

the well

LIVING WATER INTERNATIONAL'S
2013 ANNUAL REVIEW



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.



the well

LIVING WATER INTERNATIONAL'S 2013 ANNUAL REVIEW

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The summer of 2013 marked the halfway point of Living Water International's 2011-2015 Strategic Plan—and what a journey God is leading us on! We can't thank you enough for joining us.

As we've continued to stretch from our historic focus on individual water projects to the execution of multi-year, sustainable water, sanitation, hygiene, and Christian witness programs, we've seen our share of challenges. Such a shift requires changes in governance, finance, fundraising, staffing, and global operations in 23 countries on four continents—all while doubling our growth and impact in just five years.

The rewards have been incredible. In 2013 we saw you—our supporters—organize, advocate, and spread the word like never before. From the business owner to the 4-year-old artist; from young couples sacrificing their wedding gifts to short-term trip alumni deploying drilling equipment to Central America—you are all such an inspiration! Thank you.

When you read about our Haitian Community Health Clubs pilot program in partnership with the UT Health Science Center San Antonio, we hope you'll see our efforts to multiply your impact. We hope the ingenuity of Liberian church and community members will inspire you to believe in empowering the people we serve. When you read about how safe water kept Burkinabe *titulos* from slashing children's bellies, we hope you will see that your involvement offers more blessings than you could ever know.

Thank you so very much for making this ministry possible. This is exciting work that keeps getting better, and we're thrilled about where the Lord is leading us. Stick around, and cast your gaze on new horizons with us, as together we offer water, for life, in Jesus' name, and with it experience *living water*.

Gratefully,

Michael J. Mantel, PhD
President & CEO



***You are all such
an inspiration!
The stories in
these pages are
our effort to
celebrate you.
Thank you.***

WORK

Empowerment, transformation & hope

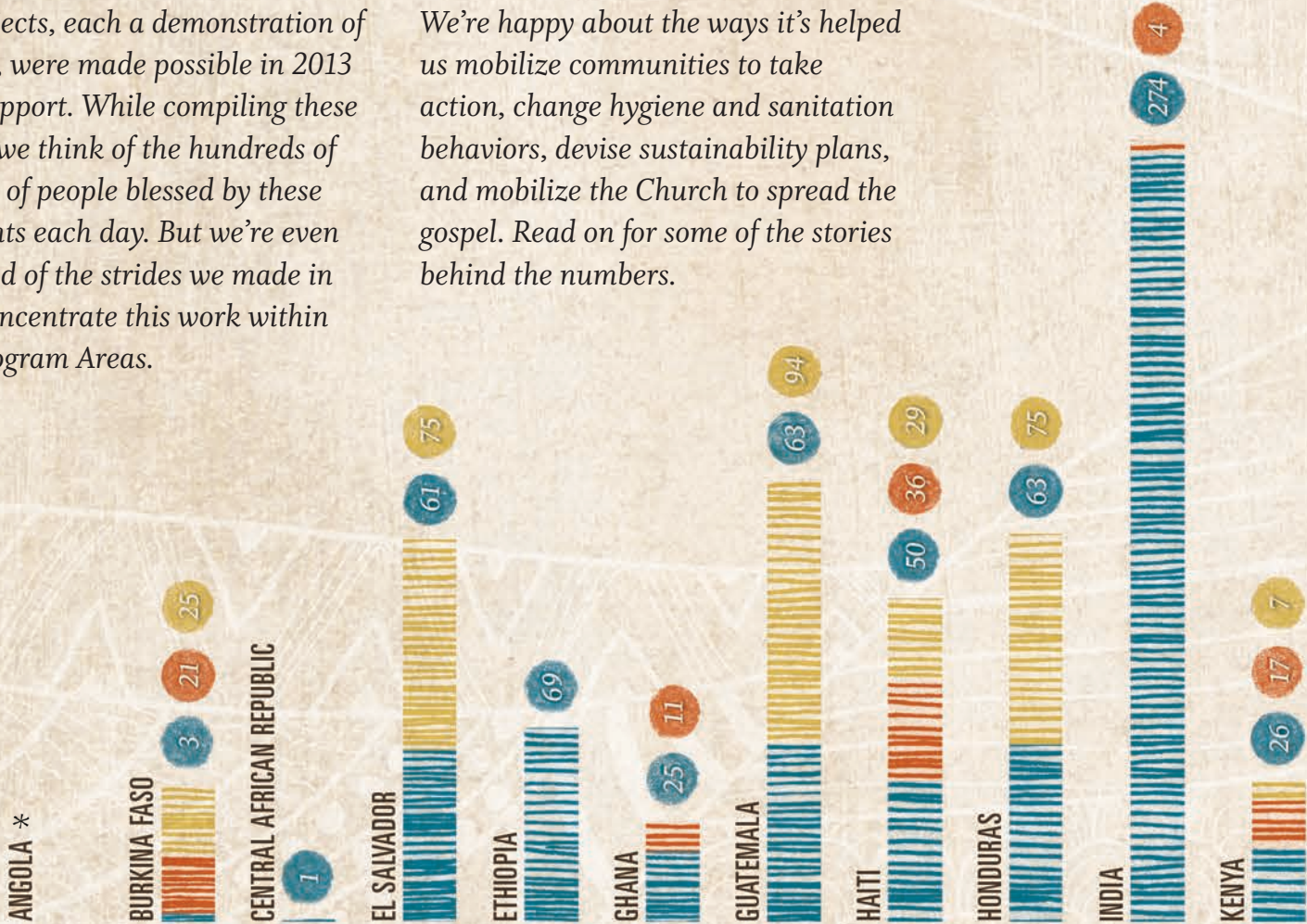


WORKING TOGETHER

what you helped us accomplish in 2013

These projects, each a demonstration of God’s love, were made possible in 2013 by your support. While compiling these numbers, we think of the hundreds of thousands of people blessed by these water points each day. But we’re even more proud of the strides we made in 2013 to concentrate this work within WASH Program Areas.

