

Faces of Hope

2017 ANNUAL REPORT

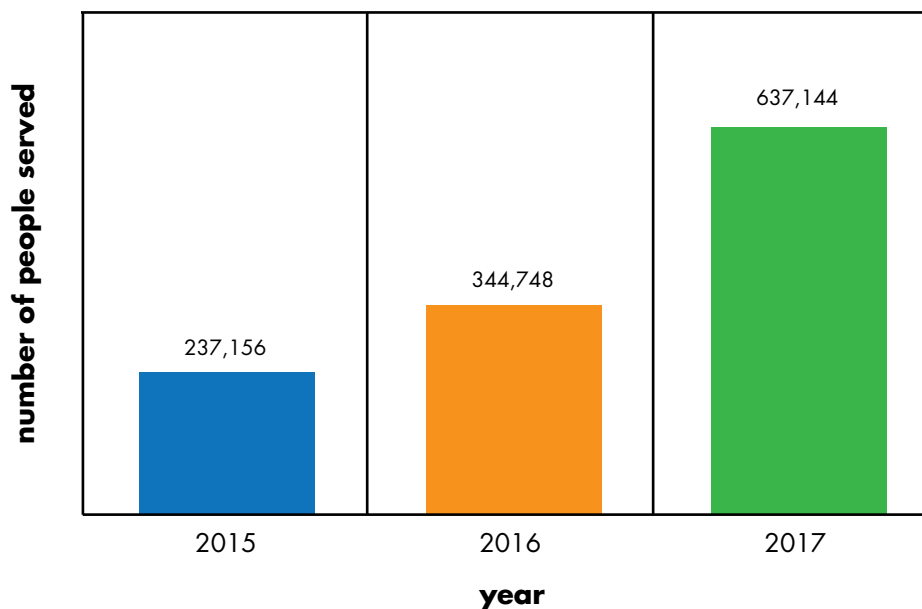


Safe Water Saves Lives

2017 WAS A VERY BUSY YEAR FOR WATERSTEP AND FOR OUR PARTNERS AROUND THE WORLD.

With 22 partners, many whom are working diligently on multiple projects each, and natural disasters occurring in Colombia and Puerto Rico, we are honored to service 637,144 people with safe water this year. Currently in 52 countries, we continue to expand our reach by responding to our partners' needs with our life saving equipment, training, coaching, and continued support. Our WASH (water, sanitation, health) program is sustainable and communities are experiencing better health along with improved school attendance, and in some cases increased income. Whether the lack of safe water is an everyday situation or due to a natural disaster, WaterStep responds with the same urgency because we know that safe water changes everything; it provides hope for a better tomorrow.

Total Lives Impacted



To date WaterStep has saved the lives of

2,217,604

people around the globe.

Partnerships, Projects & Training

	2015	2016	2017
Partnerships	3	17	22
Projects	25	70	96
Training	189	254	310

BOARD OF DIRECTORS

John Huber, President | Vaughn Bell, Vice President | Christian Condit

Garrison Cox, Secretary | Jason Waters, Treasurer | Kelley Dearing-Smith | Doug Weaver | Kevin Nolan | Charles O'Koon | Scott Elwell

Financial Analysis

Consolidated Statement of Activity For Year Ended December 31, 2017

Revenues		
Total Income	\$	<u>1,557,000</u>
Expenses		
Programming		899,000
Fundraising		208,000
Administration		<u>162,000</u>
Total Expenses		<u>1,269,000</u>
Change in Net Assets		<u>(288,000)</u>
Net Assets at Beginning of Year		<u>1,227,000</u>
Net Assets at End of Year	\$	<u><u>1,515,000</u></u>

The "change in net assets" is the same as the difference between income and expenses and can fluctuate annually from positive to negative. Our Administrative expenses in relation to total expenses (13%) are within guidelines, stable and reflective of our simple operation. However, our program expenses and fundraising expenses are unique. We pride ourselves on our significant impact at a very low program cost due to the following. 1. Our safe water and sanitation products are assembled by an "all-volunteer" manufacturing team at zero labor costs. 2. Training can be done virtually due to the increased access to internet around the world. 3. Our simple, small products are generally carried via volunteers to our partners or store-houses tucked in suitcases, resulting in very low transportation costs. Our fundraising expenses are higher than normal due to our Shoe Program (see page four), which is a self-sustaining fundraiser for our organization. The shoe program generates income for our mission work, the cost of collecting and packaging shoes is considered and increases our Fundraising expenses.

