

WaterAid America, Inc.

AUDIT COMMITTEE MEETING

OCTOBER 28, 2016

WaterAid America, Inc.

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SECTION 1

WaterAid America, Inc.

***FINANCIAL STATEMENTS AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS***

MARCH 31, 2016 AND 2015

WaterAid America, Inc.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
WaterAid America, Inc.
New York, New York

We have audited the accompanying consolidated financial statements of WaterAid America, Inc. (the “*Organization*”), which comprise the statement of financial position as of March 31, 2016 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

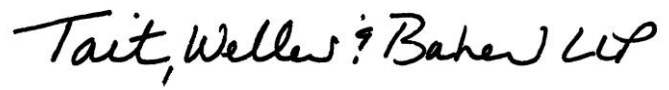
Opinion

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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Board of Directors
WaterAid America
New York, New York**

Report on Summarized Comparative Information

We have previously audited WaterAid America, Inc.'s 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 10, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Tait, Weller & Baker LLP". The signature is written in a cursive, flowing style.

TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
October 28, 2016**

WaterAid America, Inc.

STATEMENTS OF FINANCIAL POSITION

March 31, 2016 And 2015

	ASSETS	
	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 1,779,248	\$ 3,213,995
Grants receivable	67,899	1,667,412
Prepaid expenses and other assets	153,406	66,322
Investments <i>(Note 3)</i>	988,601	1,132,329
Property and equipment (net) <i>(Note 4)</i>	32,361	14,629
Security deposit	<u>25,777</u>	<u>19,927</u>
Total Assets	<u>\$ 3,047,292</u>	<u>\$ 6,114,614</u>
	LIABILITIES AND NET ASSETS	
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 102,172	\$ 30,671
Grants payable	<u>1,536,656</u>	<u>1,421,948</u>
Total Liabilities	<u>1,638,828</u>	<u>1,452,619</u>
NET ASSETS		
Unrestricted	1,408,464	1,751,058
Temporarily restricted <i>(Note 5)</i>	<u>-</u>	<u>2,910,937</u>
Total Net Assets	<u>1,408,464</u>	<u>4,661,995</u>
Total Liabilities and Net Assets	<u>\$ 3,047,292</u>	<u>\$ 6,114,614</u>

WaterAid America, Inc.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Years Ended March 31, 2016 And 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016</u>	<u>2015</u>
REVENUE				
Contributions –				
Foundations and corporations	\$ 6,074,361	\$ -	\$ 6,074,361	\$11,303,560
Individuals and others	793,831	-	793,831	1,070,774
Government grants	290,667	-	290,667	1,860,772
Investment income	7,048	-	7,048	545
Miscellaneous income	4,357	-	4,357	1,218
Net assets released from restrictions	<u>2,910,937</u>	<u>(2,910,937)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>10,081,201</u>	<u>(2,910,937)</u>	<u>7,170,264</u>	<u>14,236,869</u>
EXPENSES				
Program services	8,280,070	-	8,280,070	10,048,213
Support services				
Management and general	852,892	-	852,892	1,075,447
Fundraising	<u>1,290,833</u>	<u>-</u>	<u>1,290,833</u>	<u>705,201</u>
Total expenses	<u>10,423,795</u>	<u>-</u>	<u>10,423,795</u>	<u>11,828,861</u>
Change in net assets	(342,594)	(2,910,937)	(3,253,531)	2,408,008
Net Assets				
Beginning of year	<u>1,751,058</u>	<u>2,910,937</u>	<u>4,661,995</u>	<u>2,253,987</u>
End of year	<u>\$ 1,408,464</u>	<u>\$ -</u>	<u>\$ 1,408,464</u>	<u>\$ 4,661,995</u>

WaterAid America, Inc.

STATEMENTS OF CASH FLOWS

Years Ended March 31, 2016 And 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
<i>Change in net assets</i>	\$(3,253,531)	\$ 2,408,008
<i>Adjustments to reconcile change in net cash provided by (used in) operating activities</i>		
Depreciation	16,508	18,583
Net realized and unrealized losses on investments	1,716	813
(Increase) decrease in		
Contributions receivable	-	115,791
Grants receivable	1,599,513	(1,266,828)
Prepaid expenses	(87,084)	(23,094)
Security deposit	(5,850)	-
Increase (decrease) in		
Accounts payable and accrued expenses	71,501	(23,530)
Grants payable	<u>114,708</u>	<u>1,063,611</u>
Net cash provided by (used for) operating activities	<u>(1,542,519)</u>	<u>2,293,354</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(524,982)	(1,001,316)
Proceeds from sales of investments	666,994	878,020
Purchase of furniture, fixtures and equipment	<u>(34,240)</u>	<u>(1,315)</u>
Net cash provided by (used for) investing activities	<u>107,772</u>	<u>(124,611)</u>
Net increase (decrease) in cash	(1,434,747)	2,168,743
CASH		
Beginning of year	<u>3,213,995</u>	<u>1,045,252</u>
End of year	<u>\$ 1,779,248</u>	<u>\$ 3,213,995</u>

WaterAid America, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For The Year Ended March 31, 2016 With Summarized Information For 2015

