

THE WATER PROJECT
2010 ANNUAL REPORT

LETTER FROM OUR PRESIDENT

I am continually inspired by the hard work, passion and accomplishments of the thousands of people who are now part of The Water Project. It is nothing short of incredible that in the space of three years we've grown from a small team of volunteers into an organization with four full-time staff and over \$1 million in annual revenue. We've expanded to support five partner organizations doing excellent work in the field. And together with these partners we're developing programs that constantly "challenge toward excellence" how water projects are implemented and measured at every step and long into the future.



We've raised nearly \$2mil since we began. We've built hundreds of water projects in six countries. Tens of thousands of people have new or restored access to clean, safe water as a direct result of our work. And all of that is good and noteworthy. But we can't get lost in the numbers. The work we do is for the good of individuals, families and communities. It's exciting to grow, but only as that growth produces better, and longer lasting results for the people we ultimately serve.

To ensure we're doing that most effectively, we are continually learning. We try to listen more than we speak. We know we're not the experts. Our partners in the field are. And more than them, the communities we serve together know best what's needed to remove obstacles from their path to development - if we take the time to listen.

When we listen, we hear a rich and powerful message of hope emerging from communities in Sierra Leone, South Sudan, Uganda, Rwanda and Kenya. It is the story of a humble gift of water unlocking the potential of a mother who desperately wants and is willing to work toward a better future for her children. It's the story of a child, relieved of her burden of fetching water so she can return to class and work her way toward academic excellence. It's the story of a proud farmer returning from his now fertile fields, goods packed for market alongside a new sense of purpose and promise. It is the story of a gift that unlocks hope... water the means, but never the end.

Throughout this report, I hope you'll take time to ponder the stories of just a few of the people we've met through serving. The facts and figures are there too.

We trust you'll hold us accountable to them. But as you do, please don't heap the credit on us.

Our passion is telling the right story, not our own. So, tell the story of the an 8-year-old boy from Georgia who heard about the need of water and rallied six other schools to step up and help too, ultimately funding three wells. Tell the story of a small church in Chicago that simply couldn't stop giving once they caught the vision. They provided water for hundreds. Tell the story of a student in Sudan, who used to fetch water for hours in the fading sun each day, only able to study afterward by candlelight late in the evening. Share the hope of that same girl who now celebrates homework done by sunset thanks to her new well, merely yards away. Share in the hope that is being restored as new stories are born each day. Some we may never hear. Some may change the world.

We invite you to join the story yourself. We need your voice and your hands too. This report is only a starting place, an opening chapter. To keep up, you'll need to join us online. We share everything we do, every day. So, become a part of it all at thewaterproject.org. I'll see you there.



R. Peter Chasse

President & Founder

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SIERRA
LEONE

WATER IMPROVES HEALTH IN SIERRA LEONE

Marsary Sumara, a local trader and member of the Mahera community in Western Sierra Leone, watched as her neighbors suffered from dysentery, malaria, diarrhea and severe dehydration resulting from drinking from their unprotected well. Like many so-called "wells" in Sierra Leone, the Mahera community well was an open pit and easily contaminated.

In Sierra Leone, The Water Project focuses on well rehabilitations. Rehabs, or well repairs, are an enormously cost effective way to make an impact. The amount of repair needed varies from one community to the next, but in most cases these "repairs" end up being a complete overhaul or reconstruction of the well. To protect the water source, the existing well (hole in the ground) must be cased and capped. Once this is done the communities are then given a new or restored pump.

When our implementing partner, Living Water International (LWI), arrived in Marsary's village, the community members were eager to help. Happy to have their well sealed, they were actively involved with the well rehabilitation. They participated by providing materials, labor and security over the water project during the night. Community involvement is key to a water project's sustainability. When the community takes active ownership of the well, they are more likely to keep it maintained. Before leaving the community, the LWI team provided the people with a contact number in case their well were to fall into disrepair, or become subject to vandalism or theft.

The Water Project's well rehabs in Sierra Leone also include hygiene training, which addresses issues like disease transmission, germs, the importance of hand washing, water-saving methods, diarrhea and its causes, oral rehydration treatment for diarrhea, and proper care and maintenance for the well.

As for Marsary, she is thankful for the rehabilitated well, and knows the difference it will make in her community. "The old water source was not safe," she says. "It was very stressful. The water was not good and the well was not secure. With this new sealed well and new hand pump, the water is clear to drink and it is much easier to get access to the water."



Above:
Marsary Sumara
from Mahera, Sierra
Leone

Left:
The Magbafati
School celebrates
the opening of their
newly restored well.



