



the well

LIVING WATER INTERNATIONAL'S
2012 ANNUAL REVIEW

the well

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2012 ANNUAL REVIEW

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Rajasthan, India

In year two of Living Water

International's five-year strategic plan we stayed right on track to double our growth and impact. In this review you'll read about how we took our work deeper in 2012. I pray that in these stories you hear my most profound gratitude to all who got us here.

To honor you, our supporters, we're featuring some of our favorite 2012 stories about you, the ones who make Living Water possible: the girl who gave up her doll, the boy who literally filled backpacks with money, and the two girls who raised \$136,000 for Living Water by selling origami ornaments. You, the individuals, churches, businesses and partners who help us offer water for life in Jesus' name, are the hands and feet of Jesus himself.

I can't wait for you to read about developments such as our WASH Program Area pilot in Uganda, where increased education at churches, schools and clinics led to increased engagement and community ownership. We'll share challenges such as facing a cholera epidemic in Sierra Leone, and initiating an

Operation and Maintenance pilot in Nicaragua where supply chains aren't locally available as in other parts of the world. And we'll share blessings such as the stories from India, where water is melting away persecution and opening the doors for the gospel.

Many of the approaches to increase impact cost more money in the short run, but save far more lives, engage more people, cost less in the long run, and result in deeper relationships within which we share the gospel. I cannot thank you enough for being with us on this journey, and I pray that God will touch your heart in some way as you read these pages so you know the difference you make in his kingdom.

