



ONE MILLION EMPOWERED

Annual Report 2013

 water.org™

ONE MILLION EMPOWERED

In 2013, through your generous support we celebrated an important milestone, access to safe water and sanitation for one million people through WaterCredit, our microfinance solution. Just this year, we reached more than 500,000 people with this solution, a 150 percent increase from last year.

The accelerated impact of WaterCredit is evidence that our foundational investment is paying dividends. It's proof of the true exponential promise of WaterCredit.

Together, we will end this solvable crisis. Thank you for your continued support.



We envision the day when everyone in the world can take a safe drink of water and experience the dignity of a toilet.

Dear Friends and Supporters,

Safe water is essential to human life and it is indispensable to every aspect of human prosperity; education, health, job creation and commerce. Together, by ensuring all people have access to safe water and sanitation, we are creating a cycle of opportunity from the current cycle of poverty.

This year we celebrated an important milestone towards our shared mission of ending the water crisis. We enabled access to safe water and sanitation for one million people through WaterCredit, our microfinance solution. In 2013 alone, we reached more than 500,000 people with this solution, a 150 percent increase from last year. The accelerated impact of WaterCredit is evidence that our foundational investment is paying dividends. It's proof of the true exponential promise of WaterCredit.

And, the promise of WaterCredit is much greater than the safe water and sanitation it provides. Innovative solutions such as WaterCredit will not only help end the water crisis, but also transform lives by empowering girls to attend school, women to secure jobs, children to stay healthy and communities to gain prosperity.

The transformative power of water is the reason we must continue to pilot, scale and disseminate new solutions that address the challenges of capital, accountability and participation. It's why we must continue to advocate on a global level to ensure water access remains a priority issue to be addressed by all. To succeed in solving the water crisis, collaboration between businesses, governments, non-governmental organizations and individuals is critical. Only together will we make the necessary and important progress to end this solvable crisis.

Thank you for your unwavering support of and belief in our vision. By ensuring all people can take a safe drink of water and experience the dignity of a toilet, we will create a cycle of opportunity from the current cycle of poverty – giving women hope, children health and communities a future.

Sincerely,

Gary White, CEO and Co-founder



ONE MILLION EMPOWERED:
**THE FACES BEHIND
THE NUMBERS**





Safe water and toilets change everything.

This past year, we saw the powerful and transformative impact of safe water and sanitation solutions in the communities we serve.

In East Africa Water.org implemented safe water solutions in villages like Weizro's. Weizro and her five children live in Wereda Gulo-Mekeda in the northern part of Tigray, a mountainous region of Ethiopia. Weizro's family faced the water crisis daily, having to collect water via a long, time-consuming journey. For them, not having access to a nearby improved water source meant a loss of time and a short water supply incapable of meeting life's most basic needs like drinking, cooking and bathing. The family needed a solution.

The others who live in Wereda Gulo-Mekeda shared her experience. As such, Water.org and partner organization REST worked together to construct a shallow borehole. Weizro described the difference the well made: "Before the construction of the well, it was a tough time because we were forced to find water from very distant, unprotected sources. Not only did we trek a long distance, but we also spent a lot of time filtering the water we collected. But now, the problems we had with finding and collecting

water have been solved. If you consider the time spent on collecting water before the construction of the well, you realize that the project is really bringing change to our health and quality of life for the women and young girls who collect the water."

We met Muddumare, who was living with many family members in a home located in a village outside of Mysore, a city in India. By taking out a WaterCredit loan of 7,000 INR (\$112 USD), he was able to build a toilet.

Having a toilet means Muddumare and his family are no longer hindered by the time consuming and physical constraints of open defecation. Their productivity is soaring and their dignity is restored. Muddumare now has three acres of land where he grows groundnuts, sorghum and finger millet. The yield from his crops helps him earn money, which he uses to repay the loan amount in easy monthly installments.

