



**2006**  
ANNUAL  
REPORT





## A Message To Our Supporters

Every time we travel to developing countries, we are humbled. So often we watch the people we had come to serve take delight in serving us – willing to share the very best they have. How grateful they are to hear about Jesus, and to have a Bible of their very own. What a lesson it is to those of us who can have clean water at the turn of a faucet, and who own entire shelves of Bibles.

At Living Water International, our calling is to show people in need the love of God in the most basic of ways – providing safe, clean drinking water – and to share with them living water, the gospel of Jesus Christ. But they in turn minister to us; the “least of these” open our eyes to the reality of our own lives, and teach us what it means to love others the way Jesus tells us.

It is through partnerships with caring people like you that God has enabled LWI to reach out to so many people around the world. In 2006 we were able to complete 577 new wells, rehabilitate 596 wells and provide 1,676 bio-sand filters for families to use in their homes. Our method is simple. We support people as they minister to the needy in their own countries, and we do it by building relationships – training, consulting and equipping them to be more effective than they would be on their own.

In 2006, we celebrated 15 years of ministry. Our vision to reach the world with water and the Word began with one country; we now have the privilege of serving more than 6 million people in 24 countries with a cup of water in Jesus’ name. Our growth has brought both blessings and challenges, but staying focused on our core values – to honor God, develop people, pursue excellence and be good stewards – allows us to rely on God and not on ourselves. It is to him that we give the glory for all that is accomplished with this ministry.

God has led us every step of the way, and we believe that the greatest opportunities are still ahead.

Thank you for being a part of what God is doing through LWI.



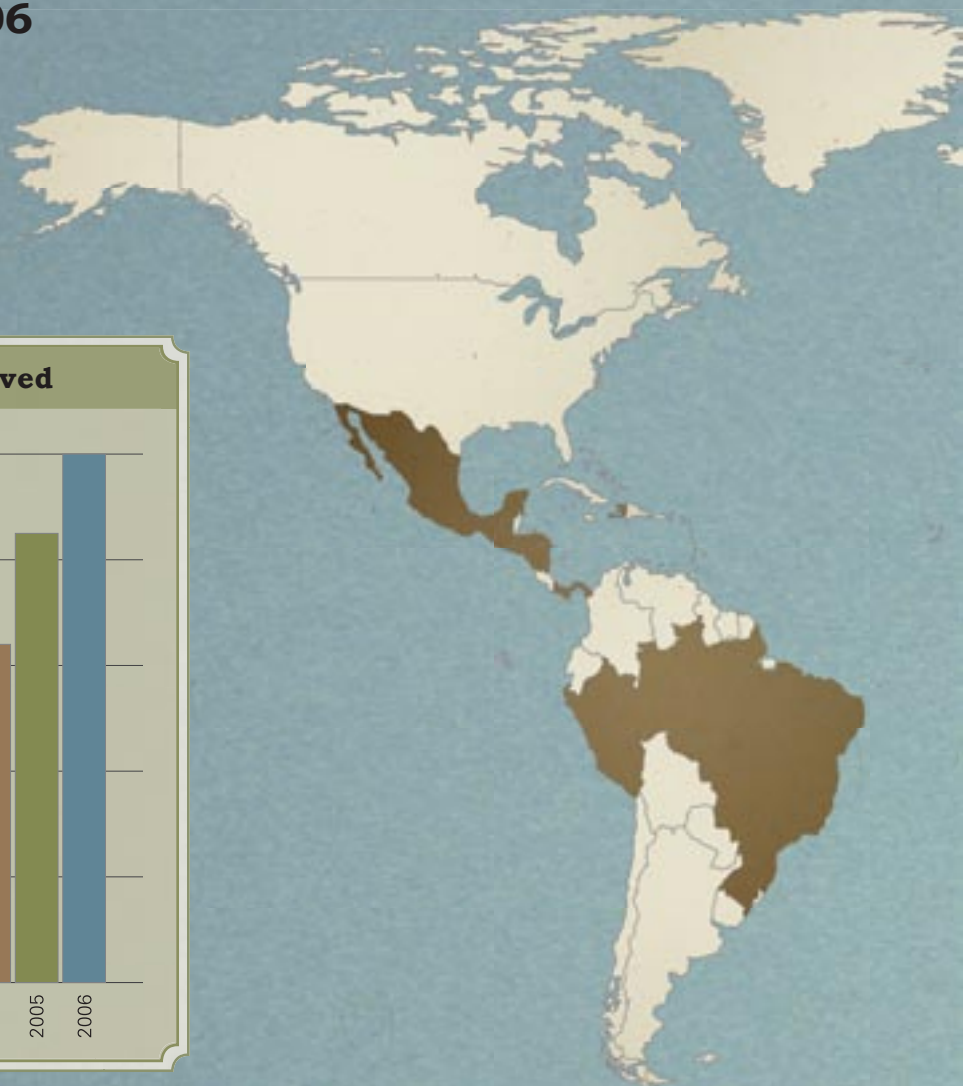
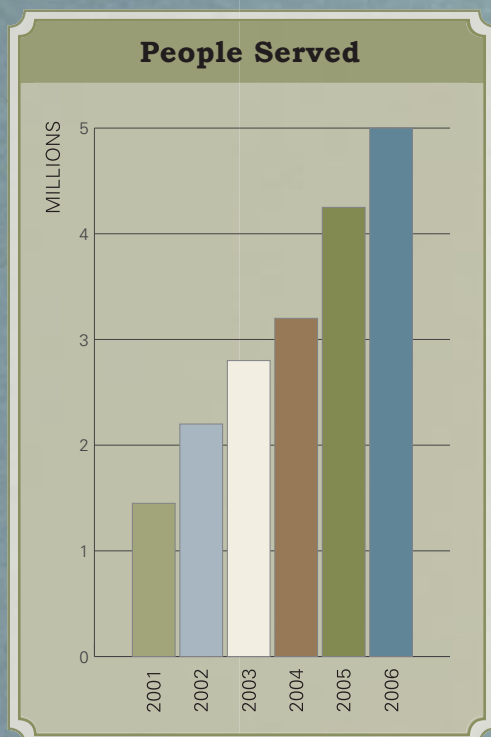
Gary Evans  
Executive Director



