



Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

Table of Contents

	Page
Independent Auditor's Report	1 - 2
Financial Statements:	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4 - 5
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 15

Independent Auditor's Report

**To the Board of Directors
Splash and Subsidiaries
Seattle, Washington**

We have audited the accompanying consolidated financial statements of Splash and its Subsidiaries (collectively, the Organization), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities and changes in net assets, consolidated functional expenses, and consolidated cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



T: 425-454-4919
T: 800-504-8747
F: 425-454-4620

10900 NE 4th St
Suite 1400
Bellevue WA
98004

clarknuber.com

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and 2019, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Clark Nuber P.S.

Certified Public Accountants
July 1, 2021

SPLASH AND SUBSIDIARIES

**Consolidated Statements of Financial Position
December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Assets		
Cash and cash equivalents	\$ 5,564,074	\$ 3,258,921
Grants and pledges receivable, current portion	2,095,050	1,916,139
WASH systems and supplies	413,488	167,108
Deposits on equipment and materials	117,620	54,942
Other receivables, current portion	110,449	92,657
Advances to programmatic partners	59,764	166,371
Prepaid expenses	55,322	30,146
Total Current Assets	8,415,767	5,686,284
Grants and pledges receivable, net of current portion	957,025	2,013,161
Other receivables, net of current portion	121,694	90,605
Security deposits	57,848	62,590
Property and equipment, net of depreciation	229,760	81,916
Total Assets	\$ 9,782,094	\$ 7,934,556
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 379,484	\$ 298,265
Program related investment note, current portion	25,778	8,754
Total Current Liabilities	405,262	307,019
Program related investment note, net of current portion	12,868	38,646
Total Liabilities	418,130	345,665
Net Assets:		
Without donor restrictions	3,420,682	1,165,744
With donor restrictions	5,943,282	6,423,147
Total Net Assets	9,363,964	7,588,891
Total Liabilities and Net Assets	\$ 9,782,094	\$ 7,934,556

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions and grants	\$ 1,431,734	\$ 7,705,313	\$ 9,137,047
Special events revenue, net of expenses	326,651		326,651
Paycheck Protection Program grant		316,542	316,542
Other losses	(12,515)		(12,515)
Net assets released from restrictions	<u>8,501,720</u>	<u>(8,501,720)</u>	
Total Revenue and Support	10,247,590	(479,865)	9,767,725
Expenses:			
Program services	6,204,654		6,204,654
Management and general	1,124,963		1,124,963
Fundraising	<u>663,035</u>		<u>663,035</u>
Total Expenses	<u>7,992,652</u>		<u>7,992,652</u>
Change in Net Assets	2,254,938	(479,865)	1,775,073
Net assets, beginning of year	<u>1,165,744</u>	<u>6,423,147</u>	<u>7,588,891</u>
Net Assets, End of Year	<u>\$ 3,420,682</u>	<u>\$ 5,943,282</u>	<u>\$ 9,363,964</u>

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support:			
Contributions and grants	\$ 1,452,467	\$ 8,338,550	\$ 9,791,017
Other revenue	2,441		2,441
Special events revenue, net of expenses	129,686		129,686
Net assets released from restrictions	4,590,206	(4,590,206)	
Total Revenue and Support	6,174,800	3,748,344	9,923,144
Expenses:			
Program services	4,119,199		4,119,199
Management and general	911,008		911,008
Fundraising	676,078		676,078
Total Expenses	5,706,285		5,706,285
Change in Net Assets	468,515	3,748,344	4,216,859
Net assets, beginning of year	697,229	2,674,803	3,372,032
Net Assets, End of Year	\$ 1,165,744	\$ 6,423,147	\$ 7,588,891

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statements of Functional Expenses
For the Years Ended December 31, 2020 and 2019**

