

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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What a pivotal year this was for Living Water International. While we encountered challenges—some planned and others unforeseen—you helped us move forward, and by God's grace, we have a lot to celebrate this year. Thank you!

As you may recall, we have transitioned to a new fiscal year (July 1–June 30) that allows us to plan more efficiently and approach our annual strategy more effectively. This June concluded our first new fiscal year and the first year of our five-year strategic plan (P. 8). We are moving forward into our long-term 2040 vision by measuring results in the ways we serve communities, churches, and donors; grow and steward our finances; strengthen processes that work; and develop people and systems.

We also strive to grow as a healthy, Christ-centered community—a community that encompasses not only our staff here and around the world, but our volunteers, our partners, and our supporters. As we engage in the Kingdom work of serving the thirsty, we are transformed, like members of First Baptist Church in Pontotoc, Mississippi, when they stepped out of their comfort zones on a Living Water Trip (P. 32). And that is only the beginning.

You are an integral part of the Living Water community, and we hope you are inspired by the stories you read on these pages. You'll read about Jaime's perseverance to follow God's call in Guatemala, even when it seemed impossible (P. 10-11). You'll meet Pastor David who was able to share the gift of water in the name of Jesus—opening the door to relationships that had been closed for generations (P. 30-31). These, and more, are stories of transformation you have made possible.

Thank you for joining our journey to bring water, *for life*, in Jesus' name around the world.

In Christ,

Michael J. Mantel, Ph.D.

President & CEO



everything starts with

water

SINCE JULY 2016

In the last 12 months, your support provided numerous communities with safe water, sanitation services, and hygiene training as we shared the gospel and mobilized churches around the world.

This fiscal year, Living Water International completed 1,302 water projects, serving 331,298 people. Partnering with local churches when possible, our staff trained 152,278 people in proper hygiene and sanitation practices through 3,129 lessons. Our teams presented the gospel to 208,970 people, and 8,625 people attended Bible storytelling workshops. Thank you for bringing the life-giving power of safe water and the *living water* of Jesus Christ to thirsty communities in Latin America and the Caribbean. Africa, and South Asia!



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PEOPLE SERVED	1,200	5,025	5,750	3,300	12,950	70,250	6,700	31,690	22,593	26,500
NEW WELLS	5	68	13	12	74	42	67	230	28	67
ALTERNATIVE WATER PROJECTS	0	0	0	0	0	2	0	0	6	0
REHABS	0	0	10	0	0	40	0	0	28	31



1,302
WATER PROJECTS
COMPLETED

331,298 PEOPLE SERVED

152,278
TRAINED IN
HYGIENE &
SANITATION

208,970
HEARD THE
GOSPEL
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8,625

TRAINED
BIBLE
STORYTELLERS

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A ROADMAP TO 2021

Living Water International has a vision that by 2040, a total of 25 million people will experience water, for life, in Jesus' name.

To attain this vision and continue our work of providing high-quality water access, sanitation, and hygiene (WASH) services in the name of Jesus to the thirsty, we need to know where we're going and how we're going to get there.

The strategic objectives outlined here are our guide for the 2017-2021 Strategic Plan. Built on our Core Values of Honoring God, Developing People, Pursuing Excellence, and Being Good Stewards, these provide a framework for each team and country office to set its own aligned objectives and measures.

For more on each objective and how they are being measured, visit water.cc/Strategy.

0 **IMPROVE CORE OUTPUTS IN COMMUNITIES** ш **SERVE** ≥ Measure day-to-day results COMMUNITIES. WHAT with local churches and **CHURCHES &** communities in keeping with **DONORS** our Quality Standards. IMPROVE COST **EFFICIENCY GROW &** Analyze, track, and articulate the STEWARD OUR value costs of the activities we FINANCES pursue, streamlining processes and organizing staff structures. **ENHANCE RESULTS-BASED** 0 MANAGEMENT & REPORTING **STRENGTHEN** ΝE At a nuts-and-bolts level. **PROCESSES** efficiently develop plans and THAT WORK MOH budgets, and then effectively manage and report against them. **INTEGRATE & MAXIMIZE** INFORMATION SYSTEMS **DEVELOP**

PEOPLE &

SYSTEMS

Develop a global, integrated

information system that allows

real-time access to project status and timely reporting to donors.