	2016			2015	
	<u>Program Services</u>	<u>Management And General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Total</u>
Salaries and benefits	\$ 945,962	\$ 477,795	\$ 753,626	\$ 2,177,383	\$ 1,666,723
Program and grant expenses	6,882,684	-	-	6,882,684	9,235,364
Outside services and professional fees	84,514	125,781	104,177	314,472	128,942
Communications, marketing, and outreach	50,120	13,065	208,632	271,817	241,567
General and administrative	146,248	73,868	116,512	336,628	143,285
Occupancy	55,322	27,942	44,074	127,338	103,868
Travel	84,959	76,684	28,044	189,687	121,334
Insurance	6,482	3,274	5,164	14,920	10,324
Telecommunications	22,115	11,170	17,619	50,904	41,866
Dues, subscriptions and service fees	1,664	26,805	12,985	41,454	117,005
Depreciation	-	16,508	-	16,508	18,583
Total expenses - 2016	<u>\$ 8,280,070</u>	<u>\$ 852,892</u>	<u>\$ 1,290,833</u>	<u>\$ 10,423,795</u>	
Total expenses - 2015	<u>\$ 10,048,213</u>	<u>\$ 1,075,447</u>	<u>\$ 705,201</u>		<u>\$ 11,828,861</u>

WaterAid America, Inc.

NOTES TO FINANCIAL STATEMENTS

March 31, 2016 And 2015

(1) ORGANIZATION

WaterAid America, Inc. (the “*Organization*”) was incorporated under the laws of Delaware on January 9, 2003 and currently has offices in New York, NY and Washington, D.C.

The Organization’s mission is to ensure the provision of water, sanitation and hygiene education to the world’s poorest people; we accomplish this mission by supporting partner organizations in low-income countries to deliver water and sanitation services, by educating the United States (“*U.S.*”) public about this issue and the urgent need for solutions, and through outreach and advocacy with key audiences in the U.S.

On November 17, 2015, the Organization’s Board of Directors agreed to acquire Aguayuda, Inc., a U.S. based nonprofit organization incorporated in Maryland, with operations in Columbia, South America. Aguayuda aims to improve life and health in poor rural communities in Columbia, South America, through clean water, sanitation and education. On February 8, 2016, the Organization and Aguayuda signed a formal agreement to merge operations, with all assets of Aguayuda being transferred to WaterAid America for one dollar (U.S.). The transfer of assets, with a value of approximately \$21,000 as of March 31, 2016, is to take place after approval by the Attorney General of State of Maryland.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCRUAL BASIS OF ACCOUNTING

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting and conform to generally accepted accounting principles as applicable to not-for-profit organizations.

INCOME TAXES

WaterAid America, Inc. is a not-for-profit organization exempt from U.S. Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been recognized as a public charity under Section 509(a)(1) of the Internal Revenue Code.

Management has reviewed the tax positions for the open tax years (2013 – 2015) or expected to be taken in the Organization’s 2015 tax return and has concluded that there are no significant uncertain tax position that could require recognition in the financial statements.

ACCOUNTING ESTIMATES

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

WaterAid America, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

March 31, 2016 And 2015

CONCENTRATION OF CREDIT RISK

The Organization occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (“ASC”) 825, “*Financial Instruments*”, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institutions in which deposits are made.

CASH AND CASH EQUIVALENTS

The Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash and cash equivalents.

INVESTMENTS

Investments are recorded at fair value with the resulting gains and losses reported in the statement of activity as increases in unrestricted net assets unless the use of the assets or proceeds from the sale of assets is limited by donor imposed restrictions.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost, less accumulated depreciation. The Organization’s policy is to capitalize property and equipment with a cost of \$1,000 or more with a useful life of two years or more.

CONTRIBUTIONS

Unconditional promises to give are recognized as revenues or gains in the period received. Contributions that are restricted by the donor are recorded as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other contributions are recorded as temporarily restricted if they are received with donor stipulations that limit the use of such contributions. When the donor restrictions are met, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities and changes in net assets as “net assets released from restrictions.”

CONTRIBUTIONS RECEIVABLE

Unconditional promises to give are included in the financial statements as contributions receivable and the related contribution revenue is recorded in the unrestricted and temporarily restricted net assets.

NET ASSETS

A description of the net asset categories follows:

Unrestricted net assets – Unrestricted net assets include the net assets that are associated with the principal mission of the Organization.

Temporarily restricted net assets – include contributions and other assets received with the donor stipulations that limit the use of the donated asset. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as “**net assets released from restriction.**”

WaterAid America, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

March 31, 2016 And 2015

(3) INVESTMENTS

Cost and market values at March 31 are summarized as follows:

	2016		2015	
	Cost	Market	Cost	Market
Money Market	\$ 988,601	\$ 988,601	\$ 631,099	\$ 631,099
Bank Certificates of Deposit	-	-	500,000	501,230
	\$ 988,601	\$ 988,601	\$ 1,131,099	\$ 1,132,329

As of March 31, 2016 and 2015, net unrealized gains consisted of \$0 and \$1,230, respectively.