Jerry Wiles  
President



# Projects in 2006



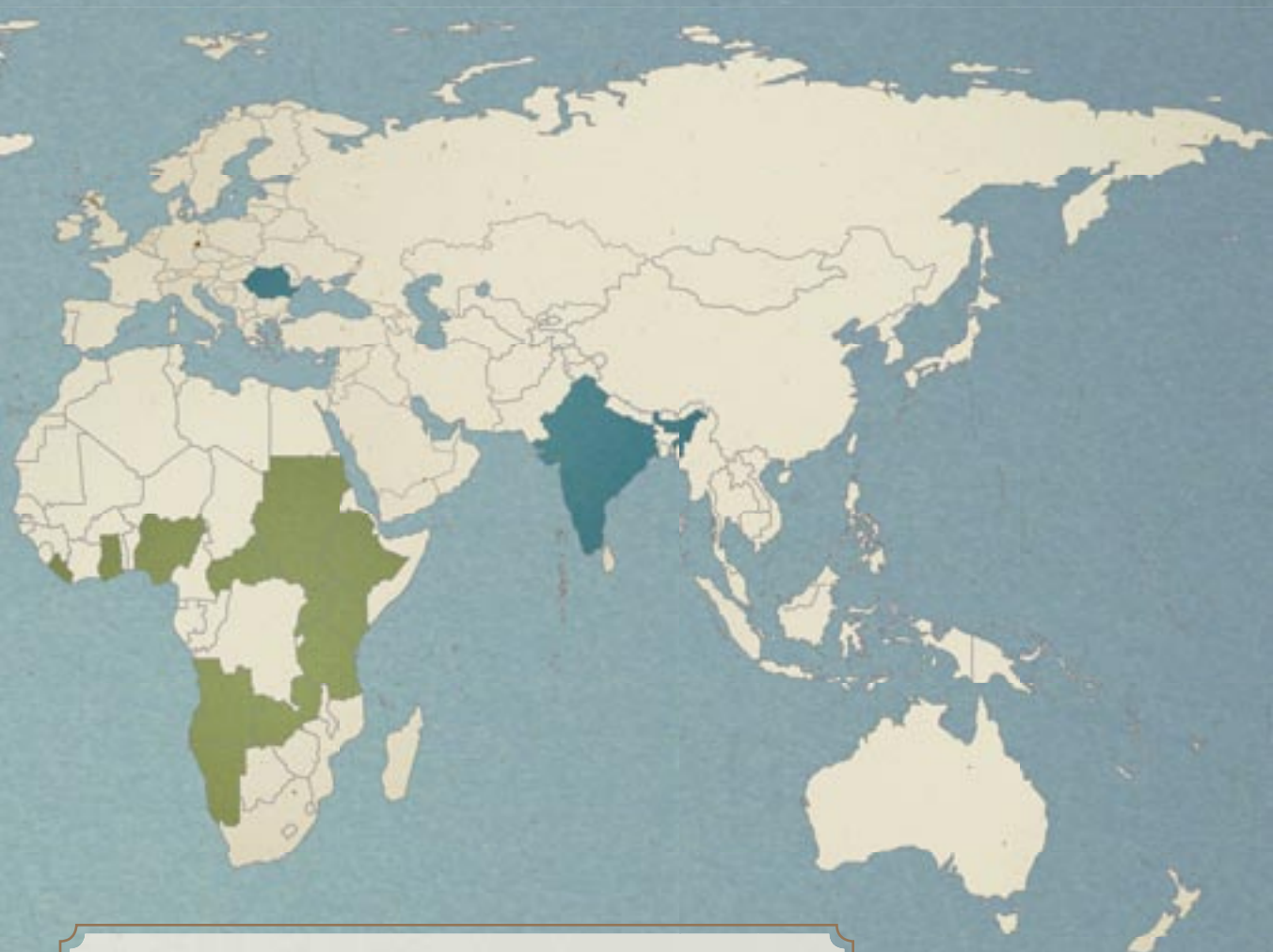
## LATIN AMERICA & THE CARIBBEAN

Brazil	New wells completed:	1
El Salvador	New wells completed:	51
	Well rehabilitations:	8
	Bio-sand filters installed:	1357
Guatemala	New wells completed:	19
	Well rehabilitations:	8
Haiti		
<i>Cap Haitien</i>	New wells completed:	3
	Well rehabilitations:	17
<i>Léogâne</i>	Well rehabilitations:	6
Honduras	New wells completed:	22
	Well rehabilitations:	13
	Bio-sand filters installed:	301
Mexico		
<i>Colonia Benito Juarez</i>	New wells completed:	1
<i>Reynosa</i>	New wells completed:	2
	Well rehabilitations:	4

<i>Tampico</i>	New wells completed:	3
Nicaragua	New wells completed:	11
	Well rehabilitations:	8
Peru	New wells completed:	21
	Well rehabilitations:	12

## AFRICA

Angola	New wells completed:	16
	Well rehabilitations:	7
Central African Republic	New wells completed:	22
	Well rehabilitations:	350
Ethiopia	New wells completed:	61
	Well rehabilitations:	24
Ghana		
<i>Sunyani</i>	New wells completed:	1
	Well rehabilitations:	1
<i>Tema</i>	New wells completed:	60
	Well rehabilitations:	16



AS OF THE PRINTING DATE OF THIS ANNUAL REPORT, LWI HAS COMPLETED MORE THAN **4,100 WATER PROJECTS** THAT SERVE MORE THAN **6 MILLION PEOPLE** DAILY.

Kenya		
<i>Nairobi</i>	New wells completed:	72