KENYA

MORE TIME FOR HOMEWORK IN KENYA

Akeyo (not her real name) and her family know the value of a good education. It paves the road to a hopeful future. So, even though Akeyo's family lived too far from the Oloile Secondary School in Southern Kenya for her to walk there, her father made arrangements for her to live with an uncle with a house closer to the school.

Although fortunate to be able to attend school, the arrangement proved hard for Akeyo. She was forced to wake early in the morning and walk a long distance to get water for her uncle's family. Only then was she allowed to go to school. After school, she would have to haul water again and return to help with the chores until after dark. So, without electricity, she couldn't study. Akeyo didn't give up though. She begged one of her school teachers for money to buy a lantern so she could do her homework late at night. No excuses. She wanted to succeed.

A world away in Boca Raton, Florida, 10-year old Nate Roberts saw a television show highlighting the need for clean water in Africa. On the show, Nate saw people drinking from the same water into which a cow had relieved itself. "I thought it was disgusting for the boy to drink from the well even without the cow because the water was so dirty," Nate said. "But the cow part made me want to throw up. I wanted to do something about it."* On his own, he approached his principal with the idea of organizing a basketball shoot-out to raise money for The Water Project. He set a goal and made no excuses. He wanted to succeed. Amazingly, with the help of his school and church, Nate was able to raise over \$14,000!

The Water Project partnered with Staff of Hope to put Nate's money to good use. We sent it to build a well at Akeyo's school. The well at Oloile Secondary School will provide her and over 2,000 others with convenient access to safe, clean water. Today, Akeyo simply brings water back to her uncle's home straight from school. She now has two extra hours every night to study. She will succeed.

In Kenya, we work very closely with partners like Staff of Hope and The Bridge Water Project. We believe local, permanently placed NGO partners must be empowered to lead the way, whenever possible. It helps to have the local support of our WASH Program Director, Jack Owen as well. He's currently living in Kenya overseeing the day-to-day operations of our water projects throughout Africa.



Students from St. Mary's Mumias Girls Secondary School play in the water from their new well. Previously, the school could not find a source of clean water that was sufficient for their students and staff, so they often relied on water from a nearby stream.

Left: A girl from the Oloile community carries clean water back to her home. This entire well was funded by the efforts of a 4th grader in Florida.

*As quoted by BocaParent News. "Basketball for clean water," BocaParent 6 January 2010.



SUDAN

THANKFUL FOR CLEAN WATER

Peresi Guwo lives in the Baji community in Southern Sudan. She is a leader in the Episcopal church in Kajo Keji. Born in 1952 in Uganda, her family later returned to Sudan after the death of her father. Peresi never went to school. Instead she grew up at home, helping her mother until she married Aman, and started her own family.

After the war broke out in Sudan, Peresi returned to Uganda, seeking refuge. When she returned to Sudan in 2005, she realized that the water she had grown up drinking was gone. What was left was contaminated and no longer safe. But with nothing else available, she and her family drank it and began suffering from water born diseases. Peresi said, "Typhoid was the worst fever that disturbed me for the last two years. Even my youngest children were suffering from Typhoid."

In 2010, our implementing partner Water Harvest International (WHI) drilled a deep well in Peresi's community. At nearly 200 feet deep, an impossible depth to reach without a drill rig, the new well can serve over 380 people in the community.

The Water Project funds projects like the one in Baji because remote communities like this one are so often ignored. We are committed to helping the forgotten. There are a billion people without water. We intend to help—one village at a time. Working one at a time, we can better ensure that long-term solutions are put in place. From the beginning, we require partners to determine if communities like Baji are deeply committed to making their project a success. In Baji, they provided local materials, set up a water committee and worked together with WHI on the planning and management of this borehole.

The work in Baji isn't finished. A water project means more than just digging a well. It's a commitment. Our partners will follow-up in Peresi's community. They'll check on the well, and see if anything they've taught is being put into practice. Long term monitoring is crucial. We intend to carry it out for every project we can. Whether in Southern Sudan or next door, truly caring for your neighbor takes time and a willingness to stay. Having local partners makes that possible.

Peresi and Aman are hopeful about the water. Aman said, "This water is going to relieve me from water born diseases." Peresi added excitedly, "Not only that, but it's just 200m from home! It is going to save time for other activities also."



Peresi Guwo from
Baji, Sudan

Left:
Students at the
Jalimo Secondary
School in Kajo-
Keju, Sudan work
in the classroom.
The school's 400
students now have
safe water just steps
away, thanks to a
new well.