The Organization utilized various methods to measure the fair value of its investments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described below:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Level 2 – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Organization’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The summary of inputs used to value the Organization’s assets that are carried at fair value as of March 31, 2016 and 2015 are as follows:

<u>Investments</u>	2016			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market	\$ 988,601	\$ 988,601	\$ -	\$ -
Bank Certificates	-	-	-	-
	\$ 988,601	\$ 988,601	\$ -	\$ -

<u>Investments</u>	2015			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Money Market	\$ 631,099	\$ 631,099	\$ -	\$ -
Bank Certificates	501,230	-	501,230	-
	\$ 1,132,329	\$ 631,099	\$ 501,230	\$ -

There were no transfers between Level 1 and 2 during the years ended March 31, 2016 and 2015.

WaterAid America, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

March 31, 2016 And 2015

(4) PROPERTY AND EQUIPMENT

At March 31, 2016 and 2015, property and equipment consisted of the following:

	<u>2016</u>	<u>2015</u>
Furniture, computers and software	\$ 107,160	\$ 73,748
Construction in progress	<u>828</u>	<u>-</u>
	107,988	73,748
Less: accumulated depreciation	<u>75,627</u>	<u>59,119</u>
	<u>\$ 32,361</u>	<u>\$ 14,629</u>

(5) NET ASSETS

Temporarily restricted net assets were subject to the following restrictions as of March 31:

	<u>2016</u>	<u>2015</u>
Program services and time restrictions	<u>\$ -</u>	<u>\$2,910,937</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors in the amount of \$2,910,937 and \$7,486,691 for the years ended March 31, 2016 and 2015, respectively.

(6) COMMITMENTS

The Organization leases office space for its New York and Washington DC offices under noncancellable leases ending June 2016 and January 2016, respectively. The Organization did not renew the lease on the Washington DC office. The Organization also leases office equipment under operating leases expiring in December 2016. In January 2016, the Organization signed a noncancellable lease for new office space in New York. The new lease commences on May 25, 2016 and runs through September 25, 2026. The minimum rental commitments on these noncancellable leases are as follows:

<u>Year Ending March 31,</u>	<u>Office Space</u>	<u>Office Equipment</u>	<u>Total</u>
2017	\$ 157,087	\$ 2,602	\$ 159,689
2018	171,750	-	171,750
2019	176,044	-	176,044
2020	183,058	-	183,058
2021	188,157	-	188,157
2022 and thereafter	<u>1,133,166</u>	<u>-</u>	<u>1,133,166</u>
	<u>\$2,009,262</u>	<u>\$ 2,602</u>	<u>\$2,011,864</u>

Rent expense for the year ended March 31, 2016 and 2015 was approximately \$102,700 and \$91,500, respectively.

WaterAid America, Inc.

NOTES TO FINANCIAL STATEMENTS – (Continued)

March 31, 2016 And 2015

(7) CONDITIONAL PROMISES TO GIVE

At March 31, 2016 the Organization has received conditional promises to give (including amounts accounted for as exchange transactions), which are subject to annual review of project performance, as follows:

Year Ending March 31,

2017	<u>\$3,601,358</u>
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(8) RETIREMENT PLAN

The Organization has a defined contribution pension plan which covers full time employees after one full year of service. Employees may contribute up to 5% of their gross annual salary on a voluntary basis. The Organization will match each employee's voluntary contribution up to a maximum of 5% of the employee's gross annual salary. The plan is administered by TIAA-CREF. Contributions to this plan for the years ended March 31, 2016 and 2015 totaled approximately \$80,000 and \$69,600, respectively.

(9) GRANTS

During the years ended March 31, 2016 and 2015, the Organization awarded grants and incurred program costs for sanitation and hygiene projects, as follows:

	<u>2016</u>	<u>2015</u>
Australia	\$ 5,000	\$ -
Bangladesh	152,151	1,748,673
Burkina Faso	436,794	550,309
Colombia	38,028	-
Ethiopia	2,577	215,423
Ghana	607,908	440,868
Global Advocacy	86,464	65,608
India	157,694	98,654
Mali	1,257,376	1,024,246
Nepal	286,047	-
Nicaragua	614,078	691,801
Niger	267,363	189,902
Nigeria	681,846	3,914,338
Tanzania	-	10,787
Timor Leste	150,000	-
West Africa	242,195	271,175
Zambia	<u>1,897,163</u>	<u>13,580</u>
Total	<u>\$ 6,882,684</u>	<u>\$ 9,235,364</u>

(10) SUBSEQUENT EVENTS

Subsequent events after the balance sheet date through the date that the financial statements were available for issuance, October 28, 2016, have been evaluated in the preparation of the financial statements.

SECTION 2

October 28, 2016

Audit Committee
WaterAid America
233 Broadway – Suite 2705
New York, NY 10279

We have audited the financial statements of WaterAid America, Inc. (the “*Organization*”) for the year ended March 31, 2016 and have issued our report thereon dated October 28, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 26, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended March 31, 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. All accounting estimates based on management’s judgments, were considered reasonable in relation to their significance to the financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We did encounter some difficulties in performing and completing our audit. Although none of our proposed audit adjustments were material in nature, reconciliations had to be performed in order to ensure that there were no large discrepancies.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a results of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2016.