People like Weizro, Muddumare, and the countless others Water.org served this past year inspire our continued commitment to ensure all people have access to a safe drink of water and the dignity of a toilet in our lifetime.

OUR PORTFOLIO APPROACH

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 demand-driven solutions to finance and deliver access to safe water and sanitation. Watch Water.org: [Unleashing the Power.](#)

THE MOST BASIC NEEDS: DIRECT IMPACT

Where it is most needed, we extend grants to local partners to drill wells or build toilets. We carefully select our partners and build quality assurance into the design of each program. To ensure these solutions endure, we invest in rigorous partner training and monitoring. Communities share in the cost and lead in the effort. Learn more about this approach [here](#).

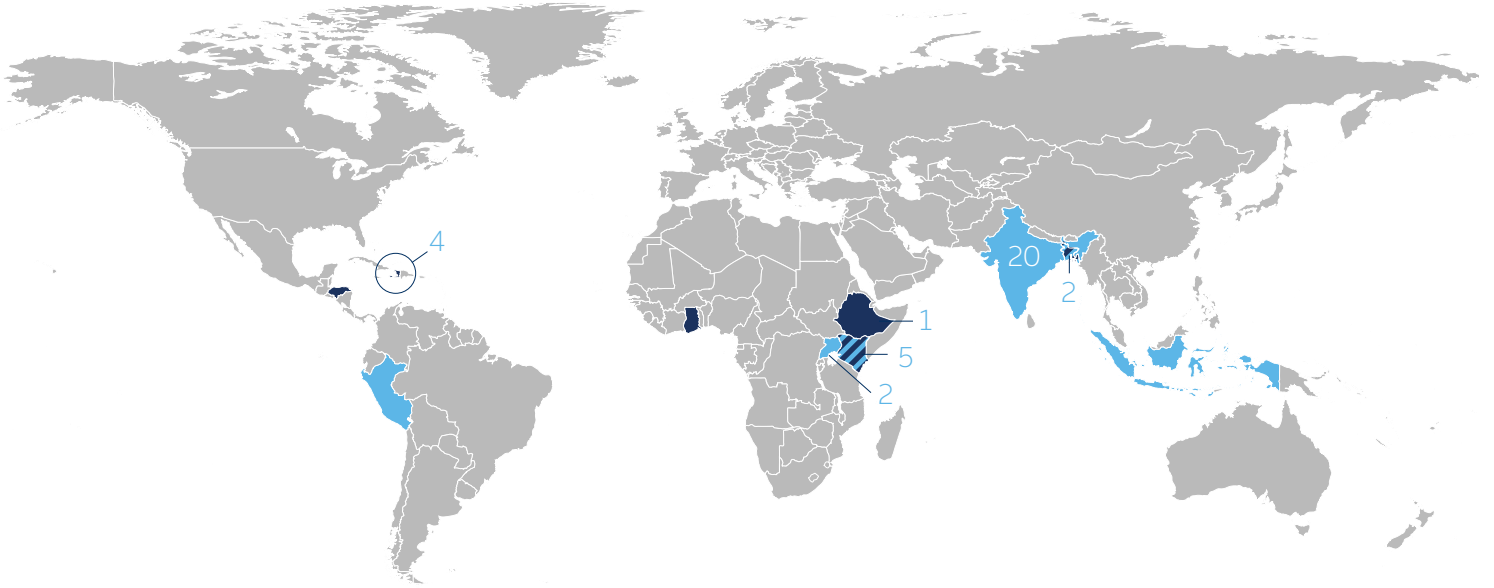
SMALL LOANS, BIG EFFECT: WATERCREDIT

Pioneered in 2003, WaterCredit allows individuals to access loans for water connections or toilets. By assisting those who lack the financial resources to pay upfront for new water and sanitation facilities, WaterCredit empowers people to address their own water and sanitation needs with affordable financing. As the loans are repaid, WaterCredit “recycles” the capital to make more loans with that same initial investment. An investment in WaterCredit can reach five to ten times as many people as a traditional grant over a ten-year period. Learn more about [WaterCredit](#).