UGANDA

NEW PROGRAMS IN UGANDA

The community of Kisindi is located in a lush and fertile area of Masindi District, Uganda. The vast majority of the local population is involved with subsistence agriculture. Families grow crops and rear animals, like chickens, goats and sheep. The community has a small trading center where residents can buy the necessities such as cooking oil, candles, meat and, of course, Coca-Cola. Kisindi is in many ways a pleasant community, but it had an urgent need: clean, safe water.

When village chairman Mosens Murasa contacted our implementing partner, Busoga Trust America, he summed the situation up succinctly: "We are drinking pond water, or we walk a long distance for safe water." Unable to travel long distances with full jerry cans, many Kisindi residents were forced to drink from the shallow pools. Water-borne illnesses such as typhoid and dysentery plagued the community.

The Water Project has teamed up with Busoga Trust America to dig wells in the Masindi district. This district, though moderately developed, has too few sources of safe water in its rural areas. According to our partner, 200 new and rehabilitated water sources are needed in Masindi. The good news is that in many places, there is ample groundwater that allows for relatively shallow wells to be installed. Teams dig, sometimes quite literally by hand, to a depth of 50-100 feet, reinforcing the walls of the well along the way. Once a good amount of water is found, the well is capped and a hand pump is attached. The team trains the local community on how to properly use their new well, along with lessons on proper sanitation and hygiene.

In communities like Kisindi, these wells can be the difference between life and death. On September 28, 2010, our implementing partner began the excavation of a shallow hand dug well in cooperation with local residents. Construction of the well took about four weeks and, following its completion, a hand pump was installed. Sanitation and hygiene education was conducted via a unique and engaging drama show combined with household follow-ups by Busoga Trust staff. The combination of clean water provision and improved hygiene and sanitation coverage will surely raise the standard of health for Kisindi residents.



A boy from the community of Kisindi shows the dirty water community residents used to drink compared to clean, safe water.

Left:
A boy enjoys a drink from a new well in the village of Kitumu. Before receiving this new well, community residents were forced to walk 3-4 km to find safe water, or else drink from contaminated ponds.



INDIA

STUDENTS CELEBRATE CLEAN, SAFE WATER

The 400 students at Rabindra Bharathi School in Thatheiyankarpettai, India needed drinking water. The school had no source on its premises for use by the children. There was only one, unreliable public water tap near the school. But even this water was accessible only in the early morning. The tap would run dry during school hours. As a result, the staff purchased water, expensive water that robbed the children of other resources. And still, it was insufficient to meet their needs. As a last resort, the children had no choice but to collect water from a nearby open pit well. Dangerous and contaminated, this water did more harm than good.

Our implementing partner found this site to be a good candidate for a deep well and new hand pump. After The Water Project collected donations from nice individuals, a business and a church, the crew got to work.

When our team arrived for the well dedication at the Rabindra Bharathi School, they were in for a treat! The school's 400 students were neatly dressed in their uniforms and lined the road to the tap. The children chanted their thanks and teachers showed equal appreciation. Thanks to our supporters, these students can return to concentrating on their studies while enjoying clean and safe drinking water from the school tap mere feet away.

Stories like those of the students in Thatheiyankarpettai are common to India. The need for clean water has become increasingly desperate due to a combination of population growth, overuse of water resources and injustice in social structures.

In 2010, The Water Project continued our partnership with Wells for Life. Through their on the ground implementer, a local Indian NGO named DWPA, together we were able to complete 13 projects in 2010.



Children from the village of Devanoor surround their community's new well during the dedication ceremony. This community of 500 people used to have to walk long distances to find water. Now, they have safe water in their own community.

Left: Students from the Pullambadi Secondary School gather around their new well.

HAITI

In early 2010, The Water Project joined a coalition of water organizations to coordinate our response to the crisis which unfolded in Haiti following the January 10, 2010 earthquake.

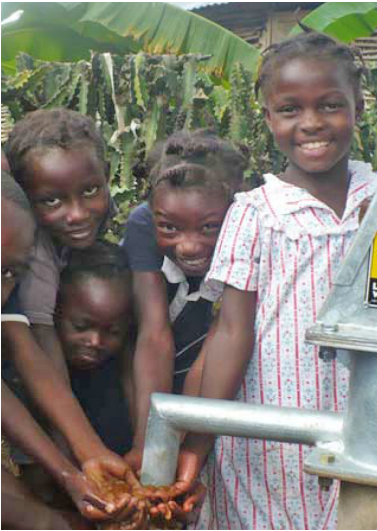
The Water Project was proud to partner with Living Water International (LWI), who was ready and able to provide immediate assistance to the people of Haiti following the earthquake. LWI mobilized to help communities in Haiti restore clean water.