We’re happy about the ways it’s helped us mobilize communities to take action, change hygiene and sanitation behaviors, devise sustainability plans, and mobilize the Church to spread the gospel. Read on for some of the stories behind the numbers.



* In Angola, 2013 was spent promoting hygiene and sanitation to lay the groundwork for a future WPA.



HAITI *community health clubs*

In early 2013, Asephie Pierre's words of despair grabbed our hearts:

*“Where there is no water, there is no garden.
Where there is no garden, there is no food.
Where there is no food, there is no life.
Where there is no life, there is no hope.”*

Her words were a reminder that indeed water is life, and also that people aren't just looking for water—they're looking for hope.

Living Water International's Regional Vice President for Latin America and the Caribbean, Wesley Charles, is Haitian. He says Haiti doesn't need any more aid, handouts, relief, or gifts. He says the hope of Haiti is for a new generation of leaders to rise up. Now imagine what that will look like if that new generation is the Church, people with a mandate from God to love their neighbor and an invitation to restore God's creation.

That's why every stride we make to cultivate leaders in Haiti is so important.

One way we did that in 2013 was through a Community Health Club (CHC) pilot program in Haiti, launched in partnership with the UT

Health Science Center San Antonio's Center of Medical Humanities and Ethics.

The CHC approach to hygiene education is to develop a strong group identity and contextualize messages to local culture and needs. CHCs are volunteer organizations, and membership is free to people of all ages, genders, incomes, and education levels. For 6 to 8 months, club members meet to learn lessons about WASH (water, sanitation, and hygiene), disease prevention, and water and sanitation resource management, taught by trained facilitators from their own communities.

The first year of the 3-year pilot program demonstrated the power of cultivating a strong local identity. Club members received a membership card, which monitored their progress through 23 weekly lessons. Each club came up with a name, slogan, and song. As a result, facilitators took their jobs more seriously. Homework was assigned each week as the 25 facilitators taught a combined total of 575 lessons—but their dedication went beyond even that.

During the course period, a facilitator named Raymonde suffered a stroke. It was especially

Water indeed is life, but people aren't just looking for water—they're looking for hope.

sad because she had also recently lost her husband in an auto accident. Not only did Raymonde's fellow facilitators fill in for her while she was out, they welcomed her back during her recovery. After she saw the positive impact her health club had made, she went on to start two new Community Health Clubs while still recovering from her stroke.

We are so thankful for your support as we try new approaches to improve our work and spread lessons around the world.

» *For more faces and stories from Haiti, go to www.water.cc/haiti.*





LIBERIA *local sustainability solutions*

If you want water in Gaylayla Town, Liberia, you'd better have a clean bucket—show up at the well with a dirty one and you'll be turned away.

In Gaylayla Town, Community Water Committee bylaws get respect. Community members create the rules themselves. To some, a few of the village bylaws might seem a little over-the-top. One village includes a prohibition against entering their bamboo-walled well enclosure with an uncovered head. Most ask that shoes be left at the door. What's most important is that the bylaws are drafted, agreed upon, and enforced at the village level.

It sounds easy, but forming a successful water committee that remains effective in the long term is a challenge that requires a careful approach and a lot of work.

A community knowing it can accomplish big things on its own is the first step on the road to sustainability. That's why Living Water's work in Gaylayla Town didn't begin with a water well, or money, or projects—it all began with the community identifying its own problems, solutions, and leaders.

With a little guidance, the village made great strides in hygiene promotion, household water treatment, water protection, promoting handwashing with soap, and latrine use. Their achievements were so great that they were certified open defecation free (ODF) by the joint monitoring program of the Liberian Ministry of Health and Ministry of Public Works.

A community trained to think through what water is worth and the true cost of well breakdowns will develop a sustainability plan on their own. Repairs cost money, so inevitably that plan will involve a water bill. In the villages around Gaylayla Town, people agree on a fee based on people's perception of the water's value, their ability to pay, the number of participating families, and their estimated time until a repair is needed. Usually, villages arrive at a fee somewhere around \$25 Liberian dollars (\$0.29 USD) per family, per month.

Today, Gaylayla Town's water committee successfully collects a higher-than-average monthly fee for water. The committee collects \$10 Liberian dollars per family per week each Sunday at church.

The church is committed to people's physical and spiritual lives. An outsider might call it holistic mission, but in Gaylayla Town they just call it the gospel.

"When the money gets big," says Water Committee President, Reverend Blameh, "if the pump doesn't break down, we'll build more latrines." The sum in the account is transparent to all committee members. It's also plainly visible to them that the church in Gaylayla Town is committed to both people's physical and spiritual lives. An outsider might call it holistic mission, but in Gaylayla Town they just call it the gospel.

» *Learn more about sustainability solutions in Liberia at www.water.cc/liberia.*

BURKINA FASO *death and eternal life*

Your partnership with Living Water International saves lives, improves health, increases school attendance, improves economies, and demonstrates the love of God—but it also does more than that. It brings blessings we could have never predicted, like keeping traditional healers from slashing children's bellies.

Many West African Dagara people are marked with scars. Yobamcheri, a Dagara evangelist with whom Living Water works, has facial scars that indicate where he was born. But the biggest, most numerous scars you'll see in Dagara villages are on children's bellies.

When children are sick with stomach pain, parents bring them to the *titulo* (a word we heard translated as witch doctor, sorcerer, fetishier, or medicine man). They pin the child down, and the *titulo* cuts their belly with a razor blade. "The child cries," Yobamcheri explained, "his mother wants to hold him close, but she can't because it hurts the cuts on his belly."

The practice is supposed to treat the demonic cause of stomach illness, but it won't; the real cause of their illness is the dirty water.

In Burkina Faso, Living Water partners with one of the most vibrant church-planting movements we've ever seen, and water has played an important role in recent Church growth.

"The wells are proof of our love," says Yobamcheri. "I see a love in the people now. There are no more stomachaches like in the past, so people don't go to the witch doctor. Instead, they come to church and pray."

It's working. In many villages, parents no longer see a reason for their children to be cut up by the *titulo*, and clean water is being used to invite people into an experience of the *living water*.