In Jesus' name,



Michael J. Mantel, PhD
President & CEO



***Every life
Living Water
International
touches is the
product of your
prayer and your
financial support.
Thank you.***

in 2012

ONGOING WATER

1,250

SERVICE VISITS

LAUNCHED

UGANDA WPA

1,530

WATER PROJECTS

575 REHABS

206 MAJOR
REPAIRS

WATER FOR LIFE

AT LEAST

~~884~~ 783

MILLION PEOPLE WITH OUT
ACCESS TO SAFE WATER

144 DONORS

GAVE \$45,333

IN RESPONSE TO THE
CHOLERA OUTBREAK
IN SIERRA LEONE

FUNDING

SEVEN

CHOLERA TREATMENT UNITS

31

SHOCK CHLORINATION
TREATMENTS

ONE
DEAF BOY HEALED

ONE
TUMOR HEALED

ONE
CAPTIVE SET FREE

IN JESUS' NAME

215 SHORT-TERM
TRIPS to **FIVE**
COUNTRIES
2,235

HEARTS TRANSFORMED INTO
ADVOCATES FOR THE THIRSTY

8,141

TRAINED ORAL
DISCIPLE MAKERS

323

CHURCHES MOBILIZED

\$5,626,000

FOR SAFE WATER



Ntungamo, Uganda

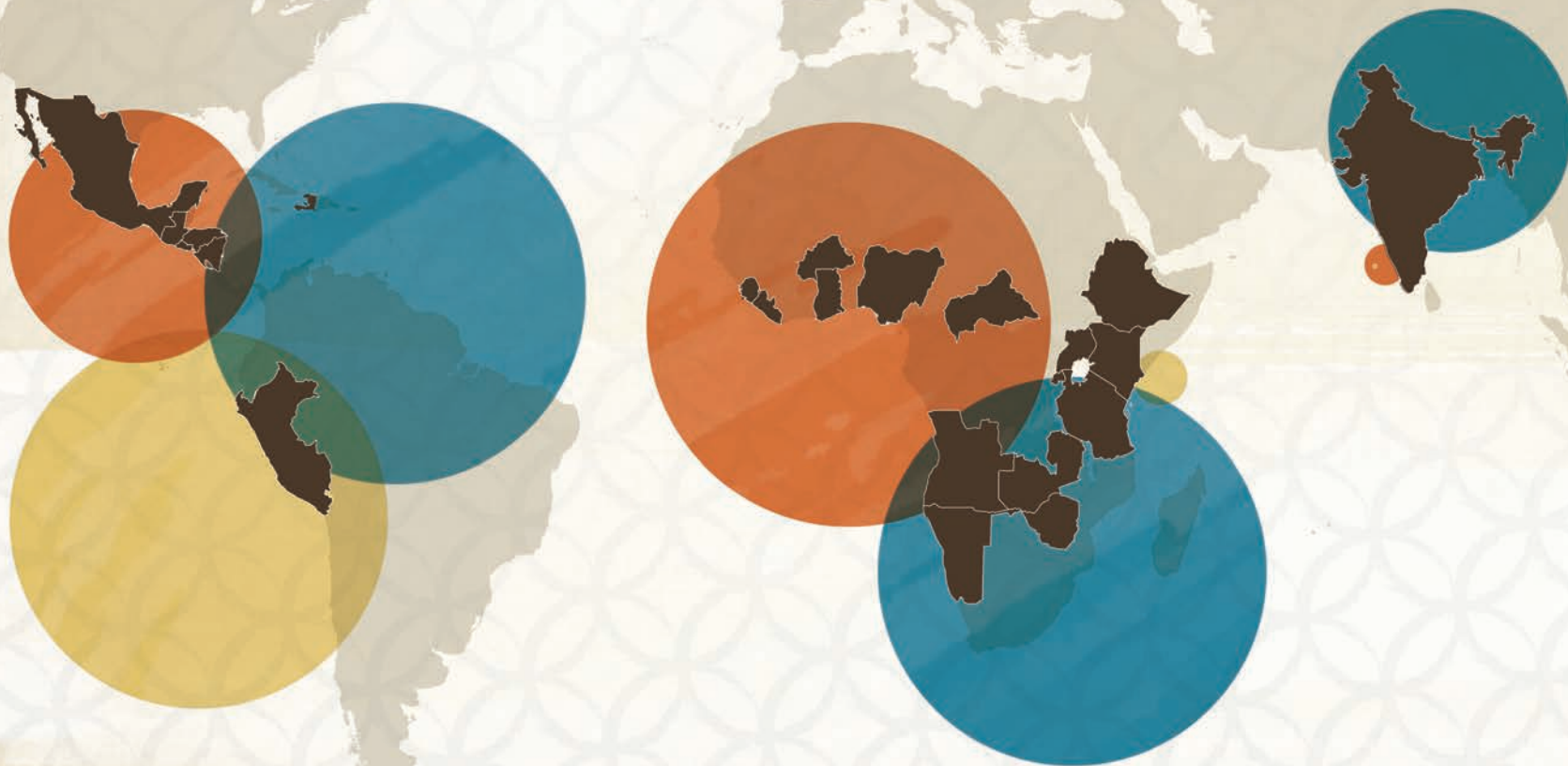
WORK

Deeper, fuller programs

UGANDA • NICARAGUA • INDIA • SIERRA LEONE • SHORT-TERM TRIPS



OUR WORK IN 2012



955

NEW WATER POINTS

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



575

REHABILITATIONS

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



206

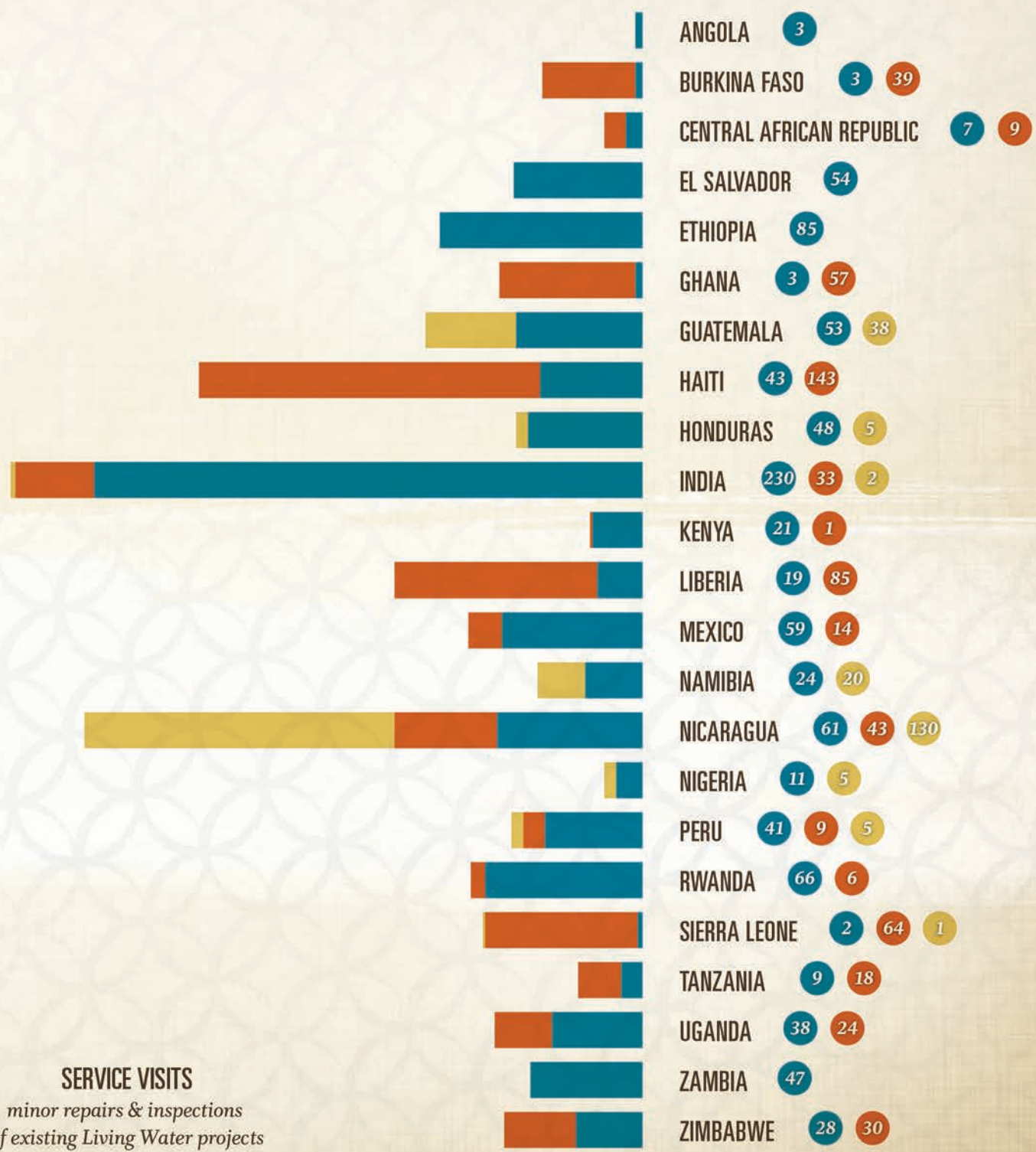
MAJOR REPAIRS

*major repairs of existing
Living Water projects*



1250

SERVICE VISITS
minor repairs & inspections
of existing Living Water projects



UGANDA *water is just the beginning*

You might imagine that Living Water International's work is all about drilling clean water wells, but that's an incomplete picture. When we're at our best, water is just the beginning. In 2012, Living Water Uganda did an especially great job of treating water as just the beginning of something much bigger through its WPA approach.

WPA stands for "WASH Program Area," and it refers to a region within which we strategically focus our efforts and leverage local assets to accomplish our goals.

WASH stands for "Water, Sanitation and Hygiene," three interventions that together save more lives and provide more opportunities to share our faith than any one of them alone.

In 2010 Uganda's first lady, Janet Museveni, asked for Living Water's partnership to provide water at 27 schools in southern Uganda. The following year, those villages had the opportunity to apply for a partnership with Living Water. Those communities with the best plans involving the most local church and civic leadership won the bid, and Living Water won the collaboration of local churches, schools, clinics and entire communities.

Knowing we had local buy-in and access to local infrastructural, intellectual and even monetary resources, we could invest confidently in a trained Living Water team to partner with local Community Based Organizations (CBOs) like the one led by

Amos Batangura in Kibeho Village. In early 2012 we began what will be years of work together to accomplish a set of shared goals. Here are a few of those goals in Kibeho:

WATER ACCESS. Water Solutions Coordinator Dan Kawuma worked with communities towards access to a source of safe drinking water within 500 meters of 80 to 90% of all homes in Kibeho. This is achieved most often through drilled, sealed, deep water wells, equipped with a hand pump, but also through rainwater harvesting and other interventions when appropriate.

BEHAVIOR CHANGE. Hygiene and Sanitation Coordinator Priscilla Nkwenge worked with local schools, churches and health care professionals to train and educate. Successfully changing just a few key behaviors—things like use of proper sanitation facilities, safe water storage and hand washing with soap at critical times—can double the disease-reduction achieved through clean water alone. Behavior change is a challenge, and it can take years, but Kibeho schools incorporating hygiene and sanitation education into public school curricula helped.

SUSTAINABILITY. Sustainability Coordinator Samuel Ojok worked with great success to help communities form and administer their CBOs, and worked closely with them in the collection of local funds to manage their own sustainability programs.

Communities with the best plans and most local leadership won the bid, and Living Water won the collaboration of local churches, schools, clinics and entire communities.

CHRISTIAN WITNESS. At Living Water, this is why we're in this business. We love to see people like our Church Engagement Coordinator, Ben Odongo, engage the local church to look more like an incarnation of Jesus in the community, healing, loving, caring and personally getting involved in peoples' lives to turn their hearts and minds toward God.

We are so proud of our team in Uganda. Their innovation, leadership and love inspire us. But we need you to know that in the short run this way of working costs more money. In the long run, however, it has a far greater impact in terms of lives saved, people empowered and fewer donor dollars needed in the future to keep water flowing. And even more important to us, this model of church-led, long-term involvement in people's lives is the best way we know to invite people to experience the gospel.

