

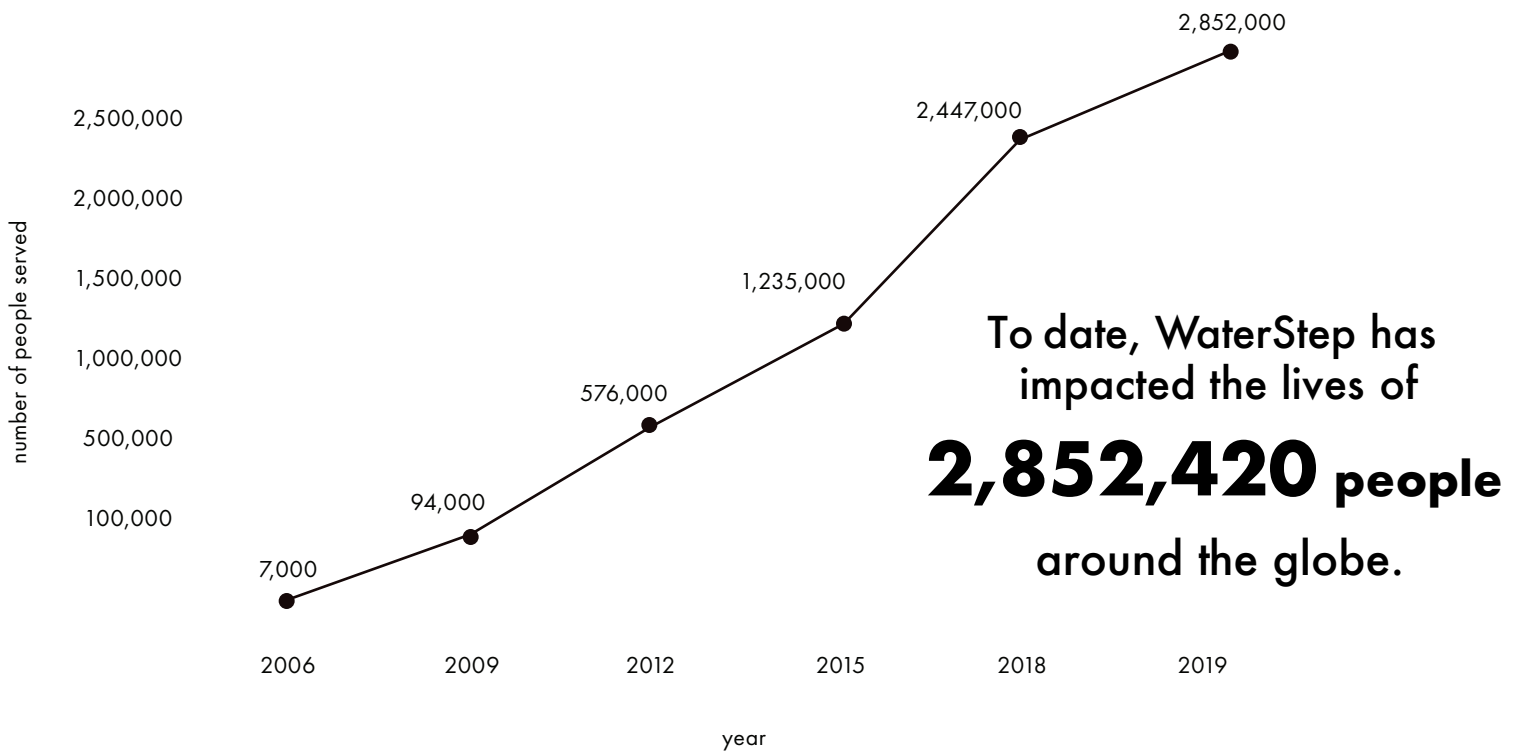


Safe Water Saves Lives

THE YEAR 2019 WAS A YEAR OF MILESTONES FOR WATERSTEP. WaterStep took big strides this year to save more lives and give more people the life-changing equipment that we distribute. This includes meeting and surpassing the 2.5 million lives saved as well as releasing our portable disaster relief kit, the WOW Cart. We are thankful for all of the supporters and volunteers that made this year such an amazing year for not only us, but for all of our field consultants around the world.

WATERSTEP REACHES THE 2.8 MILLION MARK — In 2019, WaterStep impacted 390,500 lives with access to safe water, sanitation and health education. Bringing our grand total to 2.8 million people served. To be exact, that is 2,852,420 that have the hope of a healthier more productive life!