	Well rehabilitations:	10
<i>Mombasa</i>	New wells completed:	1
	Well rehabilitations:	2
<i>Kakamega</i>	New wells completed:	13
Liberia	New wells completed:	26
	Well rehabilitations:	45
Namibia	New wells completed:	16
Nigeria	New wells completed:	16
	Well rehabilitations:	2
Sudan	New wells completed:	1
	Well rehabilitations:	2
Tanzania	New wells completed:	13
	Well rehabilitations:	3
Uganda		
<i>Lira</i>	New wells completed:	27
	Well rehabilitations:	10
	Bio-sand filters installed:	18

<i>Nakapiripiri</i>	New wells completed:	5
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#### EUROPE & ASIA

India		
<i>North</i>	New wells completed:	16
<i>South</i>	New wells completed:	29
	Well rehabilitations:	3
Romania	New wells completed:	38

#### 2006: THE NUMBERS AT A GLANCE

NEW WELLS COMPLETED:	577
REHABS COMPLETED:	596
BIO-SAND FILTERS INSTALLED:	1,676
MISSION TRIPS:	37

# Train

Living Water International conducts the most comprehensive training in integrated water solutions available to community development volunteers and professionals. LWI trainees have gone on to work with a wide variety of public and private-sector organizations. By training participants to train others, nationals are empowered to serve their own people, and sustainability is created in communities.