» *More at www.water.cc/uganda.*



Samuel Ojok and Amos Batangura in Kibeho Village



El Danto, Somotillo, Nicaragua

NICARAGUA *the day the well goes dry*

If there were nothing more to Living Water International's work than first-time water access, we might not want you to know that wells break down. But we do want you to know about the challenges we face because we want you to help us address them. We demonstrate God's faithfulness through the long-term relationships we develop to address complex issues, like project sustainability.

One thing that 23 years of experience has taught us is that there is no one-size-fits-all solution for water point sustainability. When we survey our past projects in India we find almost all of them working. The hand-pumps used around the world are made in India, so parts and expertise are never a problem there. In many parts of Africa you can find parts too, but the Western Hemisphere is a different story.

In Nicaragua, the poorest country in Central America, a hand-pump is still the most appropriate way for the rural poor to extract well water, but there's no existing local supply chain or pump expertise. We have to work extra closely with communities, local governments, businesses and humanitarian organizations to create a plan.

One of the opportunities in Nicaragua is the pervasive existence of rural CAPS, Comités de Agua Potable y Saneamiento (Potable Water and Sanitation Committees). In regions where the government has no plan for the CAPS, the committees provide an infrastructure for Living Water to work with.

When Operation and Maintenance Director Jairo Salazar first visited the El Danto community their water needs were predictably dire. When he spoke with Cordelia Morales, her initial response was also predictable: "We can't afford to maintain the well ourselves."

"Would you buy me a Coke?" Jairo countered, eyeing a discarded bottle. Cordelia responded with a "yes." The rest of their conversation revealed that people had never thought of water as an asset worth the cost of a monthly bill. To them, water was just there, like air.

Through many such conversations the people of El Danto began to think through the time they spend collecting water, bills at the clinic and the cost of missing work and school due to illness. Before long everyone in the community had agreed on a monthly water bill for themselves. This completely dispelled the prevalent myth that the rural Nicaraguan poor wouldn't pay for water unless it was piped into their homes, which would indeed be too expensive for the people of El Danto. After months of education and organization, 62 communities had negotiated plans to pay \$2 per family per month into a maintenance and repair fund.

Circuit riders began to test water on routine maintenance visits. They shock-chlorinated wells that needed it and replaced hardware that will prevent expensive break-downs in the future. Monitoring revealed that hygiene and sanitation education by outside experts

It is within the long-term relationships we develop to address the more complex issues like project sustainability that we demonstrate God's faithfulness.

did not result in positive behavior change. So they changed their strategy to work through local volunteers that produced positive peer pressure.

We all love drilling a well, but we are extra proud of Living Water's supporters for helping us invest in programs, not just projects. We're happy that you see the value of working with a community over a period of years while we test, learn, adjust and empower.

Sharing our faith through such a commitment to service points people to God in a way that just fixing a water problem cannot. After all, God didn't enter into the world through Jesus just to fix our problems, but to be here with us in the midst of them.

» For more on this program—which has already been modified based on lessons learned in 2012—go to www.water.cc/nicaragua.

INDIA *pentecost in rajasthan*

Todi is a tiny village in the dry hills of Rajasthan. Only 0.01% of Rajasthanis are Christian, so, the visitor wonders, how did Bethel Prayer House get there?

Hindi-inflected voices spilled from the cinder block church we visited, worship songs flowing past resting cows, and past the India Mark II hand-pump where the Christians' Hindu neighbors collected water, offered to them in Jesus' name.

We asked how the church began, and the people regaled us with stories. It all started when pastor Promod prayed in Jesus' name for a woman named Nirmala. They said that prayer miraculously cured her from a two-year bout of near-deadly illness. As a result her husband Kalu enrolled in seminary, then started a church. The new Christians prayed for Waloo, who had been bed-ridden for two years. A huge cancerous tumor on his neck disappeared after persistent prayer. Waloo pointed to a stretch mark on his throat where the tumor had been. It looked like a scar. Today he sells ice cream from a bicycle-mounted ice chest. He says he loves his job because it gives him a chance to tell children about Jesus.

Word spread. Patrus, a 12-year-old from neighboring Mota Para Village was born deaf and mute. He began walking to Todi because he liked how their worship made him feel. Then one day at church he shouted

his first word: "Alleluia!" He could hear! Like anxious students at the edges of their seats, everyone told stories like these. They went on and on in the most matter-of-fact way, the lame walking, captives set free and sick healed. Frankly, it was so much it was hard to believe. We spent the ensuing days going from village to village, listening to people who affirmed these stories.

But all was not well in Todi. Some people didn't like the idea of a foreign religion gaining ground in their midst. Pastor Promod was surrounded one day by 70 to 80 men, beaten, and left by the side of the road to reconsider his faith.

He got back up with even more resolve and partnered with Living Water International to serve his non-Christian neighbors in even more tangible ways.

Together, we drilled wells in Todi and its surrounding villages. "The wells are like outposts where I talk to people about Jesus," Promod said. Water-born illness had been deadly in the region. Promod shared that when he began offering safe drinking water to people, he gained their respect by physically demonstrating the love of Jesus he talked about.

"Water is melting away persecution," Promod told us, "and it opens doors for the gospel. Now I'm invited into people's homes. I'm seen with respect."

Water is melting away persecution, and it opens doors for the gospel. Now I'm invited into people's homes. I am seen with respect.

Living Water is proud to come alongside courageous, selfless people of God like Promod. It's hard to think of anything that more resembles the first century roots of our faith than the context he lives in every day.

Like Rome in Jesus' time, the "kingdom of this world" ruling Promod's land is one in which state power and polytheistic religious identities are intertwined. Christians are few, largely ignored, sometimes persecuted, and gaining ground among the poor, sick and marginalized. But the most important similarity is that the Holy Spirit is bursting into the world through apparent nobodies—an itinerate evangelist, a healed woman, a cancer-stricken man, a deaf-mute boy—and through the courage and conviction they all share to talk about a man named Jesus, the God of all things who came among us in flesh and blood, who healed and still heals.

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



Bethel Prayer House, Rajasthan, India



Near Freetown, Sierra Leone

SIERRA LEONE *cholera outbreak hits home*

Sierra Leone's 2012 cholera outbreak made worldwide headlines, but for us it was personal. Mariatu, the 4-year-old daughter of Living Water Sierra Leone's country directors, contracted typhoid in the midst of the deadly outbreak. The son of our hygiene and sanitation director, Zainab, was admitted to the hospital with dysentery. There were nearly 14,000 reported cholera cases and 400 deaths. These estimates represent just a fraction of the actual crisis as most cases went unreported. Each of our staff members knew their own children could be next.

The government declared a national state of

emergency. The epicenter of the crisis was in Freetown, the country's capitol and location of Living Water Sierra Leone's headquarters.