2040 VISION

2021 STRATEGIC RESULTS

INCREASE ACCESS TO SUSTAINABLE WASH SERVICES

Continue to integrate water access, sanitation, hygiene, and church mobilization through 3-5 year programs in focused areas.

NURTURE THRIVING CHURCHES

Support and equip churches to be communities of life and love—both in the United States and around the world.

FULFILL & TRANSFORM DONORS

As people serve communities and churches through significant giving of their time and resources, they will be transformed.

ALLOCATE FUNDING TO STRATEGIC PRIORITIES

Consistently "put our money where our mouth is" by investing financial resources according to this plan.

GROW & DIVERSIFY REVENUE

Set plans and targets for diverse revenue streams, with growing emphasis on new geographical areas and multi-year commitments.

INCREASE TRANSPARENCY & ACCOUNTABILITY

Keep building trust with donors and the public, demonstrating that funds are spent effectively on the intended outcomes.

STRENGTHEN COLLABORATIVE PARTNERSHIPS

Cultivate partnerships and alliances with local and international NGOs, church networks, and other organizations.

CULTIVATE & SUSTAIN INNOVATION

Continuously examine what works and cultivate a community of learning and practice.

ATTRACT & DEEPEN ENGAGEMENT WITH DONORS

Focus attention on deepening relationships with existing donors while attracting new donors.

IMPROVE UNDERSTANDING & PRACTICE OF INTEGRAL MISSION

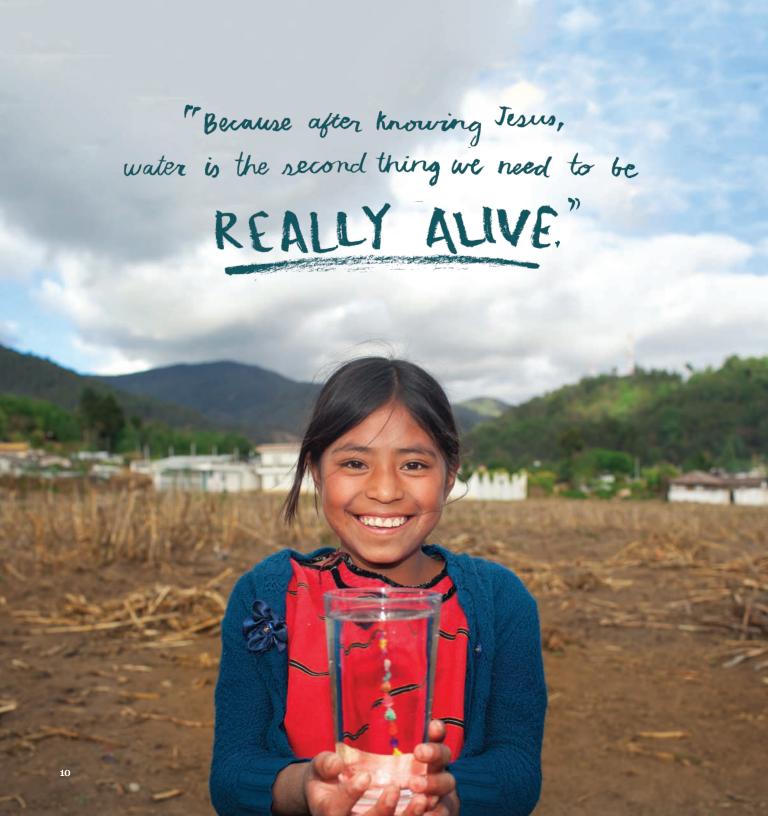
Grow a culture that recognizes that demonstrating and proclaiming the gospel of Jesus Christ are inseparable.