Earthquakes destroy water systems. Pipelines break, electrical distribution systems fail, and hand-dug wells—already questionable water sources—are rendered useless or become contaminated with cholera, typhoid, and other waterborne diseases.

"In Haiti, clean water is a terrible problem even at the best of times," said LWI Executive Director Gary Evans. "After a quake like this, it's a crisis of epic proportions." LWI also provided aid in Haiti following the devastating 2008 hurricane season.

The coalition of water organizations included Global Benefit, Mercy Water (working with Nspire Software), Wishing Well, Hydrate Hope Project (through I AM CHANGE), The Water Project, and Safewater Nexus.

The Water Project funded 37 projects in Haiti in 2010.



Children from a North Haiti community smile next to their rehabilitated well, funded by The Water Project. This well serves 1,500 people.

A MERRY CHRISTMAS, INDEED

The Water Project's 2010 Christmas Campaign, 25 for the 25th, sought to fund 25 water wells with the expectation that they would be completed by Christmas 2011. With this lofty goal, we asked our supporters to donate, ask for water from their friends and family instead of gifts, or give gifts from our gear shop. This year, our gear shop also included special Christmas cards in denominations of \$20, \$50 or \$100.

We were able to go above and beyond our goal, raising \$322,519 and funding 38 wells. As promised to our donors, these wells will be completed in time for Christmas 2011.



COLUMBUS SIGNATURE ACADEMY

FUNDRAISING

When the students at Columbus Signature Academy in Columbus, Indiana heard about how the family of one of their classmates was raising money for a well in Ethiopia, one of the second graders asked, "Could we help drill a well?" The whole class immediately jumped on board and became excited about helping other students like them far across the globe. The idea that they, as 2nd graders, could help save lives, gave true meaning to project based learning. Students were alarmed to discover that kids, just like them, couldn't go to school because they had to walk all day searching for water for their families to drink. And worse yet, sometimes, children would die from drinking that water.



Students from
Columbus Signature
Academy

All parts of the students' curriculum were integrated into the project. Students opened and operated a mobile school store, selling school supplies and snacks before school and during Passions time, when students work on personal projects of their choice. They integrated water projects into Science, Health and Art classes.

When the group had just one week left on their project timeline, it seemed they would fall short of their project goal. That was when a student presented the project to the New Hope Christian Church, which her family attends. She could hardly contain her excitement that Monday after the presentation. She came into the classroom jumping and yelling, "We reached our goal! We reached our goal!!! Everyone cheered! A newspaper reporter was on hand as the 2nd Grade classes, with great anticipation, totaled up the columns in their final math problem of the project. Students and teachers cheered and clapped, jumping to their feet as they were able to donate a total of \$5000.



LIFE TO THE LIMIT

On 1 April 2010, 10 people from all over the world boarded a boat and headed to a deserted island in South East Asia to spend 30 days in complete isolation. The project was the brainchild of Huenu Solsona. The idea first came a while back, when Solsona wondered what would happen should she be stripped of all her modern comforts. This led to the challenge of taking on the island escape.

But this was more than a test of human limits. Each of the group chose a charity that would receive half of their sponsorship donations. Solsona chose The Water Project.

At the end of her challenge, Solsona raised \$1000 to fund clean water projects.

NEW TOOLS ENABLE SUPPORTERS TO MULTIPLY THEIR IMPACT

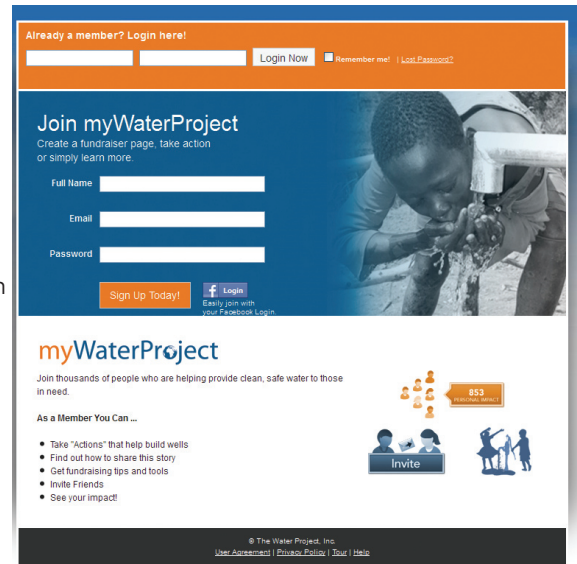
In 2010, we launched the myWaterProject advocacy platform. With myWaterProject, supporters are able to take simple "actions" that help tell the story of water and to keep track of how their support is impacting people in need.