	For the Year Ended December 31, 2020			
	Program Services	Management and General	Fundraising	Total
Compensation	\$ 2,277,640	\$ 655,491	\$ 549,547	\$ 3,482,678
WASH implementation	2,256,707			2,256,707
Programmatic partner fees	827,242			827,242
Other professional fees	51,516	353,942	7,130	412,588
Occupancy	269,314	37,135	20,322	326,771
IT and communications	156,397	58,741	43,882	259,020
Supplies	132,470	2,152	1,057	135,679
Travel and meetings	92,484	3,006	17,326	112,816
Depreciation	35,207	9,660	5,592	50,459
Other	105,677	4,836	43,377	153,890
Total Expenses	6,204,654	1,124,963	688,233	8,017,850
Less special events			(25,198)	(25,198)
Total Expenses, Net of Special Events	\$ 6,204,654	\$ 1,124,963	\$ 663,035	\$ 7,992,652
	For the Year Ended December 31, 2019			
	Program Services	Management and General	Fundraising	Total
Compensation	\$ 1,665,396	\$ 494,989	\$ 499,861	\$ 2,660,246
Programmatic partner fees	761,514			761,514
WASH implementation	610,294			610,294
Other professional fees	366,970	173,624	9,466	550,060
IT and communications	197,876	91,147	48,911	337,934
Travel and meetings	198,511	45,693	35,518	279,722
Occupancy	140,255	74,853	35,457	250,565
Supplies	57,734	10,080	9,058	76,872
Depreciation	19,662	6,166	2,921	28,749
Other	100,987	14,456	54,124	169,567
Total Expenses	4,119,199	911,008	695,316	5,725,523
Less special events			(19,238)	(19,238)
Total Expenses, Net of Special Events	\$ 4,119,199	\$ 911,008	\$ 676,078	\$ 5,706,285

See accompanying notes.

SPLASH AND SUBSIDIARIES

**Consolidated Statements of Cash Flows
For the Year Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,775,073	\$ 4,216,859
Adjustments to reconcile change in net assets to net cash provided by operating activities-		
Depreciation	50,459	28,749
Loss on disposal of property and equipment	6,888	
Multiple-year in-kind contributions	(34,285)	(35,859)
Change in present value discount on grants and pledges receivable	(57,696)	(8,250)
Changes in assets and liabilities:		
Grants and pledges receivable	934,921	(2,185,701)
Accounts receivable	(14,596)	(10,662)
Advances to programmatic partners	106,607	(156,244)
Prepaid expenses	(25,176)	7,743
Deposits on equipment and materials	(62,678)	(54,942)
WASH systems and supplies	(246,380)	3,249
Security deposits	4,742	(15,826)
Accounts payable and accrued expenses	81,219	139,109
Net Cash Provided by Operating Activities	2,519,098	1,928,225
Cash Flows From Investing Activity:		
Purchase of property and equipment	(205,191)	(85,927)
Net Cash Used in Investing Activity	(205,191)	(85,927)
Cash Flows From Financing Activity:		
Payments made on program related investment note	(8,754)	(2,600)
Net Cash Used by Financing Activity	(8,754)	(2,600)
Net Change in Cash and Cash Equivalents	2,305,153	1,839,698
Cash and cash equivalents balance, beginning of year	3,258,921	1,419,223
Cash and Cash Equivalents Balance, End of Year	\$ 5,564,074	\$ 3,258,921

See accompanying notes.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 1 - Organization and Summary of Accounting Policies

Organization - The mission of Splash is to ensure clean water for kids. Splash delivers child-focused water, sanitation, hygiene (WASH), and menstrual health programs in partnership with governments in some of the largest, low resource cities in Asia and Africa. Splash focuses on child-serving institutions including schools, orphanages, shelters, and hospitals to help kids lead healthier lives. Since 2007, Splash has completed 2,027 projects across Bangladesh, Cambodia, China, Ethiopia, India, Nepal, Thailand and Vietnam, serving more than 665,000 children daily (unaudited). Splash's goal is to reach one million children by 2023.

In June 2018 and January 2019 respectively, Splash formed Splash Social Enterprises LLC (SSE) and SSE Water Solutions Private Ltd (SSEWS), with Splash as the controlling member of each. Both entities are social enterprises that allow Splash to expand its impact by selling Splash's patented drinking and handwashing stations to non-profit and government customers. These innovative, durable, and unique stations are designed for use in institutional settings around the world.

Principles of Consolidation - The accompanying consolidated financial statements include the accounts of Splash, SSE and SSEWS (collectively, the Organization) after elimination of inter-entity accounts and activity.

Basis of Presentation - The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America (U.S. GAAP).

Net assets and revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or through the passage of time.

Revenue Recognition - Revenue is reported as an increase in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on the sale of assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets.

Unconditional contributions and grants, including unconditional pledges when promised, are recognized as revenue in the period received at their fair value. Conditional contributions and grants are recognized as revenue at the time the conditions have been satisfied.