We're happy to report that all our staff and their families have recovered from their bouts of illness. We're incredibly proud of their brave reaction to the outbreak, even under such potentially deadly circumstances. They helped contain the outbreak in three phases:

1. *Emergency relief—shock chlorinating wells in cholera hotspots, hand-in-hand with our partner, Christian non-profit, eMi.*
2. *Rehabilitation and recovery—facilitating*

hygiene training at 91 schools and initiating 20 well rehabilitations.

3. *Sustainable development—fostering conditions to help prevent and contain future outbreaks.*

We're so thankful to you for your support. You rallied quickly and helped us raise \$45,000 in extra funds to make that work possible, saving lives and supporting heroes in a time of crisis.

» *For more about our work in Sierra Leone, watch "Choose Life" at www.water.cc/sierraleonevideo.*



Jorge Alvarado and Betty Welch in Rivas, Nicaragua

SHORT-TERM TRIPS *standing by our friends in nicaragua*

Living Water International exists because more than 20 years ago, its soon-to-be founders went on a short-term trip to Africa. The need they saw there didn't just move them to tears—it moved them to action. That's the kind of experience we want others to have, too.

When 300 pastors in Rivas, Nicaragua, and nearby communities pled for a partnership with Living Water, we were excited to respond by opening a new program area there. In 2012 some 170 volunteers traveled with us to serve, listen and return to take action on behalf of their new friends.

But there were challenges. Rivas' terrain is rough, and the particular rigs we use in order to safely train brand-new volunteer drillers have their limitations, but the spirit of the people of Los Cerros community didn't. On our first attempt, rock proved too hard for our drill bit to penetrate. So we went back with a pneumatic down-hole hammer, but the formation was unstable and the hammer got stuck. The people of Los Cerros never lost hope, though. They were confident that in God's time they would be free from hand-dug wells, erratic municipal water access and water-borne diseases.

We kept trying and eventually the people of Los Cerros found themselves rejoicing around their new well. It would have been easier to pack up and find a new region to work in, one with softer terrain than Rivas. But we won't do that. It's one thing to lose a drill bit, but we won't allow ourselves to lose the partnership of 300 pastors so deeply committed to ensuring our work demonstrates and proclaims the gospel.

» *Learn more about joining a short-term team at www.water.cc/trips.*



Rajasthan, India

ADVOCATES

Children, churches and other world-changers

THE CHURCH • CHILD ADVOCATES
H2OIL • ALEX & ANI • WITH THIS RING

THE CHURCH *one body in christ*

Munuhwa Village got its name from the smelly sores its inhabitants are known for. It's hard not to think of them as the lepers of our day—especially when the one who reaches out to heal is the Body of Christ.

It gets worse, though. Poor sanitation caused the problem, and Munuhwa's only source of water was the Kafue River, which is filled with crocodiles. Gathering water was terrifying. Our Zambian staff shed tears at the graves of 9-year-old Cephas, 31-year-old Miriam, and another young mother, all killed by crocodiles while fishing or fetching water.

Meanwhile in Houston, God moved the hearts of two high school students, Brittney and Mallory. They took their vision for clean water in Africa to their congregation at Northside Christian Church. They sold t-shirts, raised money at Chick-fil-A Spirit Nights, their pastor caught the vision and supported from the pulpit, and by December the girls' efforts and those of their church had provided safe drinking water to the people of Munuhwa. Our country director told us the community broke out in song and dance when they saw clean water, overjoyed they would no longer have to face down crocodiles to quench their thirst.

Brittney and Mallory's story isn't a fundraising story. It's a story of two girls, their church, Living Water and Munuhwa Village acting like one body, responding to pain and prayer in different parts.

Few churches exemplify this more broadly than The Crossing Church in the St. Louis area. Greg Holder, lead pastor at The Crossing, co-founded the Advent Conspiracy (AC), a movement encouraging churches to tone down Christmas consumption by instead celebrating based on AC's pillars: Worship Fully, Spend Less, Give More and Love All. For The Crossing, "love all" means offering clean water in Jesus' name.

"I get tears in my eyes when I think about the legacy it has already left on my family," said The Crossing staffer Natalie Lasley. "We started Advent Conspiracy as a church before I had kids. Now my two girls won't be able to grow up thinking Christmas is about getting gifts. They will know it's about their Savior and his call for us to serve the least of these. For us, that means giving to Living Water International!"

There are Living Water gift cards in the bookstore at The Crossing, messages about water and the living water from the pulpit, stories of quenching Christ's thirst in the least of these in The Crossing's pews, members' homes and the city itself. In 2012, and every year, members of The Crossing run in the city's Go! St. Louis Marathon and Half Marathon as Team Living Water, flooding the race with a sea of yellow Team Living Water jerseys, raising funds for the thirsty, but also sending a message to the community.

Giving to the thirsty is not at the heart of Living Water—loving them is. So Liquid Church in New Jersey started going on Living Water short-term trips to love and serve their neighbors. They went to El Salvador and to Haiti. They gave to Africa and served in Nicaragua. They got to know Living Water's work. The cause of water became their outreach to the community—people who didn't know Jesus were coming into the church because they could understand water, and once in the church they began to accept the good news of Jesus and his kingdom. So Liquid Church went deeper. They adopted Living Water's WPA (WASH Program Area, where WASH stands for Water, Sanitation and Hygiene) vision, sponsoring Living Water's WPA in Nicaragua.

Liquid Church has come up with creative ways to advocate, too. They ship bottles of dirty water (really it's tea) to other churches and challenge them to join the cause. They've planned a Super Hero 5K, their goal to gather 2,000 runners dressed as superheroes. They're having a blast. Why wouldn't they be? They're participating in the process of Christ restoring all things on an earth that heaven is breaking into.

» *Want to be part of our domestic mission? Check out our church inspiration guide at www.water.cc/church.*



Ntungamo, Uganda



Isabelle and Katherine Adams, photo courtesy of Paper for Water

CHILD ADVOCATES *our biggest little supporters*

Elementary-school-age sisters Isabelle and Katherine stood before the UN Women's Conference in 2012. They spoke to some of the world's most influential women about water, the developing world's desperate need and the girls' creative method of raising money for wells. Just months before, the Adams sisters had created their own organization, Paper for Water, selling origami art to benefit Living Water International's work.

Through a corporate match and sales of ornaments, Paper for Water has raised more than \$136,000!

Your kids might not have yet addressed an international assembly of diplomats, but they've probably made arts and crafts. And that's what the Adams girls love about the Paper for Water model. It's replicable! They can recruit friends to host their own folding parties, and suddenly tender shoots of little water advocates are springing up all over their girl scout troop, school, church, community and nation! Isabelle and Katherine have had people as far away as Denver ask to be involved—a woman received an origami Christmas gift and immediately ordered 12 more to give away to others. That's an influence radius of more than 800 miles from their Dallas home.