OPTIMIZE STRUCTURE, LEADERSHIP & CAPABILITIES

Ensure offices are organized and sized to lead well and make efficient decisions with knowledgeable colleagues.

CULTIVATE A HEALTHY, CHRIST-CENTERED COMMUNITY

Prioritize spiritual, mental, and physical health, along with security in our policies and culture.



THE RIG + JESUS

For more about Jaime, visit water.cc/GodCalls.

While working near the Pacific coast, Jaime, our lead driller in Guatemala, met a man named Melessio who asked Living Water International to drill a well in Cajola—his remote community in the highlands.

As someone who knew about life without safe water, Jaime wanted to help Melessio, but his drilling rig wasn't designed to work in the rocky, rugged highlands. However, Melessio persisted; he continued calling Jaime for more than two years. Finally, Jaime recognized this was a call from God to help his brother and all those suffering in Cajola.

So up to the highlands Jaime went. Despite the limitations of his rig, he knew Jesus was with him. Though Jaime maneuvered the truck and his team safely into

Melessio's community, they were still unable to drill through the rock. Nevertheless, Jaime remained confident that "with the rig, plus Jesus, everything is possible."

After multiple failed attempts, he eventually found a wide valley and an accessible aquifer. When the rig broke through the rock, the people were ecstatic. They were incredibly grateful to Jaime and all those who brought the gift of safe water into their lives.

The success of this well reminded Jaime—and all of us at Living Water— that challenges often mean new opportunities. Today, we continue to drill in difficult areas because of Melessio's faithfulness and Jaime's obedience. Rather than simple boreholes, communities in this part of Guatemala use a water tank on the side of the

mountain. First, Jaime and his team drill for water in the valley and install a submersible pump. The water is pumped into the tank, then gravity helps deliver water to the surrounding homes.

Now children in Cajola and many communities in Guatemala no longer fall ill and die from contaminated river water. Their families enjoy better health, and the entire area has been transformed by safe water.

Jaime still follows God's call to bring safe water and living water the gospel of Jesus Christ—to remote, forgotten communities in Guatemala. "Because after knowing Jesus," Jaime says, "water is the second thing that we need in our life to be really alive."



GLOBAL PARTNERS WIDEN PROGRAM REACH

To learn more about our WASH Program Areas, turn to P. 14.

Increasingly, Living Water International is recognized by governments and nongovernmental organizations (NGOs) as a preferred partner in providing water access, sanitation, and hygiene (WASH) services. In particular, our successes in Liberia and Sierra Leone exemplify the strength of our WASH programs. We have been working in Liberia since 2004 and in Sierra Leone since 2008, and our history of involvement in these countries gave our organization the insight needed to make a measurable impact when the Ebola outbreak struck West Africa.

The Margibi County, Liberia, WASH Program Area (WPA), which launched in January 2013, remained Ebola-free during the crisis, despite outbreaks in other nearby areas. Living Water's response to the Ebola epidemic also garnered the attention of national organizations—such as the Evangelical Fellowship of Sierra Leone and the Association of Evangelicals in Liberia—as well as other major NGOs.

As a part of their Ebola recovery initiative in Sierra Leone, UNICEF

provided Living Water with an initial grant in 2015, then again in 2016 during a select second phase. Through this funding, Living Water was tasked with improving WASH facilities in schools and communities, encouraging behavior change around hygiene and sanitation practices, and reducing the burden of water collection on women and girls.

\$1,821,000

OF OUR TOTAL REVENUE
THIS YEAR CAME FROM
REVENUE AND GRANTS
GENERATED WITHIN THE
COUNTRIES WE SERVE.

In 2015, UNICEF also partnered with Living Water in Liberia to drill new wells, construct handwashing stations and latrines, rehabilitate wells, and train and support school health clubs. Our current commitments with UNICEF in both countries extend through December 2017.

These strategic partnerships have enabled Living Water to provide WASH services to many more families and children than would have otherwise been possible. One school in Masorie, Sierra Leone, had been without safe water for more than a decade when Living Water rehabilitated the community well. Now students have access to water and important sanitation and hygiene information.