An action might include telling a friend about the water crisis, posting support to their Facebook or Twitter page, setting up a fundraising page, or simply reading an article we select for them. Supporters are also able to connect with us and other people in the myWaterProject network. And with a simple click from their dashboard, a member can keep track of each specific water project they've supported.

Each completed action inspires others and earns the member "impact points", allowing them to gauge how they're helping in relation to others. This simple metric has proven to be a strong motivator.

People want to help and to know they aren't alone. In the future, we'll also have exclusive updates, pictures and videos just for our friends on myWaterProject.

Best of all, we've designed the system to be easy to use. Creating an account takes less than 30 seconds so people are more willing to "give it a try."



SEEING THE OUTCOME GETS EASIER

We work hard to make it easy for folks to support a water project. We think it should be just as simple to see the outcomes of their gifts and efforts.

This past year we simplified our water project tracking system. Donors can now enter a simple four-digit tracking number from their printed receipt to see the water project they supported on our website. For donors who give online, it's even easier. We email a receipt, immediately following a donation, that contains the one-click link needed to see their project in the field.

This project tracking system allows all our donors, no matter the amount they gave, to follow "their" water project from construction through completion and into the years following as we monitor it. All of it helps provide accountability of our work while inspiring trust in our donors.



PERSONALIZED FUNDRAISING PAGES

The Water Project introduced Personalized Fundraising Pages to our website in late 2010. This new functionality allows groups and individuals to raise money online and to follow the progress of their water project after fundraising is complete -- all from one easy-to-use and personalized webpage.

The vast majority of funding for our work comes from small grass-roots fundraising projects. With these new tools in place, groups can focus on telling the story and inspiring others to get involved. Their personalized fundraising page becomes their home base to collect support. After setting a goal, the page creator can share links, post it on Facebook and ask their friends to do the same. All of the donations made as a result are listed as the goal is tracked to completion. Receipts are emailed instantly. It's proven to be an incredibly powerful tool that harnesses the commitment of one supporter and multiplies it across their network of influence.

Once the creator of the page indicates that fundraising is complete, their green "Donate" button becomes a "See the Project" button. And, just like all donors to The Water Project, people who give through Personalized Fundraising Pages will see pictures from the field, GPS coordinates and updates as we receive them.

It's a powerful tool in the hands of our grass-roots supporters.

Access Project's Fundraising Page

Did you know nearly 1 billion people don't have clean water to drink? I'm helping raise funds to provide clean, safe drinking water to people who suffer needlessly without it in the developing world, and could really use your help!

Our donations will be used to construct a specific water project. We'll get pictures, GPS coordinates, and reports from the field, as they happen. We'll see the actual results of what we've done.

The Goal: \$3,500.00
Raised so far: \$4,693.84

Progress: 0 1000 2000 3000

Donate Now

[Want a Page Like This? »](#)

Why I'm Helping

Did you know that 1 out of 6 people in the world do not have access to clean drinking water? The truth is that many of us who are blessed to live in America are oblivious of the daily struggles that others face while trying to attain clean water in third world countries. We daily wash our hands, take showers, water our lawns, wash our cars, and drink all the water we desire yet millions go thirsty because they lack the resources needed for basic human survival.

What if we could change that?

By partnering with The Water Project, Access is committed to joining the fight to provide clean, safe, drinking water to all of God's children. 100% of the money you donate will go towards the building of a well located near a local church in a community that is in desperate need of clean water. By giving you will not only help provide a community with safe drinking water, but will also provide a connection to bring people together to hear the Gospel of Jesus Christ. By simply donating \$10 you can provide clean drinking water to 1 person for 10 years. Its amazing to think something as small as \$10 can do so much for someone else!

We pray that you will join us on our journey of caring for others as we commit ourselves to meeting the needs of God's children.

Matthew 25:35 - "I was thirsty and you gave me something to drink."

About The Water Project

The Water Project, Inc. is a 501(c)(3) non-profit organization that's bringing relief to communities around the world who suffer needlessly from a lack of access to clean water.

We tell stories. The story of water, the story of change, and the story of hope. These stories inspire people to raise the money needed to build wells and other water projects at schools, medical centers, churches and other public places in under-developed nations.