Letter from the Founder



OPPORTUNITY

Early in 2017, WaterStep was chosen as one of 5 companies out of 66 international applicants to join Pipeline H2O, an incubator to help businesses with water technologies that have designed a product disrupting and improving common practices. WaterStep was the only non-profit. Our product is in partnership with the Homeland Security Department of the EPA. It fits a very specific niche in disaster relief and we hope it can go to market in 2019.

DISASTER

WaterStep's ability to equip and respond in a disaster was proven again as a team working in Ecuador diverted to a major flood in Columbia in April. Sadly, in the fall, Hurricane Maria ravaged Puerto Rico. An incredible WaterStep network came together to fund, travel, train disaster workers. We built more equipment in 6 weeks than we do in 12 months and over 100 mobile water disaster kits were delivered to Puerto Rico responders.

MULTIPLYING HOPE

Over the years it's been overwhelming to uncover the talent, passion, experience and creativity amongst the dozens of partners WaterStep works with in the field in many different countries. We have invited them to work together as a team; crossing social, economic, religious and cultural boundaries to

co-create business ideas, best practices and share how water, health education and sanitation transform communities. The above picture is the dream of our community model and how safe water, health and entrepreneurship together bring hope.

FLIGHT

One way WaterStep wisely uses finances is not to put dozens of people in the field but to equip and empower people living there with tools that impart in an entire region. After all these years we've been able to quantify exciting results.

More than once the WaterStep team has come to a cliff's edge when the vision beyond seems hidden in fog. When one leaps, the hope is for a solid landing or a quick education in flight.

In 2017 we've surely spread our wings. Thank you.

Blessings,



Mark Hogg, Founder and CEO

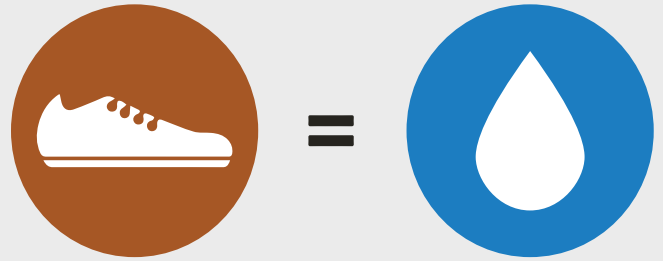
How Do We Put the “Step” in WaterStep?

SHOE PROGRAM FUNDRAISER...