Management Consultations with Other Independent Accountants

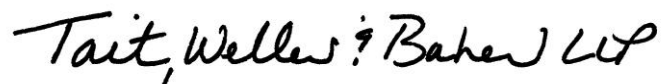
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Auditing Findings

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This letter is intended solely for the use of the Audit Committee and management of WaterAid America, Inc., and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



TAIT, WELLER & BAKER LLP

SECTION 3

Audit Committee
WaterAid America, Inc.
New York, New York

In planning and performing our audit of the financial statements of WaterAid America, Inc. (the “*Organization*”) as of and for the year ended March 31, 2016 in accordance with auditing standards generally accepted in the United States of America, we considered the Organization’s control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

Our consideration of your internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. We did not identify and deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the Organization’s internal control to be significant deficiencies:

We identified certain areas where improvements could be made which are as follows:

Contribution Reconciliation

In connection with contributions received from donors, we recommend that the Finance Department perform a periodic reconciliation (monthly or quarterly) of the general ledger to the donor database maintained by the Development Department to ensure that contributions recorded by the Development Office, in both amount and classification, agree with the amount recorded by the Business Office. This reconciliation process will provide a control as to the agreement of contributions received and recorded in the Development office and those recorded by the Finance Department. Any errors detected can then be promptly followed-up on a timely basis.

STATUS OF PRIOR YEAR COMMENT

Government Grant Reconciliations

We noted that the Organization's quarterly expenses associated with U.S. Government contracts, on which the Organization is a sub-recipient, were all recorded properly and in a timely fashion.

Bank Reconciliations

Bank reconciliations were performed timely for the year ended March 31, 2016.

This communication is intended solely for the information and use of management, the Audit Committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

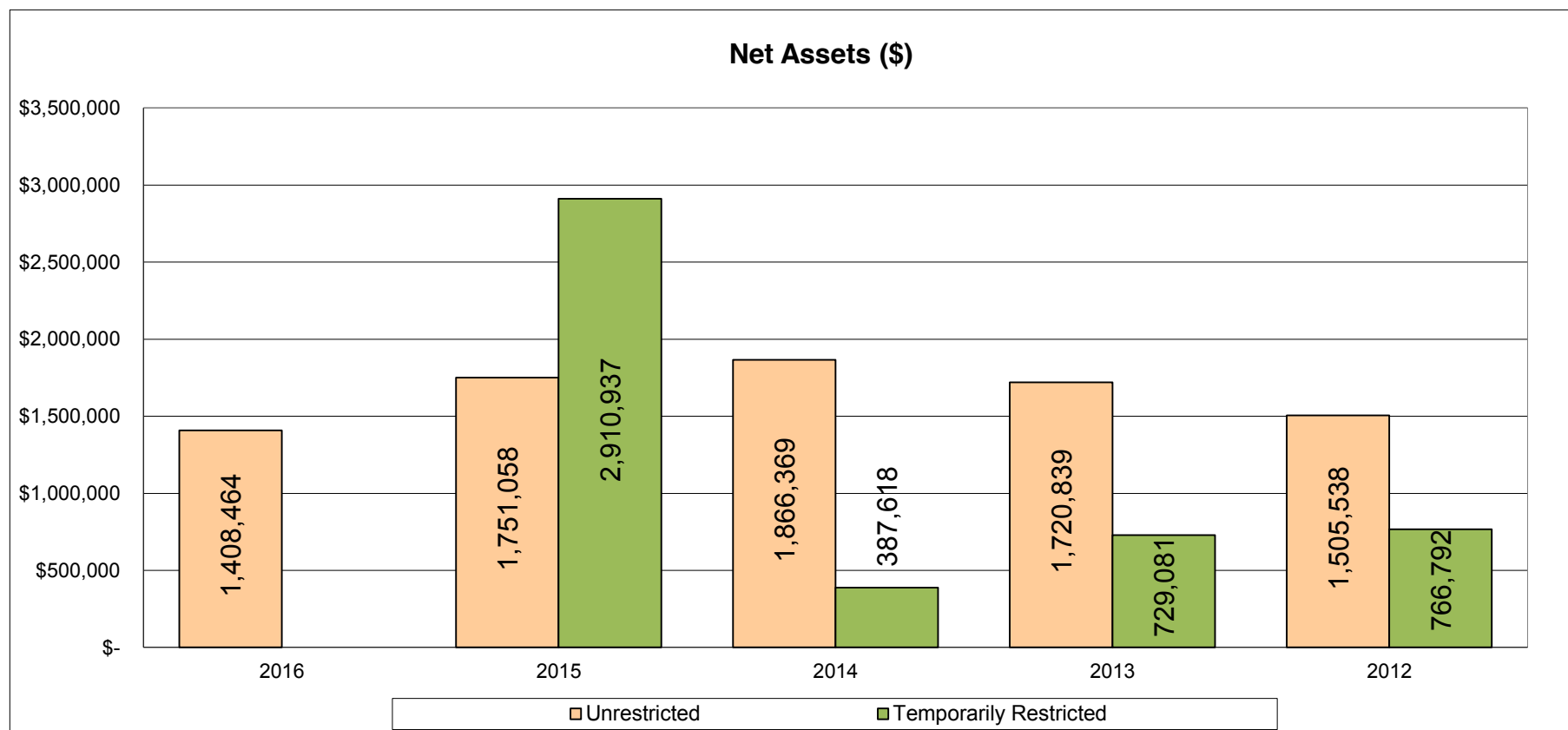
Tait, Weller & Baker LLP
TAIT, WELLER & BAKER LLP

