

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Splash International and Subsidiaries  
Seattle, Washington

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Splash International and Subsidiaries (a nonprofit organization, which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, 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 financial position of Splash International and Subsidiaries, as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Splash International and Subsidiaries 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 Splash International and Subsidiaries' ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

***Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Splash International and Subsidiaries' 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 Splash International and Subsidiaries' 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.



**CliftonLarsonAllen LLP**

Boston, Massachusetts  
June 20, 2025

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 3,667,243	\$ 4,473,543
Grants and Pledges Receivable, Current Portion	495,159	699,620
WASH Systems and Supplies	304,740	411,296
Deposits on Equipment and Materials	-	26,500
Other Receivables, Current Portion	52,537	143,844
Advances to Programmatic Partners	61,535	34,892
Prepaid and Other Current Assets	56,951	95,100
Operating Right of Use Asset	-	10,667
Total Current Assets	<u>4,638,165</u>	<u>5,895,462</u>
<b>OTHER ASSETS</b>		
Grants and Pledges Receivable, Net of Current Portion and Discount	250,000	-
Property and Equipment, Net of Depreciation	59,444	32,198
Total Other Assets	<u>309,444</u>	<u>32,198</u>
Total Assets	<u><u>\$ 4,947,609</u></u>	<u><u>\$ 5,927,660</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 147,938	\$ 68,357
Accrued Expenses	263,192	485,514
Refundable Grant Payable	250,000	-
Deferred Revenue	-	800,000
Lease Liability - Operating	-	10,676
Total Current Liabilities	<u>661,130</u>	<u>1,364,547</u>
<b>LONG-TERM LIABILITIES</b>		
Refundable Grant Payable	-	250,000
Total Long-Term Liabilities	<u>-</u>	<u>250,000</u>
Total Liabilities	661,130	1,614,547
<b>NET ASSETS</b>		
Without Donor Restrictions	1,549,114	1,671,636
With Donor Restrictions	<u>2,737,365</u>	<u>2,641,477</u>
Total Net Assets	<u>4,286,479</u>	<u>4,313,113</u>
Total Liabilities and Net Assets	<u><u>\$ 4,947,609</u></u>	<u><u>\$ 5,927,660</u></u>

See accompanying Notes to Consolidated Financial Statements.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions and Grants	\$ 611,457	\$ 5,648,514	\$ 6,259,971
Contributed Nonfinancial Assets	42,930	-	42,930
Special Events Revenue, Net of Expenses	136,052	-	136,052
Interest and Other Income	24,605	-	24,605
Contributed Assets Released from Restrictions	77,760	(77,760)	-
Net Assets Released from Restrictions	5,474,866	(5,474,866)	-
Total Revenue and Support	6,367,670	95,888	6,463,558
<b>EXPENSES</b>			
Program Services	5,247,832	-	5,247,832
Management and General	421,023	-	421,023
Fundraising	821,337	-	821,337
Total Expenses	6,490,192	-	6,490,192
<b>CHANGE IN NET ASSETS</b>	(122,522)	95,888	(26,634)
Net Assets - Beginning of Year	1,671,636	2,641,477	4,313,113
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,549,114</u>	<u>\$ 2,737,365</u>	<u>\$ 4,286,479</u>

See accompanying Notes to Consolidated Financial Statements.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>			
Contributions and Grants	\$ 1,885,504	\$ 3,486,362	\$ 5,371,866
Contributed Nonfinancial Assets	17,540	155,520	173,060
Special Events Revenue, Net of Expenses	125,558	-	125,558
Interest and Other Income	27,140	-	27,140
Contributed Assets Released from Restrictions	95,797	(95,797)	-
Net Assets Released from Restrictions	5,811,772	(5,811,772)	-
Total Revenue and Support	<u>7,963,311</u>	<u>(2,265,687)</u>	<u>5,697,624</u>
<b>EXPENSES</b>			
Program Services	7,178,196	-	7,178,196
Management and General	1,076,329	-	1,076,329
Fundraising	622,304	-	622,304
Total Expenses	<u>8,876,829</u>	<u>-</u>	<u>8,876,829</u>
<b>CHANGE IN NET ASSETS</b>	(913,518)	(2,265,687)	(3,179,205)
Net Assets - Beginning of Year	<u>2,585,154</u>	<u>4,907,164</u>	<u>7,492,318</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 1,671,636</u></u>	<u><u>\$ 2,641,477</u></u>	<u><u>\$ 4,313,113</u></u>

