

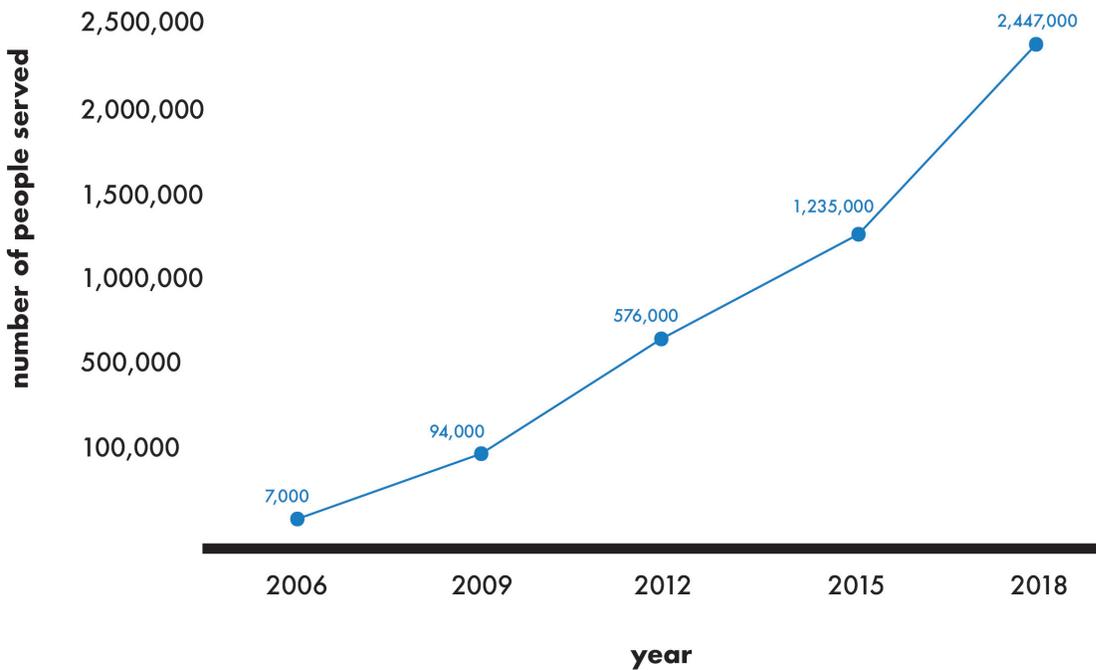


Safe Water Saves Lives

OUR MISSION IS SIMPLE, SAVE LIVES WITH SAFE WATER. Sometimes that is WaterStep supplying equipment and training to our field consultants around the world. Sometimes it is supplying safe water in the midst of a disaster. Sometimes it is training other people to use our equipment as they head out to do mission work, and sometimes it is helping our field consultants open water or sanitation- based businesses.

WATERSTEP NEARS THE 2.5 MILLION MARK — In 2018 WaterStep impacted 229,516 lives with access to safe water, sanitation and health education. Bringing our grand total close to the 2.5 million people served. To be exact, that is 2,447,120 that have the hope of a healthier more productive life!

NUMBER OF PEOPLE SERVED, SINCE 2006.



Partnerships, Projects & Training

To date, WaterStep has impacted the lives of **2,447,120** people around the globe.

	2015	2016	2017	2018
Partnerships	3	17	22	27
Projects	25	70	96	180
Training	189	254	310	372

Financial Analysis

Consolidated Statement of Activity

For Year Ended December 31, 2018

Revenues			
Total Income	\$		<u>986,000</u>
Expenses			
Programming	(80%)		944,000
Fundraising	(13%)		147,000
Administration	(7%)		<u>85,000</u>
Total Expenses			<u>1,176,000</u>
Change in Net Assets			<u>(190,000)</u>
Net Assets at Beginning of Year			<u>1,515,000</u>
Net Assets at End of Year	\$		<u>1,325,000</u>

WaterStep Makes Great Impact at Low Cost

We pride ourselves on the life-saving work we do around the world using minimal financial resources. This is due to the following:

1. Our safe water and sanitation products are assembled by a volunteer manufacturing team at zero labor costs.
2. WaterStep staff rarely travels to the countries we work in. Instead, we virtually train field consultants who are already in-country how to use our equipment and they train others within their communities.
3. Our equipment is designed to easily fit in a suitcase or carry on bag and is transported by volunteers who are already traveling to the countries we serve. This results in very low transportation costs.

It is typical for a non-profit to have the "change in net assets" fluctuate between positive and negative from year to year. Our functional expenses classification is within guidelines.



