ACCELERATION

toward the day when everyone in the world can take a safe drink of water and experience the dignity of a toilet.
Thanks to you, in 2014, more than one million people are celebrating around the world. Their cause for celebration? Access to safe water and sanitation.
Safe water brings joy and celebration. It transforms lives and saves them.

Water is at the heart of a network of interconnected crises impacting our world. For a society to thrive, it must have reliable access to safe water. At Water.org, this knowledge drives us to accelerate an end to the water crisis for billions around the world.
Dear Friends and Supporters,

This year, because of you, we brought an end to the water crisis for more than one million people – a 68 percent increase from last year. Your generosity not only afforded us the opportunity to reach more people, it also allowed us to expand our geographic reach by 33 percent with new programs in the Philippines, Cambodia, Ethiopia, Ghana and Honduras.

Thanks to you, 2014 was a year of dramatic acceleration – both externally in the impact we made toward ensuring safe water and sanitation for all, and internally. We expanded the number of programs we offer by 60 percent and established two new offices. In order to achieve this elevated global impact, we increased our team by more than 40 percent.

At Water.org, we believe that enhancing financial inclusion at the Base of the Economic Pyramid (BOP) for water and sanitation needs presents the strongest opportunity to accelerate an end to the water crisis. Our belief is grounded in our decade of experience operating WaterCredit—our microfinance solution that provides small loans for people to address their water and sanitation needs.

This year, we increased the number of people reached with WaterCredit by 74 percent. And this is just the beginning. We believe financial inclusion has the potential to reach 100 million people by 2020. For hundreds of thousands of families worldwide, access to safe water and sanitation makes a life-changing and often life-saving difference. It’s the catalyst that empowers young girls to go to school, women to become more economically productive, and children to live healthier, longer lives.

The accelerated impact and exponential promise of WaterCredit drove us to determine its key elements of success. This year we launched two new initiatives to ensure WaterCredit’s viability—WaterCredit Advisory Services and the WaterCredit Investment Fund. Both efforts break down barriers to the successful adoption and expansion of water and sanitation lending for the BOP. And, while strategies and programs may change over time, the vision that guides us endures.

In more than 25 years working to end the water crisis, one fact remains remarkably clear – safe water connects people to possibility. On behalf of the more than a million people we served this year, thank you for opening doors to new futures.

Sincerely,

Gary White, CEO and Co-founder

Our vision: The day when everyone in the world can take a safe drink of water and experience the dignity of a toilet.
ACCELERATION
of empowerment through safe water and sanitation

In just one year, your support accelerated an end to the water crisis for more than one million people.

We invite you to meet three of them.
Before, Vimala and her family had to spend three hours a day carrying water from a communal source. Now, thanks to a WaterCredit loan, the family has easy access to safe water at home, creating more time and energy for a better life.

“It was a wonderful feeling to see clean water flow from our tap... we have what we need.”

-Vimala, South India

Learn more about Vimala’s story here.
Because of unsafe groundwater, Booz previously had to rush ill villagers to the hospital on his motorcycle. But since his Haitian village installed its very own safe water hand pump, he hasn't made even one trip to the emergency room. Your support brought health and opportunity to Booz and his village.

Watch Booz tell his story here.

“Since we got this water, I've been enormously happy, because people aren't falling ill with cholera anymore.”

- Booz, Haiti
For Grace and her family in Kenya, a WaterCredit loan helped them install a rainwater catchment system and water tank. Grace envisioned the day when her young daughter would no longer have to walk to collect water. Now, with every rainy day, her hope turns into a beautiful reality.

“My life has been hassle-free. I can go anywhere, because I know that I have water.”

- Grace, Kenya

Watch Grace tell her story here.
ACCELERATION
of global impact

Water.org is empowering millions of individuals around the world with access to safe water and sanitation, ensuring a better life for generations ahead. Water.org currently works in twelve countries.

In 2014...

19
new partner organizations certified

1 million
people served with safe water and sanitation

55
water and sanitation programs around the world

62%
increase in number of programs worldwide

135,682
toilets constructed

68%
increase in people reached with safe water and sanitation

33%
increase in geographies served

117,884
household water connections established
WaterCredit: A Snapshot of Success

99% average repayment rate
96% of borrowers are women
$197 average loan size
$10.9 million investment in WaterCredit has unlocked $97 million in commercial and social capital

4 new WaterCredit locations

In four years the cost of WaterCredit has dropped to US$2.38 per person.