The Dagara Christian movement is stripped down to the essentials. There are no building committees; stick a twig cross in the ground under a shade tree and you have a church. More than 100 such congregations have sprung up among Dagara people who had previously never heard of Jesus.

On Easter Sunday, they gathered for worship. They joined their voices in song, then followed a procession to the Batar River. It has become their tradition to welcome new

"In baptism, we leave the old things behind. Quarrels, witchcraft, idols, and fights—we leave them in the water, and we rise up a new creation."

believers to the faith on Easter—1,178 people baptized that weekend.

"In baptism, we leave the old things behind," said Yobamcheri, "quarrels, witch craft, idols, and fights—we leave them in the water, and we rise up a new creation."

He was baptized in the same river himself, years ago. Since then, he's started 41 churches. "We used to drink from this river," he reflected when the service was done, "it used to bring us death. Now it gives us eternal life."

» *Want to be part of our partnership with the Church? Check out www.water.cc/church.*



HEADLINES FROM THE FIELD

We could fill these pages many times over with all the great stories from 2013. Here are just a few highlights from the past year that make us smile. We hope they'll do the same for you.



CHEVRON PARTNERSHIP IN LIBERIA



Chevron Liberia Limited partnered with Living Water in Liberia to help us purchase a new PRD 650 drill rig. Manufactured in India, the rig can drill a 6-inch borehole to 800 feet and will further Chevron's efforts to give back to Liberia through Living Water's water, sanitation, and hygiene programs.

CRISIS IN C.A.R.

Our partners' offices in the Central African Republic were looted by rebels, and you responded! We asked for help to replace equipment stolen in the raid, and thanks to your generosity, we were able to send an additional \$43,500 to our partners so their life-saving work could continue amidst political crisis.

CHURCH PARTNERSHIP IN ZIMBABWE

In 2013 we partnered with the Evangelical Fellowship of Zimbabwe (EFZ). Established in 1962, and with a membership of 4.5 million from 400 church partners, EFZ gives Living Water roots within the Zimbabwean Church while Living Water supports their mission of the great commission by providing water, for life, in Jesus' name.



NEW RIG FOR HAITI!

Our Houston office doesn't only oversee operations in 23 countries—we make stuff here, too! After months of construction in our on-site workshop, the Living Water 750 drill rig was completed. The rig is designed to drill more than 750 feet deep in any kind of terrain, and still fit in a 20-foot shipping container. Affectionately named "Hannah," she's compact, easy to operate, and packs a powerful punch. More on our blog at:

» www.water.cc/haitirig

SWEETSENSE TECHNOLOGY IN RWANDA



Living Water began a partnership with Portland State University's SWEETLab (Sustainable Water, Energy and Environmental Technologies Laboratory) to pilot the use of their SWEETsense technology to remotely monitor well functionality in Rwanda. Technology like this could change everything for our project monitoring, evaluation, and sustainability strategies around the world.

» www.sweetsensors.com

SECOND WPA LAUNCHED IN UGANDA



In 2013, Living Water launched a second Ugandan WASH Program Area (WPA) in Nyabushozi. After seeing the great success of our WPA in Ntungamo, we wanted to test the impact and efficiency of having multiple WPAs in a single operation. More about our work in Uganda at:

» www.water.cc/uganda

CHURCH MOBILIZATION STRATEGY



We've always worked with U.S. churches to mobilize funds and international churches to help carry out our work. In 2013, alongside church leaders and pastors, we began to reimagine our partnership with the Church—both in the U.S. and abroad—to better use our work together to help develop thriving congregations, empowered to transform the village, the neighborhood, and the world. Check out the full strategy document here:

» www.water.cc/churchmobilization

LAZOS DE AGUA IN MEXICO

Through our ongoing friendship with the Millennium Water Alliance, Living Water is joining forces with Coca-Cola and FEMSA Foundation in Mexico. Our new partners will commit \$1.55 million to our three-year, \$3.9 million program there called *Lazos de Agua* (Water Links). Work began in Puebla in 2013, and will be expanding south into Oaxaca and Chiapas over the next two years.

ADVOCATES

Walkers, riders & dumpster divers



WATER FOR LIFE *business owners make a difference*

Quart and Carrie Graves own and operate two Houston area Chick-fil-A stores. Five years ago they set out to find a ministry to invest in and actively involve their business. They chose Living Water International, and soon afterward began to dream of a day when Chick-fil-A stores across the nation would join them.

In 2013 that dream came one step closer to reality when 54 Houston area Chick-fil-A stores participated in their “Water for Life” campaign. Together, those stores, Chick-fil-A customers, staff, and partner businesses raised more than \$140,000 to support Living Water’s work in North Haiti with a special focus on project sustainability.

Their story is just one demonstrating how integrating positive values into everyday business can change the world. For their franchise, this meant sharing about the water crisis through marketing and team member interactions, then inviting customers to help Living Water make a difference.

Instead of just seeing customers, Quart and Carrie saw partners. They saw how everyday transactions—financial and relational—could

lend meaning to the workplace and to the lives of everyone who walked in the door. Their vision was so contagious it spread to other stores and across the sea to bless our neighbors in Haiti.

“From our platforms of church and business, we as individuals can make choices to save lives and change lives—forever,” said Living Water CEO, Mike Mantel. “We are grateful to Chick-fil-A for using its platform for clean water, in Jesus’ name.”

On top of their impact in Haiti, Quart and Carrie were later able to go on a Living Water trip to Honduras to drill a well themselves.

“We were able to convey that, yes, this is a well that will provide you with an amazing resource,” said Quart, “but the *living water* is a thousand times more valuable because it’s eternal. It was a beautiful, beautiful time we had together as a Chick-fil-A family and everyone there from Living Water.”

Quart and Carrie’s dream will continue to grow in 2014 with the support of the WinShape Foundation, a non-profit ministry founded by Chick-fil-A founder Truett Cathy.

“It’s not just about changing lives, it’s about saving lives. I can’t think of a better way to serve.”

