COVA AGUA & SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025 and 2024

COVA AGUA & SUBSIDIARIES

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities and Changes in Net Assets	4
Consolidated Statements of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-13

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cova Agua & Subsidiaries
St. Paul, Minnesota

Opinions

We have audited the accompanying consolidated financial statements of Cova Agua & Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and change in net assets, statements of 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 Cova Agua & Subsidiaries as of December 31, 2025 and 2024, 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 Opinions

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 Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of Cova Agua & 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 opinions.

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 Cova Agua & Subsidiaries' 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 Audits 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 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 Cova Agua & 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 Cova Agua & 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.

Lewis & Mount LLC

Edina, Minnesota
August 28, 2026

COVA AGUA & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
Current assets		
Cash and equivalents	$ 1,784,358	$ 416,325
Contributions and accounts receivable, net	136,926	366,422
Investments	2,462,453	-
Current portion of promise to give	12,500	12,500
Inventory	122,490	28,812
Prepaid expenses	3,531	216,302
Total current assets	4,522,258	1,040,361
Property and equipment	113,434	146,510
Less: accumulated depreciation	(66,086)	(93,810)
Net property and equipment	47,348	52,700
Long-term promise to give	11,574	22,321
Total assets	$ 4,581,180	$ 1,115,382
LIABILITIES AND NET ASSETS		
Current liabilities		
Current portion of long-term debt	$ 112,500	$ 28,830
Accounts payable and accrued expenses	26,636	6,002
Total current liabilities	139,136	34,832
Long-term debt	62,500	197,195
Line of Credit	100,000	200,000
Accrued labor benefit	37,871	20,722
Total long-term liabilities	200,371	417,917
Net assets		
Net assets without donor restriction	4,241,673	470,433
Net assets with donor restriction	-	192,200
Total net assets	4,241,673	662,633
Total liabilities and net assets	$ 4,581,180	$ 1,115,382

See Accompanying Notes to Financial Statements

COVA AGUA & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For The Years Ended December 31, 2025 and 2024

	2025			2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Support and revenue						
Individual contributions	$ 242,776	$ -	$ 242,776	$ 208,395	$ -	$ 208,395
Corporate and foundation contributions	3,814,684	880,438	4,695,122	12,426	700,059	712,485
Field program revenue	854,367	-	854,367	886,848	-	886,848
In-kind contributions	46,876	-	46,876	83,888	-	83,888
Other income	107,428	-	107,428	9,881	-	9,881
Net assets released from restriction	1,072,638	(1,072,638)	-	625,206	(625,206)	-
Total support and revenue	6,138,769	(192,200)	5,946,569	1,826,644	74,853	1,901,497
Expenses:						
Program services	2,157,068	-	2,157,068	1,607,169	-	1,607,169
General and administrative	34,987	-	34,987	25,723	-	25,723
Fundraising	154,561	-	154,561	150,397	-	150,397
Total expenses	2,346,616	-	2,346,616	1,783,289	-	1,783,289
Foreign currency adjustment	(20,913)	-	(20,913)	(7,759)	-	(7,759)
Change in net assets	3,771,240	(192,200)	3,579,040	35,596	74,853	110,449
Net assets - beginning of year	470,433	192,200	662,633	434,837	117,347	552,184
Net assets - end of year	$ 4,241,673	$ -	$ 4,241,673	$ 470,433	$ 192,200	$ 662,633

See Accompanying Notes to Financial Statements

COVA AGUA & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Services	General and Administrative	Fundraising	Total	Program Services	General and Administrative	Fundraising	Total
In-Country professional service	$ 602,143	$ -	$ -	$ 602,143	378,790	$ -	$ -	$ 378,790
Personnel & benefits	492,096	-	66,929	559,025	233,561	-	93,787	327,348
Direct program expenses	218,976	-	-	218,976	467,979	-	-	467,979
Cost of products	250,418	-	-	250,418	167,455	-	-	167,455
Training, travel & meetings	213,521	-	67	213,588	124,518	-	1,393	125,911
In-kind expenses	46,876	-	-	46,876	83,888	-	-	83,888
Professional services	172,795	26,829	82,241	281,865	28,502	16,717	45,822	91,041
Facilities & office	134,465	2,051	5,161	141,677	88,978	705	9,300	98,983
Depreciation	2,680	-	-	2,680	6,375	-	-	6,375
Interest	12,440	-	-	12,440	15,678	-	-	15,678
Insurance	-	3,518	-	3,518	-	3,436	-	3,436
Business administrative	10,658	2,589	163	13,410	11,445	4,865	95	16,405
Total	$ 2,157,068	$ 34,987	$ 154,561	$ 2,346,616	$ 1,607,169	$ 25,723	$ 150,397	$ 1,783,289

