,474</u>	<u>10,474</u>	<u>10,474</u>	<u>10,474</u>	<u>-</u>	<u>41,896</u>	<u>10,474</u>	<u>-</u>	<u>52,370</u>
Total	<u>\$ 11,013,521</u>	<u>\$ 7,805,208</u>	<u>\$ 482,237</u>	<u>\$ 1,527,956</u>	<u>\$ 2,304,317</u>	<u>\$ 23,133,239</u>	<u>\$ 1,421,528</u>	<u>\$ 136,809</u>	<u>\$ 24,691,576</u>

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

**THE WATER FOUNDATION AND WATER ACTION FUND
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (378,531)
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation and amortization	12,186
(Increase) decrease in:	
Grants receivable	1,457,688
Government and other receivables	156,020
Prepaid expenses and other assets	38,520
Increase (decrease) in:	
Accounts payable and accrued expenses	(818,035)
Accrued salaries and related expenses	43,195
Deferred revenue	<u>(2,833,487)</u>
Net Cash Used for Operating Activities	<u>(2,322,444)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	<u>(62,649)</u>
Net Cash Used for Investing Activities	<u>(62,649)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,385,093)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>27,417,195</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ <u>25,032,102</u>

**THE WATER FOUNDATION AND WATER ACTION FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Water Foundation (the "Foundation") and its partners advance lasting solutions to secure safe, clean water for people, restore and sustain freshwater ecosystems, and build climate resilience. As a 501(c)(3) public foundation, the Foundation does this through direct grantmaking, field building, campaign strategy development, and resource mobilization. The Foundation coordinates resources and strategy to help nonprofit and community-based organizations accelerate and scale their vital work in water justice, resilient rivers, equitable governance, sustainable groundwater, safe and affordable drinking water, and more. The Foundation mobilizes and supports major funders to invest more and have greater impact on U.S. water policy and systems. The Foundation accomplishes goals at the state, regional, and local level, including securing clean and affordable drinking water; building urban and rural climate resilience; and/or, advancing groundwater, river, and forest solutions that restore and protect watersheds. The Foundation also works on a federal program to help grow a strong movement for equitable and resilient national water policy and funding, as well as hosts the Water Table funder collaborative, which provides a forum for funders to share knowledge on water issues, align strategies, and mobilize additional resources for water to achieve greater collective impact.

Founded in 2011, and serving as an independent foundation since 2017, the Foundation has delivered nearly \$100 million in new funding to the field.

The Water Action Fund (the "Fund") was organized by the Foundation's board as a 501(c)(4) nonprofit organization on May 7, 2025. The Fund was established to support the advancement of local, state, and federal public policies related to water access, water security, and community resilience. Its activities are focused on policy engagement and advocacy in support of the Foundation's broader charitable mission to ensure access to essential water resources for people and nature.

The following is a description of the Organization's programs:

State and Basins: The States and Basins program includes state and regional efforts to secure clean and affordable drinking water, build urban and rural climate resilience, and/or advance solutions that restore and protect freshwater ecosystems.

Federal: Federal programs include efforts to maximize the environmental and community benefits of federal infrastructure funding and to strengthen national support for clean water and water infrastructure investments.

Transitioning Strategies: Transition Strategies include building programs that provide grants and training for water organizations; an initiative that advances urban water solutions in Houston and Milwaukee; and support for emerging opportunities.

Water Table: Water Table is a funder collaborative hosted by the Foundation that works toward a resilient water future in the U.S. and pools and aligns funding to achieve greater collective impact.

Clean Water - Social Welfare: Clean Water - Social Welfare program supports initiatives that promote access to clean, affordable water and advance water-related public policies and education.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Foundation and the Fund listed above (collectively, the "Organization"). All intercompany transactions and balances have been eliminated in consolidation.

THE WATER FOUNDATION AND WATER ACTION FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and are available for general operations.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Organization and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of three months or less at the time of purchase.

Receivables and Allowance for Credit Losses

Receivables consist primarily of commitments made by individuals and foundations and cost-reimbursable contracts. Long-term receivables are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using the market rate applicable in the year in which those promises were made.

