



AMAZI WATER

Consolidated Financial Statements
With Independent Auditors' Report

December 31, 2023 and 2022

AMAZI WATER

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Amazi Water
Dallas, Texas

Opinion

We have audited the accompanying consolidated financial statements of Amazi Water, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Amazi Water as of December 31, 2023 and 2022, 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. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of Amazi Water 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 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 Amazi Water's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
Amazi Water
Dallas, Texas

Auditors' Responsibility 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 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 Amazi Water'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 Amazi Water'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.

Capin Crouse LLP

Irving, Texas
August 6, 2024

AMAZI WATER

Consolidated Statements of Financial Position

	December 31,	
	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and cash equivalents	\$ 851,554	\$ 307,322
Prepaid expenses and other assets	152,192	764,080
Inventory	705,008	758,415
Land, buildings, and equipment—net	<u>4,825,312</u>	<u>5,232,817</u>
Total Assets	<u>\$ 6,534,066</u>	<u>\$ 7,062,634</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 183,635</u>	<u>\$ 340,901</u>
Net assets:		
Without donor restrictions	<u>6,350,431</u>	<u>6,721,733</u>
Total Liabilities and Net Assets	<u>\$ 6,534,066</u>	<u>\$ 7,062,634</u>

See notes to consolidated financial statements

AMAZI WATER

Consolidated Statements of Activities

	Year Ended December 31,	
	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Support:		
Contributions	\$ 7,157,637	\$ 7,096,705
Partner support	90,557	25,464
Other income	1,964	-
Exchange rate loss	(284,397)	(322,585)
Total Support	6,965,761	6,799,584
Expenses:		
Program services	7,027,921	6,524,557
Supporting activities:		
General and administrative	297,949	231,245
Fundraising	11,193	30,016
	309,142	261,261
Total Expenses	7,337,063	6,785,818
Change in Net Assets	(371,302)	13,766
Net Assets, Beginning of Year	6,721,733	6,707,967
Net Assets, End of Year	\$ 6,350,431	\$ 6,721,733

See notes to consolidated financial statements

AMAZI WATER

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (371,302)	\$ 13,766
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	800,733	598,956
Loss on sale of furniture and equipment	(1,125)	-
Net change in operating assets and liabilities:		
Prepaid expenses and other assets	252,064	(549,538)
Inventory	53,407	455,936
Accounts payable and accrued expenses	(157,266)	(93,209)
Net Cash Provided by Operating Activities	576,511	425,911
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of furniture and equipment	2,051	-
Purchases of furniture and equipment	(34,330)	(1,717,142)
Net Cash Used by Investing Activities	(32,279)	(1,717,142)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Collections from loan receivable	-	11,500
Net Cash Provided by Financing Activities	-	11,500
Net Change in Cash and Cash Equivalents	544,232	(1,279,731)
Cash and Cash Equivalents, Beginning of Year	307,322	1,587,053
Cash and Cash Equivalents, End of Year	\$ 851,554	\$ 307,322

See notes to consolidated financial statements

AMAZI WATER

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

1. NATURE OF ORGANIZATION:

Amazi Water (Amazi) is a primary, in-country partner for clean water projects in Bujumbura, Burundi. Together with dynamic organizations, they are developing a national water strategy with the goal of providing sustainable access to clean water for every Burundian community by the end of 2028.

In 2019, Think East Africa adopted a new name of Amazi Water. Amazi means water in Kirundi, which is one of the primary languages spoken in Burundi. This change was made to more clearly convey our mission and will be clear to those who speak Kirundi as well as those in the United States that speak English. A new wholly owned for-profit subsidiary called Pump, LLC was formed during 2019 as well. This will free the organization to operate more freely in Burundi while still carrying out the non-profit mission. Amazi's primary source of revenue is contributions from donors.

Amazi Water is incorporated under the laws of the State of Texas as a not-for-profit religious organization. Amazi operates as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

The consolidated financial statements of Amazi have been prepared on the accrual basis of accounting. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The significant accounting policies are described below.

PRINCIPALS OF CONSOLIDATION

These consolidated financial statements contain the activities of Amazi Water and Pump LLC, referred to collectively as Amazi. All intercompany activity has been eliminated.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of checking, savings, and money market accounts. As of December 31, 2023 and 2022, cash exceeding federally insured limits was \$535,985 and \$145,327, respectively.

INVENTORY

Inventory consists of supplies needed for the installation of clean wells. These supplies include pumps, fuel, rollers, and testing materials. As clean wells are installed, amounts used as part of the installation are removed from inventory and recorded as direct water project costs.

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

Inventory is held at cost and is comprised of the following:

	December 31,	
	2023	2022
Pumps and pump components	\$ 689,877	\$ 724,016
Hippo rollers	13,078	13,418
Diesel Fuel	2,053	20,981
	<u>\$ 705,008</u>	<u>\$ 758,415</u>

LAND, BUILDINGS, AND EQUIPMENT—NET

Land, buildings, and equipment are recorded at cost or if donated, at their estimated fair market value at the date of the gift. Items with a cost or fair value in excess of \$1,000 are capitalized. Depreciation is provided on the straight-line method over estimated useful lives ranging from 5 to 7 years for equipment, 15 years for land improvements, and 39 years for buildings.

NET ASSETS

The consolidated financial statements report amounts separately by class of net assets:

Net assets without donor restriction are currently available for use at the discretion of the board as well as resources invested in furniture and equipment.