Since 1997, LWI has conducted training courses in shallow well drilling. Training curriculum now includes pump repair as well as health and hygiene education. In 2006, LWI's US facilities trained 146 people in shallow well drilling, 27 in pump repair and 84 in health and hygiene education.

Training is not limited to the United States.

In 2006, trainers traveled to Brazil to teach a team of nationals how to construct bio-sand filters, which purify unclean water and make it suitable for drinking. As a result, the Brazilian team is now working along the tributaries of the Amazon River, creating hundreds of badly-needed filters for families in small villages.

For the first time ever, health and hygiene education was conducted in Romania, where eight Romanian women were introduced to a basic health and hygiene curriculum to share in villages where LWI is drilling new wells.

LWI-Liberia completed an 18-month training program in 2006 for ex-combatants in the wake of that country's bloody civil war. More than 1,200 former soldiers were trained in masonry, shallow well drilling, carpentry and metalwork – skills they can in turn use to rebuild their country. A literacy component was included in the curriculum, and the Gospel of John served as the primary reading text; over the course of the training, many of these men accepted the gospel. Graduates of the program, who two years ago were shooting at each other, are now working together to drill shallow wells and repair broken pumps across Liberia, helping to rebuild their devastated nation's infrastructure.







# Consult

With more than 15 years of experience in community water development, Living Water International is committed to making expert staff and information resources available to facilitate water solutions wherever they are needed most. Consultation is a natural follow-up to training and is a practical, ongoing way that LWI can walk alongside teams and in-country ministries as they provide clean water and the gospel.

For years, Sudan was wracked by a violent civil war, which resulted in the destruction of much of the infrastructure in the southern part of the country. Many village wells were destroyed or sabotaged during the conflict. LWI consultants have trained teams of nationals and aid workers in well rehabilitation and pump repair, and were directly involved in rehabilitating two wells in 2006.

A consultation trip to Niger helped a team of national drillers become self-sufficient in their ability to drill wells for communities in rural parts of the country.

Two consulting relationships began in Haiti in 2006 as LWI drillers helped teams of nationals determine what equipment and supplies were needed for their programs. Both operations are slated to begin drilling wells in 2007.

LWI-India came alongside a hospital association desperate to supply clean water to medical facilities around India. A natural partnership developed, and improved healthcare is now a possibility to many in India because of wells drilled at clinics and hospitals.





# Equip

Living Water International provides implementing partners with all of the components needed to provide integrated water solutions. LWI supplies capital outlay and logistics support while growing its partners toward independent, self-sustaining status. LWI hires nationals and purchases in-country supplies and materials whenever possible, creating jobs and income to further benefit the community at large.

Equipping may include supplying new drill rigs, parts, trucks, trailers, and evangelistic material. Liberia, Angola and Kenya were all provided with new deep rock drill rigs in 2006, in addition to many shallow well rigs that were put to work in other locations. Rigs and compressors were purchased for new projects in Zambia and Rwanda that will begin in 2007.

Two new projects started in Mexico, working out of Tampico and Puebla. These operations were jump-started with the provision of new drilling equipment. A truck and compressor were also sent, but have been impounded by the Mexican government. Please pray regarding the release of this equipment.

Another aspect of Living Water International's train, consult and equip model is the spiritual dimension. Our strategy is to serve and support local churches, other mission organizations, orphanages, schools, hospitals and communities in the advancement of God's kingdom.

LWI's cooperative efforts over the years have resulted in hundreds of thousands of people coming to a saving knowledge of Jesus Christ.



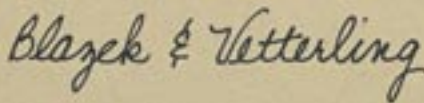
## 2006 Independent Auditors' Report

To the Board of Directors of Living Water International:

We have audited the accompanying statements of financial position of Living Water International (LWI) as of December 31, 2006 and 2005 and the related statements of activities, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the management of LWI. Our responsibility is to express an opinion on these financial statements based on our audits.