When 9-year-old Caleb looked into his everyday life, he saw an empty backpack and thought God could use it. In January

that empty, unassuming backpack started following him to class and into conversations with his friends. If they could all just donate their extra change to fill the backpack, he implored, they could enact real change for the thirsty in Africa. He even constructed a miniature African community out of legos to demonstrate to his friends where villagers are forced to gather drinking water. His local bank tellers are getting their own introduction to the water crisis. Each time Caleb brings in rolls of donated coins, he's able to share God's heart for justice with those behind the counter.

"I started rolling the coins and taking them to the bank," he said. "I now have a whole bunch of friends there who help me and now know all about the thirsty."

By June, Caleb had re-evaluated his original goal, upping the ante from \$1,000 to \$12,000. Then he and his friends successfully filled the first backpack—so heavy he said it felt like lifting an elephant! When Caleb reaches his new goal, he and his friends will have filled 24 backpacks with coins, totaling \$500 each.

"I think we will need a moving van to deliver all the coins to Living Water International," Caleb said. "Sometimes people think \$12,000 is a lot of money, but I don't worry because God set me on this path. I'm not going to turn around because nothing is impossible with God."

Jordan traded her seventh birthday for clean water. Instead of buying an expensive doll

with the money she received from family, she chose a more economical doll instead. She stored the money she saved in a plastic bank she had received while touring Living Water's Houston headquarters on a previous visit with kids her age. After her birthday celebration, her mom and her little sister joined her as she made a personal visit to our office to leave her donation. The best part of Jordan's story is the way her new doll helps her spread the word about the thirsty. When her friends come over and they play with dolls, Jordan shares the story behind the newest addition to her collection. Her compassion and generosity are an example to her little sister, too. And for us she's an example of what Jesus means when he tells us to have childlike faith.

Kids might be the first to ask for gifts, but we also find their hearts are the first to respond to great need. They seem to trust that whatever they give, God can multiply. "Truly I tell you," Jesus said, "unless you change and become like little children, you will never enter the kingdom of heaven." If Isabelle, Katherine, Caleb and Jordan are a glimpse into the kingdom of heaven, then we can't become like them soon enough.

» *Have these kids inspired you? Follow their example and turn gifts into clean water by creating a Give Well fundraising page at www.water.cc/givewell.*

H2OIL *the intersection of faith and industry*

You never drill a dry hole. That's Houstonian Mike Hale's kingdom-mindedness talking, because obviously, sometimes you do. Projects don't always produce water—or oil, in Mike's case—a fact of the industry he knows well. But even then, the seasoned energy-sector leader says, all is not lost.

"An oil company may spend a million dollars and turn up a dry hole," the owner of Halex Oil explained. "But if you take a small percentage of that and drill a water well in Honduras, God's glory will shine on that project, no matter what happens with the 'worldly' well."

It's a contagious concept he's eager to share with his peers, so he invited Living Water International to stage a booth at the North America Prospect Expo (NAPE), welcoming others to catch the same vision.

"As our faith matures, we realize so many great Christian men and women are in our offices looking for ways to bring faith and workplace together," Mike said. "When we connect the two at places like NAPE, it makes us all a little more bold in a great way, in a way we need to be."

He says he's not doing anything as lofty as starting an African orphanage, but when Mike saw Sherman Young, a college fraternity buddy, walk by at the expo, he didn't hesitate to fulfill his everyday ministry. Connecting with Sherman over a missional purpose

within their industry reignited their Christian fellowship, and Sherman, president of Tailwind Oil & Gas, was primed for Mike's point.

"The wells we're drilling have a 15- to 30-year lifespan, but that's all going to fall away," Sherman said. "But if we can help villages sustain access to clean water, what a kingdom legacy!"

Mike's and Sherman's enthusiasm is creating a ripple effect, and Sherman is confident the wave of interest in the industry's Christian community will continue to swell. "We've just scratched the surface, really," he said.

Inspired by the camaraderie he shared with Mike in Houston, Sherman began planning—alongside Tailwind's CFO and dedicated Living Water supporter, John Batton—to spread Living Water's mission throughout Fort Worth. He gathered a group of fellow oilmen, their objective to replicate that same "Ah-ha!" moment Sherman had experienced at NAPE. Not only did they do so, bringing in more than \$50,000 for the thirsty through one co-sponsored event, they also opened the door for God to prompt even more hearts. One in the audience was so moved by the duo's vision-casting that he volunteered, misty-eyed, to host a similar event for Dallas industry friends in his own home.

Sherman says any of their success—just like Living Water's new tagline suggests (see *page 32*)—is for God's glory.

"Look how beautiful God is in his mercy to provide this mission and all these incredible people to go to remote places and drill wells to sustain life—that's where these people's hearts are," he said. "If we're following Jesus and have his glory as our goal, then all the pieces miraculously fall together."

God loves to see his sovereignty reflected in those details, so it's no surprise Sherman grabbed hold of the symbolic ties between his world and ours.

"When I think about all the water we utilize in our business, it's perfect for a group of oil people who make their living using water to redirect that gift back into the lives of those in need," he said. "We're landowners, we love God's creation, and the last thing we want to do is damage it. By synthesizing the missions of Living Water and the oil and gas industry, we can recycle the resources God gives us."

» Are you inspired to utilize your professional platform for the thirsty? Contact your local, regional Living Water representative for ideas and encouragement at www.water.cc/contactus.



John Maina, Lead Driller, Living Water Uganda



Photos courtesy of Alex and Ani

ALEX & ANI *charity by design*

A jewelry company called Alex and Ani approached us with a partnership idea. They had designed a Living Water Charm Bangle, and wanted to offer 20% of its sales to Living Water International. It was all part of the company's "Charity By Design" program. We were honored, but we had no idea what an impact this partnership would make.

"Charity By Design is the heart and soul of Alex and Ani," said the company's Nicki Castonguay-Maher, and she meant it. Alex and Ani does much more than give. They're committed to educating their clients about the world water crisis, how it affects women,

and how each of us can change the world.

So we worked on an innovative partnership idea together. Now every Living Water Charm Bangle Alex and Ani sells comes with a co-branded \$5 Living Water gift card. Customers are invited to redeem their card at www.water.cc/alexandani, where they can learn more about Living Water's work in 23 countries and choose which one they'll support. It's an opportunity to learn more about Living Water's work, and to see the incredible impact Alex and Ani is having.

The results amazed us. In 2012, Alex and Ani's Charity By Design program raised more

than \$130,000 for Living Water's work!

Just as importantly, the company tangibly demonstrates every day their conviction that positive intent behind the things you do makes a difference. In the words of the company's founder and designer, Carolyn Rafaelian, "Each one of us has something to give, and it comes from the heart. So take that and let that be your message, and get that out to the world. One by one, me and you, all of us together, have the power to change this world."

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



WITH THIS RING *radical giving*

At a women's retreat in 2006, Ali Eastburn decided to sell her wedding ring and give the money towards a well in Africa (her husband, a pastor, supported her decision, in case you were wondering). That evening Ali called six of her closest friends. Within 15 minutes they were all in tears, and four had donated their rings.