**Philadelphia, Pennsylvania
October 28, 2016**

SECTION 4

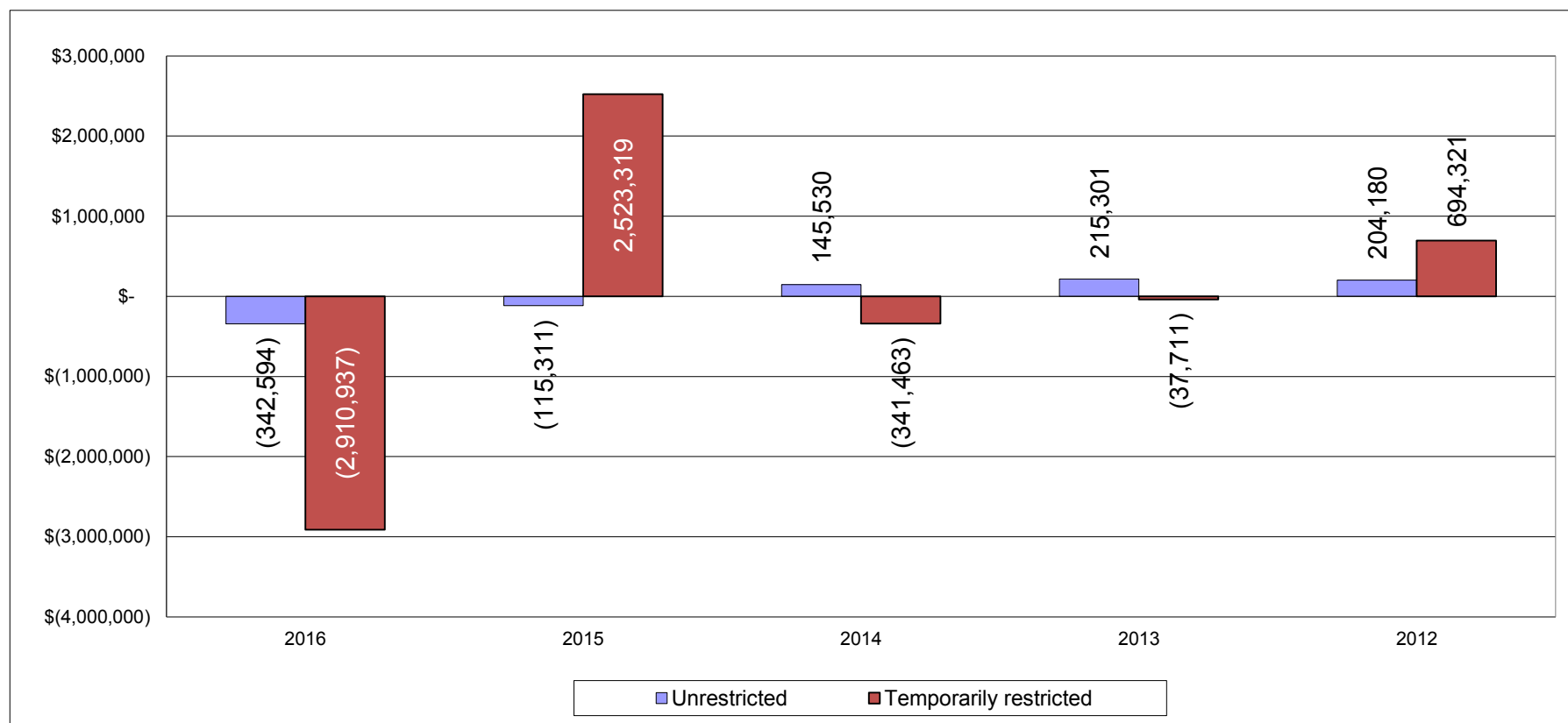
WATERAID AMERICA, INC. NET ASSETS

Net Assets by Type	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 1,408,464	\$ 1,751,058	\$ 1,866,369	\$ 1,720,839	\$ 1,505,538
Temporarily Restricted	<u>-</u>	<u>2,910,937</u>	<u>387,618</u>	<u>729,081</u>	<u>766,792</u>
Total Net Assets	<u>\$ 1,408,464</u>	<u>\$ 4,661,995</u>	<u>\$ 2,253,987</u>	<u>\$ 2,449,920</u>	<u>\$ 2,272,330</u>