With monies raised, our partners in the field can do the digging and construction needed to provide clean, safe water efficiently and sustainably. They also mobilize, train, and follow-up with local communities, helping ensure long-term success.

We work closely with our partners around the world who identify, implement, report on and follow up on every project. That's how we share the whole story with you and hopefully inspire confidence in the work being done and the impact it has.

Donations

2010-09-27 14:51:51 - Libby gave \$25.00
2010-10-01 12:42:16 - Anonymous Donor gave \$5.00 and said To give anonymously, use "Anonymous Donor" as your name
2010-10-08 10:39:41 - Ryann Boychuk gave \$5.00
2010-10-08 17:27:57 - Andrew Blauwkamp gave \$10.00
2010-10-10 23:25:28 - Brian Ragelkirk gave \$150.00
2010-11-10 08:52:21 - Offline Gifts gave \$4045.84
2010-10-14 19:21:42 - Cathy Pearce gave \$41.00
2010-10-17 16:14:45 - Jenn Frost gave \$50.00
2010-11-01 11:32:48 - Pat Frost gave \$13.00
2010-11-02 13:24:51 - Anonymous Donor gave \$350.00

Donate Now

CHASE COMMUNITY GIVING

SHARE CHASE COMMUNITY GIVING WITH FRIENDS

THE WATER PROJECT, INC.

Address: PO Box 39487, Charlotte, NC 28278

Employer Identification Number: 29-1455510

This Charity's Administrator: Peter Chasins, President

MISSION STATEMENT

The Water Project, Inc. is bringing relief to developing communities in Africa and India who suffer needlessly from a lack of access to clean water by funding freshwater wells and other water projects. Working with local NGOs and implementers, we provide the means necessary to build sustainable water projects in communities that have a demonstrated commitment to their own long-term development.

SPREAD THE WORD ON YOUR WEBSITE

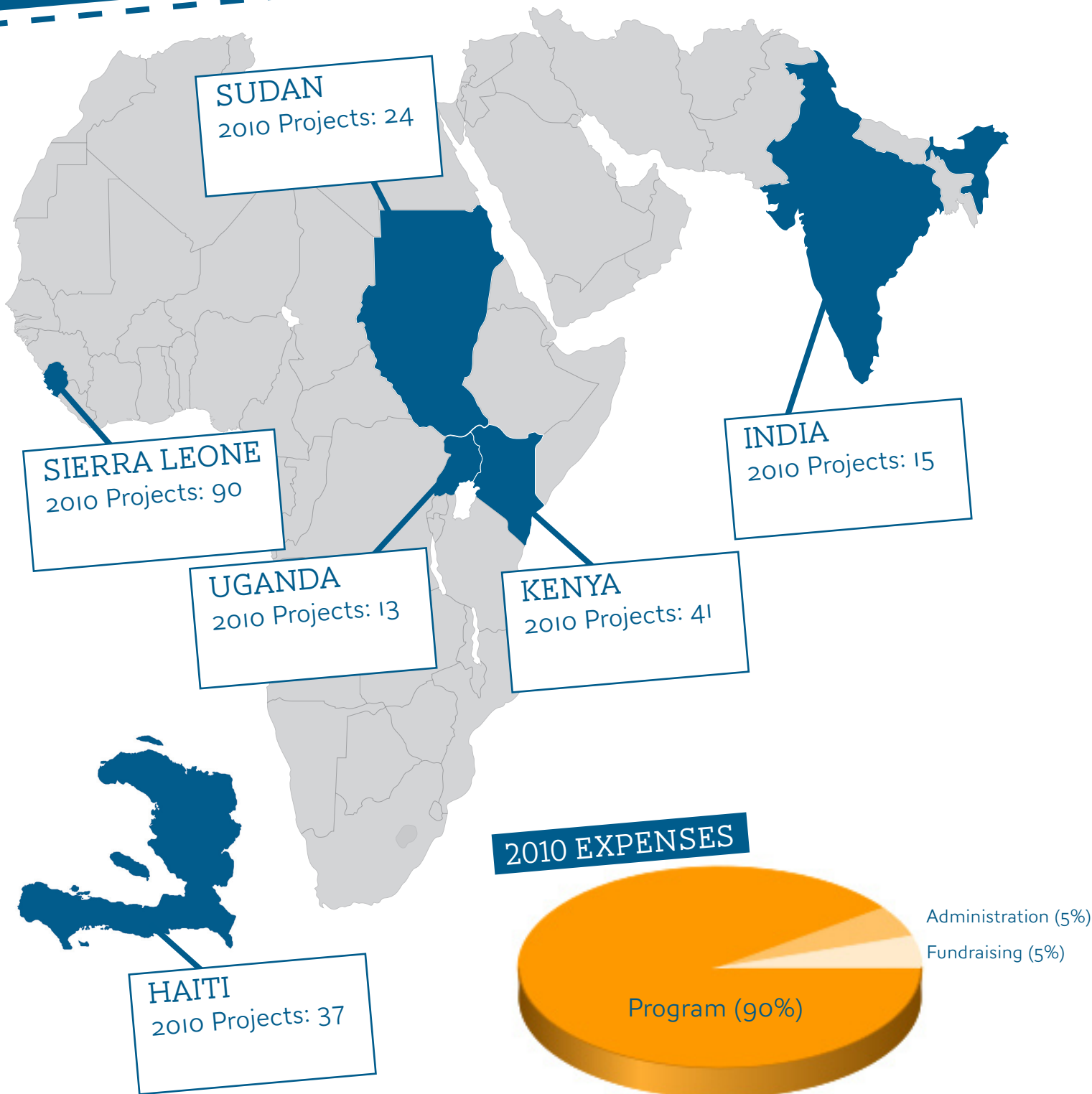
SUPPORT US!