INNOVATE TO ELIMINATE: NEW VENTURES

Launched in 2011, the New Ventures Fund is accelerating the pace of progress by supporting a portfolio of innovative solutions to the water and sanitation crisis. Through the Fund, Water.org is piloting, scaling, and disseminating solutions to address the underlying causes of the water crisis – lack of adequate capital, accountability and participation. [Explore New Ventures](#).

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.

WATERCREDIT COUNTRIES

Bangladesh
India
Indonesia
Kenya
Peru
Uganda

DIRECT IMPACT COUNTRIES

Bangladesh
Ethiopia
Ghana
Haiti
Kenya

- WaterCredit countries
- Direct Impact countries
- ▨ Both
- # for countries with active partners, number of active programs in 2013

In 2013...

8
New partner organizations certified

73,081
Toilets constructed

66,632
Household water connections established

174
Community-based water projects completed

606,012
People served with safe water and sanitation

34
Water and sanitation programs around the world



WATERCREDIT

BUILDING A MOVEMENT

‘wa•ter•cre•dit

(n) WaterCredit by Water.org puts financial tools to work in the water and sanitation sector. It allows people in need to access small loans for water connections or toilets, empowering them to accelerate change in their own homes and communities – enabling a life of health and opportunity.

A CYCLE OF OPPORTUNITY TO END A CYCLE OF POVERTY

By empowering the world’s poor with access to small loans for household water connections and toilets, WaterCredit creates a cycle of opportunity – an opportunity to enhance their health, education and economic position. 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.

THE INSPIRATION FOR WATERCREDIT

On a site visit to India in 2003, Gary White, Water.org CEO and Co-founder, met a woman who was paying a loan shark 125 percent interest to buy a toilet. She was living on two dollars a day and absorbing a crushing debt for sanitation. Gary realized that this woman – and many people like her – were paying outrageous rates, up to 20 percent of their income, to address their water and sanitation needs. This was the inspiration for WaterCredit.

If the poor were paying such ruinous rates for water and sanitation, they’d certainly be willing to pay a lot less. Not just willing but, with some help, able. Gary believed that if we could provide people with small loans at reasonable rates for water connections and toilets, we would create customers and participants in solving the water crisis. It meant there was hope for this woman, her family and her community to get sanitation without losing their economic livelihood.

ENGINEERING WATERCREDIT

Water.org works with carefully selected financial institutions to help them see that people living in poverty can be customers. We then help them build capacity to offer affordable financing for water and sanitation loans. This sustainable economic activity between lenders and their communities lasts after the initial loan is repaid. It is creating a permanent change in economic potential and quality of life for an entire community.

WATERCREDIT IS WORKING

WaterCredit is working. It's transforming lives. It's gaining momentum.

To date, WaterCredit has empowered more than one million people in five countries with access to safe water and sanitation. WaterCredit borrowers typically have no credit history or formal education, however with a remarkable 99 percent global repayment rate, WaterCredit is a safe, stable and life-saving investment.

Once a high risk experiment, WaterCredit is now changing the face of the water crisis.

“The entrepreneurial spirit is important to PepsiCo and also to the partners we choose. Water.org has shown remarkable entrepreneurial innovation through their landmark WaterCredit program, to which the PepsiCo Foundation is the largest single funder. Water.org continues to set the bar for social progress through the hundreds of thousands of people for whom they have enabled access to safe water and sanitation. At PepsiCo, safe water is critical to our employees, their families, our business partners, and society at large, and this partnership is helping to scale the innovative use of microfinance in this sector.”

Indra Nooyi,
Chairman & CEO of PepsiCo

"ACCESS TO WATER IS access to education, access to work, access above all to the kind of future we want for our own families and all the members of our human family."