WATERAID AMERICA, INC. CHANGE IN NET ASSETS

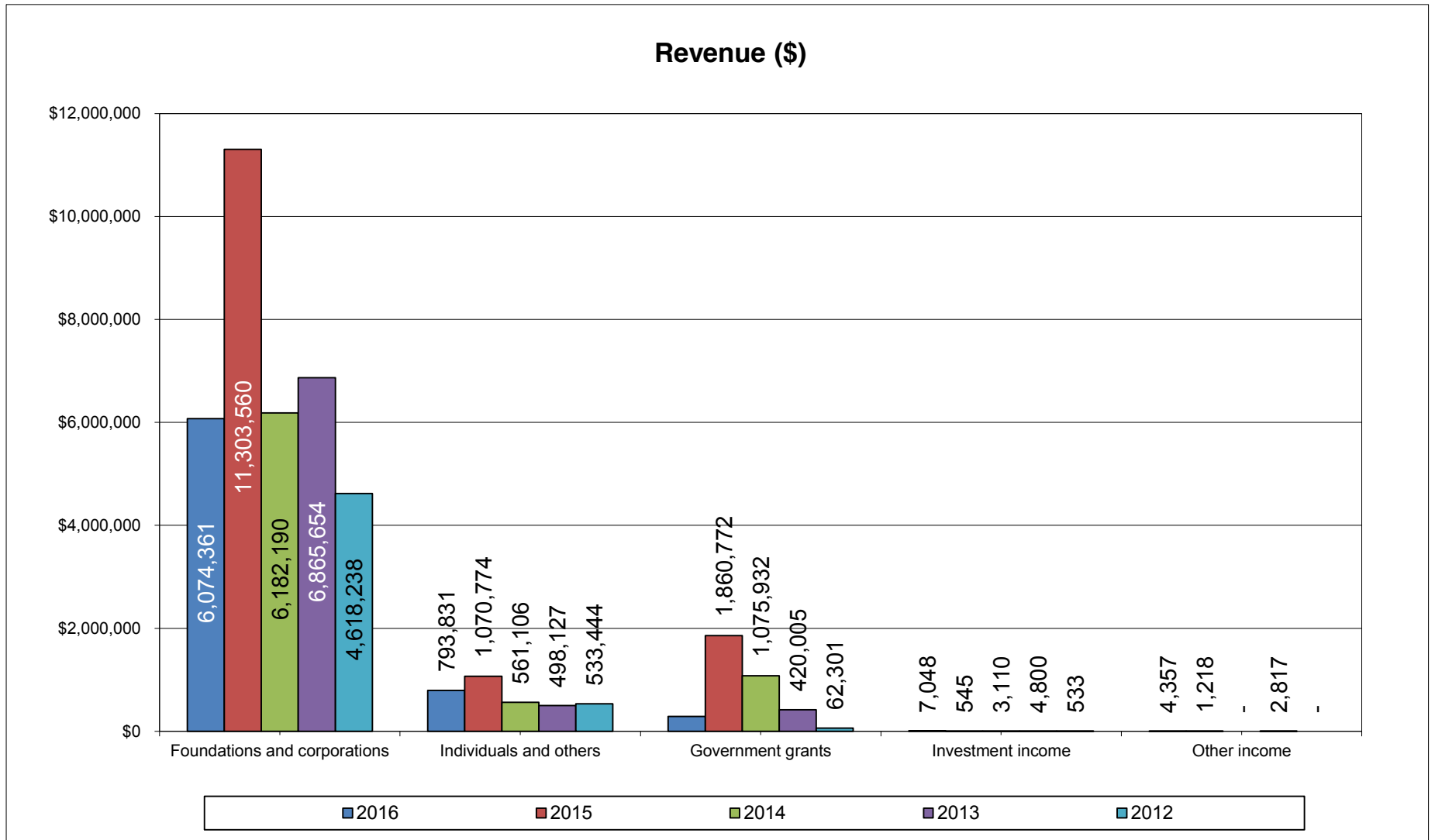
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Change in net assets					
Unrestricted	\$ (342,594)	\$ (115,311)	\$ 145,530	\$ 215,301	\$ 204,180
Temporarily restricted	<u>(2,910,937)</u>	<u>2,523,319</u>	<u>(341,463)</u>	<u>(37,711)</u>	<u>694,321</u>
Net change in net assets	<u><u>\$ (3,253,531)</u></u>	<u><u>\$ 2,408,008</u></u>	<u><u>\$ (195,933)</u></u>	<u><u>\$ 177,590</u></u>	<u><u>\$ 898,501</u></u>



WATERAID AMERICA, INC. SOURCES OF REVENUE AND SUPPORT
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	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Revenues					
Foundations and corporations	\$ 6,074,361	\$ 11,303,560	\$ 6,182,190	\$ 6,865,654	\$ 4,618,238
Individuals and others	793,831	1,070,774	561,106	498,127	533,444
Government grants	290,667	1,860,772	1,075,932	420,005	62,301
Investment income	7,048	545	3,110	4,800	533
Other income	4,357	1,218	-	2,817	-
Total Unrestricted revenues & support	\$ 7,170,264	\$ 14,236,869	\$ 7,822,338	\$ 7,791,403	\$ 5,214,516

