



the well

LIVING WATER INTERNATIONAL'S
2011 ANNUAL REVIEW

the well

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LIVING WATER

Growth and impact

OUR STRATEGIC PLAN • PROGRAM EXCELLENCE
REGIONALIZATION • FINANCIALS



The first year of Living Water International's five-year strategic plan was a great success! The accomplishments of 2011 put us well on our way to doubling our growth and impact, and we are profoundly grateful to all who got us here.

In the following pages you will read stories of how we work together to reduce infant mortality in West Africa. You will meet a child empowered to save lives. You will experience how a crisis of drought and famine in the Horn of Africa has become an opportunity to demonstrate God's faithful love. As I share my own story about a recent trip to Zambia, I highlight an example of how we are bound together in the Lord's kingdom. I hope you'll become immersed in the story of a modern "woman at the well" in Burkina Faso because it is the demonstration and proclamation of the *living water* that underpins everything we do.

To improve the effectiveness of our global operations, we moved our senior leadership closer to the field and started a team of program excellence specialists. To better

serve our donors and advocates, we moved our donor engagement teams closer to you because we depend upon your prayers and generosity to make this ministry possible.

We are honored by the many partner organizations that choose Living Water as their implementer of choice, we're inspired by the sacrifice of college students, and we're so grateful to work with churches to share Jesus with the world. Our donors, advocates, volunteers, partners and staff aren't just helping Living Water—together, we *are* Living Water. Thank you for being such an extraordinary blessing! I pray God will bless you through the stories you now hold in your hands.

Words could never fully express the depth of our gratitude for you, but I pray that a smiling child within these pages will.

In Christ,



Michael J. Mantel, PhD
President & CEO



***Living Water
International
is built on
your prayers,
partnership
and financial
support—thank
you for doing
God's work
with us.***

in 2011...

H2O RIDE

FIVE

CYCLISTS

RODE

145

DAYS

8840

COVERING

MILES

FOR CLEAN WATER



1574

VOLUNTEERS

FLEW A COLLECTIVE

4,809,295

MILES

THE
EQUIVALENT OF

193

FLIGHTS
AROUND THE EARTH

ON **161**

SHORT-TERM TRIPS

TO SERVE, LISTEN, LEARN & RETURN

AMBASSADORS

FOR THE **THIRSTY**



2000

42

80,000

6

10

TAKE ME TO EL SALVADOR

HOLA HONDURAS

NICARAGUA OR BEST!

BONJOUR HAITI

GIANTS OF BURUNDIA

TRIPS OVER TIME:

2001
1 TRIP

2002
2 TRIPS

2003
8 TRIPS

2004
15 TRIPS

2005
27 TRIPS



5421 PEOPLE
HAVE BEEN TRAINED
IN ORAL DISCIPLE-MAKING
SINCE 2009

IN 2011 WE USED **187,122 FEET**
OF PIPE AND COMPLETED...

PARTNERING WITH CHURCHES AND PASTORS IN FIFTEEN COUNTRIES

Brazil Ethiopia Mexico Uganda
Burkina Faso Ghana Rwanda
CAR Guatemala Nicaragua
Ecuador India
El Salvador Kenya
Liberia

