



This financial report is presented as an effort by the Board of Trustees of Hope Springs Water to be as transparent as possible with our finances so that anyone who is interested can see exactly where our money is coming from and how it is being spent.

The year 2010 was our start-up year and was primarily spent getting ourselves organized and accepted by the IRS as a tax exempt organization. However, through a generous gift from the Student Senate of Trinity Valley Community College in Athens, Texas, we were able to dig two wells in Nicaragua during that year. The first was in the village of Santa Rosa, Nicaragua that serves 35 families of Miskito Indians who live there. Their water supply at that time was a stream that ran through the village where women washed clothes, children played, and people and animals swam and bathed in it. This well was dedicated on May 27, 2010. The second well using this same gift from TVCC was dedicated in the village of Kisalaya on the Coco River in eastern Nicaragua in April of 2011.

A donation from Hope Springs Water helped fund a well which opened in September of 2011 in the Mexican village of Chikue, which serves the 40 children who attend and live at the school in the village, as well as numerous Tarahumaran Indian families who live in the vicinity.

Early in 2011, a facebook encounter with a young man from Uganda who was seeking safe water for the people of his village of Bunyagira led Hope Springs Water to drill their next well there. Stories of illness in the children including cholera, typhoid, and parasites due to drinking contaminated ground water from local water holes convinced the Board of Trustees that we had to do something to help the people of this village. In September of 2011, a well was dedicated to the 650 people living in the village of Bunyagira, Uganda- the first safe water in the history of the village. Since then, stories of people moving into the area and building near the well, of the number of children attending the school doubling, and of the number of children absent from school due to illness plummeting all have made it clear to us that our decision to help them was a wise one.

The year 2012 finds Hope Springs Water with several opportunities facing us. We are considering partnering with a missions group currently in Uganda to attempt to serve villages in northern Uganda, South Sudan, northwestern Kenya, and the northeastern region of the Republic of the Congo. We are also intimately involved with a group of churches who are focusing on the villages and communities of the Bantu District of central Ethiopia to help provide them with safe drinking water. This summer we will be helping to fund a well for a battered women's shelter in the town of Puerto Cabezas, Nicaragua. An additional opportunity exists in partnering with an existing mission program in San Pedro Sula, Honduras to provide safe water for a border community of about 200-300 people.

Adequate funding is all that prevents us from mounting an all-out frontal assault against thirst, disease, and inadequate safe water in the above mentioned areas. We pray that 2012 and 2013 will find us moving closer to our goal of safe water for everyone in our lifetimes.

**Hope Springs Water
Statement of Financial Position
December 31, 2011**

Assets

	2011
Current Unrestricted Assets	
Cash	\$7,924
Accounts Receivable	
Hope Springs, Inc.	\$500
Trade	\$1,070
Accrued Interest Receivable-Hope Springs, Inc.	\$250
	\$1,820
Equipment	\$750
Note Receivable Hope Springs Inc.	\$5,000
Investments	
1000 Shares Hope Springs, Inc.	\$311
Total Assets	\$15,805

Liabilities and Net Assets

Liabilities	\$0
Net Assets	\$15,805
Total Unrestricted Net Assets	\$15,805

**Hope Springs Water
Statement of Activities
Year Ended December 31, 2011**

Revenues

Contributions	\$23,441
Interest Income	\$250

Total Revenue

\$23,691

Expenses

Water wells, pump, and installation	\$10,000
Marketing and Promotional Expense	\$1,939
Miscellaneous	\$77
	<u>\$12,016</u>

Change in Net Assets

\$11,675

Hope Springs Water Statement of Cash Flows

January 1, 2011 through December 31, 2011

Operating Activities

Change in Net Assets	\$11,675
Account Receivable-Hope Springs, Inc. interest	(\$250)
Trade Accounts Receivable	<u>(\$1,070)</u>
Net cash provided by Operating Activities	<u>\$10,355</u>

Investing Activities

Note Receivable Hope Springs Inc.	<u>(\$5,000)</u>
Net cash increase for period	\$5,355

Cash at beginning of period \$2,569

Cash at end of period \$7,924

Hope Springs Water
A Texas Non-Profit Organization
Notes to Financial Statements
January 1, 2011 through December 31, 2011

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Hope Springs Water is a not-for-profit organization whose primary purpose is to partner with communities in developing countries to provide sources of pure drinking water. Hope Springs Water maintains its headquarters in Athens, Texas.