– Matt Damon
Co-founder, Water.org

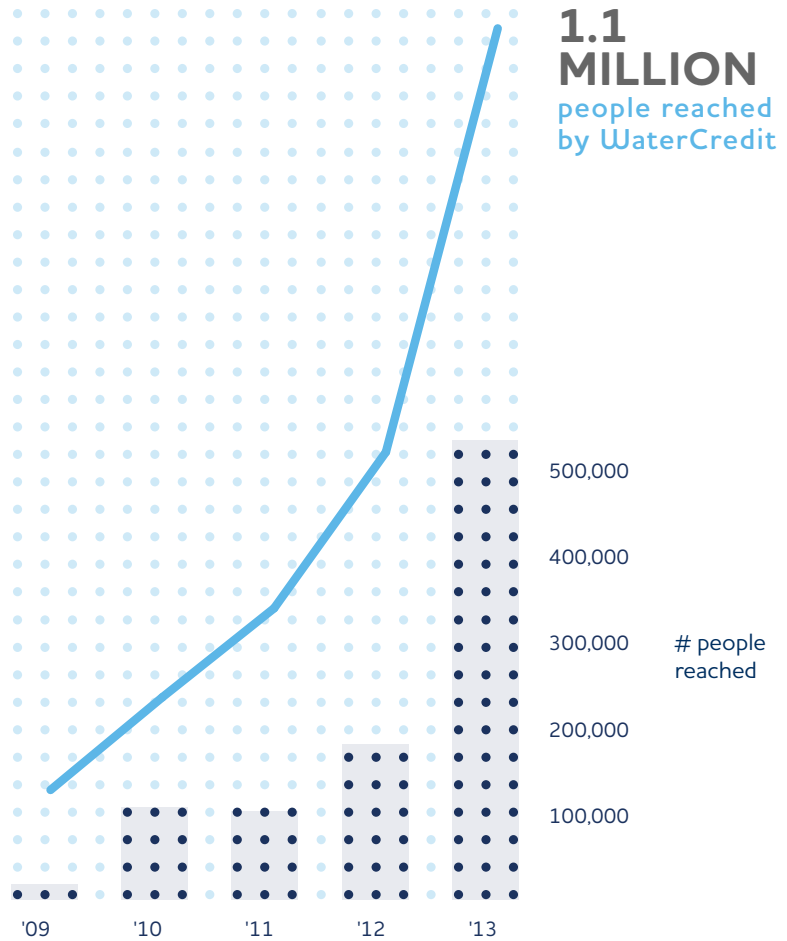


A WaterCredit loan covered the costs of materials and installation of a large rainwater collection tank for this family in Uganda. They use the water for household chores, and sell the excess to neighbors and local businesses for a small profit.

WATERCREDIT IMPACT

WaterCredit is working. It's transforming lives. It's gaining momentum. In addition to empowering more than one million people with access to safe water and sanitation, we continue to lay the groundwork allowing WaterCredit to reach even more people. In 2013 we:

- completed two market assessments to determine future viable markets for this solution,
- certified eight new WaterCredit partners
- registered a new office in Peru, expanding WaterCredit to four continents



In 2013...

150%

Increase of people reached compared to last year

565,683

People directly benefited from WaterCredit

97%

Of all borrowers are women

\$200

Average loan size

99%

Average repayment rate of WaterCredit loans

37

Active partners

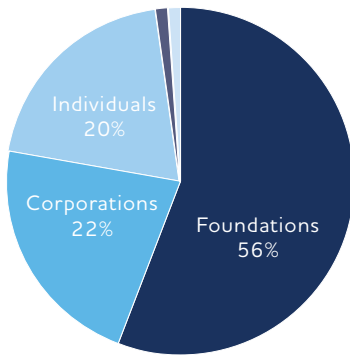


Kids in Mirebalais, Haiti celebrate the opening of a new well in their community. Community participation is vital to the success of Water.org's Direct Impact programs.