The Organization assesses collectibility of receivables based on historical experience, aging, subsequent collections, and known donor-specific factors. As of December 31, 2025, management concluded that the outstanding balances are fully collectible, and no allowance for credit loss was considered necessary.

THE WATER FOUNDATION AND WATER ACTION FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The Organization capitalizes property and equipment with a cost of \$5,000 if purchased, and a fair value of \$5,000 at date of donation if received by contribution. Lesser amounts are expensed. Donations of property and equipment are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those dated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to seven years. Property and equipment may include capitalized website development costs. These are amortized over their estimated useful lives using the straight-line method.

Grant Award and Grants Payable

Grant expense is recorded when an unconditional promise to give is approved by management. Conditional grants are recognized as grant expense in the period in which the recipient meets the terms of the condition. Grant refunds are recorded as reductions of grant expenses at the time the grants are refunded to the Organization.

Grants payable represent the present value of grants to be paid in the future. The discount on those amounts is computed using market interest rates applicable in the year in which the grant is approved. Amortization of the discount is included in grant expense. Grants payable of \$3,032,090 are expected to be paid in 2026.

Compensated Absences

The Organization accrues the cost of unpaid vacation. Accrued sick leave is not recorded, as the Organization does not have any legal obligation to pay such benefits upon termination. At December 31, 2025, accrued vacation totaled \$461,244 and is included in accrued salaries and related expenses in the consolidated statement of financial position.

Revenue Recognition

Grants and contributions are recognized as support and revenues when they are received or unconditionally pledged. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions. In-kind donations are recorded at the estimated fair value at the date of the donation.

Certain contributions are reported as support without donor restrictions when the restriction is met in the same period as the contribution is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

THE WATER FOUNDATION AND WATER ACTION FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

The Organization allocates its expenses on a functional basis between its program and support services. Expenses that can be identified with a specific program or support service are recorded directly to that function according to their natural classification. Expenses that are common to several functions are allocated among the program and support services benefited. Expenses that are common to all functions are allocated based on staff time estimates for each program or function.

Income Taxes

The Foundation is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and section 23701d of the California Revenue Taxation Code. The Fund is exempt from income taxes under Internal Revenue Code (IRC) Section 501(c)(4). However, the Foundation and the Fund are required to file federal and state information returns.

As of December 31, 2025, management evaluated the Organization's tax positions and concluded that the Foundation and the Fund had maintained their tax-exempt status and had taken no uncertain tax positions that require adjustment to the consolidated financial statements. Therefore, no provision or liability for income taxes has been included in the consolidated financial statements.

Future Accounting Pronouncements

ASU 2025-05 - Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets

Under the new guidance, organizations may elect the practical expedient to assume that conditions existing at the balance sheet date persist over the expected life of the assets, eliminating the need to project future economic changes for short-term receivables. Additionally, organizations may elect the accounting policy to consider cash collections occurring after the balance sheet date but prior to the issuance of the financial statements in the assessment of credit losses. The new requirement is effective for the Organization's December 31, 2026 year-end. Management has not yet determined the impact of this accounting standard on the Organization's operations or cash flows.

Subsequent Events

Subsequent events were evaluated through July 14, 2026, which is the date the financial statements were available to be issued.

THE WATER FOUNDATION AND WATER ACTION FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2: LIQUIDITY AND AVAILABILITY

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position as of December 31, 2025 for general expenditures is as follows:

Financial assets at year-end:

Cash and cash equivalents	\$ 25,032,102
Grants receivable, current portion	8,660,000
Government and other receivables	<u>933,806</u>
Total financial assets	<u>34,625,908</u>
Less those unavailable for general expenditures within one year due to:	
Donor restricted funds (by time or purpose)	<u>(11,694,140)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 22,931,768</u>

The Organization manages its liquidity and cash flow requirements by investing its excess cash in money market accounts and certificates of deposit. The Organization also has access to a line of credit, which it may draw upon to meet short-term liquidity needs. See footnote 5 for more details.

NOTE 3: CASH AND CASH EQUIVALENTS

The Organization maintains its cash balances at two financial institutions. As of December 31, 2025, the Organization's total bank balance was \$25,031,401, of which \$7,697,409 was not covered by FDIC insurance coverage. The book balance of cash and cash equivalents at December 31, 2025 totaled \$25,032,102.