CHASE COMMUNITY GIVING

DID YOU KNOW?

THE WATER PROJECT WON A TOTAL OF \$50,000 FROM CHASE COMMUNITY GIVING'S FACEBOOK CONTEST IN 2010.

PROJECTS



FINANCIALS



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors
The Water Project, Inc.
Charlotte, North Carolina

We have audited the accompanying statement of financial position of The Water Project, Inc. as of December 31, 2010, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Water Project, Inc. as of December 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Elliott Davis, PLLC

Charlotte, North Carolina
July 18, 2011

THE WATER PROJECT, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2010

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 217,377
Contributions receivable	39,703
Inventory	1,353
	<hr/> 258,433

PROPERTY AND EQUIPMENT, net

4,300

Total assets

\$ 262,733

NET ASSETS

Unrestricted	\$ 248,691
Temporarily restricted	14,042
	<hr/>

Total net assets

\$ 262,733

THE WATER PROJECT, INC.
STATEMENT OF ACTIVITIES
For the year ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUES			
Contributions	\$ 927,921	\$ 85,649	\$ 1,013,570
Product sales	9,954	-	9,954
Gifts in kind	9,150	-	9,150
Interest income	292	-	292
	<hr/>	<hr/>	<hr/>
Total support and revenues	947,317	85,649	1,032,966
Net assets released from restrictions	251,531	(251,531)	-
	<hr/>	<hr/>	<hr/>
	1,198,848	(165,882)	1,032,966
	<hr/>	<hr/>	<hr/>
EXPENSES			
Cost of product sales	3,497	-	3,497
Program grants	825,743	-	825,743
Legal and professional	13,482	-	13,482
Salaries	84,091	-	84,091
Contract services	22,317	-	22,317
Website services	7,733	-	7,733
Travel	2,124	-	2,124
Postage and shipping	4,589	-	4,589
Printing	5,271	-	5,271
Facilities and equipment	4,453	-	4,453
Telephone and internet	3,208	-	3,208
Insurance	1,597	-	1,597
Licenses and permits	1,810	-	1,810
Supplies	514	-	514
Subscriptions and publications	140	-	140
Public relations and development	733	-	733
Bank fees	9,752	-	9,752
Other	14,134	-	14,134
	<hr/>	<hr/>	<hr/>
Total expenses	1,005,188	-	1,005,188
	<hr/>	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	193,660	(165,882)	27,778
NET ASSETS, BEGINNING OF YEAR	<hr/>	<hr/>	<hr/>
	55,031	179,924	234,955
	<hr/>	<hr/>	<hr/>
NET ASSETS, END OF YEAR	<u><u>\$ 248,691</u></u>	<u><u>\$ 14,042</u></u>	<u><u>\$ 262,733</u></u>

THE WATER PROJECT, INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2010

OPERATING ACTIVITIES	
Increase in net assets	\$ 27,778
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Gifts in kind - property and equipment	(4,300)
Changes in operating assets and liabilities:	
Contributions receivable	8,175
Inventory	<u>(1,353)</u>
Net cash provided by operating activities	<u>30,300</u>
INCREASE IN CASH AND CASH EQUIVALENTS	30,300
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>187,077</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 217,377</u></u>

**THE WATER PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACTIVITIES

Nature of operations

The Water Project, Inc. (the "Organization") is a North Carolina not-for-profit corporation, which was incorporated on December 5, 2007. The Organization is an independent organization based in Charlotte, North Carolina, that aims to bring relief to communities throughout the world who suffer needlessly from a lack of access to clean water. Specifically, the Organization distributes contributed funds directly to national and international organizations that assist underdeveloped communities in gaining access to clean drinking water. The Organization's major sources of support and revenue are contributions from the general public.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents include \$173,278 of money market funds at December 31, 2010.