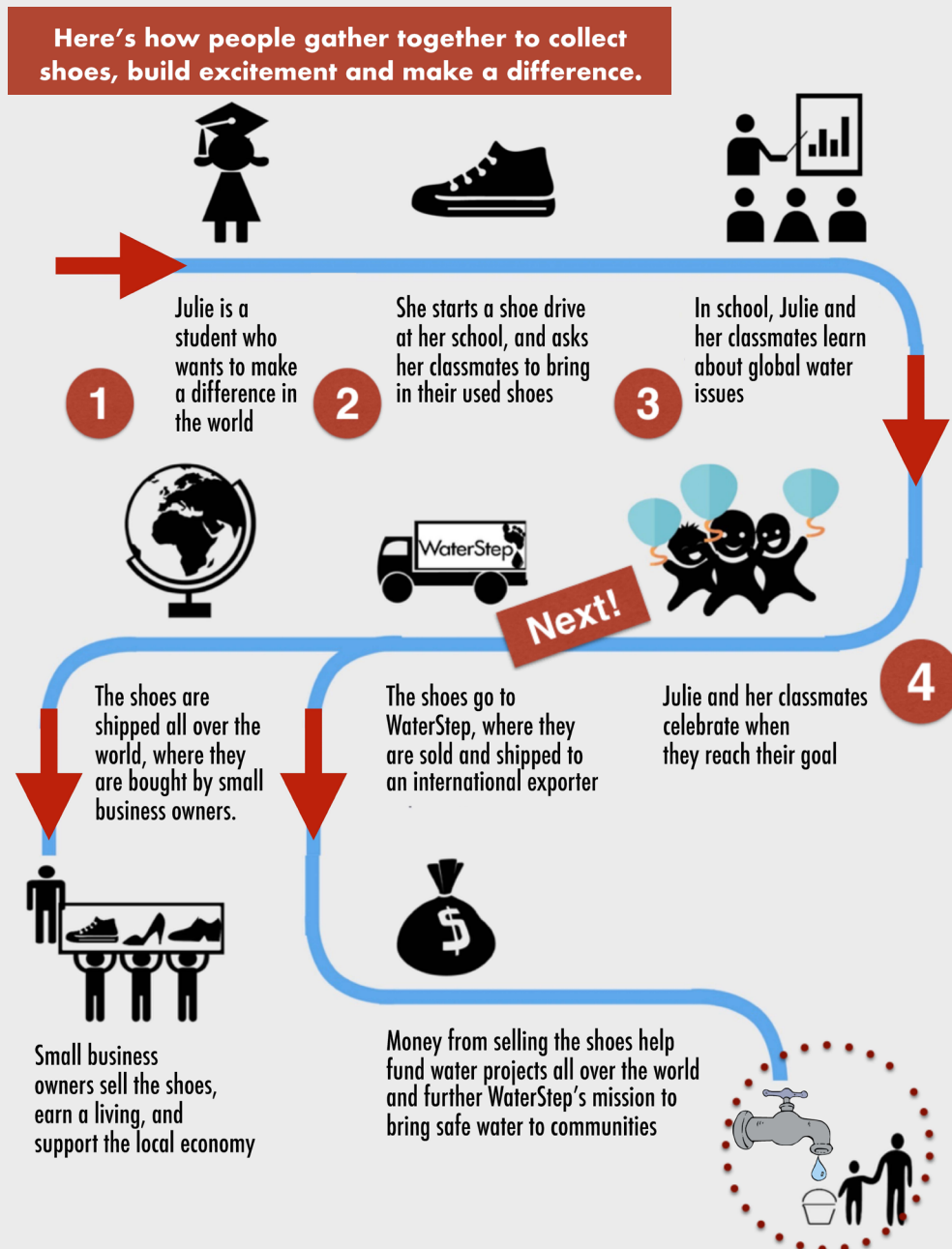
WaterStep has a self-sustaining fundraiser selling gently used shoes to various exporters to provide funding for our mission.

This program allows numerous organizations and groups, mostly involving youth, the opportunity to “give back” while learning about the importance of safe water and sanitation. They provide a tangible benefit to WaterStep by hosting shoe drives and volunteering their time to sort shoes.

Added benefits include: Shoes are shipped all over the world to small business owners. The small business owners sell the shoes and earn a living to support their families. Those purchasing the shoes can do so at an affordable price.



In 2017 we were given and processed over 200,000 pounds of shoes. This in turn generated net income of over \$80,000 for WaterStep to **support our mission worldwide.**



The WaterStep Nation



Where are we around the world?

- 
- Afghanistan
 - Belize
 - Brazil
 - Burma
 - Cambodia
 - Cameroon
 - Canada
 - Chile
 - China
 - Colombia
 - Costa Rica
 - Cuba
 - Democratic Republic of Congo
 - Dominican Republic
 - Ecuador
 - Ethiopia
 - Ghana
 - Guatemala
 - Haiti
 - Honduras
 - India
 - Indonesia
 - Iraq
 - Ireland
 - Kenya
 - Liberia
 - Madagascar
 - Malawi
 - Mexico
 - Myanmar
 - Nepal
 - Nicaragua
 - Nigeria
 - Pakistan
 - Panama
 - Peru
 - Philippines
 - Puerto Rico
 - Rwanda
 - Samoa
 - Senegal
 - Sierra Leone
 - Somalia
 - South Sudan
 - Suriname
 - Syria
 - Tanzania
 - Thailand
 - Uganda
 - United States
 - Zambia
 - Zimbabwe



Our Work in Puerto Rico



Map of Municipalities Served in Puerto Rico
(shown in blue above)

WaterStep responded to the devastating effects of Hurricane Maria in Puerto Rico in September 2017. We sent a Disaster Relief Team in October and deployed 78 disaster kits, one in almost every municipality on the island, along with 25 water chlorinators and 15 bleach makers. This provided safe water and sanitation capabilities to over 172,000 people impacted by the hurricane.



Our Work in Over 50 Countries



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