Grants and Pledges Receivable - Unconditional promises to give (pledges receivable) are recognized as revenue in the period received. Unconditional pledges receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional pledges receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 1 - Continued

Grants receivable are stated at the amount management expects to realize from outstanding balances. Grants receivable consist primarily of amounts due from donors for unconditional grants and conditional grants for which conditions have been satisfied. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to grants and pledges receivable. A valuation allowance was not deemed necessary at December 31, 2020 and 2019.

Conditional Promises to Give - Conditional promises to give are recognized as revenue only when the conditions upon which they depend are substantially met. Outstanding conditional promises to give totaled \$2,480,394 and \$556,217 as of December 31, 2020 and 2019, respectively, and are intended to be used for WASH implementation. The outstanding conditional pledges are expected to be recognized as revenue during the next two years.

Written Indications of Additional Grants - Splash has received written indications from two donors of the intention to make additional grants totaling \$7,619,989 and \$14,269,989 as of December 31, 2020 and 2019, respectively. These anticipated grants are intended to be used for WASH implementation and are expected to be recognized as revenue during the next three years.

Cash and Cash Equivalents - The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Other Receivables - Other receivables consist of donated software licenses, training vouchers and miscellaneous receivables. The software licenses are for terms of two to three years, and the training vouchers may be used as desired.

Advances to Programmatic Partners - Advances to programmatic partners consist of cash advanced to project partners to fund WASH implementation projects.

Deposits on Equipment and Materials - Deposits on equipment and materials consist of advance deposits for equipment that will be capitalized upon delivery or deposits on materials that have yet to be received for WASH systems.

WASH Systems and Supplies - The Organization purchases and holds WASH systems and related hardware. These are reported on the consolidated statements of financial position at cost and are expensed upon installation on a first-in, first-out basis. WASH systems and supplies are assessed for impaired value annually.

Property, Equipment and Depreciation - All acquisitions of furniture, fixtures and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets ranging from three to five years.

Program Related Investment Note - A program related investment note was obtained on August 27, 2018 by SSE. The loan was provided to help SSE begin producing low-cost, high quality water stations designed for children in urban settings in Asia and Africa, thereby assisting children living in low-income and lower-middle income countries. The loan is in the amount of \$50,000 and is interest free. Beginning November 14, 2019, quarterly principal payments are due in the amount of 4% of product sales revenue generated by SSE during the prior quarter. Any unpaid principal remaining will become due in its entirety when the loan matures on September 30, 2022. The estimated amount of payments that will be due within one year is reflected as a current liability on the consolidated statements of financial position.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 1 - Continued

U.S. GAAP requires that interest expense be imputed for interest free or below market interest rate loans. Based on the indeterminable payment schedule and the stated term of the loan, management has determined the estimated imputed interest at December 31, 2020 and 2019 and the interest expense for the years ended December 31, 2020 and 2019 are immaterial.

The loan has certain nonfinancial restrictive covenants. The Organization was in compliance with these covenants as of December 31, 2020 and 2019.

In-Kind Goods and Services - The Organization recognizes in-kind contributions of goods and services at fair value on the date received. The Organization recognizes donated services if the services received (a) create or enhance nonfinancial assets, or (b) require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not donated. In-kind goods and services consisted of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Software licenses and training	\$ 167,025	\$ 129,275
Consulting services	50,500	6,958
Goods and supplies	<u>4,328</u>	
Total Donated Goods and Services	<u>\$ 221,853</u>	<u>\$ 136,233</u>

Use of Estimates - The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status - The Internal Revenue Service has determined that Splash is exempt from U.S. income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. SSE is a disregarded entity for federal tax purposes. SSEWS is subject to taxation laws in India.

Foreign Currency Translation - The functional currency of the Organization's field offices is the local currency in which the office is located. Assets and liabilities of the offices have been translated into U.S. dollars at year end exchange rates. Revenues and expenses have been translated at average monthly exchange rates. Translation adjustments are included in the consolidated statements of activities and changes in net assets and were immaterial for the years ended December 31, 2020 and 2019.