Contributions receivable

Contributions receivable are recorded at the written pledged amount less an estimate made for doubtful accounts. The Organization provides an allowance for doubtful collections when deemed necessary, which is based upon a review of prior collection history, type of contribution, and nature of fund-raising activity. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts. The Organization has not recorded an allowance for doubtful accounts at December 31, 2010.

Net assets

The Organization is required to report information regarding its financial position according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted net assets are composed of all resources not included in the below categories. Donor restricted contributions that are received and expended in the same year are classified as unrestricted.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACTIVITIES, Continued

Temporarily restricted net assets carry restrictions that expire upon the passage of a prescribed period or upon the occurrence of a stated event as specified by the donor. When a donor restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets are released from restriction.

Permanently restricted net assets are contributed to be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets. The Organization had no permanently restricted assets at December 31, 2010.

Property and equipment

Property and equipment at December 31, 2010 consists of office furniture and is depreciated over the estimated useful lives of the equipment, generally 3 to 5 years. Depreciation expense for the year ended December 31, 2010 was not material. The Organization expenses repairs and maintenance costs as incurred.

Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for income taxes in the accompanying financial statements.

Contributions and unearned contributions

Contributions are recognized as revenue when received as unrestricted, temporarily or permanently restricted, depending on the existence and nature of donor restrictions. Pledges are recognized as revenue upon receipt of evidence of an unconditional promise to give. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. Contributed assets are recorded at their estimated fair value when the Organization obtains possession of donated goods or evidence of an unconditional promise to give. Contributed services for voluntary donations of services are recognized in the financial statements when these services (1) create or enhance nonfinancial assets or (2) require specialized skills provided by individuals possessing those skills and are services that would be typically purchased if not provided by donation.

Subsequent events

These financial statements have been updated for subsequent events occurring before July 18, 2011, which is the date these financial statements were available to be issued.

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains cash and cash equivalent accounts at various financial institutions. From time to time, the Organization's accounts at such institutions may exceed the Federal Deposit Insurance Corporation (FDIC) insurance limit. The Organization has not experienced losses in such accounts and management does not believe it is exposed to significant credit risk on its cash and cash equivalents.

At December 31, 2010, approximately \$18,000, or 46 percent, of contributions receivable was due from three donors.

NOTE 3 - CONTRIBUTED GOODS

During 2010, the Organization received donations by an unrelated third party of inventory and property and equipment totaling \$4,850 and \$4,300, respectively, and recorded gifts in kind for contributed product of \$9,150. During 2010, the Organization sold \$3,497 of the contributed inventory, which was recorded as cost of product sales. At December 31, 2010, \$1,353 of the contributed products remains in inventory.

NOTE 4 - FUNCTIONAL EXPENSES

The Organization aims to bring relief to communities throughout the world who suffer needlessly from a lack of access to clean water through partnerships with qualified and deserving not-for-profits. Expenses related to providing these services for the year ended December 31, 2010 are summarized as follows:

Program	\$ 901,317
Management and general	55,803
Development and public relations	<u>48,068</u>
	<u>\$ 1,005,188</u>

NOTE 5 – SUBSEQUENT EVENTS

In July 2011, the Organization relocated its headquarters from Charlotte, North Carolina to Concord, New Hampshire. The relocation had no impact on the Organization's current operations.

LEADERSHIP & MISSION



R. Peter Chasse,
Founder &
President



Michael D. Ballou,
Secretary



Rob Hudiburg,
Treasurer



David Meyers,
Chairman

The Water Project, Inc. is a 501(c)(3) non-profit organization that's bringing relief to communities around the world who suffer needlessly from a lack of access to clean water.

We help to raise both awareness and the funds needed to provide the most basic and life-sustaining need of people ... safe, clean water.

We believe that providing water restores hope by enabling our partners to make a life-changing impact through their broader development activity.

We work closely with partners around the world who identify, implement, report on and follow up on each project. We share this information with our supporters through innovative online tools that inspire confidence in the work being done and the impact it has.





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