All the participating Houston area stores plan to repeat the “Water for Life” campaign in November and December 2014, and Living Water will host Chick-fil-A corporate staff, owner operators, and team members on three short-term trips to Haiti during the year.

“It’s not just about changing lives, it’s about saving lives,” Quart said. “I can’t think of a better way to serve.”

» *More about our work in Haiti at www.water.cc/haiti.*



GIVE WELL

Highlights from our first year of online personal fundraising pages



In 2013, Living Water International took the water crisis online with Give Well personal fundraising pages. Just choose a country, set a goal, and Give Well makes it easy to invite your friends and family to change the world!

We were inspired to see people set up birthday Give Well pages to ask for gifts for the thirsty instead of for themselves. Young couples used them to bless thirsty people instead of receiving wedding gifts. Kids used them to ask for water for someone else instead of Christmas gifts. People raised money for short-term trips, walked, biked, ran, and did all kinds of creative things to raise funds on behalf of the people around the world we serve together. These are just a few highlights among the many people who inspired us so much.

\$10,000

THE LEE FAMILY

After adopting their Ethiopian son, the Lee family biked 460 miles across the entire state of Colorado to raise more than \$10,000 for Ethiopia.



CHERYL & KEVIN

Some couples register at a department store, but to kick off their lives together, Cheryl and Kevin asked for water for people in El Salvador. Then, to celebrate their first anniversary, they went there and drilled the well themselves!



\$80,000

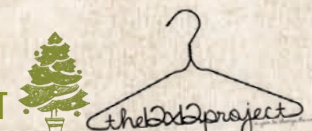
SHORT-TERM TRIP ALUMNI

Through a generous match, short-term trip alumni raised \$80,000 for our team in Nicaragua! The funds went toward a new compressor and service truck to multiply our work there.



12X12 PROJECT

A group from Lakeland, Fla., decided to support 12 social justice issues in 12 months, one being water. The advocates wore Living Water t-shirts all month, and raised \$9,055 for clean water projects in India.



\$12,000

ROB WONNELL

Could you drink only water for 365 days? Rob did, and raised nearly \$12,000 for Ethiopia through the help of friends and family.



JOSH & MARK

What happens when you mix 55 Days, 3,765 miles and 4.5 gallons of peanut butter? One epic ride. Cyclists Josh and Mark trekked from California to North Carolina. Their trip raised more than \$9,000 for Guatemala, and in 2014 they visited the well their ride funded.



\$1,000

TANNER & MAEGEN

When Tanner and Maegen got engaged, they said they already had everything they needed, so they asked their wedding guests to help them bless people in Nicaragua. The couple exceeded their \$1,000 goal and shared their passion in the process.



\$260

BRIELLE MORELAND

On Thanksgiving Day, 7-year-old Brielle ran one mile to help kids like her have access to clean water. Brielle raised \$260 for Uganda!



UXBRIDGE CARES

Inspired by Advent Conspiracy, the Uxbridge Cares team was moved by compassion towards action and exceeded their \$5,000 fundraising goal to offer clean water to the people of Guatemala.

\$5,000

\$3,000

JASON & JORIE

When Jason and Jorie got married, they told their guests they wanted God to be at the center of their special day. That's why they asked their guests for a special wedding gift—to help them raise \$3,000 to fund a water project in Haiti.



TOGETHER IN 2013
WE RAISED OVER
\$478,000

IN OUR FIRST
FULL YEAR ON GIVE WELL

CALVIN CHRISTIAN SCHOOL

Calvin Christian School wanted to spread the truth of God's love by meeting the basic need of clean water and they exceeded their \$5,000 goal and raised \$12,192 for Liberia.

\$12,192





NICARAGUA *short-term trip alumni respond*

In 2013, 2,339 people went on 271 short-term trips to drill or repair wells with us in Nicaragua, Guatemala, El Salvador, Honduras, and Haiti. When we send these teams, we're not really looking for labor—we're looking for transformed hearts. We're looking for people who want to have a powerful experience, make new friends, and take action on their behalf. After all, Living Water itself was born out of just such a trip.

That's why we were excited to see short-term trip alumni respond when our Nicaragua team had a critical need.

To keep up the work in the Rivas, Nicaragua area, the team needed a new air compressor and a service truck. They looked to us for help—which is another way of saying they looked to you for help.

Right about then a couple from Fort Worth, Texas, who had been short-term trip participants themselves, wanted to know how they could help. Having work experience in the oil and gas industry, they appreciate the critical importance of equipment. Their desire was to give to support the ministry of Living Water International, but they also knew

that if we want to make a dent in the world water crisis, we need to take action together.

Remembering the power of their experience drilling a well with Living Water, they challenged their fellow short-term trip alumni to join them. The challenge offered a dollar-for-dollar match for gifts made towards Living Water Nicaragua's equipment purchase—up to \$40,000!

Trip alumni—folks whose hearts have been touched by Living Water staff across Central America, people who've gotten muddy with us, hauled water, mixed drilling fluid, hoisted drill stem, cut pipe, mixed concrete, fired up a compressor, developed a well, and installed a pump—rallied.

A fundraising page was set up on Living Water's online fundraising platform, Give Well. A goal was set, people spread the word, they gave online, and they invited their friends to do the same. In 90 days the generosity of nearly 150 people mobilized \$80,000!

The funds allowed our staff to purchase a new service truck and air compressor for their life-saving work in Rivas, Nicaragua.

To keep up the work in Rivas, Nicaragua, our team needed a new air compressor and service truck. Trip alumni rallied.

This equipment is hard at work now, helping our staff visit communities in desperate need in their new truck, and every week the compressor is used to clean and develop new wells—both will be blessing people for years to come.

"Each new well we drill brings blessings, transformation and a new beginning for many people," said Nicaragua's Short-Term Trips Director, Jorge Alvarado. "Thank you for being present through these blessings in each well in each community."