Number of People Served, Since 2006.



Partnerships, Projects, and Training

	2015	2016	2017	2018	2019		
Number of Partnerships	3	17	22	3	58	Number of general volunteer hours	1,500
Number of Projects	25	70	96	25	261	Number of manufacturing volunteer hours	3,200
Number of People Trained	189	254	310	189	3,762		

Financial Analysis

Consolidated Statement of Activity

For Year Ended December 31, 2019

Revenues		
Total Income	\$	<u>1,043,000</u>
Expenses		
Programming (76%)		937,000
Fundraising (13%)		162,000
Administration (11%)		<u>137,000</u>
Total Expenses		<u>1,236,000</u>
Change in Net Assets		<u>(193,000)</u>
Net Assets at Beginning of Year		<u>1,325,000</u>
Net Assets at End of Year	\$	<u><u>1,132,000</u></u>

WaterStep's Financial Notes

At WaterStep, we are proud to say that we accomplish our life-saving work around the world using minimal financial resources. This is possible because of the following:

1. Our manufacturing team is comprised solely of volunteers which allows us to produce our safe water and sanitation equipment with zero labor costs.
2. Our equipment is simple and straightforward making it easy to train others. WaterStep rarely travels to other countries because we can train our field consultants virtually. They can then take the skills from our training and teach others around their communities.
3. We are strategic with how we ship our equipment to our field consultants. Our tools fit easily into a suitcase or carry-on bag and are transported by volunteers already traveling to the countries we serve. The result is low transportation costs.

It is typical for a non-profit's "change in net assets" to fluctuate between positive and negative from year to year, based on when project monies are received and used. For us, disaster relief funding and building renovation funding causes the majority of differences from years to years. Functional expenses classification percentages are within guidelines.

Letter from the Founder

Collision Space

Years ago, I found myself inspired while listening to Owsley Brown II, then President of Brown-Forman, speak at Flame Run in Louisville, KY. He challenged the audience to consider building design and interior spaces beyond function. When we consider artistic and attractive forms to enhance a building's purpose, it does have an emotional impact on visitors and employees.

Months later, I heard a panel with the CEO of Zappos and Steel Case discuss work space as blank canvases to direct interaction and inspire employees and guests toward better communication, problem solving and creativity amongst color and shapes. The phrase "collision space" began to pound in my head.

I often get asked why we continue to work on our building, advancing manufacturing areas, adding comfort to conference rooms and making sure things are done right. "You're a nonprofit. It just makes you look like you don't need money!" But, WHY we do what we do ALWAYS goes back to not wanting any child to suffer from water-borne illness.

In 2012, my sanity was certainly in question. WaterStep moved into an abandoned warehouse with broken plumbing, spotty electricity, leaky ceilings and an aroma some people found made their throats close, including my wife's. But something unimaginable happened, continuing into 2019.

Our home at 625 Myrtle Street has strong bones and WaterStep has passionate people. Architects, builders, designers, businesses, foundations, friends and volunteers began owning our ongoing vision of what our physical space could be and how it would benefit our mission to impact lives.

Today, 3,000+ students and adults tour our building each year. People from countries around the world come for education on our equipment and linger to explore solutions for safe water, sanitation and health.

In 2019, we found churches remodeling their worship centers that donated their ancient pews. A craftsman friend repurposed them into shelving units and surrounding wall coverings. These historic pieces of oak have heard the voices and prayers of thousands. "Collision space" is best created with attractive colors, comfort, convenience, nearby refreshments and repurposed items of interest and great story.


Though it takes time to do these projects, we've noticed that ongoing improvements to our physical space have heightened interest, created anticipation and started conversations around what's next. Remodeling funds are designated by foundations and givers that have chosen to help with the building's vision above and beyond our normal donations.

We design, manufacture, teach, video podcast internationally, house tenants, meet, work, party and play in a place where most every conversation ends, "How can we impact more people." And nothing is mundane.

When you bump into someone and it feels like you're home, folks end up staying a while. It makes a difference.

Thank you for 2019.

From the WaterStep Nation,



WaterStep's Involvement in Schools



WaterStep's work in the school system in 2019 was one that moved us to the next level with local partnerships. We worked with several schools extensively to build WaterStep programs into their curriculum and have connected schools with each other to share ideas.