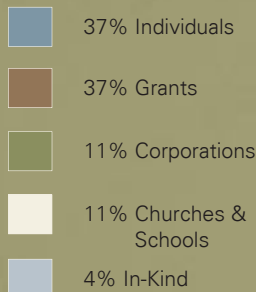
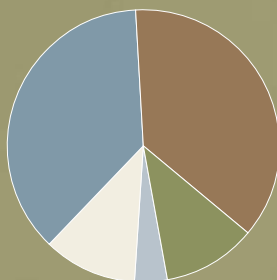
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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 audits provide 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 LWI as of December 31, 2006 and 2005 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

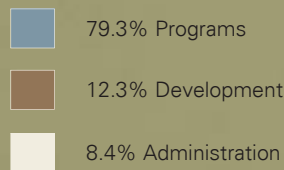
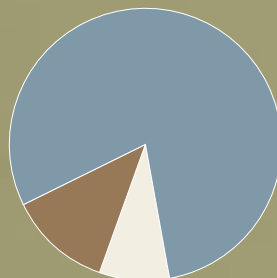


Blazek & Vetterling LLP  
May 11, 2007

2006 INCOME



2006 EXPENSES



Living Water International  
is a member of the  
Evangelical Council for  
Financial Accountability.

# Statements of Financial Position

DECEMBER 31, 2006 (WITH COMPARATIVE TOTALS FOR 2005)

	2006	2005
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 2,451,716	\$ 837,982
Accounts receivable	62,100	3,305
Pledges receivable	542,001	248,519
Prepaid expenses and other assets	81,237	86,026
Note receivable (Note 3)	390,380	
Property and equipment, net (Note 4)	275,304	217,276
<b>Total Assets</b>	<b>\$ 3,802,738</b>	<b>\$ 1,393,108</b>
<b>Liabilities And Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 183,821	\$ 138,419
Deferred government grant revenue	258,219	6,000
Notes payable (Note 5)	541,736	172,486
<b>Total liabilities</b>	<b>\$ 983,776</b>	<b>316,905</b>
Net assets:		
Unrestricted	1,879,849	855,461
Temporarily restricted (Note 6)	939,113	220,742
<b>Total net assets</b>	<b>\$ 2,818,962</b>	<b>1,076,203</b>
<b>Total Liabilities And Net Assets</b>	<b>\$ 3,802,738</b>	<b>\$ 1,393,108</b>

See accompanying notes to financial statements.



# Statements of Activities

FOR THE YEAR ENDED DECEMBER 31, 2006 (WITH COMPARATIVE TOTALS FOR 2005)

	2006			2005
	Unrestricted	Temporarily Restricted	Total	Total
<b>Revenue:</b>				
Contributions (Note 7)	\$ 1,686,793	\$ 3,858,455	\$ 5,545,248	\$ 5,104,625
Special events	1,437,643		1,437,643	653,294
Government grants	431,005		431,005	232,972
Training fees	35,833		35,833	42,380
Other income	10,924		10,924	25,929
Total revenue	3,602,198	3,858,455	7,460,653	6,059,200
Net assets released from restrictions:				
Program expenditures	3,140,084	(3,140,084)		
<b>Total</b>	<b>6,742,282</b>	<b>718,371</b>	<b>7,460,653</b>	<b>6,059,200</b>
<b>Expenses:</b>				
Program expenses:				
Water well programs	4,212,067		4,212,067	3,304,389
Medical ministries	225,223		225,223	1,306,699
Training and hygiene	95,725		95,725	74,397
Total program expenses (Note 8)	4,533,015		4,533,015	4,685,485
Management and general	477,990		477,990	353,900
Fundraising:				
Special events	56,585		56,585	43,024
Direct donor benefits	43,513		43,513	35,691
Other fundraising	606,791		606,791	389,802
Total fundraising	706,889		706,889	468,517
<b>Total expenses</b>	<b>5,717,894</b>		<b>5,717,894</b>	<b>5,507,902</b>
<b>Changes In Net Assets</b>	<b>1,024,388</b>	<b>718,371</b>	<b>1,742,759</b>	<b>551,298</b>
Net assets, beginning of year	855,461	220,742	1,076,203	524,905
<b>Net assets, end of year</b>	<b>\$ 1,879,849</b>	<b>\$ 939,113</b>	<b>\$ 2,818,962</b>	<b>1,076,203</b>

See accompanying notes to financial statements.