» *More about Give Well fundraising pages at www.water.cc/givewell.*

ADVOCACY HIGHLIGHTS *you in action*



Matti Wins Unicef Award

On a car ride home from school, 10-year-old Matti read a children's book about the need for water in Africa. She immediately communicated what she learned to her classmates and raised her first \$15. Partnering with her local church, Wellspring Community Church, she organized a community-wide 6K "Walk4Water" fundraiser where more than 100 people experienced the distance many walk for water in Africa. Together they raised \$5,000 for Uganda, and UNICEF took notice, honoring Matti's efforts with the Humanity4Water award!



Child CEOs Visit India

Two of Dallas' youngest CEOs—Katherine and Isabelle Adams, founders of Paper for Water—exceeded their already impressive 2013 goal for the thirsty. Through donations from handcrafted origami ornament sales, a generous corporate match from Envirocon Technologies, and the winnings from a 3M Post-it® Notes contest, the girls raised \$285,000 for safe water! To finish off an amazing year, the whole family visited water projects they helped fund in India, meeting community members whose faces they had only imagined throughout those long hours of paper folding.



Four Year Old Paints for Water

When 4-year-old Graeme cleaned his paintbrush in a glass of water after watercoloring, his mom explained that some people's drinking water looks just as murky—but that their family could do something to change that. Soon they made prints of Graeme's painting, "A One-Horned Buffalo Named Candy Corn," and sold them on Etsy, donating the proceeds to Living Water International. After seeing their success, Graeme asked, "Does everyone have clean water yet?" Upon hearing the reply, he quickly agreed to create more original art pieces.



Recycling for the Thirsty

Yes, recycling saves the environment, but for Bear Creek Community Church in Lodi, California, it also helps their congregation offer safe water—funding 53 water projects by the end of 2013. On any given weekend, they fill between 20 and 40 drums with beverage containers, bringing in up to \$1,000 a week for the thirsty—sometimes even "dumpster diving" in their communities to secure extra cash. Bear Creek has recruited five other congregations to join them, with a goal to see 1,000 churches contribute \$1,000 a month by recycling.



Alex and Ani

Alex and Ani jewelers continued to offer Living Water a portion of proceeds from the Living Water Bangle as part of their Charity by Design program. Committed to educating their customers about things that matter, they included a Living Water gift card with each purchase. Purchasers logged on to www.water.cc/alexandani to learn more about our work, and chose who their purchase would benefit. Alex and Ani contributed nearly \$300,000 to Living Water in 2013, and we pray their customers feel blessed to have changed the world!



Liquid Church

This New Jersey church has sponsored wells, purchased drill rigs, and sent short-term trip teams to Haiti, El Salvador and Nicaragua—but what we love most about them is the way they've used our partnership and the cause of water to invite new people into their church to experience the gospel. As they continue to grow their community locally, their current focus internationally is to help us expand and strengthen our programs in Nicaragua.



LIVING WATER

Strategy, stewardship & celebration

DEEPER *intersections of faith & work*

Living Water International's 2013 Gala, Deeper, celebrated the many ways that together we're making a deeper impact—saving more lives, empowering more people, and more deeply demonstrating God's love.

Haiti was the first stop on our tour. We saw images and heard stories of Living Water's work there as we transition from relief to ongoing water, sanitation, and hygiene work. Even the simplest stories came to life, like when our Haitian country director, Willys Geffrard, shared what it was like to bear the responsibility of hauling water as a little boy. "Sometimes on the way home we would fall down, spill our water, and walk back to the spring in tears. If we ran too late, we would miss school, and some children's parents would beat them...if you grew up here in the United States, I don't think you know how traumatic spilling a bucket of water can be."

From the other side of the world, Ambaye Zekewos shared what it was like as a young Ethiopian Christian in the 1980s, working for a government that forced him to choose between his job and Jesus. His decision thrust him into the world of Christian development work just as a famine in his

country was killing some 400,000 people. "I have seen too much death in my lifetime," Ambaye shared, "I'm sick of it, and you should be too." That was why he was so proud to see his Living Water Liberia team successfully engage villages in Community Led Total Sanitation.

From there we moved on to Burkina Faso, as Geoffrey Richter shared the challenges of his work: extreme heat, isolation, persistent dust, malaria, and other diseases. He also shared the joy of empowering new Burkinabe Christians like Evariste, who heads up his well rehabilitation program, and Yobamcheri, the evangelist he's helped to plant some 41 new churches.

These stories are exciting to us because through them we hear what we've accomplished together. They're proof that our body in Christ is bigger than we know.

The night was made possible through the support of Gala chairs, Stephanie and Hunter Hunt. Also honored were some of our littlest CEO friends, Katherine and Isabelle Adams—founders of Paper for Water, child advocates, and recipients of Living Water's 2013 Harry

Deeper celebrated the many ways that together we're making a deeper impact, saving more lives, empowering more people, and more deeply demonstrating God's love.

Westmoreland Award.

Living Water President and CEO, Mike Mantel, summed it up like this: "As we work together—communities of faith and business—we will see the day when everyone will have access to safe, ongoing water, and it is our prayer that everyone involved will experience *living water*—the gospel of Jesus Christ."

» *For more, check out the videos labeled "2013 Gala" at www.water.cc/videos.*





WHAT WE'RE LEARNING *studying our Uganda WPA*

With our 2011-2015 Strategic Plan, Living Water International began to concentrate work into WASH Program Areas (WPAs). A WPA is a defined geographic region where we focus work for 3-5 years to thoughtfully integrate water access, sanitation, and hygiene (WASH), as well as mobilize churches to multiply the impact of each. We tested the approach beginning in January 2012 in Ruhaama County, Uganda. This pilot program reached its halfway point in 2013, and we've already seen some remarkable change:

Water Access

Working in a WPA stretched our focus from individual water points to regional access. We gathered baseline data, and then checked back to find that:

- » The proportion of households able to gather water in 30 minutes or less shot up from 36% to 70%.
- » Homes with an improved water point within 500 meters rose from 47% to 78%.
- » 88% of households reported no regular water system breakdowns, and all communities were equipped to make quick repairs when necessary.

Sanitation

Sanitation education resulted in 35% of latrines receiving upgrades, such as doors to provide privacy, and noticeably improved maintenance and cleanliness.