See accompanying Notes to Consolidated Financial Statements.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2024**

	Program Services	Management and General	Fundraising	Total
Compensation and Related Expenses	\$ 2,284,920	\$ 302,077	\$ 551,297	\$ 3,138,294
WASH Implementation	1,130,606	-	-	1,130,606
Programmatic Partner Fees	1,026,147	-	-	1,026,147
Other Professional Fees	257,288	9,935	121,242	388,465
Other	250,131	1,836	26,987	278,954
IT and Communication	105,466	4,693	15,263	125,422
Travel and Meetings	99,324	23,155	70,508	192,987
Occupancy	75,598	962	1,334	77,894
Office and Supplies	15,118	605	8,541	24,264
Contributed Services	-	77,760	42,933	120,693
Depreciation	3,234	-	-	3,234
Total Expenses by Function	<u>5,247,832</u>	<u>421,023</u>	<u>838,105</u>	<u>6,506,960</u>
Less: Special Events	<u>-</u>	<u>-</u>	<u>(16,768)</u>	<u>(16,768)</u>
Total Expenses, Net	<u><u>\$ 5,247,832</u></u>	<u><u>\$ 421,023</u></u>	<u><u>\$ 821,337</u></u>	<u><u>\$ 6,490,192</u></u>

*See accompanying Notes to Consolidated Financial Statements.*



**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Fundraising	Total
Compensation and Related Expenses	\$ 2,141,453	\$ 655,615	\$ 434,130	\$ 3,231,198
WASH Implementation	1,771,810	-	-	1,771,810
Programmatic Partner Fees	2,735,054	-	-	2,735,054
Other Professional Fees	50,854	202,516	59,317	312,687
Other	69,625	22,772	13,381	105,778
IT and Communication	100,485	64,643	37,985	203,113
Travel and Meetings	168,197	93,631	65,817	327,645
Occupancy	105,669	11,418	6,709	123,796
Office and Supplies	25,745	5,920	3,479	35,144
Contributed Licenses and Training	-	19,440	17,539	36,979
Depreciation	9,304	374	220	9,898
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses by Function	7,178,196	1,076,329	638,577	8,893,102
Less: Special Events	<hr/> -	<hr/> -	<hr/> (16,273)	<hr/> (16,273)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses, Net	<u>\$ 7,178,196</u>	<u>\$ 1,076,329</u>	<u>\$ 622,304</u>	<u>\$ 8,876,829</u>

*See accompanying Notes to Consolidated Financial Statements.*

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (26,634)	\$ (3,179,205)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	3,234	9,898
Amortization of Right of Use Asset	(9)	9
Change in Present Value Discount on Grants and Contributions	(15,761)	17,946
(Increase) Decrease in Assets:		
Accounts Receivable	91,307	(47,716)
Grants and Pledges Receivable	(29,778)	2,622,833
WASH Systems and Supplies	106,556	118,453
Deposit on Equipment and Materials	26,500	340,518
Advances to Programmatic Partners	(26,643)	15,150
Prepaid and Other Current Assets	38,149	(3,803)
Increase (Decrease) in Liabilities:		
Accounts Payable	79,581	(35,588)
Accrued Expenses and Other Liabilities	(222,322)	(130,201)
Deferred Revenue	(800,000)	800,000
Net Cash Provided (Used) by Operating Activities	<u>(775,820)</u>	<u>528,294</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(30,480)	-
Proceeds from Sales of Investments	-	90,896
Net Cash Provided (Used) by Investing Activities	<u>(30,480)</u>	<u>90,896</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(806,300)	619,190
Cash and Cash Equivalents - Beginning of Year	<u>4,473,543</u>	<u>3,854,353</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 3,667,243</u></u>	<u><u>\$ 4,473,543</u></u>

See accompanying Notes to Consolidated Financial Statements.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The mission of Splash International and Subsidiaries (SI) 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 over 2,400 projects across Bangladesh, Cambodia, China, Ethiopia, India, Nepal, Thailand and Vietnam, serving more than 1,060,000 children daily (unaudited).