Expense Allocation - The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and the consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses related to headquarters staff who serve multiple functions are allocated based on estimates of time spent on various programs, fundraising and other.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 1 - Continued

Concentration of Credit Risk - Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist primarily of cash. Cash held by financial institutions exceeded federally insured limits during the years ended December 31, 2020 and 2019. Cash held in foreign countries totaled \$726,508 and \$41,741 as of December 31, 2020 and 2019, respectively. Repatriation of funds restrictions may exist in a small number of foreign currency accounts. The Organization has not experienced any losses in such accounts and closely monitors its cash and cash equivalents.

For the years ended December 31, 2020 and 2019, 59% of contributions and grants were from one donor and 65% of contributions and grants were from two donors, respectively. Additionally, as of December 31, 2020 and 2019, 55% of outstanding grants and pledges receivable were from two donors and 64% of outstanding grants and pledges receivable were from two donors, respectively.

Reclassifications - Certain accounts in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. The reclassifications have no effect on the previously reported consolidated change in net assets or consolidated net asset balances.

Note 2 - Grants and Pledges Receivable

Grants and pledges receivable consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Due in less than one year	\$ 2,095,050	\$ 1,916,139
Due in two to five years	<u>987,834</u>	<u>2,101,666</u>
Total grants and pledges receivable	3,082,884	4,017,805
Less discount	<u>(30,809)</u>	<u>(88,505)</u>
Grants and Pledges Receivable, Net	<u>\$ 3,052,075</u>	<u>\$ 3,929,300</u>

The discount rate used by the Organization ranged from 0.10% to 2.73% per year based on the discount rate at the time the grant or pledge was received.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 3 - Property and Equipment

Property and equipment consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Equipment	\$ 153,516	\$ 7,094
Vehicles	86,203	93,952
Leasehold improvements	53,774	47,099
Computer hardware	45,000	
Furniture and fixtures	<u>5,136</u>	<u>5,136</u>
Total property and equipment	343,629	153,281
Less accumulated depreciation	<u>(113,869)</u>	<u>(71,365)</u>
Property and Equipment, Net	<u>\$ 229,760</u>	<u>\$ 81,916</u>

Note 4 - Net Assets With Donor Restrictions

Net assets with donor restrictions consist of contributions restricted by donors to specific purposes and/or to specific time periods, and donated software licenses that will be used in future years. The release of net assets with donor restrictions for the year ended December 31, 2020 totaled \$8,221,570 released for specific purposes, \$215,000 released for time restricted pledges, and \$65,150 for the use of software licenses. The release of net assets with donor restrictions for the year ended December 31, 2019 totaled \$4,531,790 released for specific purposes and \$58,416 for the use of software licenses.

Net assets with donor restrictions are available for projects in the following countries or are restricted for time at December 31:

	<u>2020</u>	<u>2019</u>
Restricted for projects-		
Ethiopia	\$ 2,796,210	\$ 3,899,556
India	1,767,199	1,802,534
Multiple countries	1,199,833	348,516
Nepal		<u>11,786</u>
	<u>5,763,242</u>	<u>6,062,392</u>
Time restricted-		
Pledges	20,000	235,000
Software licenses	<u>160,040</u>	<u>125,755</u>
	<u>180,040</u>	<u>360,755</u>
Total Net Assets With Donor Restrictions	<u>\$ 5,943,282</u>	<u>\$ 6,423,147</u>

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 5 - Paycheck Protection Program Grant

In response to the COVID-19 pandemic, in March 2020 the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Included in the CARES Act is the Paycheck Protection Program (PPP) to provide loans to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On May 1, 2020, the Organization obtained a loan under the PPP with a principal balance of \$316,542 and an annual interest rate of 0.98%. Principal and interest were payable in monthly installments over an 18-month amortization period beginning six months after the loan was disbursed. Under the terms of the PPP, all or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. Splash's PPP loan was forgiven by the lender and the Small Business Administration, the federal agency issuing the PPP loans. In accordance with U.S. GAAP, Splash accounted for the loan as a purpose restricted conditional grant and recognized the full amount of the loan as grant revenue on the consolidated statement of activities and changes in net assets for the year ended December 31, 2020.

Note 6 - Line of Credit

In September 2015, the Organization obtained a revolving line of credit with a bank (the Bank) that allows for borrowings up to \$200,000. Interest accrues at 2.5% over prime rate, as determined by the Bank, and is payable monthly beginning October 20, 2015. Upon written notice to the Organization, the Bank may terminate its obligation to make revolving advances under the line of credit and convert the line of credit to a term note. As of December 31, 2020 and 2019, there was no outstanding balance due on the line of credit. The line of credit is secured by substantially all assets of the Organization.