# Statements of Cash Flows

FOR THE YEAR ENDED DECEMBER 31, 2006 (WITH COMPARATIVE TOTALS FOR 2005)

	2006	2005
<b>Cash Flows From Operating Activities:</b>		
Changes in net assets	\$ 1,742,759	\$ 551,298
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	52,867	38,332
Contributions of property and equipment	(5,185)	(40,227)
Loss on disposal of property and equipment		12,052
Changes in operating assets and liabilities:		
Accounts receivable	(58,795)	12,912
Pledges receivable	(293,482)	(173,970)
Prepaid expenses and other assets	4,789	(21,916)
Accounts payable and accrued expenses	45,402	43,319
Deferred government grant revenue	252,219	
Net cash provided by operating activities	1,740,574	421,800
<b>Cash Flows From Investing Activities:</b>		
Payments for note receivable	(390,380)	
Purchase of property and equipment	(52,216)	(107,152)
Proceeds from the sale of property and equipment	2,000	
Net cash used by investing activities	(440,596)	(107,152)
<b>Cash Flows From Financing Activities:</b>		
Proceeds from notes payable	482,365	80,890
Repayments of notes payable	(168,609)	(68,404)
Net cash provided by financing activities	313,756	12,486
<b>Net Change In Cash And Cash Equivalents</b>	<b>1,613,734</b>	<b>327,134</b>
Cash and cash equivalents, beginning of year	837,982	510,848
Cash and cash equivalents, end of year	\$ 2,451,716	\$ 837,982
<b>Supplemental disclosure of cash flow information:</b>		
Interest paid	\$ 24,460	\$ 11,346
Equipment purchased with a note payable	\$ 57,000	

See accompanying notes to financial statements.

## Statements of Functional Expenses

FOR THE YEAR ENDED DECEMBER 31, 2006 (WITH COMPARATIVE TOTALS FOR 2005)

	Water Well Programs	Medical Ministries	Training & Hygiene	Total Program Expenses
Program grants	\$ 2,695,070	\$ 225,223		\$ 2,920,293
Salaries and related benefits	593,361		\$ 41,693	635,054
Travel, meals, and lodging	563,562		33,787	597,349
Materials and supplies	119,868		13,600	133,468
Donor acquisition	4,901			4,901
Contract labor	57,981		2,750	60,731
Leases and rentals	28,355			28,355
Professional and consulting	6,835		580	7,415
Depreciation	28,120			28,120
Printing and reproduction	14,374		1,310	15,684
Telephone	21,008			21,008
Insurance	13,193		1,023	14,216
Interest and finance charges				
License permits and fees	23,155			23,155
Dues and subscriptions	8,524			8,524
Postage and shipping	6,849		150	6,999
Utilities	8,463		400	8,863
Repairs and maintenance	7,882		302	8,184
Credit card and bank fees	8,081		130	8,211
Advertising				
Other	2,485			2,485
<b>Total expenses</b>	<b>\$ 4,212,067</b>	<b>\$ 225,223</b>	<b>\$ 95,725</b>	<b>\$ 4,533,015</b>

See accompanying notes to financial statements.

## Notes to Financial Statements

DECEMBER 31, 2006 (WITH COMPARATIVE TOTALS FOR 2005)

### NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

**Organization** – Living Water International (LWI) was organized as a Texas nonprofit corporation in 1990. LWI exists to demonstrate the love of God by providing desperately needed clean water and medical attention, along with the living water of the gospel of Jesus Christ, which alone satisfies the deepest thirst. LWI's services are provided in developing countries. The goal is to provide services by estab-

lishing independent non-profit organizations in the country being served. In countries where LWI has not yet established a relationship with a non-profit organization, LWI provides support to individuals or groups who work to further the ministries. Support is then provided to that organization through grants of cash, equipment, or supplies.

**Tax status** – LWI is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1)



Management & General	Fundraising	2006 Total	2005 Total
		\$ 2,920,293	\$ 3,596,776
\$ 311,230	\$ 318,265	1,264,549	834,089
6,409	75,627	679,385	526,623
17,973	41,028	192,469	184,833
	118,726	123,627	5,671
7,882	14,379	82,992	72,267
10,241	19,672	58,268	32,782
33,001	16,713	57,129	53,119
12,373	12,374	52,867	38,332
4,727	20,608	41,019	26,826
7,074	7,056	35,138	22,855
4,561	7,960	26,737	14,866
26,691		26,691	11,346
385	449	23,989	
6,008	8,878	23,410	13,868
1,808	11,764	20,571	14,342
5,000	5,000	18,863	4,938
3,611	3,171	14,966	24,205
3,488	1,772	13,471	10,253
	2,940	2,940	4,291
15,528	20,507	38,520	15,620
<b>\$ 477,990</b>	<b>\$ 706,889</b>	<b>\$ 5,717,894</b>	<b>\$ 5,507,902</b>



and 170(b)(1)(A)(vi).