Sustainability

Initiative was key. Communities were required to create government-registered management bodies with active bank accounts, obtain a recommendation from a county government representative, create plans and proposals, and sign a contract that included a cost-sharing arrangement—all of which resulted in successful water systems maintenance.

Church Mobilization

At the time of evaluation, Living Water had trained 182 Ruhaama-area church leaders in oral disciple making. 93% of trainees reported that the skills were relevant to their life and ministry—particularly important given that people in the WPA population are primarily oral preference learners. 256 church leaders were also trained in Foundational Bible Studies, with 60% reporting that these were relevant to their ministry, and 178 leaders attended multiple Bible studies on

*The lessons we learn
anywhere inform our
strategy everywhere.*

resource mobilization—all to demonstrate the love of God.

Impact on Global Programs

The lessons we learn anywhere inform our strategy everywhere. Uganda's WPA pilot has already given shape to our WPA model, and has informed how we gather data through household and community assessments. The program's emphasis on community management, role negotiation, written agreements, and fee structures influenced our new Minimum Standards for Programs and our recently drafted Sustainability Framework. Living Water has since launched a second WPA in Uganda, as well as WPAs in Haiti and Mexico—and we look forward to sharing what we learn there, too!

» *For more about Uganda's WPA go to www.water.cc/uganda.*

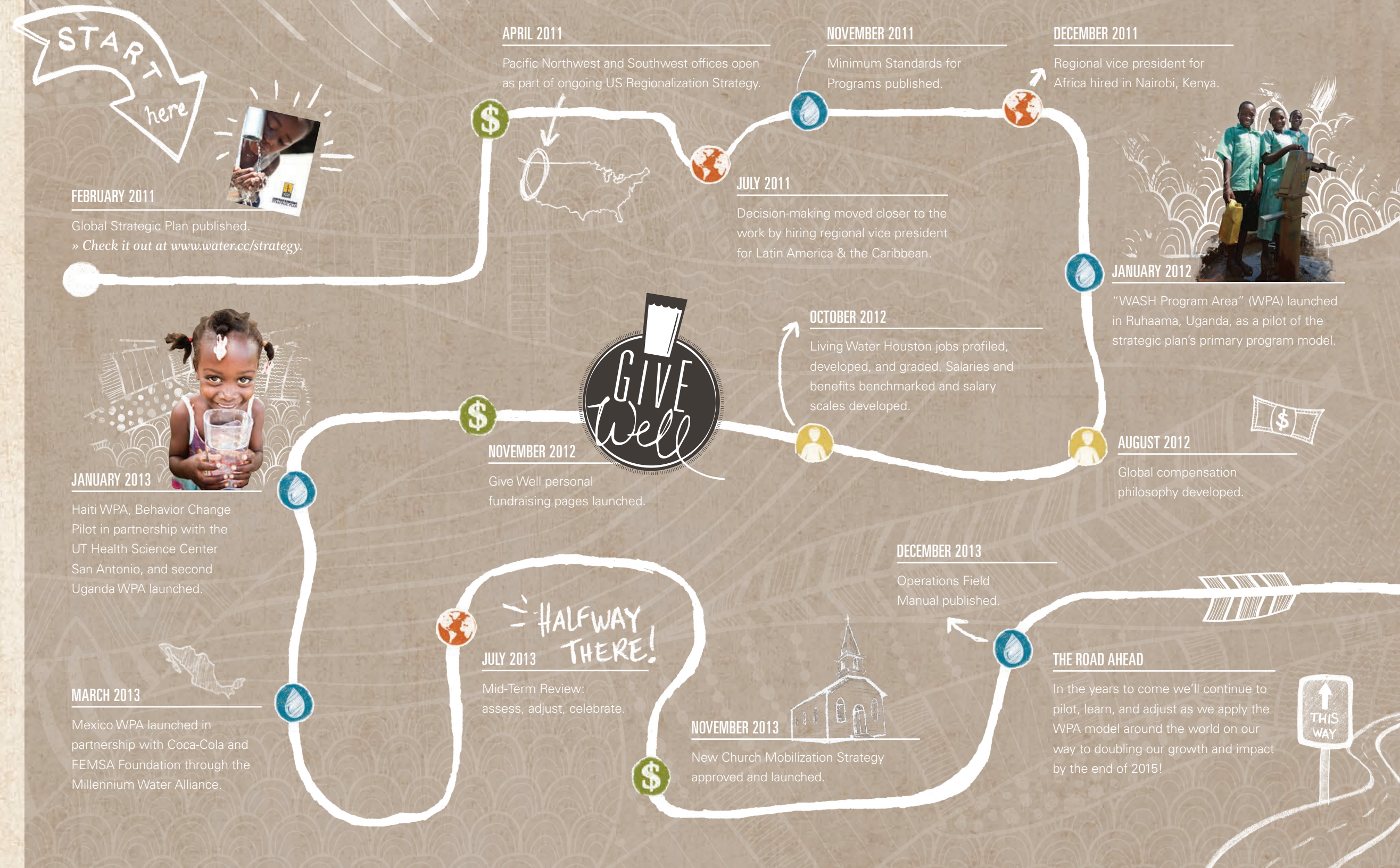
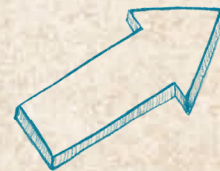
THE PLAN

looking back & planning ahead

Living Water has enacted an enormous amount of positive change over the past few years—focusing work in WASH Program Areas, managing pilot projects, engaging churches and people here and abroad—and there is a design behind it all. It's the outgrowth of our 2011-2015 Global Strategic Plan, which focuses on four major initiatives:

-  **PROGRAM STRATEGIES**
-  **FUNDRAISING & ENGAGEMENT**
-  **STAFF DEVELOPMENT & CARE**
-  **GLOBAL STRUCTURE & GOVERNANCE**

Summer 2013 marked the midpoint in that plan to double our growth and impact. Here are a few milestones along the way. Stick around for exciting things to come in the second half, and brace yourself for our biggest vision yet, to be cast in 2016.