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 sole member of SSE and the controlling member of SSEWS. Both entities are social enterprises that allow Splash to expand its impact by selling Splash's patented drinking and handwashing stations to nonprofit 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 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.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

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

Revenue is recognized when earned. System sales are recognized on a unit rate basis at the point in time that the sales occurred. There are no contract assets or liabilities related to system sales.

**Grants and Pledges Receivable**

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.

Grants receivables are stated at the amount management expects to realize from outstanding balances. 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, 2024 and 2023 based on management's review.

**Allowance for Credit Losses**

The Organization establishes an allowance for credit losses to present the net amount of accounts receivable expected to be collected. The allowance represents the estimate of expected credit losses based on historical experience, current economic conditions, and certain forward-looking information. Management determined that the allowance for credit losses was insignificant as of December 31, 2024 and 2023, and there was no material activity related to the allowance for credit losses during each year.

**Conditional Promises to Give**

Conditional promises to give are recognized as revenue only when the conditions upon which they depend are met. Outstanding conditional promises to give totaled \$375,000 and \$2,380,600 as of December 31, 2024 and 2023, respectively, and are intended to be used for WASH implementation. The outstanding conditional pledges are expected to be recognized as revenue during the next year.

**Cash and Cash Equivalents**

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

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1    PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**WASH Systems and Supplies**

The Organization holds WASH systems and related hardware in warehouses in Ethiopia, China and India. 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, and management has determined no impairment existed as of December 31, 2024 and 2023.

**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.

**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, generally located overseas, to fund WASH implementation projects.

**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.

**Leases**

The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. There are no financing leases during 2024 or 2023.

ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. As most leases do not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the consolidated statements of financial position.

Total lease expense was \$60,560 and \$88,454 for the years ended December 31, 2024 and 2023, respectively.

**Contributed Nonfinancial Assets**

The Organization recognizes 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. Software licenses, training and consulting services are valued based on prices typically charged by the donors to commercial customers. Goods and supplies are valued based on retail prices for the same or similar items. Multiple year software licenses and training are recognized as contribution revenue in the year committed as contributions with donor restrictions. The value of the future use of these licenses and training is included on the consolidated statements of financial position with grants and pledges receivable and totaled \$58,320 and \$136,080 as of December 31, 2024 and 2023, respectively (Note 4).

Contributed nonfinancial assets (in-kind goods and services) are included in contributions and grants on the consolidated statements of activities. The corresponding expenses are recorded as program expenses on the consolidated statement of functional expenses.

Contributed nonfinancial assets were recognized as contributions as follows for the years ended December 31:

	Revenue Recognized 2024	Revenue Recognized 2023	Program or Supporting Activity	Valuation Technique
Donated software licenses and training	\$ -	\$ 173,060	MG&A	Valued at the published retail price
Donated advertising service	\$ 42,930	\$ -	Fundraising	Estimated fair value from service provider

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Nonfinancial Assets (Continued)**

During the year ended December 31, 2024, the Organization received no tokens of cryptocurrency, which it accounts for as an intangible asset in accordance with U.S. GAAP. During the year ended December 31, 2023, the Organization received 300,000 tokens of cryptocurrency, which it accounts for as an intangible asset in accordance with U.S. GAAP. The estimated total fair value of the gift at the time received was approximately \$2,804. However, due to the tokens' limited liquidity and market volatility, management determined the adjusted fair value of the tokens was zero. Therefore, this asset is not reported on the consolidated statement of financial position as of December 31, 2024 and 2023.

**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. federal 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 each office is located. Substantially all assets and liabilities of the overseas 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 totaled net losses of \$145,942 and \$2,440 for the years ended December 31, 2024 and 2023, respectively.