WATERAID AMERICA, INC. REVENUE

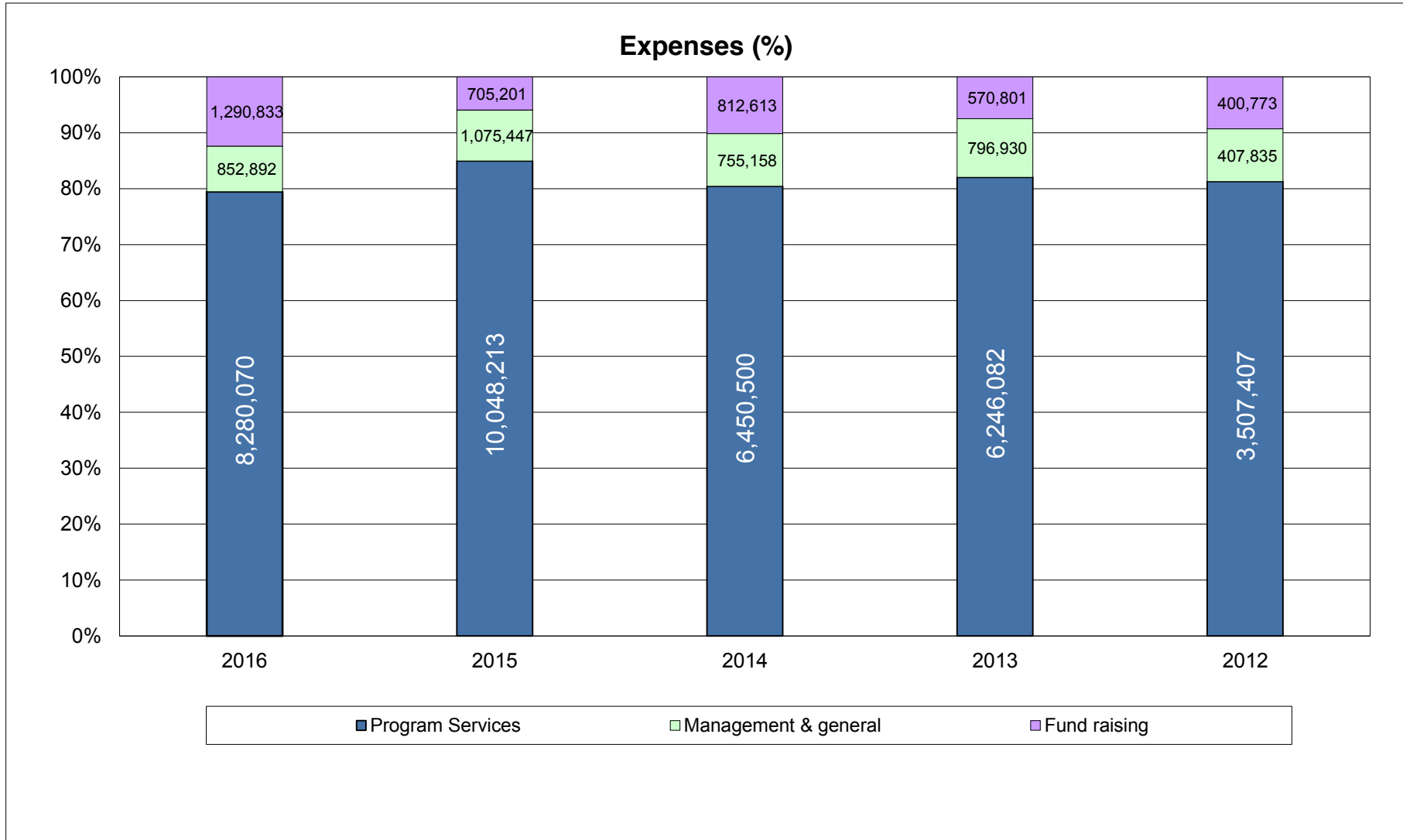


WATERAID AMERICA, INC. EXPENSES

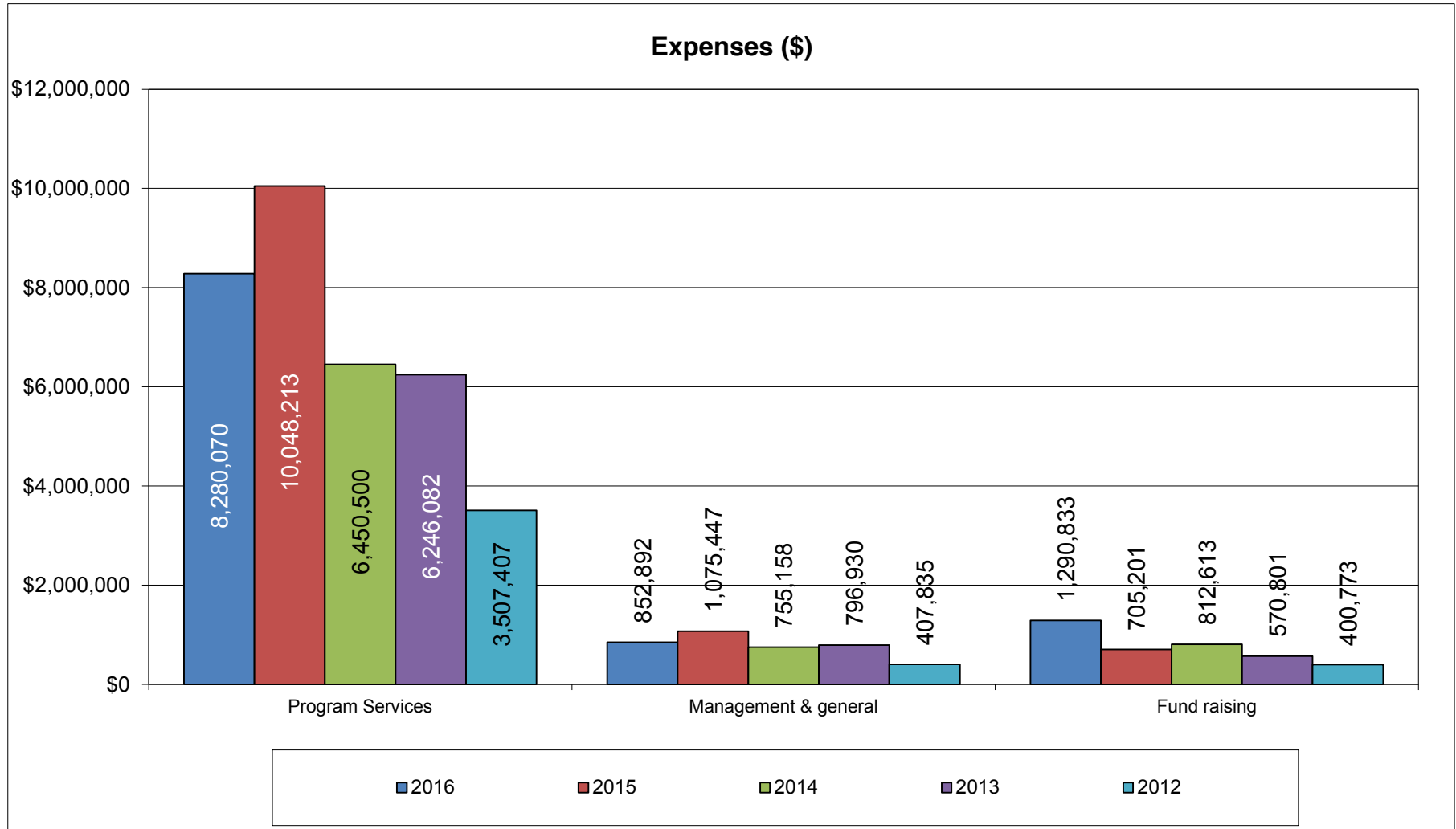
Expenses

	<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>		<u>2012</u>	
Program Services	8,280,070	79.4%	10,048,213	84.9%	6,450,500	80.4%	6,246,082	82.0%	3,507,407	81.3%
Supporting Services										
Management & general	852,892	8.2%	1,075,447	9.1%	755,158	9.4%	796,930	10.5%	407,835	9.4%
Fund raising	<u>1,290,833</u>	<u>12.4%</u>	<u>705,201</u>	<u>6.0%</u>	<u>812,613</u>	<u>10.2%</u>	<u>570,801</u>	<u>7.5%</u>	<u>400,773</u>	<u>9.3%</u>
Total supporting services	2,143,725	20.6%	1,780,648	15.1%	1,567,771	19.6%	1,367,731	18.0%	808,608	18.7%
Total Expenses	<u>\$ 10,423,795</u>	<u>100.0%</u>	<u>\$ 11,828,861</u>	<u>100.0%</u>	<u>\$ 8,018,271</u>	<u>100.0%</u>	<u>\$ 7,613,813</u>	<u>100.0%</u>	<u>\$ 4,316,015</u>	<u>100.0%</u>
		100.00		100.10		100.00		100.00		100.0

WATERAID AMERICA, INC. EXPENSES



WATERAID AMERICA, INC. EXPENSES