Launch of WaterCredit Investment Fund

Water.org’s WaterCredit Investment Fund provides lower-cost capital to our partners to support their water and sanitation loan portfolio growth.

First Loans Distributed By WaterCredit Advisory Services

Water.org’s WaterCredit Advisory Services (WCAS) provides technical assistance to enable partners to create a water and sanitation loan portfolio. This year, our first WCAS partner distributed its first water and sanitation loans.
Statement of Financial Position

As of Sept 30, 2014 2013

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$14,287,008</td>
<td>$11,176,262</td>
</tr>
<tr>
<td>Grants and other receivables</td>
<td>759,283</td>
<td>286,475</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>114,464</td>
<td>86,922</td>
</tr>
<tr>
<td>Investments</td>
<td>777,368</td>
<td>676,068</td>
</tr>
<tr>
<td>Other assets</td>
<td>321,345</td>
<td>-</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>75,147</td>
<td>79,387</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$16,334,615</td>
<td>$12,305,114</td>
</tr>
</tbody>
</table>

LIABILITIES & NET ASSETS

| Accounts payable            | $441,553 | $227,585  |
| Accrued expenses            | 594,113  | 482,109  |
| Refundable advances         | 148,198  | 675,353  |
| Total Liabilities           | $1,183,864 | $1,385,047 |

| Unrestricted net assets     | $7,016,879 | $4,236,516 |
| Temporarily restricted net assets | $8,133,872 | $6,683,551 |
| Total Net Assets            | $15,150,751 | $10,920,067 |

TOTAL LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$16,334,615</td>
<td>$12,305,114</td>
</tr>
</tbody>
</table>

Statement of Activities

Years ending Sept 30, 2014 2013

REVENUE, GAINS AND OTHER SUPPORT

| Contributions and grants | $15,704,691 | $12,277,556 |
| Investment income and other | 104,588 | 78,764 |
| Total Revenue, Gains and Other Support | $15,809,279 | $12,356,320 |

EXPENSES

| Program services            | 6,679,444 | 5,388,674 |
| Outreach and advocacy       | 888,191   | 1,252,057 |
| New Ventures                | 992,247   | 199,769   |
| Total Program Services      | $8,559,882 | $6,840,500 |

| Supportive services         | 1,690,224 | 1,316,710 |
| Administration              | 1,328,489 | 1,216,619 |
| Fundraising                 |           |          |
| Total Supportive Services   | $3,018,713 | $2,533,329 |

| Total Expenses              | $11,578,595 | $9,373,829 |

Change in net assets

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4,230,684</td>
<td>$2,982,491</td>
</tr>
</tbody>
</table>

Net assets, beginning of year

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,920,067</td>
<td>$7,937,576</td>
</tr>
</tbody>
</table>

Net assets, end of year

<table>
<thead>
<tr>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15,150,751</td>
<td>$10,920,067</td>
</tr>
</tbody>
</table>

Revenue Sources

- Foundations 57%
- Corporations 20%
- Individuals 20%
- Federated/Workplace Campaigns 1%
- In-Kind Contributions 2%

Allocation of Expenses

- Administration 15%
- Fundraising 11%
- Programs 74%
- Outreach and advocacy 17%
- Outcomes and Evaluation 9%
We are committed to developing solutions that most effectively and efficiently respond to the specific needs of each community. Recognizing that charity alone cannot solve the crisis, we implement a portfolio of market-based, demand-driven solutions to finance and deliver access to safe water and sanitation.

ACCELERATION of smart solutions

We are committed to developing solutions that most effectively and efficiently respond to the specific needs of each community. Recognizing that charity alone cannot solve the crisis, we implement a portfolio of market-based, demand-driven solutions to finance and deliver access to safe water and sanitation.

DIRECT IMPACT
NEW VENTURES FUND
WATERCREDIT

WATERCREDIT ADVISORY SERVICES
WATERCREDIT INVESTMENT FUND
GLOBAL ADVOCACY AND LEARNING
At Water.org we view access to affordable financing as our most promising opportunity to accelerate an end to the water crisis. Our belief is grounded in our experience successfully delivering WaterCredit – our program that empowers individuals with small loans to access safe water and sanitation.