Significant Accounting Policies

The financial statements of Hope Springs Water have been prepared on an accrual basis. Hope Springs Water recognizes contributions of materials and services only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

Cash

The financial institution holding Hope Springs Water cash account is participating in the FDIC's Transaction Account Guarantee Program which insures the cash account up to \$250,000. At December 31, 2010, Hope Springs Water is insured through this program.

Accounts Receivable

All accounts receivable are current. An advance of \$500 was disbursed to Hope Springs, Inc. for working capital in 2010.

Equipment

In 2010, a forklift was donated to Hope Springs Water with a value of \$750.

Note Receivable Hope Springs, Inc.

A \$5000 promissory note with an interest rate of 6% per year with a due date of February 28, 2016, was given to Hope Springs, Inc. for working capital and can be prepaid by Hope Springs, Inc. at any time before the maturity date without penalty.

1000 Shares Hope Springs, Inc.

Hope Springs Water owns all the voting stock of Hope Springs, Inc., a for-profit entity. This allows the not-for-profit entity to elect all board members of Hope Springs, Inc. There are no common board members shared by the two entities, and all aspects of the two entities are kept separate.

Liabilities and Net Assets

Hope Springs Water has no permanent employees.

Water Well, Pump and Installation Expenditures

Hope Springs Water is organized exclusively for charitable, religious, educational, and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501 (c) (3) of the Internal Revenue Code, or corresponding section of any future federal tax code. On June 14, 2011, a \$2,000 deposit on a \$9,000 well in Bunyagira, Uganda was given to Living Water International, a registered 501 (c) (3) organization. On September 18, 2011, \$1,000 was given to Mexico Medical Missions, a registered 501 (c) (3) organization for a water well in the village of Chikue Mexico. On December 7, 2011, \$7,000 was given to Living Water International to complete the well in Bunyagira, Uganda.

Hope Springs Water
Statement of Financial Position
Date of Inception February 24, 2010 through
December 31, 2010

Assets

	<u>2010</u>
Current Unrestricted Assets	
Cash	\$2,569
Accounts Receivable-Hope Springs, Inc.	<u>\$500</u>
Total Current Unrestricted Assets	<u>\$3,069</u>
Investments	
Equipment	\$750
1000 Shares Hope Springs, Inc.	<u>\$311</u>
Total Investments	<u><u>\$1,061</u></u>
Total Assets	\$4,130

Liabilities and Net Assets

Liabilities	\$0
Net Assets	\$4,130
Total Unrestricted net assets	<u><u>\$4,130</u></u>

Hope Springs Water
Statement of Activities
Date of Inception February 24, 2010 through
Year Ended December 31, 2010

Revenues

Value of Services donated	\$311
Value of donated Forklift	\$750
Contributions	\$10,887

Total Revenue

\$11,948

Expenses

Organizational costs	\$851
Marketing and Promotional Expense	\$688
Other Expense	\$112
Contract Services-Logo and Web Page Design	\$1,867
Water well, pump and installation expenditures	\$4,300
	<u>\$7,818</u>

Change in Net Assets

\$4,130

Hope Springs Water
Statement of Cash Flows
Date of Inception February 24, 2010 through
Year Ended December 31, 2010

Operating Activities

Change in Net Assets \$4,130

**Adjustments to reconcile Net Assets
to cash provided by activities**

Account Receivable (\$500)

Net cash provided by Activities \$3,630

Non Cash Activities

Equipment Donation (\$750)

1000 Shares Hope Springs, Inc. Donation (\$311)

Cash at end of period \$2,569

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