See Accompanying Notes to Financial Statements

COVA AGUA & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For The Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities		
Change in net assets:	$ 3,579,040	$ 110,449
Adjustment to reconcile the change in net assets to net cash flows from operating activities:		
Depreciation	2,680	6,375
Change in assets and liabilities		
Accounts receivable	229,496	(121,306)
Promises to give	10,747	9,923
Inventory	(93,678)	122,391
Prepaid expenses	212,771	(205,920)
Accounts payable and accrued expenses	37,783	(69,546)
Net cash flows from operating activities	3,978,839	(147,634)
Cash flows from investing activities:		
Purchase of property and equipment	2,672	(34,848)
Net activity of investments	(2,462,453)	-
Net cash flows from investing activities	(2,459,781)	(34,848)
Cash flows from financing activities:		
Net activity from line of credit	(200,000)	200,000
Proceeds from long-term debt	100,000	150,000
Payments on long-term debt	(51,025)	(23,975)
Net cash flows from financing activities	(151,025)	326,025
Net change in cash and equivalents	1,368,033	143,543
Cash and equivalents - beginning of year	416,325	272,782
Cash and equivalents - end of year	$ 1,784,358	$ 416,325

See Accompanying Notes to Financial Statements

COVA AGUA & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Cova Agua, formally EOS International (the Organization) is a nonprofit organization founded in 2008. The Organization builds a healthier Central America through community-centered safe water solutions.

Principles of consolidation The financial statements include the Organization's wholly owned subsidiaries, EOS International – Nicaragua, Cova Agua - Honduras, and Cova Agua – El Salvador, all inter-organization activity has been eliminated.

Basis of accounting The accompanying consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors.

Tax status The Organization is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and applicable Minnesota Statutes.

The Organization accounts for uncertainty in income taxes recognized in the consolidated financial statements annually assessing its exposure for uncertain tax positions. If required, the Organization would accrue income taxes plus a related interest and penalty as a liability. For the years presented the Organization has recorded no liability for uncertain tax positions. Tax years ending after December 31, 2022 remain open and subject to examination for both federal and state returns.

Basis of presentation Support is classified based on the presence or absence of donor restrictions and reported in the following net asset categories:

- Net assets without donor restriction represent the portion of net assets that are not subject to donor restrictions.

- Net assets with donor restriction arise from contributions that are restricted by donors for specific purposes or time periods.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and equivalents For purposes of the consolidated financial statements, the Organization considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

Contributions and accounts receivable Contributions and accounts receivable represent monies owed from the implementation of the Organization's technology in Nicaragua and Honduras as well as contributions which are unconditional promises to give.

Investments Investments are in certificate of deposits and carried at their cost plus interest earned.

Promises to give Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Accounts receivable Accounts receivable represent monies owed from the implementation of the Organization's technology in Nicaragua and Honduras. Bad debt expense at December 31, 2025 and 2024 was $0 and $0, respectively.

Inventory Inventory consists of products purchased for resale in the implementation of the Organization's technology.

Property & Equipment Property & Equipment is recorded at the lower of cost or estimated fair value. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Expenditures for equipment over $3,000 with determinable lives are capitalized and depreciated. Maintenance and repairs are expensed as incurred; major improvements and betterments are capitalized and depreciated over the estimated useful lives.

Contributed materials Contributed materials are recorded as contributions, when received, at their estimated fair value where such value can be objectively and accurately determined.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services Cova Agua received in-kind contributions of professional services from various stakeholders in support of its programs. These contributed services included engineering support, graphic design, business and financial advisory services, and pro-bono legal support. All of these services were provided to advance and support the Organization's program activities. The Organization received and recorded donated professional services in the amount of $46,876 and $83,888 for the years ended December 31, 2025 and 2024, respectively.

Contributions Contributions are recorded at their net realizable values when the donor makes an unconditional promise to give to the Organization. Donor-restricted contributions are reported as increases net assets with donor restriction. When a restriction expires, net assets are with donor restrictions are reclassified to net assets without donor restriction and reported in the statement of activity as satisfaction of donor restrictions.

Revenue from Contracts with Customers (Topic 606) This Accounting Standard Update (ASU) provides a single principles-based revenue recognition model with a five-step analysis of transactions to determine when or how revenue is recognized. The core principle is that an Organization should recognize revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization has analyzed the ASU and determined that no changes to its revenue recognition are necessary to conform with the standard.

Functional expenses Allocations are generally made as follows:

- Salaries by time spent on principal activities of each employee
- Employee benefits and payroll taxes according to the percentage used to allocate salaries
- All other expenses are allocated based on management estimates

2. INVESTMENTS

Investments consist of the following at December 31:

	2025	2024
Certificates of Deposit	$ 2,462,453	$ -

Investment income/loss) is comprised of the following for the year ended December 31:

	2025	2024
Interest and dividends	$ 106,208	$ -

3. FAIR VALUE MEASUREMENTS

The Organization complies with the Accounting Standards Codification which defines fair value, establishes framework for measuring fair value and expands disclosure about fair value.