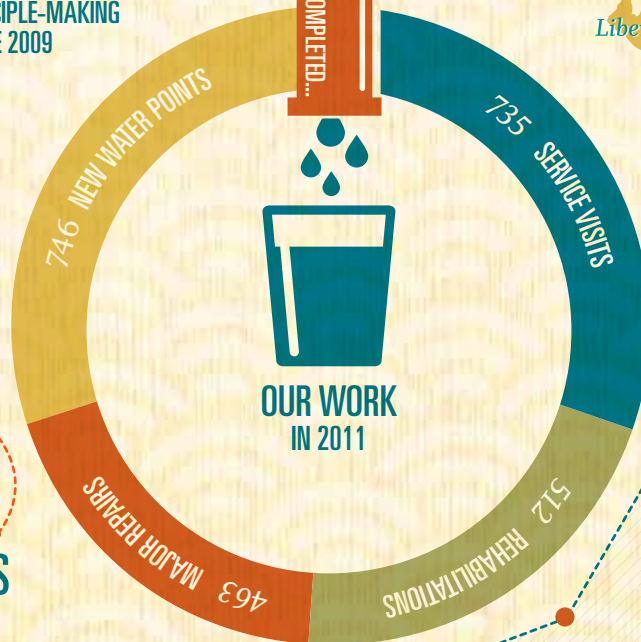


ADVENT CONSPIRACY
GIFT CARDS RAISED
\$320,930

25,106
LIKES

WELLS
SCHOOLS
STUDENTS
DAYS
DOLLARS

10 DAYS



6297
FOLLOWERS

5081
LIKES

FACEBOOK LIKE GROWTH IN 2011

3456
FOLLOWERS

TWITTER FOLLOWER GROWTH IN 2011

2006
37 TRIPS

2007
52 TRIPS

2008
72 TRIPS

2009
81 TRIPS

2010
114 TRIPS

2011
148 TRIPS

2012
235 TRIPS



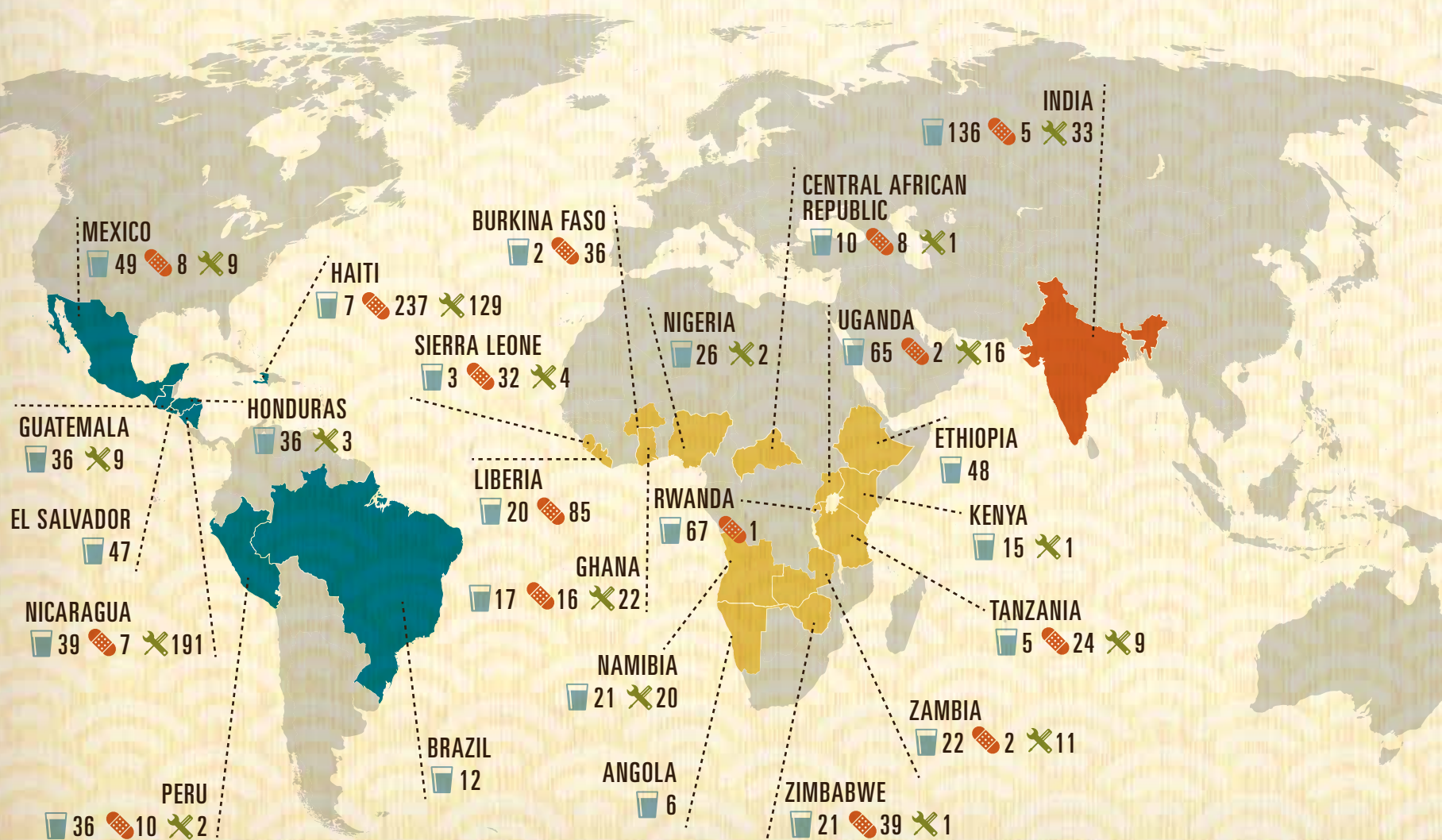
WORK

Featuring stories of the thirsty

SIERRA LEONE • BURKINA FASO • SHORT-TERM TRIPS • ZAMBIA • ETHIOPIA

our work in 2011

Strategic Plan Launched **HOUSTON, TEXAS** • Africa Regional Office Established **NAIROBI, KENYA** •
Operations & Maintenance pilot launched **RWANDA** • Sanitation program launched **SIERRA LEONE** •
WASH program area pilot developed **RUHAAMA, UGANDA** • Operations & Maintenance pilot planned **NICARAGUA**





746

NEW WATER POINTS

*new boreholes,
hand-dug wells,
rainwater harvesting*



512

REHABILITATIONS

*rehabilitations of wells
or pumps not installed
by Living Water*



735

SERVICE VISITS

*minor repairs and
inspections of existing
Living Water projects*



463

MAJOR REPAIRS

*major repairs of existing
Living Water projects*

CUMULATIVE PROJECTS COMPLETED

*Figures are cumulative totals
(new water points & rehabilitations)*

2011



11,266

2010



10,008

2009



8,621

2008



6,856

SIERRA LEONE *reducing infant mortality*

Sierra Leone's recent history is scarred by its infamous blood diamond wars, but diarrhea actually kills a lot more people. In a country with one of the highest infant mortality rates in the world, Living Water International took a multi-pronged approach to saving babies' lives in 2011. Some of our favorite partners in the effort were children like sixth-grader Shekah Kargbo.

"Intelligent, frisky and troublesome!" is how Shekah's school principal describes him. His teacher emphasizes his intelligence, "He speaks five languages: Timini, Limba, Krio, Soso and English!"

Shekah claims he's a kung-fu master. He says he once walked all the way to China to fight Jackie Chan—and won. His kung-fu tales are tall, but Shekah really is a life-saving superhero. He fights baby killers.

In 2011, Living Water trained Shekah and hundreds of students like him to take hygiene and sanitation lessons they learn at school back to their families and villages. Student-led sanitation and hygiene works because children live at the intersection of school, village and family. Their enthusiasm is contagious, and they have a lot at stake. Shekah takes his life-saving work seriously because he cares deeply about his baby brother and because he's seen his mom's heart break before, and he can't stand to see it happen again.

Research shows that beyond a safe water supply, focusing on just a few key hygiene and sanitation behaviors yields best results. It's better to repeat the most important lessons than to move on to others. In addition to training teachers and children at schools, Living Water works with women at clinics to implement the following infant survival strategies:

WATER

Without safe drinking water there is little hope for babies. Helping communities acquire safe drinking water is what Living Water does best. But beyond that we also help empower communities to save lives in a number of ways.

ORAL REHYDRATION SOLUTION

This simple mixture of water, sugar and salt saves an estimated 1 million children's lives per year. Diarrheal dehydration becomes fatal quickly for babies, but a mother armed with this simple recipe can easily save her little one's life.

HAND-WASHING WITH SOAP

The critical times for hand-washing with soap are before eating and after using the toilet or changing a baby. Making hand-washing with soap an ingrained behavior at those times alone could save more lives than any medical intervention. Where water is scarce, a simple "tippy tap" made with recycled materials can make hand-washing with soap practical.

SANITATION

As in a number of impoverished countries, open defecation is a serious problem in Sierra Leone. 2.5 billion people in the world lack access to improved sanitation facilities, and more than a billion defecate in the open. In Sierra Leone the sanitation strategy included equipping schools with running-water facilities and encouraging latrine construction at home.

HEALTHY COMMUNITY

Working with communities through an educational process of guided self-inquiry helps them discover for themselves what needs to change, and take action. Mapping the community's water source protection, hand-washing facilities, water storage, excrement disposal, water collection and kitchen practices helps communities think through the issues themselves and encourage lasting change.

Each of these lessons is simple enough for a sixth-grader like Shekah Kargbo to learn and teach—and he did. In 2011 Living Water empowered hundreds of children like him at schools, and hundreds more women at clinics, to bring these life-saving lessons home. God only knows how many infant lives were saved, and only God needs to know—we can't stand to think of those babies anywhere but in their mothers' arms.

» [More at www.water.cc/chooselife](http://www.water.cc/chooselife).





BURKINA FASO *woman at the well*

The story of the Samaritan woman at the well is at the center of the Living Water International experience. The living water Jesus talks about in the story is what we intend to share every time we offer a cup of water in his name. Through our work we meet countless women at the well each day. In 2011 one in particular, 13-year-old Ivonne Somda, captured our hearts. We hope her story blesses you as much as it has us.