**Functional Allocation of Expenses**

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 based on the number of employees working in each department. Expenses related to headquarters staff who serve multiple functions are allocated based on estimates of time spent on various programs, fundraising and other.

**Vulnerability From Certain Concentrations**

Financial instruments that potentially subject the Organization to concentrations of credit federally insured limits during the years ended December 31, 2024 and 2023. Cash held in foreign countries totaled \$43,201 and \$327,250 as of December 31, 2024 and 2023, 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.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Vulnerability From Certain Concentrations (Continued)**

For the years ended December 31, 2024 and 2023, 79% of contributions and grants were from three donors and 71% of grants and contributions were from three donors, respectively.

Additionally, as of December 31, 2024, 87% of outstanding grants and pledges receivable were from two donors, and as of December 31, 2023, 84% of outstanding grants and pledges receivable were from three donors.

**Subsequent Events**

The Organization has evaluated subsequent events through June 20, 2025, the date the consolidated financial statements were available to be issued.

**NOTE 2 GRANTS AND PLEDGES RECEIVABLE, NET**

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

	2024	2023
Due in Less Than One Year	\$ 510,920	\$ 699,620
Due in Two to Five Years	250,000	-
Total	760,920	699,620
Less: Discount to Present Value (0.39% to 1.55%)	(15,761)	-
Grants and Pledges Receivable, Net	<u>\$ 745,159</u>	<u>\$ 699,620</u>

**NOTE 3 PROPERTY AND EQUIPMENT**

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

	2024	2023
Vehicles	\$ 77,700	\$ 77,700
Computer Hardware	45,000	45,000
Equipment	30,480	-
Furniture and Fixtures	5,136	5,136
Total	158,316	127,836
Less: Accumulated Depreciation	(98,872)	(95,638)
Property and Equipment, Net	<u>\$ 59,444</u>	<u>\$ 32,198</u>



**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
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**NOTE 4 SPECIAL EVENT REVENUE**

The Organization held a golf tournament during both 2024 and 2023 to raise funds for the Organization. Net special events revenue as reported on the consolidated statement of activities consists of the following as of December 31:

	2024	2023
Gross Special Event Revenue	\$ 152,820	\$ 141,831
Less: Direct Benefit per Person	(16,768)	(16,273)
Net Special Event Revenue	<u>\$ 136,052</u>	<u>\$ 125,558</u>

**NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of contributions restricted by donors for specific purposes and/or for 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, 2024 totaled \$5,187,266 released for specific purposes, \$287,600 released for time restricted pledges, and \$77,760 for the use of software licenses. The release of net assets with donor restrictions for the year ended December 31, 2023 totaled \$5,096,772 released for specific purposes, \$715,000 released for time restricted pledges, and \$95,797 for the use of software licenses.

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

	2024	2023
Subject to Expenditure for Specified Purpose:		
Ethiopia	\$ 1,193,954	\$ 1,927,210
Multiple Countries	915,054	268,252
United States	85,798	-
Total	<u>2,194,806</u>	<u>2,195,462</u>
Subject to the Passage of Time:		
Pledges	484,239	309,935
Software Licenses	58,320	136,080
Total	<u>542,559</u>	<u>446,015</u>
Total Net Assets With Donor Restrictions	<u>\$ 2,737,365</u>	<u>\$ 2,641,477</u>

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

**Recoverable Grant Payable**

During 2022, the Organization received a recoverable grant in the amount of \$250,000 from a third party. The Organization may utilize the funding for specific program purposes, and full repayment of the grant is due in full on August 1, 2025. The recoverable grant payable is unsecured and does not bear interest.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
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**NOTE 6 COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**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. The Organization has estimated severance pay which is included on the consolidated statements of financial position in accounts payable and accrued expenses.

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 7 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 \$124,530 and \$124,424 for the years ended December 31, 2024 and 2023, respectively.