Fair value is determined using assumptions that market participants would use to determine the price of the asset or liability as opposed to measurements determined based upon information specific to the entity holding those assets and liabilities. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. To determine those market participant assumptions the Accounting Standards Codification establishes a hierarchy of inputs that the entity must consider including both independent market data and the entity's assumptions about the market participant assumptions. This hierarchy is as follows:

Level 1: Unadjusted quotes prices in active markets for identical assets and liabilities.

Level 2: Quoted prices in markets that are not active, as those quoted market prices included in level 1, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Unobservable inputs used when there is little or no market activity, for the asset or liability at the measurement date. These inputs represent the entity's own assumptions about the assumptions that market participants would use to price the asset or liability.

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets measured at fair value, including the general classification of such pursuant to the valuation hierarchy.

Certificate of Deposits: Inventory consists of products purchased for resale in the implementation of the Organization's technology.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for assets measured at fair value, including the general classification of such pursuant to the valuation hierarchy.

The Organization's funds of approximately $2,462,000 invested in money market funds are considered level 1, as they are based on a quoted price in an active market. The carrying value of accounts payable, accrued expenses, and other financial working capital items approximate fair value at December 31, 2025.

5. PROMISE TO GIVE

Promises to give are reflected as the present value of estimated future cash flows using a discount rate of 8.0% at December 31, 2025 and 2024.

Promises to give at December 31 are as follows:	2025	2024
Gross promises to give	$ 25,000	$ 37,500
Unamortized discount	(926)	(2,679)
Net promises to give	$ 24,074	$ 34,821
Amounts due in:		
One year	$ 12,500	$ 12,500
Two to four years	11,574	22,321
Total promises to give	$ 24,074	$ 34,821

6. RELATED PARTY TRANSACTIONS

The Organization reimbursed its Nicaraguan, Honduras and El Salvador Subsidiaries for expenses incurred in the production and implementation of its technology in the amount of $734,803 and $760,245 for the years ended December 31, 2025 and 2024, respectively.

7. LINES OF CREDIT

The Organization has a line of credit with maximum borrowings with a French Specialized Investment Fund of $1,000,000 interest is charged at 5.2% and matures in December 2029. As of December 31, 2025 and 2024 the outstanding balances were $100,000 and $0, respectively. The line is secured by inventory.

The Organization has a line of credit with maximum borrowings with a limited liability company of $200,000 interest is charged at 7.5% and matures in March 2026. As of December 31, 2025 and 2024 the outstanding balances were $0 and $200,000, respectively. The line is secured by inventory.

8. LONG-TERM DEBT

	2025	2024
Loan payable to an individual requiring interest only payments at 8.0%. The note is unsecured and due January 2027	$ 75,000	$ 87,500
Loan payable to a company requiring quarterly payments of $4,692, interest is charged at 7.5%. The note is unsecured and due March 2027.	-	38,525
Loan payable to a charitable foundation non-interest bearing. The note is unsecured and due December 2026.	100,000	100,000
Total	175,000	226,025
Current portion of long-term debt	(112,500)	(28,830)
Total long-term debt	$ 62,500	$ 197,195

Current portion of long-term debt are as follows:

2026	$ 112,500
2027	62,500
Total	$ 175,000

9. NET ASSETS

Net assets with donor restrictions are for the following purposes at December 31:

	2025	2024
Water projects	$ -	$ 192,200

Net assets released from donor restriction as of December 31 were as follows:

Satisfaction of donor restrictions	2025	2024
Water projects	$ 1,072,638	$ 625,206

10. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of December 31, 2025 and 2024, reduced by amounts not available for general use because of donor-imposed restriction within one year of the statement of financial position date.

	2025	2024
Financial assets, at year end	$ 4,246,811	$ 416,325
Less those unavailable for general expenditures with in one year due to donor imposed restrictions	-	(192,200)
Financial assets available, at year end	$ 4,246,811	$ 224,125

Management of the Organization reviews cash balances and cash use on a daily and weekly basis. Additionally, its Board of Directors and Finance Committee review the cash balance, and specifically, the months of cash on hand, monthly. The Organization uses a benchmark of three months of operating expenditures. At December 31, 2025 and 2024, the Organization had 22 and 2 months of financial assets available for future general operating expenditures, respectively.

11. SUBSEQUENT EVENT

Management evaluates events occurring subsequent to the date of the balance sheet in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through August 28, 2026 which is the date the consolidated financial statements were available to be issued.