"We called it 'radical giving,' and we started a ministry—With This Ring—turning our possessions into even bigger symbols of love," Ali said.

Though a wedding ring was the impetus for Ali's lifestyle change, she believes radical giving is about relinquishing anything material

that has contributed to our sense of personal identity, which should only come from Christ.

Six years later, With this Ring has planted more than 40 churches and drilled water wells in Ghana, Sierra Leone, Liberia and, in 2012, radically supported our work in India. Seeing how Living Water was using water to open doors for the gospel in partnership with Indian pastors, With this Ring offered to double the impact of Living Water supporters by matching up to \$50,000 raised in our fall campaign for India, "Pentecost in Rajasthan" (see pages 14-15).

Sure enough, With this Ring's radical givers

sacrificed \$50,000 worth of possessions for clean water in India, demonstrating that Jesus' example of radical giving still changes the world.

Jesus asks some people to give it all away. He asks others to give away the one thing taking his place in our hearts. But he asks all of us to give our whole lives away for love—for him and for the least of these. We're honored to spend our lives in his service, and honored to meet friends like Ali and With This Ring along the way.

» *More stories of radical giving at www.withthisring.org.*



El Danto, Somotillo, Nicaragua

LIVING WATER

Us and our commitment to you

STRATEGIC PLAN UPDATE • WATER FOR LIFE IN JESUS' NAME

KEY HIRES • 2012 GALA • FINANCIALS

YOU ARE HERE *a year-two update on our strategic plan*

When we outlined our five-year strategic track in 2010, the two words we chiseled in stone were “growth” and “impact.” Now, with two years of our plan accomplished, key leadership has emerged solidly at the global, regional and national levels. With this new, local expertise in our toolbox, we are poised to move faster than our original plans and funding framework could imagine. This new capacity for advancement is encouraging, but to keep up with its potential, we must find new partners excited to boost us above the threshold of our current functionality.

Ultimately, here’s where we want to go: Living Water International plans to move to a WASH Program Area (WPA, wherein WASH stands for Water, Sanitation and Hygiene) model in 14 of 23 country operations over the next five years, as well as mature all programs to include WASH activities at some level. In 2012 we “put skin on” this organizational imperative by launching our first WPA in Ntungamo, Uganda, with great success (*see pages 10-11*). After observing achievements there and adjusting what needed perfecting, we’ve charted locations for the next four WPAs—another in Uganda and three more in Haiti, Mexico and Angola.

These WPAs fulfill multiple aspects of our strategic plan. First, we want to concentrate work in geographic zones to maximize transformation. Though thirst knows no geographic bounds, for our efforts to be most

impactful, our projects must. This decision is always difficult in the face of immediate need, but the results we achieved in Uganda in 2012 demonstrate that this model results in exponentially more transformation. In the first six communities within the local WPAs focus, in sub-counties ranking among the lowest in water access, we’ve already installed 30 water access points. Over the next two years, we’re planning 45 more water-access points within the WPA borders. This coordination serves as the first step toward providing long-term WASH support for a total of 15 to 20 communities within the WPA.

Limiting our work within these geographic areas allows us to better allocate our post-installation service delivery—another precept of our strategic plan. This extended engagement empowers communities as they implement their own solutions over time—along with Living Water’s support—and see that real change is possible. This concept became reality in our Nicaragua Operations and Maintenance pilot launched in 2012 (*see pages 12-13*). Communities agreeing to the value of the strategy collect a small monthly fee from families within the scope of a water point. This nominal amount is managed by a locally appointed water committee and used to fund the well’s maintenance and repair. As communities assume more and more ownership and responsibility for their water source, we simultaneously taper

This extended engagement empowers communities as they implement their own solutions over time—along with Living Water’s support—and see that real change is possible.

our involvement, leaving behind a capable community leadership structure.

But with so many communities like these in such diverse cultures across 23 countries, it’s a challenge to ensure consistency. To combat this difficulty we recognized the need for a range of minimum standards across all our programs—a framework for critical topics like assessing operational effectiveness, cultivating sustainability through community engagement, maintaining water safety, supporting hygiene and sanitation efforts, and a steady focus on Christian witness. Implementing these minimum standards was another of Living Water’s achievements in 2012.

» *More on minimum standards at www.water.cc/standards, and see our strategic plan at www.water.cc/strategy.*



Community Meeting, Ntungamo, Uganda



A NEW TAGLINE *a deeper message*

For years, Living Water International's tagline has been "A cup of water in Jesus' name." In 2012 we changed it to "Water for life in Jesus' name," adding the words "for life." Those two words reflect our increased efforts in several areas critical to life: water project sustainability, increased hygiene and sanitation training and church engagement. These improvements entail five positive shifts in the way we work:

DEMAND. It's not enough that people need water—they have to demand it. Demand comes from education. Villages where people know that water will improve health, education and economy organize themselves, take initiative

and negotiate with Living Water to receive a well and devise a plan to sustain it locally.

EDUCATION. There are a lot of factors at play in saving lives: infrastructure, water collection, source protection, hygiene, sanitation, waste disposal, disease transmission, hand washing with soap—with training, local populations can address all these issues themselves.

TIME. To truly empower people, it is best to invest a year in relationships with a community before a water project, and perhaps two years after. It is through these relationships that we train, monitor, evaluate and share our faith.

DECISIONS. We are pushing decision-making as close to the field as possible. To that end we have hired regional VPs in Africa and the Americas, highly qualified leaders with years of experience in water and rural development.

FUNDING. All of this requires that we ask you to think in terms of programs rather than projects, three-year strategies rather than annual budgets. The payoff is enormous, though. It is through the impact of these long-term relationships that people respond to the gospel, the motivation for everything we do.

» *For more, watch "2012, Mike Mantel, CEO Update" at www.water.cc/videos.*

KEY HIRES *excellence around the world*

Even a cursory flip through Proverbs resounds with the importance of choosing business partners wisely. Without counsel, plans go awry, but in the multitude of counselors they are established (*Proverbs 15:12*). It's an exhortation we have not neglected when filling key staff positions as part of our strategic plan. When we outlined our five-year trajectory in 2010, bringing strategy closer to the field was one of our top priorities. In 2012 we recruited stellar, new, international staff at all levels of management. Those highlighted here—and more than 20 other key hires around the world—contribute so much to our understanding of the countries they know and love.

Our Africa Regional Office gained Gebeyehu Abera as director of WASH (Water, Sanitation and Hygiene) program design where he contributes strategic expertise to all of our African country operations. With more than four years' experience at Compassion International—in addition to other notable organizations—not only can Gebe advise on the construction of the water point, he can also conceptualize the program to support it. His engineering background and experience monitoring and evaluating the solutions he implements are invaluable to our Africa Regional Office as well as our Houston headquarters.