**NOTE 8 EXPENSES BY COUNTRY**

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

	2024	2023
Ethiopia	\$ 3,374,101	\$ 5,521,669
United States	1,685,580	1,393,389
India	153,333	224,229
Nepal	11,495	12,181
China	8,125	14,595
Cambodia	15,198	12,133
Total Program Expenses by Country	<u>\$ 5,247,832</u>	<u>\$ 7,178,196</u>

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
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**NOTE 9 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 are as follows as of December 31:

	2024	2023
Cash and Cash Equivalents	\$ 3,667,243	\$ 4,473,543
Grants and Pledges Receivable, Net	745,159	699,620
Other Receivables	52,537	143,844
Total Financial Assets	4,464,939	5,317,007
Less: Noncash Receivables	(52,537)	(143,844)
Less: Donor-Restricted for Specific Purposes and Time Restricted and Long-Term Pledges	(2,737,365)	(2,641,477)
Financial Assets Available to Meet Cash Needs for General Expenditure Within One Year	<u>\$ 1,675,037</u>	<u>\$ 2,531,686</u>

As part of the Organization's liquidity management, it actively engages its Board, 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 10 INTER-ENTITY SALES ACTIVITY AND OTHER RELATED PARTY**

Splash Social Enterprises LLC (SSE) and SSE Water Solutions Private Ltd (SSEWS) allow Splash International (SI) to expand its impact by selling SI's patented drinking and handwashing stations to nonprofit and government customers (Note 1). SSE and SSEWS also provide these patented drinking and handwashing stations to SI for use in its programs, primarily in Ethiopia (SSE) and India (SSEWS) at retail prices. The sales and cost of goods sold activity between SSE and SSEWS and SI is eliminated in consolidation.

Revenue from the sale of Splash's patented drinking and handwashing stations is recognized at the point of sale by SSE and SSEWS, which is at the time the stations ship and SSE's and SSEWS' performance obligations are considered met. Product sales in 2024 and 2023 consisted entirely of inter-entity transactions and have been eliminated in consolidation.

Inventory purchased from SSE and SSEWS but held on hand at year-end by SI, including advance deposits paid by SI, are adjusted from retail prices to SSE's and SSEWS' cost and are included in WASH systems and supplies, and deposits on equipment and materials, on the consolidated statements of financial position. SI inventory and advance deposits valuation adjustments to SSE cost totaled \$43,677 and \$(74,786) as of December 31, 2024 and 2023, respectively.

**SPLASH INTERNATIONAL AND SUBSIDIARIES**  
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**NOTE 10 INTER-ENTITY SALES ACTIVITY AND OTHER RELATED PARTY (CONTINUED)**

When the purchased goods are used by SI in its program activities, the full retail price paid by SI is directly allocated to the applicable grants as program cost. The retail price is determined by SSE and SSEWS based on their wholesale cost of the stations, freight charges, and an estimated overhead costs. Freight is charged by SSE to SI at the time the goods ship to Ethiopia. Freight is not charged separately by SSEWS to SI.

Sales and cost of goods sold activity between SSE and SSEWS and SI was as follows for the years ended December 31, 2024 and 2023:

	<u>SSE</u>	<u>SSEWS</u>	<u>Total</u>
<u>December 31, 2024</u>			
Sales and Cost of Goods Sold, Without Freight Charges:			
Retail Sales to SI	\$ 90,998	\$ -	\$ 90,998
SSE and SSEWS Cost of Goods Sold	<u>(109,060)</u>	<u>-</u>	<u>(109,060)</u>
Total	<u><u>\$ (18,062)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (18,062)</u></u>
	-		
Margin	-20%	0%	-20%
<u>December 31, 2023</u>			
Sales and Cost of Goods Sold, Without Freight Charges:			
Retail Sales to SI	\$ 260,939	\$ -	\$ 260,939
SSE and SSEWS Cost of Goods Sold	<u>(170,614)</u>	<u>-</u>	<u>(170,614)</u>
Total	<u><u>\$ 90,325</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 90,325</u></u>
Margin	35%	0%	35%

**Other Related Party**

Splash India Trust (the Trust) was created in May 2018 for public charitable purposes. The Trust is affiliated with SI's mission; however, it is an independent entity and is not controlled by SI. There were no transactions between SI, SSE, SSEWS and the Trust during 2024 and 2023.