Letter from the Founder

At this point we've deployed equipment in over 50 countries. We design and manufacture equipment, we train others on how to help, and sometimes our own teams go to help. Projects are taken on a case-by-case basis and could fully or partially be funded by WaterStep.

A new awareness emerged for us in 2018. We were able to look back and begin to see the power of the networks naturally emerging around water, sanitation and health. These networks look like spider webs. As we cache equipment in regions where we've many people doing well repair, safe water, sanitation and health projects (W.A.S.H.) and in addition they've taught others to "pay it forward" to another region in need. And so on. And so on.

As a result, these spiderwebs have taken on what we see as a movement. We call this movement, WaterStep Nation. This movement is managed by leaders not only at the international office in Louisville, KY but by dozens and dozens of leaders emerging in countries in Central and South America, Africa and the Caribbean. WaterStep is strengthening its capabilities by affordably getting equipment in the field, becoming a conduit sharing successful strategies and getting more and more stories told to inspire all of us. More online training is being done and studies to look at future technologies being able to assist WaterStep in ways we never knew possible. It is an exciting time.

Water and sanitation and health is only one side of the complicated coin of unsafe water. In a community, education, agriculture and business all are impacted. The WaterStep Nation as a whole takes a more wholistic approach addressing the bigger picture. As a donor, I can't think of a better way to multiply my support.

The United Nations reports natural disasters have increased over 400% in the past 20 years. WaterStep recognizes natural disasters, but we feel that any day someone is drinking unsafe water is a disaster.

This year a volcano in Guatemala and the Ebola virus break out in the Democratic Republic of Congo has left many in need of safe water and the need to manufacture disinfectant. Again, WaterStep used its networks to deliver equipment to Guatemala and train people how to use it in Spanish from qualified leaders in Puerto Rico. The network in the Democratic Republic of Congo has been meeting with doctors and health workers in the Ebola affected region. Equipment is being delivered for deployment.

Hurricane Florence tore through the Carolina's this year. We all learned the effectiveness of our equipment there. And, if you didn't read the story of how young 7 year old Victoria led the WaterStep team to help her little town do yourself a favor and find in on our blog.

From the WaterStep Nation,



Mark Hogg, Founder and CEO

COMMUNITY EDUCATION & ENGAGEMENT PROGRAM

WaterStep's Community Education & Engagement Program creates partnerships in the community through shoe collection drives and educational presentations that address the world water crisis. The shoes are exported, repurposed and ultimately provide affordable footwear to people in the developing world who now have increased protection against disease as a result of wearing shoes. The program also provides protection against impoverished individuals and families in these areas with the ability to have microbusinesses, added economic benefits to their communities. In 2018, we were given over 187,00 lbs of shoes that were processed and provided funds for WaterStep to support our mission and provided income and wearable shoes to those in need.

How Do We Put the "Step" in WaterStep?



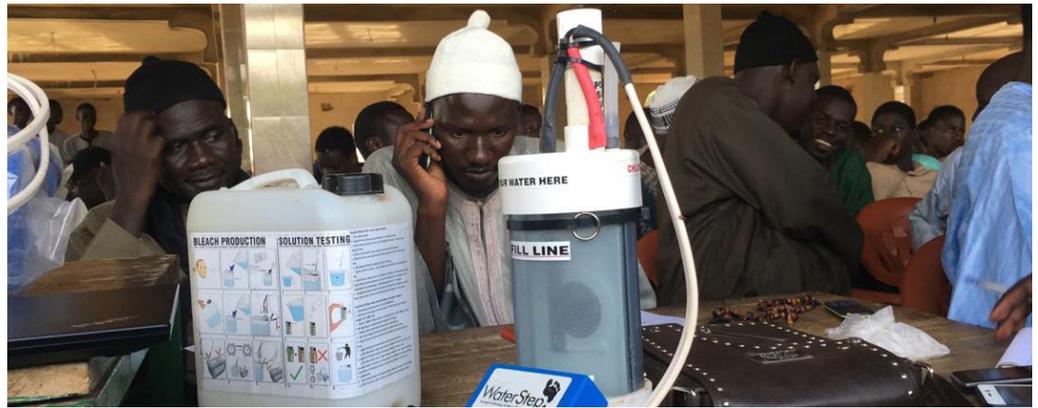


The WaterStep Nation: Where are we Around the World?



WATERSTEP'S FIRST INTERNATIONAL TRAINING CENTER OPENED IN SENEGAL, AFRICA.

This facility is training over 20 teachers a week, who in turn train their schools to use WaterStep equipment. Thousands of children in Touba, Senegal are marginalized and living on the streets. The training center in Senegal is not only equipping teachers with the means to bring safe water and sanitation to the schools, but also finding business opportunities for the children to sell bleach and safe water in the marketplace.