Like everyone in Nawile, Burkina Faso, Ivonne fetched her water from a muddy stream. Unsanitary conditions had caused a fungus to grow on her head. It itched, hurt and kept her from growing hair. Children made fun of her. She could barely stand the shame, and told our well repairmen she cried about it every night. But the guys who repaired the well in Nawile didn't see a fungus on her head—they saw a halo.

The Living Water well-repair crew befriended Ivonne. Through the stories they told, she heard about Jesus for the first time. They gave her medicine that cured her, but it was the love they offered that healed her.

Ivonne gave her life to Jesus. She asked to be baptized. Not only had her shame melted away, but she now had wonderful news to share with others. She shared the good news with her family and with others in Nawile, and now her mother goes to church with her every week.

When the water project was finished, hundreds gathered in Nawile for a “Worship at the Well” event. Twelve were added to the church that day. Ambassadors from the neighboring village of Namore attended, too, and asked—not for a well—but for someone to come and share their stories about the good news of Jesus with them and start a church!

Just as in the story in John's gospel, Jesus revealed something beautiful under the woman at the well's shame. But sharing the gospel in the areas where Living Water works requires an informed approach. Consider the following, for example:

» *There is no Bible in Ivonne Somda's native language, Dagara.*

» *More than 2,250 languages have no translation of the Bible at all.*

» *2,700 languages do not even have a written script.*

» *Virtually nobody in Ivonne's village can read or write.*

» *70% of all people in the world are “oral learners” who don't learn well by literate means.*

Scarcely anyone in Nawile or Nomore would have known what to do with a Bible, even if one existed in their native Dagara language. In most places Living Water serves, God's story can be more effectively shared orally,

Through the stories they told, she heard about Jesus for the first time. They gave her medicine that cured her, but it was the love they offered that healed her.

within the context of a relationship. That's how the good news spread in Jesus' day, and why Living Water partnered with local churches to train thousands of disciple-makers through 40 orality training workshops in 2011. Workshops were designed to equip and encourage trainees to share key stories about Jesus to engage oral learners in the gospel. The woman at the well is one of those stories, and Ivonne Somda was one of those invited to engage in the gospel.

In turn, we learned a lot from people in oral cultures, like our well repair crew in Burkina Faso. After all, their world is a lot more similar to that of the New Testament than ours. When they can't rely on the latest church-planting book or inspirational author, the Holy Spirit is all they have. It's a great reminder that the Holy Spirit is all we really have, too.

» *More at www.water.cc/onethirst.*



SHORT-TERM TRIPS *the miracle well*

Highland Baptist Church imagined their drill trip would end with children laughing and playing, splashing each other with clean water from their new well. That's how most Living Water International drill trips end. Rarely does anyone brace for a tragic ending, and almost never for a miracle.

Drilling is hard work. There are mud pits to dig, dirt to shovel, drill stem to lift and concrete to mix, all under the relentless Central American sun. But our discomfort is nothing compared to a life without clean drinking water—and that's why it really stung when the team stared down the dry hole

they'd drilled in the community of San Lucas, El Salvador.

The crew scrambled. Maybe if they started early, worked late and skipped their day off there was time for a second borehole. They worked, prayed, drilled, and a second dry hole doubled their disappointment. They went home with heavy hearts.

The following week, Living Water's Salvadoran staff drilled a third hole, but it too was dry. Days later, they again went back to the village. All there was left to do now was join hands and pray, and as though it wasn't enough that they couldn't finish the

well, they couldn't even finish their prayer.

They were interrupted by a strange sound nearby, and lifted a tarp on the ground to investigate. The sound was coming from one of the previous dry boreholes. It was filled with water! It turned out God wasn't finished with Highland Baptist Church's trip when they packed their bags.

In 2011, Living Water hosted 1,574 volunteers on 161 such trips to Central America and Haiti, and we bet God's not finished with what they started either.

» *See www.water.cc/trips for more about Living Water's short-term trips.*



ZAMBIA *a kingdom beyond our vision*

One of many ways Living Water International carries out its mission is in partnership with other Christian ministries. Our work with World Vision in Zambia is one example.

In 2011, Living Water President and CEO Mike Mantel visited Zambia, where he met Celestina Kamponge. It looked like a scene from Gulliver's Travels to see six-foot-five Mike duck into her tiny stick home in Nsota Village. Children all around were excited because they had caught rats for dinner. Celestina was fearful. She was afraid the coming rains would further contaminate her water hole. The hole was only an arm's length

deep. She was right to worry; she had lost one baby already.

Just an hour up the road a well drilled by Living Water, along with World Vision's health, education and child advocacy programs, had revolutionized life in Sachenga Village. The local "Chief Area Pump-Minder" spoke with pride about his work maintaining village water points. His chin held high, he gifted Mike a chicken, a token of his gratitude. When the oldest woman in Sachenga was asked what was the single biggest transformation she has seen since she was born in Sachenga in 1929, her answer was: "This borehole well."

We understand that well to be a tiny sign of a kingdom that lies beyond our efforts and beyond our vision. We believe that our work is the Lord's, and His grace proceeds and follows it. But nearly everything we can do begins with water, so it's an honor to offer it in Jesus' name, and an honor to work alongside kingdom partners like World Vision, churches, mothers, area pump-minders, and you.

» See www.water.cc/everythingbeginsfor more about Mike's trip to Zambia.

ETHIOPIA *famine and drought*

Wracked by famine and drought, refugees flooded across the Somalian border into southern Ethiopia. Conditions were not much better there. Some 5 million people in the region were affected by the drought. 300,000 cattle died of thirst in the Borana Zone of Ethiopia alone, and their stench filled the air. The dust on the road was a foot thick, and people in the area said they had not seen rain for three years.

Ethiopian Water Bureau officials asked Living Water International for assistance, so we reached out for help to go beyond our 2011 commitments. Partners like you responded, helping us mobilize more than three-quarters of a million dollars to provide safe drinking water to Ethiopians in desperate need.

The drill crew of Living Water's Ethiopia partner moved into a small, humble home in drought-stricken Miyo, 10 hours to the south of their main office in Awassa. Suddenly the drillers lived among traditional Oromo people. Their new neighbors didn't speak Amharic, Ethiopia's official language, much less English, but the drill crew already had partners in the area—the local church.

Bilingual Amharic and Oromo speaking Christians provided a bridge to local Oromo people, organizing local communities and teaching hygiene courses in Oromo to compliment water provision efforts.

The Oromo native belief system is monotheistic, centering on a supreme deity named Waaq, who is concerned with humans keeping a state of balance within his wisdom called "Safuu." There were few Christians in the villages around Miyo. Descriptions of local tradition sounded mostly like a system of tribal governance. People spoke of an annual ritual in which a tribal leader was said to prophesy by reading the spilled intestines of a sacrificial goat. Year after year the elder either reported that there would be no rain, or he offered hope and was wrong.

The new Christian message they heard, by contrast, was about a God who is so personally and intimately involved in our lives he became one of us. Moreover, that hopeful message was now displayed every day through the work of the Christian community in Miyo.