NOTE 4: GRANTS RECEIVABLE

The Organization records grants receivable for unconditional promises to give that have been awarded and are measurable and collectible. Grants receivable are recognized as revenue in the period in which the promise to give becomes unconditional.

Grants receivable are recorded at their net realizable value. Management reviews grants receivable on a periodic basis and considers the creditworthiness of grantors, historical experience, and current economic conditions in assessing collectibility. Amounts determined to be uncollectible are charged to expense. Grants receivable expected to be collected within one year are classified as current assets, with amounts expected to be collected in subsequent periods classified as non-current assets.

As of December 31, 2025, grants receivable consisted of the following:

	<u>Amount</u>
Grants receivable, current	\$ 8,660,000
Grants receivable, net of current portion	<u>300,000</u>
Total Grants Receivable	<u>\$ 8,960,000</u>

Grants receivable that are due in more than one year are discounted to their present value using a risk adjusted discount rate. The discount is amortized to grant revenue over the collection period. As of December 31, 2025, management evaluated the impact of discounting on its grant receivables and determined that the effect of recording a discount was not material to the financial statements. Accordingly, no discount has been recorded.

THE WATER FOUNDATION AND WATER ACTION FUND
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 5: LINE OF CREDIT

On November 14, 2022, the Organization entered into a revolving line of credit agreement with a bank for \$2,000,000 with interest of 7% per annum, plus 1% over a specified index. The line of credit ("LOC") is secured by accounts, equipment, and general intangibles. The Organization paid off the outstanding balance before the LOC expired in November 2024. The Organization extended the LOC on April 22, 2025 with an expiration date of February 14, 2027 at an interest rate of 5.75% per annum, plus 1% over a specified index. As of December 31, 2025, there was no outstanding balance.

NOTE 6: EMPLOYEE BENEFIT PLAN

The Organization maintains a 403(b) defined contribution plan (the "Plan") for its employees. All employees who are at least 21 years of age are eligible to participate and may contribute a portion of their salary to the Plan and receive employer contributions, subject to Internal Revenue Code limitations. The Organization makes safe harbor matching contributions of up to 5% of eligible gross salary for participants. The Organization may also make additional discretionary contributions to the Plan, determined annually. For the year ended December 31, 2025, the Organization made total contributions to the Plan of \$280,374.

NOTE 7: NET ASSETS

The Organization's net assets without donor restrictions are comprised of undesignated amounts and board-designated amounts. The Organization's net assets with donor restrictions are restricted based on program and/or time. Net assets consisted of the following at December 31, 2025:

Without donor restrictions:	
Undesignated	\$ 16,009,112
Board designated reserve (Operating reserve)	<u>3,000,000</u>
Total without donor restrictions	<u>19,009,112</u>
With donor restrictions:	
States and Basins	2,292,013
Federal	4,463,568
Transitioning Strategies	2,842,683
Water Table	1,762,542
Time restrictions	<u>333,334</u>
Total with donor restrictions	<u>11,694,140</u>
Total Net Assets	<u>\$ 30,703,252</u>

For the year ended December 31, 2025, net assets released from restrictions totaled \$12,542,493, all of which was released from purpose and time restrictions.

NOTE 8: CONCENTRATIONS

As of December 31, 2025, approximately 77% of the Organization's accounts receivable were from four foundations.

During the year ended December 31, 2025, approximately 71%, of the Organization's total revenue was provided by three foundations.