In countries like Liberia and Sierra Leone, we are positioning ourselves to be a WASH partner of choice by upholding high program standards, maintaining strict compliance to WASH guidelines. and strengthening national and international networks. While our greatest supporters continue to be individuals, churches, and partners like you, securing more in-country grants like these—as part of our five-year strategic objective to grow and diversify revenue—will allow us to provide additional communities around the world with vital WASH services.



GOING DEEPER THROUGH WASH PROGRAM AREAS



CURRENT

HAITI Cabaret

KENYA Butere

KENYA Kisumu

LIBERIA Margibi

NICARAGUA Tola

RWANDA Ruhango

UGANDA Ibanda

UGANDA Nyabushozi

UGANDA Ruhaama

ZAMBIA Chirundu

PLANNED

MEXICO Oaxaca

RWANDA Busasamana

ZAMBIA Chibombo

At Living Water International, we know that when we're at our best, water is just the beginning.

In 2012, a partnership with The Rees-Jones Foundation allowed us to expand our scope to develop programs that focus impact within a geographic region over three to five years, launching our first WASH Program Area (WPA) in Uganda's Ruhaama County. WASH stands for "water access, sanitation, and hygiene," three interventions that, together, save more lives and provide more opportunities to share our faith than any one of them could alone. Our first WPA in Ruhaama included 23 communities—benefitting nearly 40,000 people! An independent evaluation conducted in 2015 confirmed the WPA model was working.

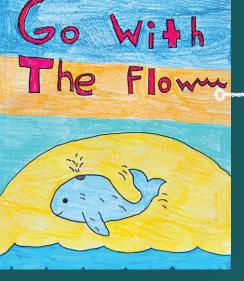
Uganda's second WPA, located in Nyabushozi, launched in 2013. The baseline survey showed

that only 12 percent of households participated in church-led community projects, 17.8 percent practiced proper handwashing, and 17 percent had access to safe water. A mid-term evaluation was conducted this past year, and the results are encouraging. Early findings show that after three years of WPA implementation, 23 percent of households participate in church-led community projects, 28.9 percent practice proper handwashing, and 62.7 percent now have access to safe water!

Today, we have 10 active WPAs—in Haiti, Kenya, Liberia, Nicaragua, Rwanda, Uganda, and Zambia—with plans to launch three more over the next year. We look forward to seeing more communities changed and more lives impacted as you help us continue to bring water, for life, in Jesus' name to these areas.

AFTER 3 YEARS IN THE NYABUSHOZI WPA, HOUSEHOLDS NOW HAVE ACCESS TO SAFE WATER!









GO WITH THE FLOW

Ten-year-old Faris Virani inspired his family and friends throughout his battle with cancer. He would write "go with the flow," on his drawings of sea creatures as his way of imparting wisdom about finding peace in all circumstances. After a long and brave battle, Faris passed away earlier this year.

The Virani family decided to sponsor a well with Faris' favorite mantra inscribed on the plaque. Faris' birthday week now signifies the anniversary of safe water access in Linderos, El Salvador. Country Director Carlos Molina honored Faris by using his "go with the flow" artwork to make shirts for the community members in Linderos. Now, when the people in Linderos use their new water source, they will remember Faris' wise words.

ENDURING AGAINST THE ODDS

One year before the 2017
Houston Marathon, Kerilyn
Scoville was hit by a drunk
driver on her way to work. The
accident broke five bones in
Kerilyn's body, including her
femur. Doctors predicted she
would probably never run again,

but Kerilyn was determined and signed up to run the half marathon before she could even walk. After several long months of recovery, she was back, running with her Team Living Water teammates. "That race was the hardest run of my life," Kerilyn said. "But I knew before I finished that I will be back next year enduring for Team Living Water!"