It wasn't always easy. The concept of work unrelated to cattle ranching was foreign to men around Miyo. Cultural barriers had to crumble before we could expect locals to contribute "sweat equity" to their projects, tasks like road repair, water committee formation, security, the digging of mud pits and hauling water for drilling fluid. But in time there were many signs of hope.

"We don't even have to preach," lead driller Yared Sisay later said. "People see our love through service and Jesus makes sense

The dust on the road was a foot thick, and people in the area said they had not seen rain for three years.

to them, and they accept him." When the Oromo-speaking local church, Amharic-speaking Ethiopian Christians, and foreign Christians from around the world all come together to feel the pain of the people of Miyo and respond, the Body of Christ doesn't need a sermon. It becomes an experienced reality for all of us.

Then there was another sign of hope: rain. After years of drought Miyo was getting rain nearly every day. Hillsides greened, weeds began to cover the carcasses of cows and farmers put crops in the ground. The rains did not immediately improve the local water supply. In fact it was just the opposite: runoff from the rains introduced years of collected surface contamination into unprotected hand-dug wells. But the message remained the same: God loves us enough to live and die for us, and through Jesus, we are called to do the same for each other, rain or shine, feast or famine, no matter what the goat intestines say.

» *More at www.water.cc/famine.*





ADVOCATES

The people who make it possible

10 DAYS & THE WELLS PROJECT • TEAM LIVING WATER
ADVENT CONSPIRACY • 58: • THE WATER PROJECT

10 DAYS & THE WELLS PROJECT *students thirsty to do more*

Thomas Brown is just one of a number of college students who have taken on the daunting but exciting task of helping eradicate the world water crisis. He did it by founding a campus chapter of The Wells Project, Living Water International's college program. Students are responsible for every aspect of the campus organization. From organizing meetings to fundraising and hosting awareness events, this is *their* movement.

The Wells Project is gaining momentum quickly. In every way it's focused on the thirsty and providing clean, safe water to them through the passion and dedication of college students. But we're starting to recognize that some of the growth is due to the transformation of hearts right here in the States.

In 2009, Thomas was introduced to the thirsty and Living Water International at Passion, a conference uniting college students in worship, prayer and justice. It was there that he recognized there was no action to his faith, and he knew he had to do something about it. With other Oklahoma State University students attending the conference, Thomas returned to school and started The Wells Project on his campus in 2010.

Their first goal was to simply set up on campus, spread awareness and raise \$2,000 for a well rehabilitation. Three days later,

they had raised \$1,400 and were moved by the campus' response. Students, professors and even the president of the university got involved in some way. "All we had were water bottles with dirty water to convince people, but the response was great!" Thomas said.

Their next endeavor was to participate in The 10 Days, a campaign of The Wells Project that chapters across the nation participate in, drinking nothing but water for 10 days to raise money for those without water. At their kick-off concert and during The 10 Days they raised \$20,000, but more than the monetary achievement, they started to see college students fighting for the thirsty. The Wells Project at Oklahoma State University raised another \$16,000 during their 2011 10 Days campaign and kickoff event.

The student-led organization on their campus continues to grow. Thomas said they currently have to turn people away as members of the organization because it's simply grown too large. "But," he said, "it has been amazing to see the cause of the thirsty move beyond just The Wells Project." He has seen the campus as a whole rally around the cause of the water crisis, and it all started with Thomas and his co-founders seeing God's love for the thirsty and their role as Christians to step in to help.

"The Wells Project has given me, as a college student without many resources,

There is a deep need in the hearts of the people Living Water International serves, but also in the hearts of college students here in the United States.

the opportunity to put my faith into action. It's given me an opportunity to experience God in a different way," Thomas said. "His love is a love for all the nations. There is a deep need in the hearts of the people Living Water International serves, but also in the hearts of college students. We're able to help provide the *living water* to people across the world, but also to college students here in Oklahoma."

Isn't this true for us all? We all have a deep need within us to be a part of something bigger than ourselves, to be a part of God's kingdom coming to Earth. Anyone can be an advocate for righteous change.

» Visit www.10days.cc for more about The Wells Project and 10 Days.





TEAM LIVING WATER *enduring so they don't have to*

Strolling through Houston's Memorial Park one fall day in 2011, Bryan Richards perused the charity booths at the Houston Marathon Committee's kick-off event. He passed right by the Team Living Water tent. He had heard of the organization before on the radio, but didn't know much about it.

A runner for the past 16 years, Bryan completes one or two marathons a year, but he'd taken a break from church last year and was finding his way back to God. "A Marathon with Jesus," is how he describes his testimony. "I was at that point in the marathon where I had hit a wall and needed to sit on the curb for a while."

But after he passed the Team Living Water tent, he says he heard what can only be described as a "still, small voice" encouraging him to go back and learn more. He talked to Team Living Water coach Rich Reaves for a bit and took home some information. It was nothing extraordinary. He left with no intention of fundraising. In his words, he'd simply gone where God called him.

Looking through the brochure later at home, Bryan was struck by the connection between drilling a water well and his career as an oil field geologist. It seemed that his recent renewal of faith, his career, knowledge and love of running were all somehow lining up with Team Living Water. So he signed up to run Team Living Water's next half-marathon.

With the cause of the thirsty in mind, Bryan trained harder. His race felt more special than any he'd ever run. To further identify with people in need of clean water, he didn't drink a sip for the duration of the race. Months after the race he was still wearing his yellow Living Water bracelet every day as a reminder.

Previously, for Bryan, faith had been for church, work was for the office, and the two didn't mix. By running and fundraising for Team Living Water he found a way to link his faith to other areas of his life. He wrote an article about Living Water that made the front page of his company's newsletter. He sent emails to colleagues to ask for donations and got surprisingly positive results. His Team Living Water testimony has opened doors for other meaningful conversations.

Bryan's next step is to go on a Living Water short-term trip to El Salvador to drill a well himself. He's excited to see the work he's been fundraising for, and when he returns, he'll be excited to jump right into training for the next Team Living Water marathon.

He never could have guessed where life was going to take him this year, but a lesson he is learning, he says, is that Jesus is the pace-keeper in his life's marathon. He's learning to simply follow Jesus, step-by-step, with no knowledge of the course, just an understanding that the goal lies ahead and a love for getting there.

To further identify with people in need of clean water, he didn't drink a sip for the duration of the race.

Other 2011 Team Living Water highlights included 240 runners from The Crossing Church raising \$120,000. On the H2O Ride, a group of cyclists rode 8,840 miles to raise more than \$29,000 for the thirsty. Team Living Water also welcomed its youngest member to the team in 2011 when 9-year-old Ashi Darilek ran 13.1 miles at the San Antonio Rock 'n' Roll Half Marathon, raising enough money to restore water to three villages in Burkina Faso. So come runners, come walkers, come athletes and couch potatoes, and join Team Living Water. You'll make a difference!