SUPPLEMENTARY INFORMATION

**THE WATER FOUNDATION AND WATER ACTION FUND
COMBINING SCHEDULE OF FINANCIAL POSITION
DECEMBER 31, 2025**

	<u>Water Foundation</u>	<u>Water Action Fund</u>	<u>Eliminating Entries</u>	<u>Consolidated Total</u>
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 20,494,951	\$ 4,537,151	\$ -	\$ 25,032,102
Grants receivable, current portion	8,660,000	-	-	8,660,000
Government and other receivables	933,806	-	-	933,806
Intercompany receivable	916,745	500,000	(1,416,745)	-
Prepaid expenses and other assets	<u>63,063</u>	<u>-</u>	<u>-</u>	<u>63,063</u>
Total Current Assets	<u>31,068,565</u>	<u>5,037,151</u>	<u>(1,416,745)</u>	<u>34,688,971</u>
Non-Current Assets				
Grants receivable, net of current portion and discount	300,000	-	-	300,000
Property and equipment, net of accumulated depreciation and amortization	<u>50,463</u>	<u>-</u>	<u>-</u>	<u>50,463</u>
Total Non-Current Assets	<u>350,463</u>	<u>-</u>	<u>-</u>	<u>350,463</u>
TOTAL ASSETS	<u>\$ 31,419,028</u>	<u>\$ 5,037,151</u>	<u>\$ (1,416,745)</u>	<u>\$ 35,039,434</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable and accrued expenses	\$ 272,561	\$ 61,000	\$ -	\$ 333,561
Intercompany payable	500,000	916,745	(1,416,745)	-
Accrued salaries and related expenses	670,609	-	-	670,609
Grants payable	1,815,090	1,217,000	-	3,032,090
Deferred revenue	<u>299,922</u>	<u>-</u>	<u>-</u>	<u>299,922</u>
Total Current Liabilities	<u>3,558,182</u>	<u>2,194,745</u>	<u>(1,416,745)</u>	<u>4,336,182</u>
TOTAL LIABILITIES	<u>3,558,182</u>	<u>2,194,745</u>	<u>(1,416,745)</u>	<u>4,336,182</u>
Net Assets				
Without donor restrictions				
Board designated	3,000,000	-	-	3,000,000
Undesignated	13,166,706	164,406	2,678,000	16,009,112
With donor restrictions	<u>11,694,140</u>	<u>2,678,000</u>	<u>(2,678,000)</u>	<u>11,694,140</u>
TOTAL NET ASSETS	<u>27,860,846</u>	<u>2,842,406</u>	<u>-</u>	<u>30,703,252</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,419,028</u>	<u>\$ 5,037,151</u>	<u>\$ (1,416,745)</u>	<u>\$ 35,039,434</u>

THE WATER FOUNDATION AND WATER ACTION FUND
COMBINING SCHEDULE OF ACTIVITIES
DECEMBER 31, 2025

	<u>Water Foundation</u>	<u>Water Action Fund</u>	<u>Eliminating Entries</u>	<u>Total</u>
<u>SUPPORT AND REVENUES</u>				
Grant and contributions	\$ 12,160,580	\$ 5,251,240	\$ (4,000,000)	\$ 13,411,820
Government contracts	10,374,403	-	-	10,374,403
Interest and dividends	501,122	-	-	501,122
Other income	<u>25,700</u>	<u>-</u>	<u>-</u>	<u>25,700</u>
Total Revenues	<u>23,061,805</u>	<u>5,251,240</u>	<u>(4,000,000)</u>	<u>24,313,045</u>
<u>EXPENSES</u>				
Grants and contracts	20,099,961	1,767,023	(4,000,000)	17,866,984
Salaries and benefits	4,498,785	504,267	-	5,003,052
Professional services	900,710	123,333	-	1,024,043
Depreciation and amortization	12,186	-	-	12,186
Dues and subscriptions	51,521	990	-	52,511
Information technology	116,409	1,536	-	117,945
Office expenses	32,187	604	-	32,791
Travel and conferences	181,369	9,443	-	190,812
Events and meetings	318,455	-	-	318,455
Business insurance	10,241	1,223	-	11,464
Fees	8,548	415	-	8,963
Board meeting expenses	<u>52,370</u>	<u>-</u>	<u>-</u>	<u>52,370</u>
Total Expenses	<u>26,282,742</u>	<u>2,408,834</u>	<u>(4,000,000)</u>	<u>24,691,576</u>
CHANGE IN NET ASSETS	(3,220,937)	2,842,406	-	(378,531)
NET ASSETS - BEGINNING OF YEAR	<u>31,081,783</u>	<u>-</u>	<u>-</u>	<u>31,081,783</u>
NET ASSETS - END OF YEAR	<u>\$ 27,860,846</u>	<u>\$ 2,842,406</u>	<u>\$ -</u>	<u>\$ 30,703,252</u>