FINANCIALS

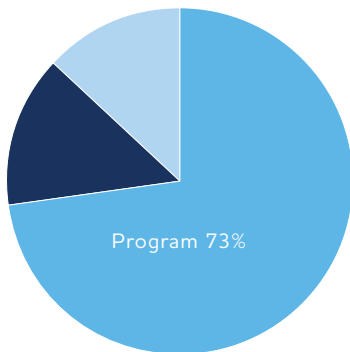
Revenue Sources

In Kind Contributions 1%
Federated/Workplace 1%



Allocation of Expenses

Administration 14%
Fundraising 13%



Statement of Financial Position

	Year ending Sept 30,	
	2013	2012
ASSETS		
Cash and cash equivalents	\$11,176,262	\$8,436,447
Grant and other receivables	286,475	2,233
Prepaid expenses	86,922	54,691
Investments	676,068	600,473
Property and equipment, net	79,387	100,816
TOTAL ASSETS	\$12,305,114	\$9,194,660
LIABILITIES & NET ASSETS		
Accounts payable	\$227,585	\$121,321
Accrued expenses	482,109	236,569
Refundable advances	675,353	899,194
Total Liabilities	\$1,385,047	\$1,257,084
Unrestricted net assets	\$4,236,516	\$4,765,717
Temporarily restricted net assets	\$6,683,551	\$3,171,859
Total Net Assets	\$10,920,067	\$7,937,576
TOTAL LIABILITIES & NET ASSETS	\$12,305,114	\$9,194,660

Statement of Activities

	Year ending Sept 30,	
	2013	2012
REVENUE, GAINS AND OTHER SUPPORT:		
Contributions and grants	\$12,277,556	\$9,524,888
Investment income and other	78,764	25,054
Total Revenue, gains and other support	\$12,356,320	\$9,549,942
EXPENSES:		
Program services:		
Water programs	5,388,674	3,143,403
Outreach and advocacy	1,252,057	1,191,909
New Ventures	199,769	634,883
Total program services	\$6,840,500	\$4,970,195
Supportive services:		
Administration	1,316,710	936,236
Fundraising	1,216,619	945,079
Total supportive services	\$2,533,329	\$1,881,315
Total Expenses	\$9,373,829	\$6,851,510
Change in Net Assets	\$2,982,491	\$2,698,432
Net Assets, Beginning of Year	\$7,937,576	\$5,239,144
Net Assets, End of Year	\$10,920,067	\$7,937,576



Water.org has consistently attained a 4-star rating from Charity Navigator, America's largest independent charity evaluator, conducting in-depth assessments of financial efficiency and effectiveness.

THANK YOU

\$1,000,000 +

Cartier Charitable Foundation
Caterpillar Foundation
IKEA Foundation
PepsiCo Foundation

\$250,000–\$999,999

Michael and Xochi Birch
Matt and Luciana Damon
John Deere Foundation
The MasterCard Foundation
Swiss Re Foundation
Zynga.org

\$100,000–\$249,999

Anonymous
Facebook
Greenwich Country Day School

\$50,000–\$99,999

CamelBak Products, LLC.
Dilated Pixels
Fidelity Charitable Gift Fund
Greater Kansas City Community Foundation
Johnson & Johnson
Kohler Stewardship

\$25,000–\$49,999

Mary Andreovich
Anonymous
Cynthia Fisher
Judith Haskell Brewer Fund of the
Community Foundation Serving Richmond
and Central Virginia
Nancie Julian
Just Give
Microsoft Matching Gifts Program
Schwab Fund for Charitable Giving
Stone Family Foundation
W. K. Kellogg Foundation

\$10,000–\$24,999

Amit J. and Vicky L. Patel Foundation
Anonymous (4)
Ante Up for Africa
Bill Holmes Charitable Trust
Blackie Foundation
Jesse Itzler and Sara Blakely
Bloomberg Network
Blue Valley Academy PeaceJam
Catapult
Chavez for Charity
Drew and Karen Dillworth
Drink Water
FirstGiving
Google Matching Gifts Program
Hazen Family Foundation
Hotel Bloom
Karma Science
John and Jenni Legg
Henry and Jackie Massman