**Net asset classification** – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects, such as by contract

or board designation.

- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

**Cash equivalents** include highly liquid investments with original maturities of three months or less.

**Pledges receivable** that are expected to be collected within one year are recorded at net realizable value. Pledges receivable at December 31, 2006 are due within one year.

**Property and equipment** is stated at cost, if purchased, or at estimated fair value at the date of the gift, if donated. Property and equipment purchases over \$5,000 are capitalized. Depreciation is calculated on a straight line basis over estimated useful lives of 5 to 7 years.

**Fees for service** – Government grant revenue and training fees are recognized in the period in which the related services are provided. Amounts received for future training sessions or unexpended government grant advances are included in financial statements as deferred revenue.

**Contributions** are recorded as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as restricted support. Conditional contributions are recognized in the same manner when the conditions are substantially met.

**Contributed materials and services** are recorded at fair value when an unconditional commitment is received from the donor. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

**Grants made** are recorded as expense when LWI approves an unconditional commitment to a grant recipient. Conditional grants are recorded in the

same manner when the conditions are substantially met by the recipient or when the possibility that the conditions will not be met is deemed remote. Grants payable in more than one year are recorded at the present value of their future cash outflows using a risk-free rate of return. Commitments made but not yet funded are recorded as grants payable.

**Estimates** – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported revenues and expenses, and the allocation of expenses among functions. Actual results could vary from the estimates that were used.

## NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2006	2005
Demand deposits	\$ 610,206	\$ 837,982
Money market funds	1,841,510	
Total cash and cash equivalents	<u>\$ 2,451,716</u>	<u>\$ 837,982</u>

At times, bank deposits exceed the federally insured limit of \$100,000 per depositor per institution.

## NOTE 3 – NOTE RECEIVABLE

During 2006, LWI entered into a note receivable with Living Water International-Kenya for approximately \$390,000 collateralized by equipment and to be repaid over 10 years.

## NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2006	2005
Drilling equipment	\$ 205,312	\$ 149,580
Office and computer equipment	117,843	92,243
Vehicles	70,865	43,953
Furniture and fixtures	24,919	23,869
Total property and equipment, at cost	418,939	309,645
Accumulated depreciation	(143,635)	(92,369)
Property and equipment, net	<u>\$ 275,304</u>	<u>\$ 217,276</u>

## NOTE 5 – NOTES PAYABLE AND COMMITMENTS

Notes payable consist of the following:

	<u>2006</u>	<u>2005</u>
Note payable to the Overseas Private Investment Corporation payable in semi-annual installments of \$10,000 beginning June 2008, with an interest rate of 5.47%, due June 2017.	<b>\$ 200,000</b>	
Note payable to the Overseas Private Investment Corporation payable in semi-annual installment of \$10,000 beginning June 2007, with an interest rate of 5.72%, due June 2016.	<b>200,000</b>	
Note payable to an individual for equipment, payable in monthly installments of \$1,000, with an interest rate of 4.7%.	<b>46,964</b>	
Note payable to the Overseas Private Investment Corporation payable in semi-annual installments of \$16,667, with an interest rate of 6.76%, due July 2007.	<b>33,334</b>	\$ 66,667
Interest free loan from board member.		50,000
Note payable to the Overseas Private Investment Corporation payable in semi-annual installments of \$10,000, with an interest rate of 5%, due July 2007.	<b>20,000</b>	40,000
Note payable to finance company for equipment, payable in monthly installments through 2009, with an interest rate of approximately 4%.	<b>9,697</b>	
Note payable to finance company for equipment, payable in monthly installments through 2007, with an interest rate of approximately 3.5%.	<b>8,806</b>	
Note payable to finance company for equipment, payable in monthly installments through 2007, with an interest rate of approximately 10%.	<b>22,935</b>	15,819
Total	<b><u>\$ 541,736</u></b>	<b><u>\$ 172,486</u></b>