Net assets with donor restrictions are those stipulated by the donors for specific purposes, include projects or acquisition of property and equipment, or those with time restrictions. Amazi did not have donor restricted net assets or activity as of and for the years ended December 31, 2023 and 2022.

SUPPORT, REVENUE, AND EXPENSES

Support is recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets is transferred to Amazi. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Noncash gifts are recorded as contributions at their estimated fair value on the date of the gift.

Partner support comes from partner organizations with whom Amazi has agreements to fund certain projects. Partner support revenue is recognized as it is earned, which is over the course of the project as performance obligations are met.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program services and supporting activities have been summarized in the consolidated statements of activities. Very few expenses of Amazi are allocated amongst the functions and are typically directly charged to the function based on type of expense.

FOREIGN CURRENCY

Amazi's operations take place in Bujumbura, Burundi. The financial activities of this location are recorded and maintained in U.S. dollars. Contributions received and expense paid in foreign currencies are recorded in U.S. dollars using the exchange rate applicable on the date of the transactions. For the years ended December 31, 2023 and 2022, exchange rate losses were (\$284,397) and (\$322,585) respectively, and are included on the consolidated statements of activities. The consolidated statements of financial position reflects the value of foreign current accounts in U.S. dollars using the exchange rate as of December 31, 2023 and 2022, respectively.

3. LAND, BUILDINGS, AND EQUIPMENT—NET:

Land, buildings, and equipment—net consists of:

	December 31,	
	2023	2022
Buildings	\$ 2,112,978	\$ 2,112,978
Land and improvements	871,992	871,992
Vehicles	1,585,163	1,419,677
Drilling rigs	1,701,139	1,513,446
Warehouse equipment	310,348	271,073
Equipment and fixtures	223,676	227,530
	6,805,296	6,416,696
Less accumulated depreciation	(1,979,984)	(1,183,879)
	<u>\$ 4,825,312</u>	<u>\$ 5,232,817</u>

All buildings, land, furniture, vehicles, and equipment owned by Amazi is located in Burundi.

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

4. NATURAL CLASSIFICATION OF EXPENSES:

Expense allocations are as follows for the year ended December 31, 2023:

	Program Services	Supporting Activities:		Total
		General and Administrative	Fundraising	
Direct water project costs	\$ 2,732,953	\$ -	\$ -	\$ 2,732,953
Salaries and benefits	1,673,253	20,571	-	1,693,824
Professional fees	489,318	139,486	-	628,804
Depreciation	800,733	-	-	800,733
Transportation and travel	638,078	9,819	-	647,897
Office space and supplies	515,688	109,209	-	624,897
Other	88,667	18,864	-	107,531
Grants to other organizations	89,231	-	-	89,231
Marketing and advertising	-	-	11,193	11,193
	<u>\$ 7,027,921</u>	<u>\$ 297,949</u>	<u>\$ 11,193</u>	<u>\$ 7,337,063</u>

Expense allocations are as follows for the year ended December 31, 2022:

	Program Services	Supporting Activities:		Total
		General and Administrative	Fundraising	
Direct water project costs	\$ 2,863,518	\$ -	\$ -	\$ 2,863,518
Salaries and benefits	1,357,871	11,755	-	1,369,626
Professional fees	407,580	162,232	-	569,812
Depreciation	598,956	-	-	598,956
Transportation and travel	632,337	3,834	-	636,171
Office space and supplies	388,474	33,876	-	422,350
Other	144,698	19,548	-	164,246
Grants to other organizations	131,123	-	-	131,123
Marketing and advertising	-	-	30,016	30,016
	<u>\$ 6,524,557</u>	<u>\$ 231,245</u>	<u>\$ 30,016</u>	<u>\$ 6,785,818</u>

Direct water project costs are primarily supplies and installation expenses involved in the actual installation of a clean water well in Burundi.

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

5. FOREIGN ASSETS:

The following shows assets held in other countries at December 31, 2023:

	Total from Consolidated Statement of Financial Position	Amounts held in other countries	Amounts held in the United States
Cash and cash equivalents	\$ 851,554	\$ 157,054	\$ 694,500
Accounts receivable–net	\$ -	\$ -	\$ -
Prepaid expenses and other assets	\$ 152,192	\$ 152,192	\$ -
Inventory	\$ 705,008	\$ 705,008	\$ -
Land, buildings, and equipment–net	\$ 4,825,312	\$ 4,825,312	\$ -

The following shows assets held in other countries at December 31, 2022:

	Total from Consolidated Statement of Financial Position	Amounts held in other countries	Amounts held in the United States
Cash and cash equivalents	\$ 307,322	\$ 155,094	\$ 152,228
Accounts receivable–net	\$ -	\$ -	\$ -
Prepaid expenses and other assets	\$ 764,080	\$ 764,080	\$ -
Inventory	\$ 758,415	\$ 758,415	\$ -
Land, buildings, and equipment–net	\$ 5,232,817	\$ 5,232,817	\$ -

6. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects Amazi’s financial assets as of December 31, 2023 and 2022, reduced by amounts not available for general expenditures within one year. All financial assets listed below are considered to be convertible to cash within one year.

	December 31,	
	2023	2022
Financial assets:		
Cash and cash equivalents	\$ 851,554	\$ 307,322
Financial assets available to meet cash needs for general expenditures within one year	\$ 851,554	\$ 307,322

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

7. CONCENTRATION RISK:

During the years ended December 31, 2023 and 2022, Amazi received approximately 92% and 90% of total contributions from a single donor, who is also a board member.

8. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through August 6, 2024, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.