» *Learn more about Team Living Water by visiting www.teamlivingwater.cc.*



ADVENT CONSPIRACY *one community's effect on the untouchables*

When the poorest of Portland funded a well for the untouchables of India in 2011, Christmas changed the world. For Agape Church of Christ in downtown Portland, Oregon, reaching people in devastating circumstances in their community is everyday business. This small church is home to former prostitutes, drug addicts and abuse victims, and many of the congregation are currently homeless. During Advent though, this congregation looks outside themselves to reach people in devastating circumstances around the world.

This Advent season, the church participated in Advent Conspiracy, a movement to change

Christmas by worshiping fully, spending less, giving more and loving all. The church is relatively small at 120 people on a good Sunday, but the people of Agape have leaned into this movement with tremendous passion and devotion.

From ex-addicts creating art for a sermon series based on water to abuse victims finding worth in making gifts sold for profits that go to Living Water International, the down-and-out of Portland understand that the heart of Christmas is about offering all that you have for the sake of others, no matter what that is, just as Jesus did over 2,000 years ago.

A homeless man proclaiming, "I don't have a house, but I can always find clean water—I need to help," proves that the original redemptive purpose of Christmas still changes people today. And because of hearts like this, Agape's remarkable congregation has changed lives in India and Peru through the gift of clean water in Jesus' name.

» *To find out more about Advent Conspiracy and how Christmas can change the world through clean water, visit www.water.cc/advent.*



**FAST. FORWARD.
THE END OF POVERTY**

58: *the poor will not always be with us*

In 2011, Living Water International was excited to advance our partnership with 58:, a global initiative to end extreme poverty in our lifetime by living the true fast of Isaiah 58.

At its founding, Living Water was invited to be the water sector leader in 58:’s alliance of world-class poverty-fighting organizations, churches and Christians. It is an honor to join this unified vision alongside Compassion International, IJM, Food for the Hungry, Micah Challenge, Hope International, Echo, Plant with Purpose, CRWRC and World Relief.

Thousands around the world joined 58: and its partner organizations in the fall of 2011

for screenings of 58: The Film, an inspiring true story of the Church in action. At the heart of the 58: vision is the notion that the Church can end extreme poverty in our lifetime, and a reminder that when Jesus said, “The poor you will always have with you,” his next words were, “but you will not always have me.”

The fact is, we do have Jesus with us. His words were not meant to sanction poverty for all time, but to reprimand Judas at that moment. Not only is it possible to end extreme poverty, it’s happening. In the past 30 years, extreme poverty has been cut in

half. In 1981, 52% of the world’s population lived in extreme poverty, living on less than \$1.25 a day. By 2006, that number was 26%. Perhaps the other half can be eliminated too, and God can be glorified in the process.

» *To learn more about 58: and its lineup of alliance partners head over to www.live58.org.*

THE WATER PROJECT *a transformational partnership*

Written by Peter Chasse, President and founder of The Water Project.

The Water Project is a US-based organization that draws people to the cause of clean water by sharing stories of hope and offering an opportunity to enter into a redeeming relationship with the poor. We believe that everyone, from the donor to the person receiving a water project, can be transformed by embracing the call of Matthew 25 together. To do this we require implementing partners who are both technically excellent and deeply committed to loving people.

Finding such a partner is hard work. It takes time, trust and tenacity. Living Water International and The Water Project have been at this hard work for nearly four years now, and today our shared work is characterized by innovation, communication and accountability. Living Water's deep water-sector foundation and commitment to transparency give us the confidence we need to support new ideas that improve all our efforts. Living Water's unique breadth of capacity as an implementer encourages and enables our continued growth.

One of the ways Living Water strengthens our mission is reporting. Compelling stories flow from people, not hardware. Access to water unlocks hope and potential, and in the early days of our partnership, Living Water worked with The Water Project to help provide deeper, more engaging reporting from the field. As a

result we have a richer story to share about serving God's people together.

As we listened more intently to these stories we also began to look carefully at the lasting impact of the work we do in places like Uganda, Rwanda and Sierra Leone. Living Water is a sector leader in this area, and we are continually impressed by the humility of their approach. Many talk broadly and confidently about sustainability, but Living Water is quietly and diligently working in the real world to make sure it's actually possible. We will help tell this story, too, in order to ensure that our other partners learn from Living Water's example.

Working together through ups and downs and sharing the truth about on-the-ground experience even when it's not flattering has resulted in a unique relationship. Now when a Living Water team has a new idea to try, we're often first in line to lend our support. A great example of that is taking place in Sierra Leone, one of the worst places in the world to find proper sanitation. It is here that an ambitious partnership emerged around the toilet.

The Water Project recognized the need for clean water to result in clean hands, too, in order to multiply a water point's impact on health in and around schools. Living Water's in-country staff brought some of the most innovative and creative ideas we have heard

to tackle the problem. All they needed was a funding partner who understood the risks and was willing to patiently wait on those first latrines to be built and proven. The program has become a mark and measure of success, impacting 15 schools, their surrounding villages and empowering teachers and children to save lives through their own efforts.

In Rwanda, we're working on follow up and project monitoring over time. In Burkina Faso, a brand new program continues to emerge around well rehabilitation and the strengthening of local churches. Next year... well, we can't wait.

We know that as Living Water grows and adds the new implementation and support capacity so desperately needed in Africa, they will bring us uniquely valuable proposals to get behind. We'll be doing our part to make sure we have every dollar needed to support their efforts, working together as the Body of Christ, so God will be glorified.

» To learn more about The Water Project, visit them at www.thewaterproject.org.





LIVING WATER

Growth and impact

OUR STRATEGIC PLAN • PROGRAM EXCELLENCE • REGIONALIZATION • FINANCIALS

OUR STRATEGIC PLAN *one year down, four more to go*

An interview with Living Water International President and CEO, Mike Mantel.

There's a lot of excitement and energy surrounding Living Water's 2011-2015 Strategic Plan. How did the plan come into existence?

MM: In 2010, Living Water International staff, board members, donors and volunteers began a full-year planning process, building on our experiences and prayers, to discern and articulate what the Lord might have for our future. It was a remarkable process that stretched across the Americas, India and Africa. Everybody's voice, passion and historical contributions were present in the final plan.

The vision that emerged was to double our growth and impact within five years. We are looking at our future in terms of growth in quantity, quality, improved impact and sustainability of safe water. Most importantly, we will more strategically link each water project, a demonstration of God's love, with our Christian witness, a proclamation of God's love.

Since the plan was unanimously approved by the Board 15 months ago, what's happening now?

MM: Over the last year, we've spent a lot of energy establishing consistent quality standards. We want our full program to be consistent everywhere we work. (Read more on p. 33.)

