

**WATERAID AMERICA, INC.  
FINANCIAL STATEMENTS  
(WITH INDEPENDENT AUDITORS' REPORT)  
FOR THE YEAR ENDED MARCH 31, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)**

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FOR THE YEAR ENDED MARCH 31, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)**

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Board of Directors  
WaterAid America, Inc.

We have audited the accompanying statement of financial position of WaterAid America, Inc. ("WaterAid") as of March 31, 2008 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of WaterAid's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from WaterAid's 2007 financial statements and, in our report dated June 25, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 WaterAid America, Inc. as of March 31, 2008 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.

  
Lederer, Levine & Associates, LLC

New York, NY  
June 9, 2008

**WATERAID AMERICA, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2008**  
**(WITH COMPARATIVE TOTALS FOR 2007)**

<b>ASSETS</b>	<u><b>2008</b></u>	<u><b>2007</b></u>
Cash (Notes B and F)	\$ 2,648,899	\$ 2,270,446
Pledges receivable (Note C)	2,033,908	2,711,671
Accounts receivable and other	54,970	23,853
Prepaid expenses	3,285	25,837
Property and equipment - net (Notes B and D)	33,103	12,015
Security deposit	8,706	8,577
<b>TOTAL ASSETS</b>	<u><u>\$ 4,782,871</u></u>	<u><u>\$ 5,052,399</u></u>
<b>LIABILITIES</b>		
Accrued expenses payable	\$ 97,577	\$ 89,448
Grants payable (Note E)	755,068	
<b>TOTAL LIABILITIES</b>	<u>852,645</u>	<u>89,448</u>
<b>Commitments and Contingencies (Note H)</b>		
<b>NET ASSETS</b>		
Unrestricted	1,585,163	1,659,740
Temporarily restricted (Note I)	2,345,063	3,303,211
<b>TOTAL NET ASSETS</b>	<u>3,930,226</u>	<u>4,962,951</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,782,871</u></u>	<u><u>\$ 5,052,399</u></u>

The accompanying notes are an integral part of these financial statements.

WATERAID AMERICA, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED MARCH 31, 2008  
(WITH COMPARATIVE TOTALS FOR 2007)

	2008		2007
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<b>SUPPORT AND REVENUE</b>			
Contributions - foundations and corporations (Note F)	\$ 1,797,913	\$ 506,000	\$ 2,303,913
Contributions - individuals and others	207,382		207,382
Contributed services, materials and facilities (Note B)	15,402		15,402
Special events (net of expenses of \$174,104 in 2008)	130,722		130,722
Investment income (Note G)	58,837	10,637	69,474
Net assets released from restrictions	1,474,785	(1,474,785)	74,910
<b>TOTAL SUPPORT AND REVENUE</b>	<u>3,685,041</u>	<u>(958,148)</u>	<u>2,726,893</u>
<b>EXPENSES:</b>			
Program services	3,151,257		3,151,257
Management and general	375,429		375,429
Fundraising and development	232,932		232,932
<b>TOTAL EXPENSES</b>	<u>3,759,618</u>		<u>3,759,618</u>
<b>Change in net assets</b>	(74,577)	(958,148)	(1,032,725)
<b>Net Assets - Beginning of Year</b>	<u>1,659,740</u>	<u>3,303,211</u>	<u>4,962,951</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,585,163</u>	<u>\$ 2,345,063</u>	<u>\$ 3,930,226</u>
			<u>\$ 4,962,951</u>

The accompanying notes are an integral part of these financial statements.