Principal payments at December 21, 2006 are scheduled to be paid as follows:

2007	\$ 120,789
2008	57,248
2009	53,484
2010	53,625
2011	46,067
Thereafter	210,523
Total	<b><u>\$ 541,736</u></b>



## NOTE 6 – TEMPORARILY RESTRICTED ASSETS

Temporarily restricted net assets are available for the following purposes:

	2006	2005
Water well projects	\$ 808,269	\$ 161,939
Building projects	59,651	
Faith support	21,538	
Training facilities	16,000	
Disaster relief	8,655	
Mission support		58,803
Future periods	25,000	
Total temporarily restricted net assets	\$ 939,113	\$ 220,742

## NOTE 7 – NON-CASH CONTRIBUTIONS

LWI recognized the following non-cash contributions as revenue and program expense:

	2006	2005
Medical supplies	\$ 199,481	\$ 1,288,655
Equipment for water projects	69,397	40,227
Other	7,180	
Total non-cash contributions	\$ 276,058	\$ 1,328,882

## NOTE 8 – EXPENDITURES IN DEVELOPING COUNTRIES

LWI provides services in developing countries by providing support to independent non-profit organizations that have missions and goals similar to those of LWI. A list of these affiliated non-profit organizations is as follows:

Country	Name of Organizations
Angola	By Provision
Central African Republic	Integrated Community Development International
El Salvador	Agua Viva Internacional
Ethiopia	Kale Hewitt Church Water Program
Ghana	APF Living Water Ministries/African Assistance Plan
Honduras	Agua Viva Internacional
India	Living Water
Kenya	Living Water International – Kenya/Serve International
Liberia	Living Water International – Liberia
Nigeria	Relief Network Ministries
Panama	Federacion of Christian Medical Social (FCMS)
Peru	Association Civil Living Water International
Romania	East Lifewater
Rwanda	Living Water International - Rwanda
Uganda	Divine Waters/Life Giving Water
Zambia	Water for the Oppressed

## Board of Directors

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**Jay Brown**  
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Treasurer

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**Dr. Doug Hodo**  
(Retired) HBU, President

**Dr. Peter Kwan**  
Memorial Herman Hospital System

**Ronald E. “Ron” Lee**  
Wells Fargo Bank, Sr. VP

**Martha V. McGuire**  
(Retired) TPI

**Malcolm S. Morris**  
Stewart Title Guaranty Co., CEO

**Garnet M. “Pinky” Pampell**  
Stable Energy, LP, President

**Bill J. Walls**  
Plantation Petroleum Holdings III, LLC,  
CEO

**W. David Welch**  
Franklin, Turner & Welch, LLC, Partner

**Scott Young**  
New Process Steel,  
Director of Continuous Improvement, IT

*Left to Right: Dr. Peter Kwan, Jay Brown, Gary Evans, Gary Loveless, Scott Young, Pinky Pampell, David Welch, Ron Lee, Bill Walls, Malcolm Morris*

Program expenses by country are as follows:

	2006	2005
Kenya	\$ 842,416	\$ 793,580
Liberia	659,748	309,806
El Salvador	479,063	577,263
United States (training conferences)	471,592	366,877
Guatemala	292,351	228,776
Nicaragua	236,312	226,368
Honduras	222,914	387,803
Ethiopia	199,475	247,265
Peru	131,350	107,044
Rwanda	119,578	
Central Africa Republic	105,472	264,205
Mexico	105,226	218,768
Zambia	98,910	
Angola	72,118	40,490
Romania	68,832	48,148
Haiti	66,127	29,230
India	65,434	248,198
Panama	59,838	255,769
Nigeria	44,214	34,638
Jamaica	42,240	
Sudan	41,541	162,646
Ghana	39,068	11,537
Tanzania	26,346	33,486
Uganda	24,652	89,251
Congo	6,723	
Indonesia	6,362	
Brazil	4,843	
Argentina	236	
Kyrgyzstan	34	
Dominican Republic		3,563
Chad		774
Total	\$ 4,533,015	\$ 4,685,485

#### NOTE 9 – SUBSEQUENT EVENTS

Subsequent to December 31, 2006, LWI agreed to purchase a building for approximately \$2,100,000. The purchase is financed with cash and a bank loan for \$1,000,000 that is secured by first lien on the building.





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