We've also embraced the identity of a learning organization. Through engagement with peer organizations and learning from our pilot programs, we're moving towards our goal of being the sought-after partner for peer organizations, churches, communities and donors.

Our supporters continued to amaze me this year. Their generosity blessed us beyond our goals, which has allowed us to continue our projects and build needed infrastructure.

What have been the most significant accomplishments in year one?

MM: To reach our strategic goals, building and empowering quality teams domestically and internationally is key. We've successfully begun this process by moving decision-making and responsibility as close to the field and to our donors as possible. (Read more on pp. 34-35.)

Concurrently, we've been building the infrastructure and systems for enhanced communications, reporting, financial transparency and accountability. We've done a lot of work this year that will underpin our vision for years to come.

What are some challenges we face?

MM: We must continue to communicate the significant transformation that water for life in Jesus' name can have. To do this, we'll offer ministry opportunities that move us beyond funding single water points to investing in country and regional plans.

Secondly, as we grow and build our teams, we need to stretch our staff capacity from highly competent drillers to "best in class" drillers, WASH experts, managers, accountants and educators. We're expanding the breadth of individual expertise to the power of collaborating and learning teams.

What are some exciting things we'll see in year two of the strategic plan?

MM: In this next year, we'll continue to build our name awareness and engagement platforms within the U.S. Operationally, we will develop multi-year plans in 10-12 countries, concentrating our efforts in focused geographic areas. This will build our efficiency and allow us to better see and measure our impact.

How can Living Water donors and advocates help most in the coming year?

MM: We continue to pray that they share their prayers, ideas, financial resources and relational network with us. We believe that as our supporters engage with the thirsty, people's lives will be transformed—not only those who are thirsty for water and the gospel in Africa, India and the Americas, but also North Americans thirsty to make a difference, to share the gospel of Christ and to solve this water crisis in our generation.

» Read our strategic plan at www.water.cc/strategy.





Agenda

Opening Prayer

Introductions

Brief Introduction on

4. M.O.U Approach on LWI 2012

Health & Sanitation School 1

15/06/12

PROGRAM EXCELLENCE *learning, creating, implementing*

In February of 2011, Living Water International formally adopted a five-year strategic plan—a roadmap for doubling the organization’s growth and impact by 2015 (more about that on page 30). The plan included several critical elements that required significant organizational commitment and dedicated attention—things like program design, monitoring and evaluation, knowledge management and organizational learning. So in March, the Program Excellence Group was formed to focus on these areas.

Program Excellence is a small, focused team made up of experts with a variety of backgrounds like public health, engineering, economics, missiology and strategic planning. Together they work to help Living Water’s programs constantly improve. They serve as consultants and advisers to field staff, helping them to develop new strategies and approaches, measure their impact and learn from one another.

During 2011, the group built on the discoveries made during our year long, all-staff strategic planning process to develop “Minimum Standards and Principles of Practice for Programs.” These standards outline the basic practices that are important to include in every program, from siting and construction of wells to Christian witness to transparency and accounting. Having standards in place helps field staff identify “blind spots” and ensures consistent

quality across all the countries where Living Water works.

As the standards were developed to ensure consistency across all programs, Program Excellence worked closely with field staff to design pilot programs in a few specific countries to test the new approaches described in the 2011-2015 strategic plan. In Uganda, a three-year program was developed to test the “WASH Program Area” concept, focusing deeply on water, sanitation, hygiene and church engagement in a geographically focused area over a longer period of time, with a heavy emphasis on community planning and management. In Sierra Leone, a school-led total sanitation program provided an opportunity to learn about providing and promoting toilets within a community as part of an integrated approach with water and Christian witness. Nicaragua and Rwanda both launched “operation and maintenance” pilots to test new approaches to long-term support that many communities need in order to keep systems working.

Lessons learned through the 2011 pilots are already informing plans for future programs and are building our ability to have consistent impact. In the coming years, Living Water is committed to intentionally and effectively manage the knowledge of what we learn in this way. “Communities of practice” will bring together staff from around the world who share similar responsibilities so that they

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can share experiences and strategies, and trainings and certification systems will build on lessons learned to develop specialized knowledge and skills.

As an organization, Living Water has held “Pursuing Excellence” as one of its core values for many years, and the Program Excellence Group extends this commitment across the organization in new ways. We can’t wait to see what’s next!

» [View our Minimum Standards and Principles of Practice for Programs at *www.water.cc/standards*.](http://www.water.cc/standards)

U.S. REGIONALIZATION

serving our supporters beyond Houston

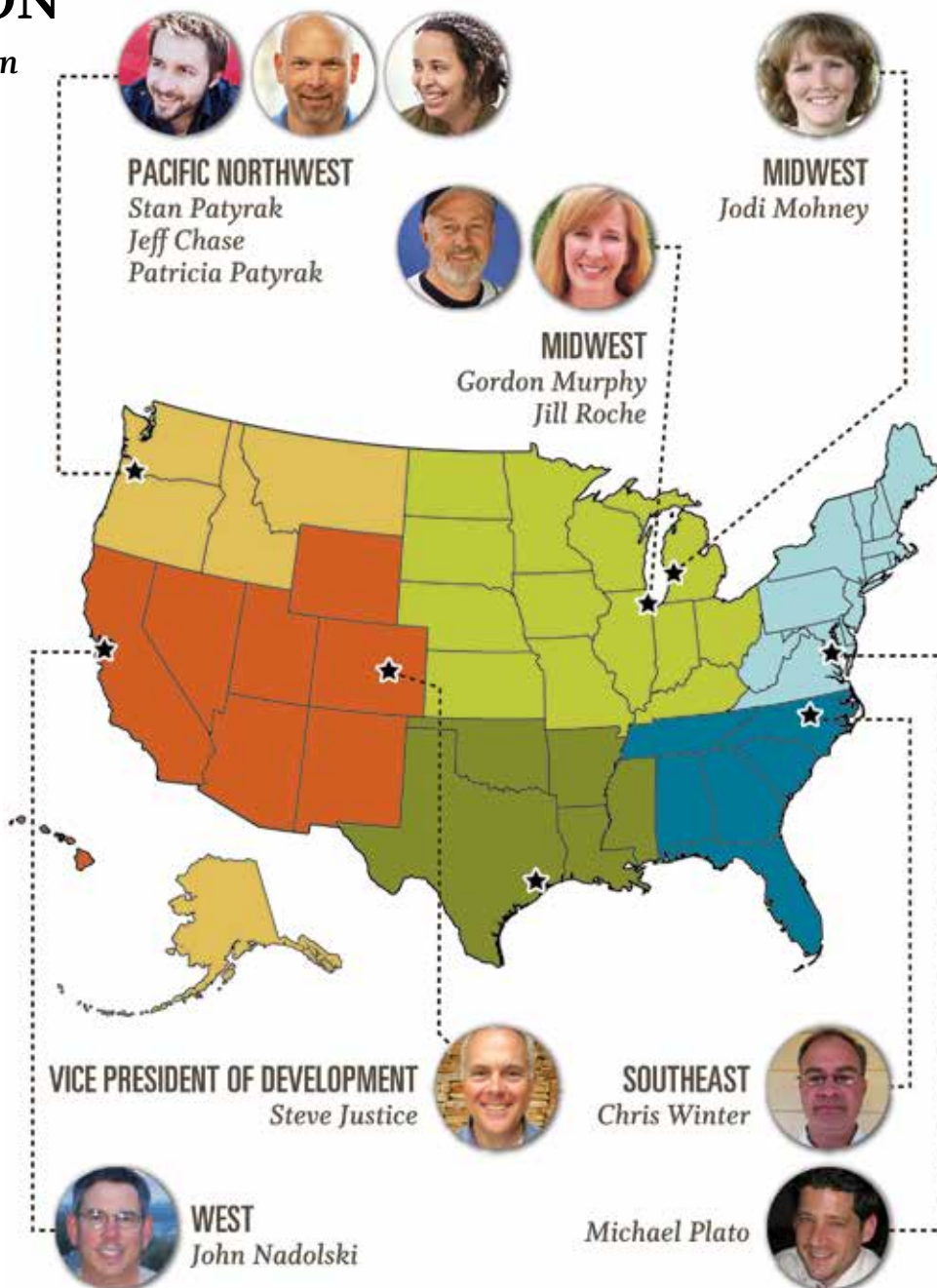
The ministry of Living Water International blesses the thirsty, but the thirsty are not the only ones called to embody the gospel—that's what we do together on this side of the border, too.