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FINANCIALS *God’s faithfulness, your generosity, our responsibility*

I am pleased to announce that Living Water International had a very good year—both in terms of revenue and program accomplishments. We finished our planned water points and, per our Strategic Plan, focused even more resources on establishing community baseline surveys, changing communities’ behavior (hygiene and sanitation), improving ongoing sustainability of projects, helping countries meet minimum standards, and expanding Christian witness initiatives.

The following are our management’s financial estimates and highlights. Detailed audited financials and Form 990 will be published on our website as soon as they are available. Our external audit, which covers our domestic and international operations, is managed by our Corporate Controller, Brian Allen, MBA and CPA.

Almost all of our revenues are in cash donations or cash grants versus “gifts in kind” donations. Therefore, we are very pleased with our program ratio—80 cents of every dollar was spent on programs.

The balance is used for ongoing fundraising and administration. We account for each revenue and expense dollar according to generally accepted accounting principles (GAAP); we monitor and consolidate our Affiliates’ financials every month and report to management the actual results versus budget for our operations in each of our 23 countries; and our senior team adjusts remaining activities accordingly.

We are also pleased with our ratings and standing with Charity Navigator and the Evangelical Council for Financial Accountability (ECFA)—you can invest in Living Water with trust.

We consider it a blessing to provide water, for life, in Jesus’ name.

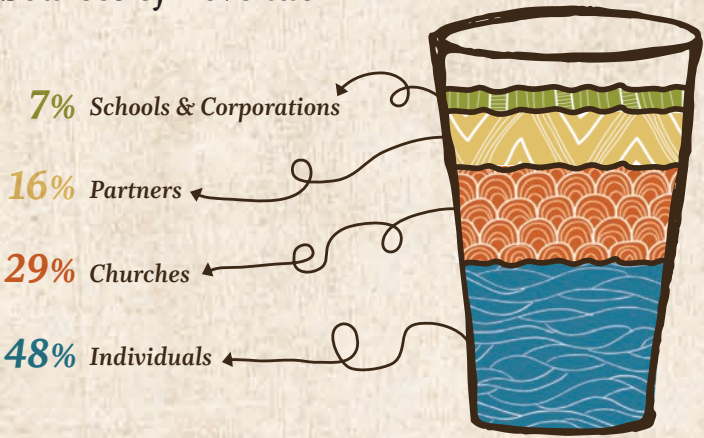
Sincerely,

James W. Malliet
SVP – Chief Financial Officer & Treasurer



REVENUE & EXPENSES *how our cup overflows*

Sources of Revenue



TOTAL REVENUE \$25,021,000

INDIVIDUALS \$12,004,000

Thousands of people, just like you, gave Living Water gifts of all sizes, which in total represented 48% of our revenue. We are very thankful for your commitment.

CHURCHES \$7,166,000

We were blessed to see church donations grow by 27% in 2013. Churches now represent 29% of our revenue.

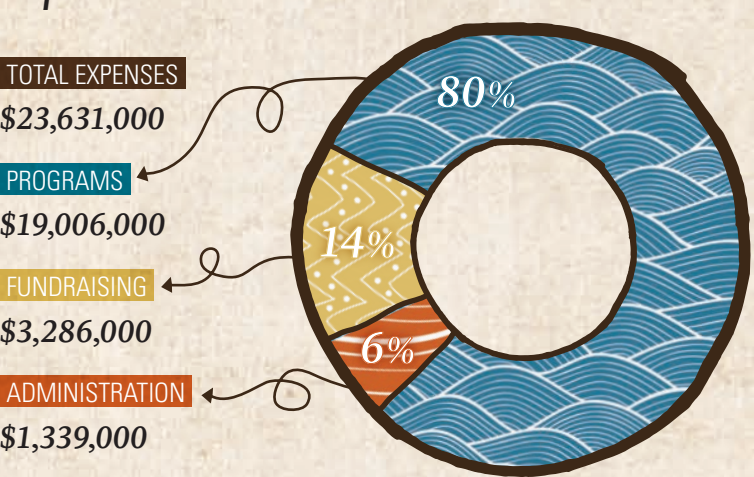
PARTNERS \$3,979,000

We were strongly supported by funding partners in 2013—working together to deliver water, for life, in Jesus’ name. Our funding partners consist of 102 non-profits, foundations, and non-governmental and governmental organizations.

SCHOOLS & CORPORATIONS \$1,872,000

From students to company-matched employee donations, we have seen God touch hearts. This source of revenue grew the fastest in 2013, increasing by 72% to now represent 7% of our total.