This year, building on WaterCredit’s success, we launched two new initiatives – WaterCredit Advisory Services and the WaterCredit Investment Fund. Both efforts offer new opportunities to ensure people have access to affordable financing to address their water and sanitation needs.

**WATERCREDIT: Water.org’s Market-Based Solution**

WaterCredit is our market-based solution that provides people in need with small loans to address their water and sanitation needs. As the loans are repaid, the capital is recycled, allowing WaterCredit to reach five to ten times as many people as a traditional grant over a ten-year period. This year, we increased the number of people reached with WaterCredit by 74 percent while also entering into four new markets – the Philippines, Cambodia, Ethiopia and Ghana. To date, through WaterCredit, we’ve served two million people in six countries—nearly a million of whom we reached just this past year.

**THE WATERCREDIT INVESTMENT FUND: An Opportunity for Social Impact Investors**

Our WaterCredit microfinance institution partners (MFIs) source capital at about 15 percent. We asked them, “What if we could find capital and bring it in at half that cost?” Their answer, “If you did that, we could double the number of loans we could make. And we could start tomorrow.” Our response – the WaterCredit Investment Fund (WCIF).

Through the WCIF we’ll provide lower-cost capital to our MFI partners to support their water and sanitation loan portfolio growth. If successful, the WCIF will increase the sustainability of WaterCredit by driving the philanthropic cost per person reached toward zero.

**WATERCREDIT ADVISORY SERVICES: A Zero-Subsidy Model for WaterCredit**

WaterCredit Advisory Services (WCAS) is a modified version of our WaterCredit model. The key difference – WCAS partners do not require financial assistance to establish a water and sanitation lending portfolio. We hypothesize that WCAS could be a bridge to a zero-subsidy model for water and sanitation financing at the base of the pyramid.

This year, our first WCAS partner began distributing loans for water and sanitation services. It required our partner fewer than three months to bring their new loan portfolio to market, half the time required for our WaterCredit partners. Additionally, as the WCAS partnership does not include a financial subsidy, we project Water.org’s cost per person served to dramatically decrease.
THANK YOU

On behalf of the one million people whose lives were transformed with safe water and sanitation in 2014, thank you for your generous support.

$1 MILLION +
Caterpillar Foundation
Helmsley Charitable Trust
IKEA Foundation
PepsiCo Foundation
$250,000–$999,999
Bank of America Foundation
C&A Foundation
Stephen Cloobeck
Conrad N. Hilton Foundation
The MasterCard Foundation
Niagara Bottling
Swiss Re Foundation
Tarbaca Indigo Foundation
Zynga.org

$100,000–$249,999
Anonymous
Cartier Charitable Foundation
Deloitte Consulting LLP
Johnson & Johnson
MiraLAX
Motsope Foundation
Nerdfighteria
TCS Industries

$50,000–$99,999
Mary Andrrecovich
The Foundation to Decrease World Suck

$25,000–$49,999
Anonymous (4)
Judith Haskell Brewer Fund of the Community Foundation Serving Richmond and Central Virginia
Nathaniel Berman and Julie Stone
CamelBak Products, LLC.
Chavez for Charity
Chideo
Craigslist Charitable Fund
Cynthia Fisher
Holloway Family Foundation
Manny Khoshbin and Leyla Milani-Khoshbin
Nobu 57
Stone Family Foundation
The Sunbridge Foundation
Urinetown The Musical
West End Production
Weintraub Family Foundation

$10,000–$24,999
2152065 Ontario, Inc
Anonymous (6)
Benefit Workplace and Matching Gifts Companies
Bloomberg Network
Matching Gifts
Laura Byrnes—Pin Up Girl, Inc.
The Stephen Colbert Americone Dream Fund
Jan and Susan Creidenberg
Drink Water
Ecosystems Technology Transfer, Inc.
Eli Ford
Give With Liberty Workplace and Matching Gifts
John and Sarah Green
Joseph Haley
The Barb and Ken Hall Family Fund
The Heavenly Foundation Fund of the Northshore Community Foundation
Hersha Hospitality Group and EarthView
Wayne and Claire Heyland
Bill Holmes Charitable Trust
Jeremy and Deborah Howard
Nancie Julian
Just Give Donors, Workplace and Matching Gifts Companies
Kim Kaufman
John and Jenni Legg
The Marshall Family Foundation
Henry and Jackie Massman
Microsoft Matching Gifts Program
Chris Mills
Sandra Naftzger
The O'Shea Family Foundation
The Refinery
Renaissance Charitable Foundation Donors
Schwab Charitable Fund Donors
SocketLabs, Inc.
What's Next Foundation
Kathryn Yirilli