- Holy Cross High School began an Internship Program and over the past year, we have hosted 10 students in our office, teaching them about the work we do, and showing them how they can help.
- We have also partnered with Noe Middle School and Galen College of Nursing to build a sustainable program that helps as many students as possible learn about the water crisis around the world and giving them tangible ways to help. Galen students were trained on how to give the WaterStep tour as well as the Health and Hygiene Training and then gave that same tour and training to over 800 students from Noe over the course of 2019. We see this model as a structure that we could implement in other schools as well.
- Our partnership with Iroquois High School began in 2019 as we worked with a classroom of ESL students to help them learn to write and tell their stories growing up in the water crisis. They are currently practicing to tell their stories at a TED x Youth Conference in January.

How Do We Put the Step in WaterStep?



WATERSTEP SHOE BINS. Thanks to SkillsUSA and Fabricated Metals for helping us design and construct permanent shoe bins to be placed in various locations to boost our shoe program. Our hope is that these bins will be remembered by people in our community and encourage people to donate shoes.

WATERSTEP COMMUNICATIONS TEAM. In an effort to improve our marketing and communications within WaterStep, we launched a WaterStep Communications Team that meets once a week to talk about strategies and content across all our social media platforms as well as press releases and newsletters. This has allowed our content to become much more streamlined and clean for those who interact with us on these platforms.



The WaterStep Nation: WHERE ARE WE IN THE WORLD?



WATERSTEP STORY 1

Rain Catchment Project in Mpuunge, Uganda — WaterStep’s Field Consultant Muguma Jude not only had a problem with water quality but also with lack of access to water. In the dry months women and children had to travel miles to find water, often an unsafe journey only to find a dirty source. Muguma Jude decided that a rain-catchment facility would be the answer. WaterStep built a large roof on stilts with gutters that feed large tanks, the water is then sanitized, and people can come to collect safe water that is close to home. Of course, nothing is wasted and the rain-catchment roof now covers a school with newly built latrines and hand-washing stations! Access to safe water and sanitation has changed the face of this village in southwest Uganda.



WATERSTEP STORY 2

Safe water and good health in Morulem, Kenya — Field Consultant, Simon Wasike is on the move again helping communities in Kenya to have safe water, disinfectant and health education. This time he is working with people in the village of Morulem. Simon trained 30 preselected participants in health education, water sanitation and bleach making for sanitation. The village has decided to start a water and bleach business to help bring in some income to the community. They were ecstatic with their new project and a village elder said, “For a long time we have been neglected but God is now answering our prayers, all is good now.”



WATERSTEP STORY 3

Transformation of clinic in Itololo, Tanzania — In Tanzania there is a Priest named Father Priscus. He oversees a children’s home and a clinic along with taking care of all his parishioners. There is no internet where he lives so virtually training him on the WaterStep equipment was not going to happen. Fortunately, we have strategically placed Ambassadors around the world and WaterStep’s Ambassador, Humphrey Muchuma was sent on a two-day journey to Tanzania to train Father Priscus and his team. Within a day all equipment was up and running and the community of Itololo was drinking safe water. Two months after the project, the local Health Department did a surprise inspection, they were so impressed with the cleanliness of the clinic and the use of the bleach throughout the village that they renamed and claimed the clinic as a Regional Hospital. Father Priscus said the Hospital has brought a since of pride to the community.

Disaster Response

MARCH 2019 – MALAWI FLOODING

- 5 BleachMakers
- 4 M-100s
- 1 DRK

APRIL 2019 – CONGO (DRC) EBOLA

- 25 BleachMakers
- 25 M-100s
- 5 BM/5 M100 – Red Cross

DECEMBER 2019 – CONGO (DRC) EBOLA

- 2 BleachMakers
- 2 M-100s

Visiting Internationals

Paul Owino from **KENYA**
Dure from **HAITI**



Conferences, Invitations, and Awards

BELMONT UNIVERSITY: TOP 100 ALUMNI ENTREPRENEUR FOUNDER

Mark Hogg, CEO WaterStep Entrepreneurship in Social Enterprise

CENTER FOR NONPROFIT EXCELLENCE, LOUISVILLE, KY: COLLABORATION AWARD

WaterStep, SOS & Love the Hungry collaborated to bring safe water, food and medical supplies to those in need in the developing world

VISTAGE, WORLD'S LEADING CHIEF EXECUTIVE ORGANIZATION

Mark Hogg, CEO WaterStep, Member since 2010



Conclusion

WaterStep is excited to enter 2020 which will be the 25th year that we have been saving lives with safe water. We can't wait for all the stories this year holds.

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