In order to grow closer to one another and closer to the work we do together, Living Water moved forward in 2011 with a domestic component of our strategic plan: regionalization.

We welcomed Steve Justice as our new Vice President of Development and deepened our commitment to donor service by moving closer to the people and churches who we serve alongside. We have been humbled by the warm welcome we've received at our new regional offices in Portland, San Jose and Chicago.

Offices in Houston, Texas; Raleigh, North Carolina; Washington, D.C. and the Grand Rapids area of Michigan continue to engage the many faithful friends we get to work with in those areas. If God continues to bless us with more partners like you, we can expect to see Living Water's regional presence grow in years to come.

» *To contact a regional Living Water representative, consult the directory at www.water.cc/contact-us.*





GLOBAL REGIONALIZATION *experts close to home*

Living Water's long-held approach of training, consulting and equipping local people was strengthened in 2011 when we hired new first-rate national leaders in Liberia, Kenya and Haiti. They joined our already strong cast of national leaders in Central America, India and Africa. We also hired and trained high-caliber senior regional leaders, and we'd love for you to meet just a few who stand out.

Wesley Charles, our new Regional Vice President of the Americas, brings 25 years of experience in Community Development and Organizational Development with UNICEF and World Vision. A native Haitian, he studied

Social Psychology at the University of Haiti and earned his MBA at the University of Montreal in Canada.

Victor Madziakapita, PhD, joined Living Water as Regional Vice President of Africa. A graduate of the University of South Africa in Development Studies, Victor makes his home in Nairobi, Kenya, and brings 25 years of experience running development programs with World Vision.

To oversee it all, Living Water welcomed Bob Thorp as Senior Vice President of Global Operations. Three decades of non-profit experience have led Bob to serve in Asia,

Africa, South America and the United States. Most recently, before joining Living Water he oversaw water, sanitation and hygiene programs for Compassion International.

We take pride in knowing that roughly 75% of our staff resides in and originates from the countries in which they serve. Our Houston office, in turn, supports their work and spreads lessons learned in one country around the world.

Those we serve are already reaping the fruits of such well-positioned, high-quality national and regional staff, and year two of our strategic plan will make our teams even stronger.



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FINANCIAL HIGHLIGHTS *humbled by God's blessing*

It is with great pleasure that I provide the following financial look at the work of Living Water International. I am proud of the stewardship I see at Living Water and humbled by the way God continues to bless us with the financial resources we need to do our work.

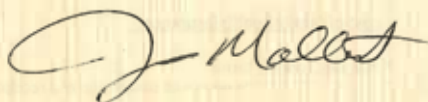
Living Water's financial team is led by Kathy Weaver, an experienced financial executive. Her team and our consolidated affiliates keep financial transactions according to Generally Accepted Accounting Principles (GAAP). Our Form 990 and financial statements are audited by Blazek & Vetterling, a highly regarded Houston-based CPA firm specializing in non-profit audits, and made available on our web site as soon as they are approved by our board each year.

As in all years past, Living Water received an unqualified opinion from the auditors. From our auditor approval to outstanding

ratings with Charity Navigator and the Better Business Bureau, to our membership in the Evangelical Council for Financial Accountability, you can be assured that you can invest in Living Water with trust.

It is an honor to have been called by God to serve as Chief Financial Officer and Treasurer of Living Water. It is exciting to be part of our senior team as we carry out our strategic plan, and a blessing to help share the gifts of water and the Word.

Sincerely,



James W. Malliet
Chief Financial Officer & Treasurer



REVENUE & EXPENSES *your commitment to us, our commitment to you*

Sources Of Revenue

TOTAL REVENUE \$20,456,000

INDIVIDUALS \$10,756,000

More than half of Living Water's work in 2011 was made possible by individuals like you. Our relationships matter, so we opened new regional offices to get closer to the people who made 53% of our work possible.

CHURCHES \$4,995,000

Everything Living Water does is an expression of the Body of Christ. We see the Church as our natural partner, and we are honored to have partnered with churches to fund 24% of the work we did in 2011.

PARTNERS \$2,750,000

With 22 years of experience, Living Water is often the preferred implementer for non-profits, foundations, governmental and non-governmental organizations who demand the excellence they find at Living Water International.

SCHOOLS & CORPORATIONS \$1,955,000

From CEOs to schoolchildren, nearly \$2 million was mobilized by schools and corporations to help the thirsty. Every one of these efforts is a sign of hope pointing to God.