$5,000–$9,999
6-18 Foundation for Hope
Nancy Akison
Anonymous (8)
The Apatow-Mann Family Foundation, Inc.
William and Karin Banks Foundation
Cole Birches Foundation
Carlos Brito
Andrew and Daniella Cavenagh
Romie Chaudhari
Min Chong
Theodore Clendenin
Ryan Collins
Todd and Michele Dominick
Jessica Douglas
D.R. Jones Pictures/Music Vernon Eaton
H.L. Epstein Family Foundation
Facebook Gifts Program
Fayetteville-Manlius CSD
Robin Fern
Fidelity Charitable Gift Fund Donors
Gatsbys American Dream and the Overdue Collection Agency
Jim Gianopulos
GSW Merry Meltdown Game
Jane-Howard Hammerstein
Jill Hartzberg
Pamela Jones
Mandy Kong
Mariel Foundation
Wendy Michell
Mel & Jean Miller, Drew Miller and Kristin Wold, David Miller and Darcy Johnson
Claire Moore
National Philanthropic Trust
Mark and Donna Owen
Neal Pfister
Seemoh H. and Natalie E. Pines Foundation
Praxis Foundation
Sharon Prince
Robert Quayle
Rainbow World Fund
David Ruggles
Smith Family Legacy Foundation
Arne and Ruth Sorenson
Christopher Suozzo
Daniel and Julie Tappendorf
Sal and Lillian Tiberio
Tosa Foundation
Terry Trayvick
Dean Von Essen
YourCause Matching Gifts and Workplace Giving Companies
Hatem Zaky
Scott and Samantha Zinobor

$2,500–$4,999
AKC Fund, Inc.
J.R. Albert Foundation
American Express Gift Matching Program
Anonymous (6)
Ian Bentley
Daniel and Denise Bergad
Rick Berger
Boeing Employee Giving
Joseph Boyle
Dwight Burnham
California Community Foundation Donors
Gerald and Barbara Chait
Steve and Becky Collins
DCN Diagnostics, Carlsbad, CA
Shayne Devin
Nathan Dooley
Evo
Zaid Fadul
Stephen Farinelli
Charles and Elizabeth Flood
Vici Foster
Morgan Foundation
Vincent Gillooley
Richard and Amanda Green
Hammerpress
William Hoffman
Christopher and Mary Howland
Gerard and Geralyn Jacobs
Brad Johnson
Johnson & Johnson Matching Gift Program
Fredrik Johne
John P. Kavooras Charitable Trust
Randall Kemper
Maureen Koteles
Kevin and Kathryn Kranen
Jordan Laughlin
Jonathan Matz
Mike Uhl
Musea
Deborah Newmyer
NMS LLC
Daniel Olenik
OneXOne
PayPal Giving Fund eBay Sellers
Denise Peterson
John and Leigh Ann Poland
Polsky Family Charitable Foundation
Pride Charitable Fund
Gary Robson
Barbara Rossetti
Sacred Heart Parish
The Franklin & Jean Schaffner Foundation
Adam and Donna Schechter
David Schwartz
Ryan and Rebecca Shawgo
Silicon Valley Community Foundation Donors
David Sisler
John and Stephanie Smith
Ken Soubry Foundation
Split Rock Charitable Foundation
St. Mary’s International School,
Tokyo, Japan
St. Thomas a Becket Episcopal Church
Chris Tebbetts
Travis Van Duyn
Water Charities Funding – Jammint4Water
Wellington Management Employee Giving
Jonathan Witt
Stewart Wolfson
Brandon Wong
Desai Yagnesh
“You cannot solve poverty without solving water and sanitation.”

-Matt Damon, Co-founder
Safe water and the dignity of a toilet for all.