In Rwanda, Didus Ruhombe accepted the post of country director. In addition to his

years of program development support at WaterAid, Didus worked for eight years anticipating and minimizing the unexpected by implementing emergency response and crisis recovery in South Sudan and Uganda. His public health sector experience adds a powerful weapon to our arsenal when we're called upon to fight disease outbreaks as we did in 2012 in Sierra Leone.

Increasing Maitabel Okumu's commitment to full-time standing in Kenya has proven to be an exponentially valuable investment in 2012. As a hygiene and sanitation coordinator, she can not only facilitate the activities that empower communities' implementation of their own solutions, but she also has the skill to develop the tools to monitor and evaluate their progress. Though based in Living Water's Kenya office, Maitabel has recently lent her expertise to a new initiative in Angola's Benguela province, in partnership with Maersk Oil Company. Her dedication to promoting hygiene and sanitation lays the foundation for life-saving behavior change for years to come.

These are just a few of the talented people around the world who add to our experience, knowledge and capacity to serve. We hope you will pray for them.

» [Learn more about Living Water International and the people involved at www.water.cc/aboutlivingwater.](http://www.water.cc/aboutlivingwater)



GEBEYEHU ABERA
WASH Director
Africa Regional Office
Nairobi, Kenya



DIDUS RUHOMBE
Country Director
Rwanda



MAITABEL OKUMU
Hygiene & Sanitation Coordinator
Kenya

GALA 2012 *through sam's eyes*

"My mind is about to explode!" said Samuel Ojok, smiling widely as he scanned the hotel's tall glass walls and blown-glass chandeliers with wonder. A bit chilled by the refrigerated indoor air, he was a long way from his Ntungamo, Uganda, home. He was even farther from the war-torn Gulu of his youth, where he lost two sisters and an aunt to cholera.

It was Sam's first time outside of Uganda, and he was on his way to address an audience of 1,300 in Houston's biggest ballroom. We were spellbound when Sam took the stage at Living Water's 2012 Gala, Immersed, to share his journey from not even knowing the name of the disease that killed his sisters to organizing entire communities to plan and locally sustain their own water programs.

Under Sam's direction, some of the world's poorest people finance their own maintenance programs. He is brilliant at inspiring and empowering his fellow Ugandans to manage their water systems. He and the Community Based Organizations (CBOs) he forms and works with have been so successful that the local government has handed two of their water points over to the CBOs to manage. There was such dignity in his belief in his fellow Ugandans.

Sam's story, along with Jairo Salazar's from Nicaragua and Susan John's from India, helped Living Water International raise

\$2.5 million at Immersed, our most successful gala to date.

"The experience was a little overwhelming!" Sam said nearly a year later. "When I was finished, Jairo was so happy for me, and we rejoiced."

Everything about the United States was otherworldly to Sam. "This thing of road toll—this is amazing!" he marveled. "And nobody was walking. I didn't know there was a place on earth where nobody was walking!"

I asked what else made an impression on him. "The 24th floor up," he said, "that was the highest I have ever gone to sleep. And the bed was very comfortable. I wanted to try so many foods I cannot remember their names. I remember something called 'fish tacos' and 'crab cake.'"

Speaking nearly a year later, he remembered that the woman who showed him around at the Bible Museum was named Dianne. He had never learned that dinosaurs once existed until he saw an exhibit at the Museum of Natural History. He visited NASA and saw how people traveled in outer space—outer space! But there was something else at NASA that impressed him even more than space travel: the water fountain.

"I was surprised your water is so well treated," Sam reminisced from Uganda via

Smiling, chilled by the refrigerated indoor air, he was a long way from the war-torn Gulu, Uganda, of his youth where he lost two sisters and an aunt to cholera.

Skype. "I remember you demonstrating how you could drink water from the kitchen sink or the public fountain." Kids in his world don't dream of being an astronaut when they grow up—they dream of having things like clean drinking water.

"The first thing I did when I got back was I told everyone what a struggle people go through to raise money for our work. I have seen your sacrifice, and that makes us work harder to make sure our interventions are sustainable. If someone gives even \$5 we will use it to bring lasting impact even 20 years from now. We are more deliberate and devoted than ever now."

So are we, Sam. Thank you for your inspiration.

» See Sam's speech and the whole 2012 Gala under *IMMERSED* at www.water.cc/videos.



Samuel Ojok, Sustainability Coordinator, Living Water Uganda



Schoolgirl in Kibeho Village, Ntungamo, Uganda

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FINANCIAL HIGHLIGHTS *blessed to share god's gifts*

I am pleased to provide the following financial summary of Living Water International's work offering water for life in Jesus' name. I so clearly see God's involvement and blessing in the provision of the financial resources we need to do the work we do in 23 countries.

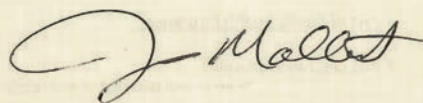
Our financial team is led by Brian Allen, an experienced professional. His team coordinates with our affiliates' accountants to keep financial transactions according to Generally Accepted Accounting Principles (GAAP). Financial summaries follow this introduction, and our Form 990 and fully audited financial statements are made available on our web site each year as soon as our Board of Directors approves them. A highly regarded, Houston-based CPA firm handles our audit and provides timely counsel when needed.

Once again Living Water received an unqualified opinion (indicating a clean audit) from the auditors. We are pleased with

the audit results as well as our ratings and standing with Charity Navigator, the Evangelical Council for Financial Accountability (ECFA), Better Business Bureau and others—you can invest in Living Water with trust.

I followed God's calling to join Living Water three years ago as Senior VP & Chief Financial Officer, as well as Treasurer. I speak for our entire Senior Team when I say it's an immense blessing to work together to help share the gift of water as a demonstration and proclamation of the gospel message.

Sincerely,



James W. Malliet
SVP – Chief Financial Officer & Treasurer



REVENUE & EXPENSES *where it comes from & where it goes*

Sources Of Revenue

TOTAL REVENUE \$20,739,000

INDIVIDUALS \$11,131,000

You are never alone. Together, individuals like you made more than half of Living Water International's world-changing work possible in 2012. Thank you for your commitment.

CHURCHES \$5,626,000

It's especially meaningful to us that a full 27% of our budget comes from churches. We value church partnership because it holds us accountable to our shared conviction that this work is really all about the living water and the gospel of Jesus Christ.

PARTNERS \$2,895,000

Two decades of experience, great stewardship and standards of excellence make Living Water the preferred implementer for many non-profits, foundations and governmental and non-governmental organizations.

SCHOOLS & CORPORATIONS \$1,087,000

From student to CEO, God can touch any heart anywhere. Advocates who introduced Living Water to their school or workplace made more than 5% of our work possible in 2012.