Expenses

TOTAL EXPENSES

\$18,459,000

PROGRAMS

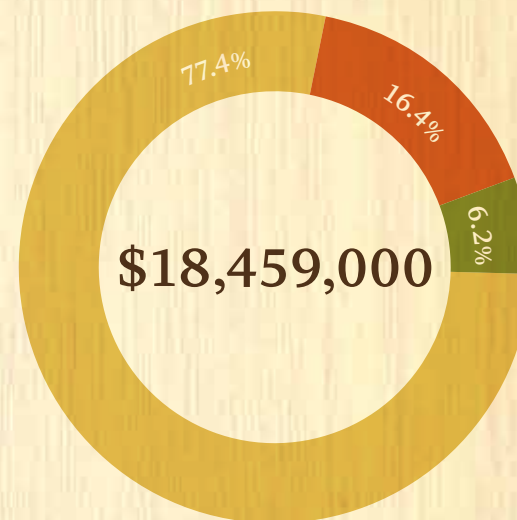
\$14,286,000

FUNDRAISING

\$3,028,000

ADMINISTRATION

\$1,145,000



Program Expenses by Region



\$5,381,000

LATIN AMERICA & THE CARIBBEAN

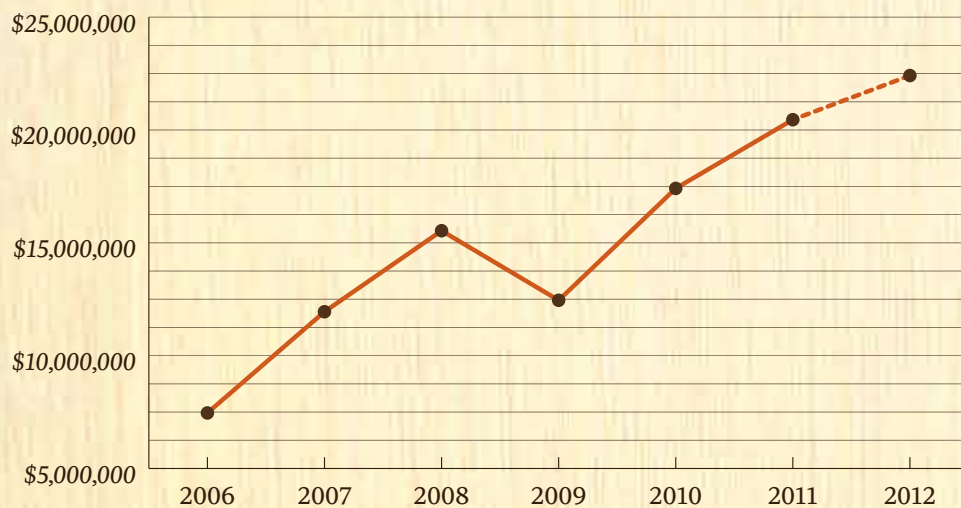
\$8,386,000

AFRICA

\$519,000

INDIA

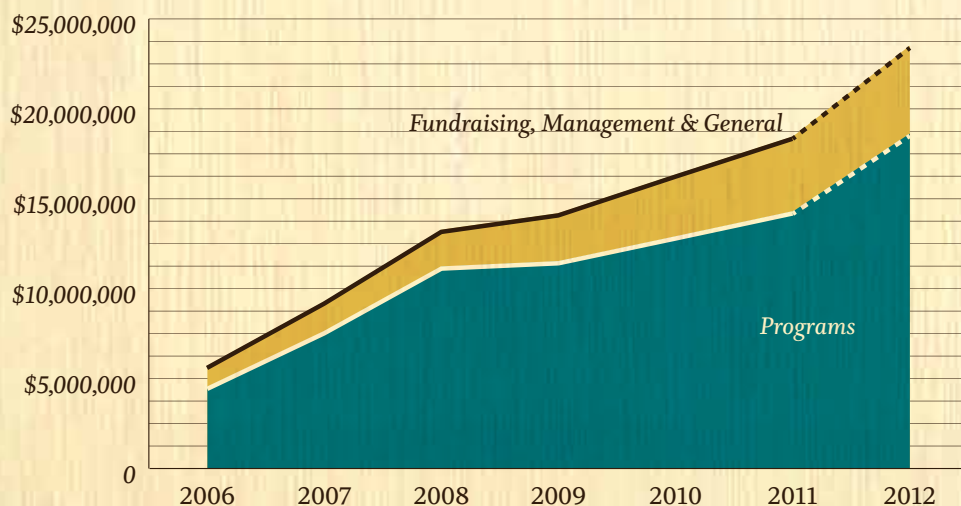
TRENDS *growth & efficiency*



Revenue

Revenue was \$20.5 million in 2011, up 17% from \$17.4 million in 2010. This increase allowed Living Water International to focus even more on Christian witness and implement WASH and sustainability pilot programs, while increasing our infrastructure and capacity. This will allow us to double our impact over five years. Looking ahead, we prayerfully anticipate that revenue will grow to \$22.4 million in 2012, a 20% compound growth rate since 2006.

See our Strategic Plan at www.water.cc/strategy for more.



Expenses

In 2011, more than 77 cents of every dollar was spent on programs, even as we added experienced development and administration professionals to support growth as we manage, track, monitor, budget, forecast and account for activities in 24 countries. Our projection is that 79 cents on the dollar will be spent on programs in 2012.

KEY FINANCIAL DATA

Revenue Sources	2007	2008	2009	2010	2011	% Growth 2011 vs. 2010
Contributions	\$9,233,000	\$13,475,000	\$10,390,000	\$15,285,000	\$18,047,000	
Special Events	1,767,000	1,808,000	1,809,000	2,057,000	2,152,000	
Other	946,000	253,000	254,000	69,000	257,000	
Total Revenue	\$11,946,000	\$15,536,000	\$12,453,000	\$17,411,000	\$20,456,000	17%

Operating Expenses	2007	2008	2009	2010	2011	% Growth 2011 vs. 2010
Total Program Expenses	\$7,625,000	\$11,220,000	\$11,516,000	\$12,894,000	\$14,286,000	
Fundraising	1,055,000	1,355,000	1,712,000	2,329,000	3,028,000	
Management & General	612,000	705,000	971,000	1,128,000	1,145,000	
Total Operating Expenses	\$9,292,000	\$13,280,000	\$14,199,000	\$16,351,000	\$18,459,000	13%

Net Assets	2007	2008	2009	2010	2011	% Growth 2011 vs. 2010
As of December 31	\$5,473,000	\$7,729,000	\$5,983,000	\$7,042,000	\$9,426,000	34%

See www.water.cc/financials for Form 990 and audited financial statements.

ACKNOWLEDGEMENTS

PHOTOGRAPHY

Paul Darilek

Work featured on pages 11, 15, 27, 31.

Sydney Drain

Work featured on page 14.

Andrea Duarte

Work featured on page 14.

Andy Hemingway

Work featured on page 36.

Randall Littleton

Work featured on page 24.

Sarah Long

Work featured on page 14.

Stan Patyrak

Work featured on pages 2, 6, 24, 28.

Henry Proegler

Work featured on page 21.

Mark Retzloff

Work featured on cover and pages 17, 18, 32, 37, 38.

Jeff Richards

Work featured on page 22.

Geoffrey Richter

Work featured on page 12.

Photo on page 25 courtesy of 58:

MISSION STATEMENT

Living Water International exists to demonstrate the love of God by helping communities acquire desperately needed clean water, and experience “living water”—the gospel of Jesus Christ—which alone satisfies the deepest thirst.



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