Note 7 - Commitments and Contingencies

Leases - The Organization leases office space in Seattle, Washington and in several countries. The noncancelable leases include escalating rent payments and expire by May 31, 2022 and an overseas lease that expires February 28, 2023. The Organization has leases that are cancelable with one to three months' notice, as such, only the noncancelable portion of these leases have been included below. Future minimum rent payments under the noncancelable office space lease are as follows:

For the Year Ending December 31,

2021	\$	194,662
2022		95,348
2023		4,786
		<hr/>
	\$	294,796

Rent expense totaled \$287,512 and \$257,906 for the years ended December 31, 2020 and 2019, respectively.

Other Commitments and Contingencies - The Organization has noncancelable contracts of up to two years with employees in certain countries. If the contracts are terminated before expiration and without cause, the Organization is obligated to pay the compensation remaining on the contracts.

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 7 - Continued

Under the terms of certain grant agreements, funds the Organization receives are subject to audits by the grantors, and funds not spent in accordance with the intent of the agreements may be recoverable by the grantors. In the opinion of management, the Organization's liability, if any, resulting from such claims will not materially affect the Organization's financial position or the results of its activities.

Occasionally, the Organization may be involved in claims arising in the normal course of business. Management believes that uninsured costs that may be incurred in the settlement of such claims would not be material to the Organization's financial position.

Note 8 - Retirement Plan

Effective January 1, 2011, the Organization established a 401(k) profit sharing plan (the Plan). U.S. employees become eligible to participate in the Plan upon employment and when they have attained the age of 21 years. Participants may contribute compensation up to the maximum amount allowed by law and are immediately vested in these contributions. The Plan provides for employer matching contributions of 100% of the first 3% of employee contributions. The matching contributions vest over two years.

The Organization also provides various retirement plans for its local employees at offices outside of the U.S. The plans vary by country. The Organization made matching contributions to all the retirement plans totaling \$110,935 and \$154,191 for the years ended December 31, 2020 and 2019, respectively.

Note 9 - Expenses by Country

The Organization incurred program expenses in the following countries for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Ethiopia	\$ 3,116,324	\$ 1,375,005
India	1,370,043	958,396
Nepal	46,401	258,803
China	21,780	121,142
Cambodia	<u>33,620</u>	<u>16,821</u>
Total Program Expenses by Country	<u>\$ 4,588,168</u>	<u>\$ 2,730,167</u>

SPLASH AND SUBSIDIARIES

Notes to Consolidated Financial Statements For the Years Ended December 31, 2020 and 2019

Note 10 - Availability and Liquidity of Financial Assets

The Organization's financial assets for general expenditure available within one year of the consolidated statements of financial position date were as follows at December 31:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,564,074	\$ 3,258,319
Grants and pledges receivable, net	3,052,075	3,929,300
Other receivables	<u>232,143</u>	<u>183,864</u>
Total financial assets	8,848,292	7,371,483
Less noncash other receivables	(182,540)	(177,455)
Less donor-restricted for specific purposes and time restricted pledges	<u>(5,783,242)</u>	<u>(6,297,392)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,882,510</u>	<u>\$ 896,636</u>

As part of the Organization's liquidity management, it actively engages its Board and partners and cultivates prospective donors to generate financial assets and build reserves for general expenditures. Although the Organization can use the donor-restricted financial assets to conduct program activities, if the activities could not be fulfilled, the funds would need to be returned to the donors. The Organization has a number of active projects and can decrease spending to manage liquidity if a decrease in funding were to occur.

Note 11 - Subsequent Events

The Organization has evaluated subsequent events through July 1, 2021, the date on which the consolidated financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any events occurred, the nature of which would require disclosure, except as follows.

The PPP loan program (Note 5) was renewed by the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act, which is part of the Consolidated Appropriations Act of 2021, passed in December 2020. A second round of PPP loans became available to qualifying small businesses and not-for-profit organizations to cover certain eligible expenses. On March 13, 2021, the Organization obtained a second PPP loan with a principal balance of \$316,542 and an annual interest rate of 0.98%. Principal and interest are payable in monthly installments over an 18-month amortization period beginning six months after the loan was disbursed. All or a portion of the PPP loan may be forgiven if certain terms and conditions of the program are met. Management anticipates that the loan will be forgiven in full during the year ended December 31, 2021.