BLEACH BUSINESS IN KISUMU, KENYA – AFTER A THREE-MONTH PILOT PROGRAM, PAUL OWINO OPENS HIS BLEACH BUSINESS.

In August, Paul began a pilot program for WaterStep. His mission was to see what it would entail to open a Bleach Business using WaterStep's BleachMaker. He was supplied with the equipment he needed, a business plan template, labels for bleach bottles, marketing materials, spec sheets and WaterStep t-shirts and hats. During the pilot program Paul learned what governmental regulations he needed to abide by, how to budget the program, what the market was, what was his profit margin going to be and how many people he could employ. In November Paul traveled from Kenya to Louisville to for some more training and instruction and by December his business was up and running. He currently employees four people who manufacture bleach, each has a territory they cover, and each has a day of the week when they have the use of a motorcycle to deliver their product. Hospitals and clinics now have access to a sanitation solution to sterilize their facility. Individuals now have affordable disinfectant to clean their homes. Schools and feeding centers now have now have a way to keep their surfaces and bathrooms clean. In addition to all that there are now five people that are making a decent living and putting food on their family's tables. Paul is currently building a small manufacturing facility.



WATERSTEP RESPONDS TO EBOLA OUTBREAK IN THE DR CONGO

In August of 2018, the North Kivu health division notified Congo's health ministry of 26 cases of Ebola including 20 deaths. The numbers have continued to rise, currently there have been over 1,000 deaths. The end of 2018 WaterStep sent 15 BleachMakers and 5 M-100's to help sanitize clinics and hospitals and supply safe water. The BleachMaker was actually designed as a combative response to the Ebola outbreak in Liberia. She is doing her job in the DR Congo!



HURRICANE FLORENCE – CAROLINAS

In September Hurricane Florence dumped historic rainfall across the Carolinas causing over 22 fatalities and at least 24 billion dollars of damage. WaterStep responded to provide safe water in the aftermath. Basing out of Wilmington North Carolina, our team delivered equipment and training to the worst affected rural communities. One morning, during a McDonalds breakfast, the team met six-year-old Victoria who led them to the storm ravaged town of Atkinson. There, WaterStep worked with the mayor, Ken Smith, to deliver disaster response kits to and train first responders from across the region. The team then traveled to the town of Fair Bluff on the North Carolina border, which was still under water. There, WaterStep set up a bleach manufacturing and distribution point and gave disaster response kits and training to the Fair Bluff Fire Department.



VOLCANO ERUPTION – GUATEMALA

Because a mission team had been scheduled to leave Louisville, KY within days after the Fuego's Volcano eruption June 3, WaterStep was able to easily transport 3 disaster kits to refugees. Initially one of the systems was taken to a small church in a valley next to the volcano that was housing refugees. Once they realized the full capabilities, the group relocated to a larger shelter where there were water tanks but no safe water. They brought the system with them and were able to fill and treat the tanks at that location. As a result, 75 families in Hunapu, Escuinla, Guatemala benefitted from that system. The other systems were used as a mobile unit traveling to water sources and providing disinfectant for families staying in various shelters and churches.

Visiting Internationals

- KENYA** — Paul Owino
- KENYA** — Raphael Wanjala
- PAKISTAN** — Sister Maria Daniels
- UGANDA** — Steve Gashumba
- LIBERIA** — Amos Joway
- RWANDA** — Father Joseph Wetasse



Conferences, Invitations, & Awards

- FEBRUARY 2018** — WaterStep was invited to speak, by Dr. Nisreen El-Hashemite an Iraqi princess, at the United Nations Educational Scientific & Cultural Organization's (UNESCO) International Day of Women and Girls in Science event in New York City.
- FEBRUARY 2018** — Invited to the Embassy of Ivory Coast in Washington D.C. to meet with business leaders and government officials discuss safe water and sanitation issues and solutions using WaterStep products.
- FEBRUARY 2018** — One of eleven organizations from across the country selected to be showcased at America's Small Business Development Center's (SBDC) 2018 Client Showcase on Capitol Hill.
- MAY 2018** — Nominated for the Greater Louisville, Inc. (GLI) Inc.credible Awards Non-Profit of the Year Award.
- JULY 2018** — Quito Ecuador Conference — WaterStep staff met with our own Director of Operations in Ecuador, Rosa Linda for the 10th National Forum on Water Resources in Quito.



Over 700 million people worldwide lack access to safe water. The WaterStep team is committed to reducing this staggering statistic.

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