Sandra Naftzger
National Philanthropic Trust
Daniel Olenik
PayPal Giving Fund
Rexnord Corporation
Salsbury Foundation
Socketlabs, Inc.
Stolte Foundation
Valerie Vincola
Warmenhoven Family Foundation
Estate of John D. Work
Hatem Zaky

\$5,000–\$9,999

James Allen
Anonymous (3)
The Apatow-Mann Family Foundation, Inc
ASK Staffing
Bank of America Foundation Matching Gifts
Bio Trust Nutrition
Dwight Burnham
Andrew and Daniella Cavenagh
Kurt and Margaret Cellar
Clearwater Capital Partners
Cole Birches Foundation
Collins Industries, Ltd.
Contract Furnishings
Crescendo Capital SA
Todd and Michele Dominick
Jessica Douglas
DuPont
Douglas Anning and Kirk Isenhour
John P. Kavooras Charitable Trust
Jodi Kahn
William Stanton and Lisa Lenon
Mariel Foundation
MO BIO Laboratories, Inc.
Murray Family Fund
August Negele
Northern Trust, N.A.
Mark and Donna Owen
Mary Pigott
Praxis Foundation
Rainbow World Fund
Red Dirt LLC
The Refinery
Roger and Susan Stone Family Foundation
Shannon Ross
Smith Family Legacy Foundation
Nina Spiller
Karen Sulzberger
Christopher Suozzo
Bernardo Telles
Sal and Lillian Tiberio
Tosa Foundation
Toyota Motor Sales
Vanguard Charitable Endowment Program
Tom Vial
William Morris Endeavor Entertainment
Foundation
Deborah Zimmer

\$2,500–\$4,999

AKC Fund, Inc.
Amazon Associate Program
American Express Gift Matching Program
Anna Hatchett
Anonymous (6)
Apple Matching Gifts Program
Bloomberg Network Matching Gifts
Wayne M. Boich
Cavalicious
Gerald and Barbara Chait
Chevron Humankind
Chisholm Trail Middle School, Theater and
French Departments
Janice Clark
Steve and Becky Collins
John and Susan Crowe
Kyle and Lori Damon
DME Law LLP
Nathan Dooley
Stephen Farinelli
Martin Firestein
The Flood
Vici Foster
Give With Liberty
Goldman Sachs Gives
Lois Hall
William Hoffman
Christopher and Mary Howland
Johnson & Johnson Matching Gift Program
Ken Soubry Foundation
Jill Kirshner
Rufus and Toni Langley
Jordan Laughlin
Alejandro Manzano
Wendy McDowell
John McLees
Wendy Michell
Dr. John and Mrs. Elaine Murphy
Michelle Duffy and Andrew Murphy
John and Patti Neer
Pactimo
Polsky Family Charitable Foundation
Barton Reese
Riverview School
Barbara Rossetti
Donna Schechter
Scottsdale Unified School District No 48
Structured Water Units LLC
Terry Trayvick
Vanguard Charitable
VML Foundation
Dean Von Essen
Nathan Wetherington
Patrick Whitesell
Jonathan Witt
Stewart and Leona Wolfson
YourCause, LLC.

TEAM

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Prairie Summer
Grants Manager

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Senior Manager WaterCredit Advisory Services

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Senior Manager, Development

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Donor Care Specialist

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Executive Assistant to COO/CMO

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Senior Water & Sanitation Officer

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WATSAN Program Officer

Jaya Balakrishnan
Administrative Officer

Jayanti Karki Chhetri
Communication for Development Officer

Kannan G.
Accountant/Financial Auditor

PM Jose
Microfinance Institution Program Manager

Pon Aananth
WaterCredit Officer

Uday Shankar
Regional Director

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Patrick Alubbe
Regional Director, East Africa

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Alice Maina
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Gary White *CEO, Co-founder*

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bios: [water.org/about/staff-
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Give Life.

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