Expenses

TOTAL EXPENSES

\$21,679,000

PROGRAMS

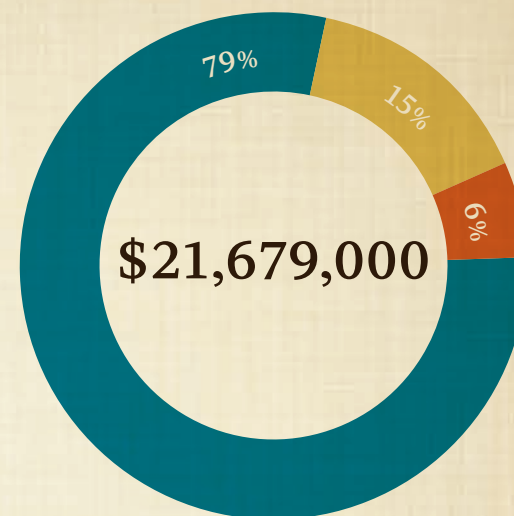
\$17,100,000

FUNDRAISING

\$3,201,000

ADMINISTRATION

\$1,378,000



Program Expenses by Region



\$7,255,000

LATIN AMERICA & THE CARIBBEAN

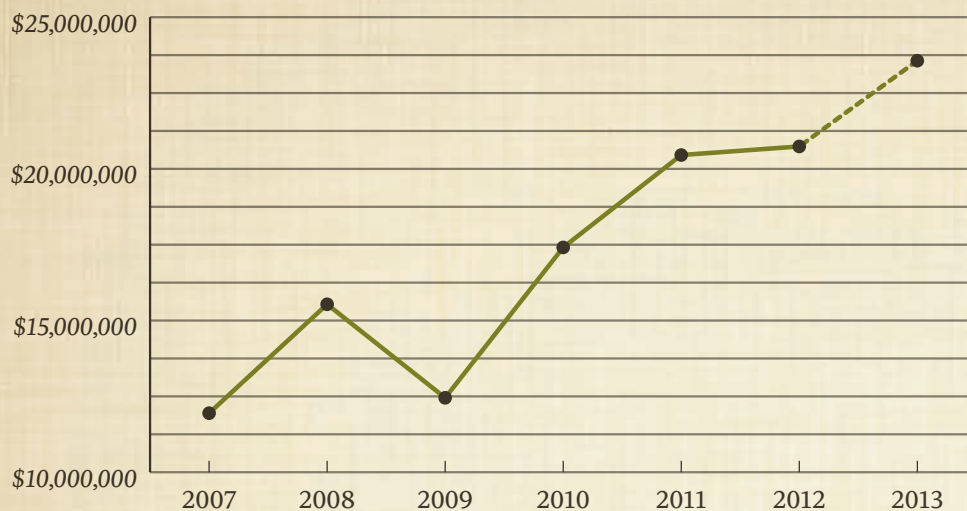
\$9,044,000

AFRICA

\$801,000

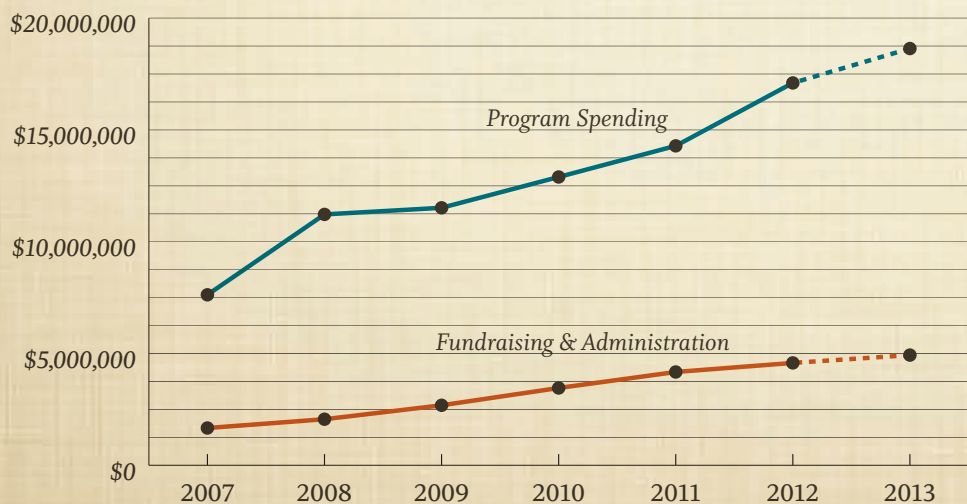
INDIA

TRENDS *growth & efficiency*



Revenue

While revenue increased only 1% in 2012, we still show a very healthy 12% annual compound growth rate. Though 2012's extenuating conditions—economic concern, a contentious election, storms and “fiscal cliff” uncertainties—could have affected our growth, we began with a good cushion in investments and cash. This enabled us to complete the majority of our planned work—deeper investment in Christian witness, WASH initiatives and sustainability, and more new wells and rehabs than in 2011. The dotted line on the revenue graph represents our 2013 goal—growth allowing even greater impact in the countries we serve.



Expenses

In 2012, slightly more than 79 cents of every dollar was spent on programs. Our goal is never to fall below 75 cents; we plan to increase our programmatic investment as much as possible, while continuing to support the activities in the USA and 23 other countries. Even as we add fundraising and administration staff to help generate program funding and solidify infrastructure in HR, accounting and other areas, we keep this commitment to the field in the forefront.

KEY FINANCIAL DATA

Revenue Sources	2007	2008	2009	2010	2011	2012	5-Year Comp. Growth %
Contributions	\$9,233,000	\$13,475,000	\$10,390,000	\$15,285,000	\$18,047,000	\$17,498,000	
Special Events	1,767,000	1,808,000	1,809,000	2,057,000	2,152,000	\$2,652,000	
Other	946,000	253,000	254,000	69,000	257,000	\$589,000	
Total Revenue	\$11,946,000	\$15,536,000	\$12,453,000	\$17,411,000	\$20,456,000	\$20,739,000	12%

Operating Expenses	2007	2008	2009	2010	2011	2012	5-Year Comp. Growth %
Total Program Expenses	\$7,625,000	\$11,220,000	\$11,516,000	\$12,894,000	\$14,286,000	\$17,100,000	
Fundraising	1,055,000	1,355,000	1,712,000	2,329,000	3,028,000	\$3,201,000	
Management & General	612,000	705,000	971,000	1,128,000	1,145,000	\$1,378,000	
Total Operating Expenses	\$9,292,000	\$13,280,000	\$14,199,000	\$16,351,000	\$18,459,000	\$21,679,000	18%

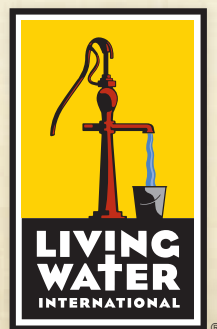
Net Assets	2007	2008	2009	2010	2011	2012	5-Year Comp. Growth %
As of December 31	\$5,473,000	\$7,729,000	\$5,983,000	\$7,042,000	\$9,426,000	\$9,237,000	11%

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



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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