WATERAID AMERICA, INC. FUNCTIONAL EXPENSES

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Functional expenses					
Salaries & Benefits	\$ 2,177,383	\$ 1,666,723	\$ 1,320,703	\$ 1,198,659	\$ 889,881
Program & grant expenses	6,882,684	9,235,364	5,784,647	5,700,865	2,871,520
Outside services and prof. fees	314,472	128,942	146,689	113,526	25,633
Communications, marketing & outreach	271,817	241,567	257,904	198,409	195,136
General & administrative	336,628	143,285	126,885	85,861	31,900
Occupancy	127,338	103,868	86,865	81,302	66,816
Travel	189,687	121,334	132,680	119,373	106,864
Insurance	14,920	10,324	11,557	8,144	10,051
Telecommunications	50,904	41,866	50,613	34,494	23,977
Dues, subscriptions and service fees	41,454	117,005	80,969	57,774	55,122
Depreciation	16,508	18,583	18,759	15,406	39,115
	\$ 10,423,795	\$ 11,828,861	\$ 8,018,271	\$ 7,613,813	\$ 4,316,015
Total functional expenses	\$ 10,423,795	\$ 11,828,861	\$ 8,018,271	\$ 7,613,813	\$ 4,316,015

WATERAID AMERICA, INC. FUNCTIONAL EXPENSES