Expenses



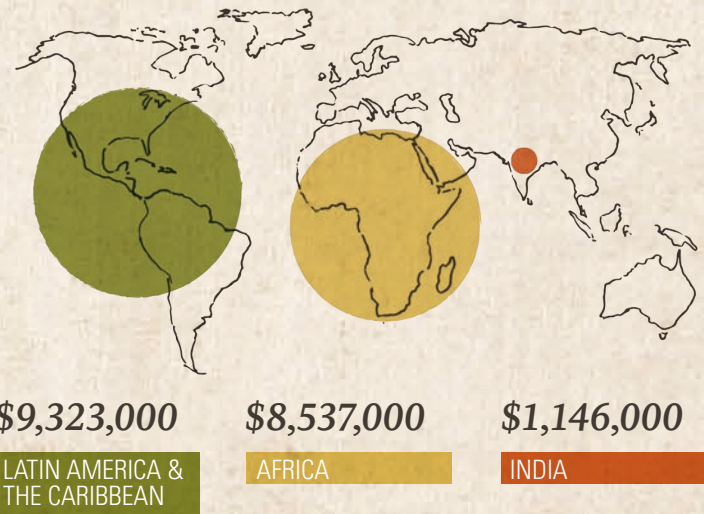
TOTAL EXPENSES \$23,631,000

PROGRAMS \$19,006,000

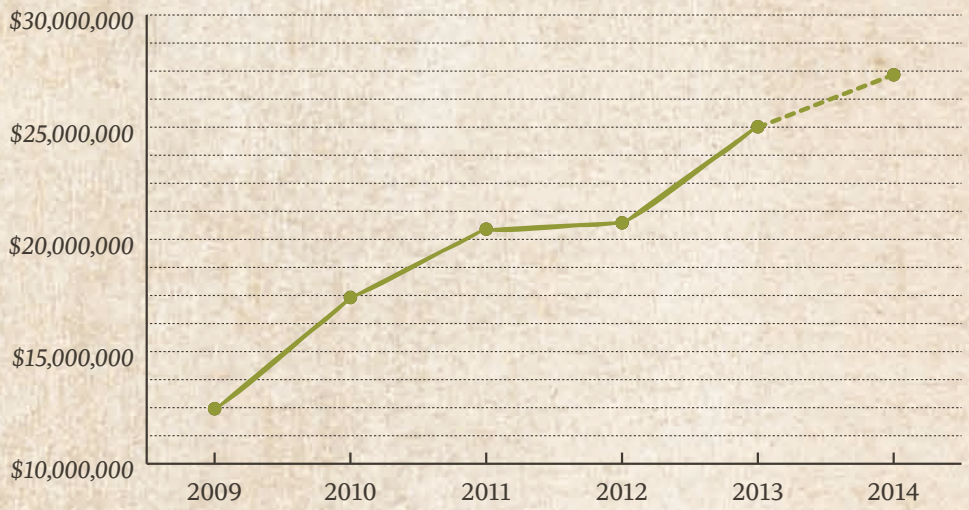
FUNDRAISING \$3,286,000

ADMINISTRATION \$1,339,000

Program Expenses by Region

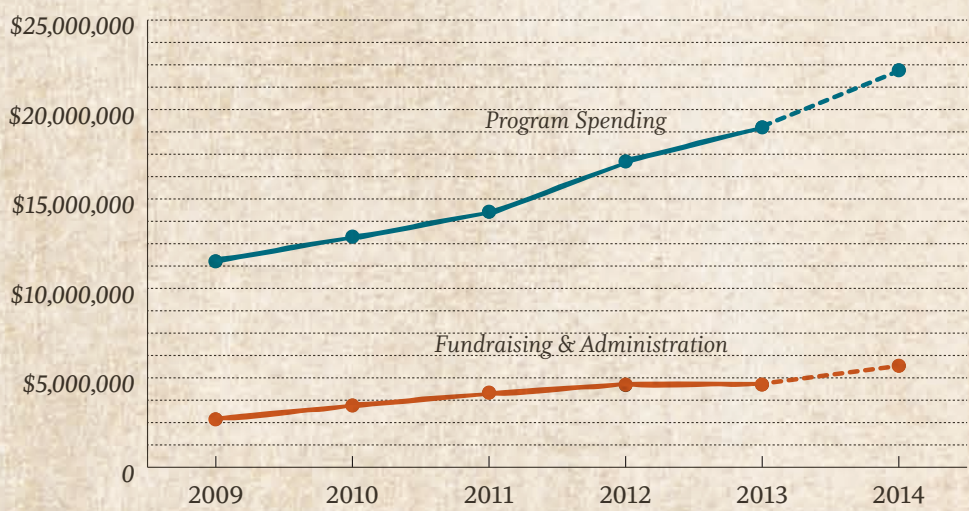


TRENDS *where we’ve come from & where we’re going*



Revenue

Living Water is very thankful for God’s provision throughout 2013. By achieving our year-end target, we can have a fast start in 2014 in funding the programs and projects in the 23 countries in which we operate. We not only focus on providing safe water, but also spend a portion of revenue on sanitation and health initiatives, sustainability, promoting community behavioral changes, and ongoing Christian witness.



Expenses

During 2013, we spent slightly more than 80 cents of every dollar on programs, versus 79 cents in 2012. Our goal is to always spend 75 cents or more of every donated dollar on programmatic efforts, while also continuing to strengthen the infrastructure in fundraising, human resources, accounting, and administration. In total, 2013 program spending increased by 11 % while fundraising/ administrative expenses went up 1 %.

KEY FINANCIAL DATA

Revenue Sources	2009	2010	2011	2012	2013	% Increase vs. 2012
Contributions	\$10,390,000	\$15,285,000	\$18,047,000	\$17,498,000	\$21,861,000	25%
Special Events	1,809,000	2,057,000	2,152,000	2,652,000	2,692,000	2%
Other	254,000	69,000	257,000	589,000	468,000	- 21%
Total Revenue	\$12,453,000	\$17,411,000	\$20,456,000	\$20,739,000	\$25,021,000	21%

Operating Expenses	2009	2010	2011	2012	2013	
Total Program Expenses	\$11,516,000	\$12,894,000	\$14,286,000	\$17,100,000	\$19,006,000	11%
Fundraising	1,712,000	2,329,000	3,028,000	3,201,000	3,286,000	3%
Administration	971,000	1,128,000	1,145,000	1,378,000	1,339,000	- 3%
Total Operating Expenses	\$14,199,000	\$16,351,000	\$18,459,000	\$21,679,000	\$23,631,000	9%

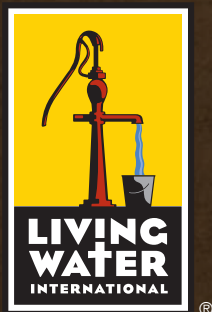
Revenue Over (Under) Expenses	2009	2010	2011	2012	2013
Total Year (Add or Subtract from Temp. Investments)	(\$1,746,000)	\$1,060,000	\$1,997,000	(\$940,000)	\$1,390,000

Figures above are management-generated. Audited financials will be available June 2014. See www.water.cc/financials for Form 990 and audited financial statements.



Jesus answered, “Everyone who drinks this water will be thirsty again, but whoever drinks the water I give them will never thirst. Indeed, the water I give them will become in them a spring of water welling up to eternal life.”

JOHN 4:13-14



Living Water International • 4001 Greenbriar Dr • Stafford, Texas 77477-3922 • 281.207.7800 • www.water.cc