RIPPLE THE WORLD

When their professor challenged them to tackle a project outside of academia, Jordan Deines and Kim Nguyen—graduate students in Portland, Oregon—decided to focus on the water crisis. With the help of friends and classmates, their project eventually became Ripple the World—a targeted fundraising initiative to provide safe water

to one community at a time. Through a Valentine's Day social media campaign called Rwanda Over Romance, Ripple fundraised an astonishing \$4,000 in just two weeks! In all, Kim and Jordan's team raised over \$10,000 for water projects in the Nyanza district of Rwanda and now hopes to develop Ripple into a sustainable non-profit that supports Living Water.

INSPIRING ADVOCATES





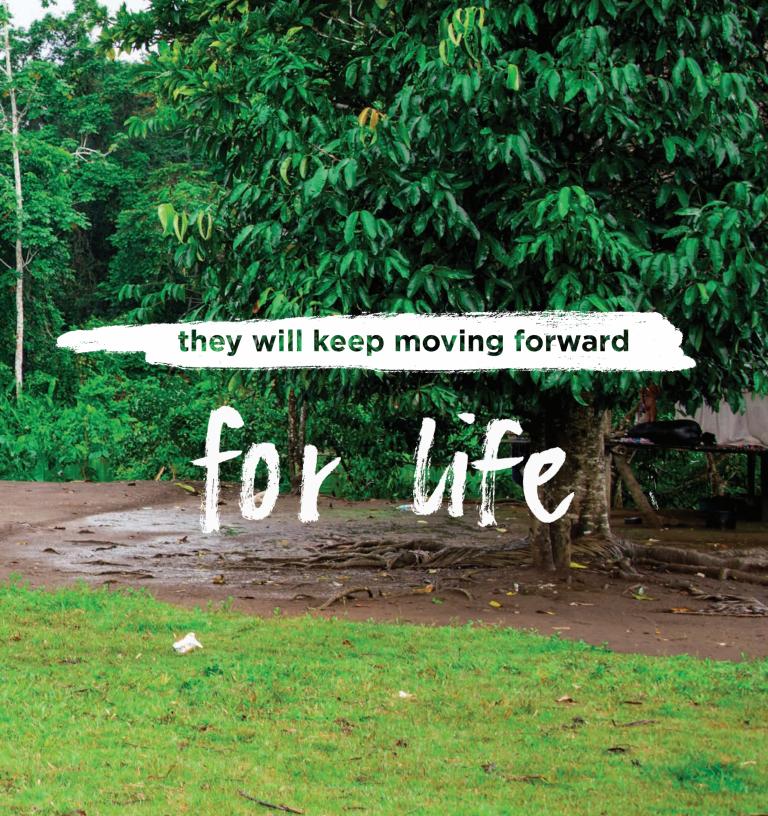
ALEX AND ANI®

Strengthening their five-year partnership with Living Water International and their commitment to help bring safe water to thirsty communities, ALEX AND ANI | CHARITY BY DESIGN® redesigned and relaunched their Living Water charm bangle in May 2017. The jewelry company, which had already raised over \$1 million for Living Water International, pledged to donate 20 percent of the bracelet's purchase price to help communities acquire desperately needed water.

CHICK-FIL-A®

This past World Water Day, March 22, 2017, Chick-fil-A restaurants in the Houston metro area partnered with Living Water for the 2017 Give Water Give Life campaign. Proceeds from all DASANI® water bottle sales during this time went directly to fund safe water projects in Nicaragua, for a total of \$136,286. And in June, for the first time, Chick-fil-A expanded this campaign outside of Texas to operators in Cleveland, Akron, and Canton, Ohio.







HAITI RELIEF EFFORTS STRENGTHEN LOCAL TIES

For more about Hurricane Matthew and Haiti, visit water.cc/HurricaneMatthew.

Last October, Hurricane
Matthew hit Haiti with
an unforgiving force that left over
one million Haitians desperate for
assistance. In just 24 short hours,
40 inches of rain flooded the small
Caribbean country, washing away
years of progress and leaving
families without the most basic
resources. Still rebuilding from the
deadly earthquake of 2010 that took
the lives of 200,000 Haitians, the
people of Haiti were left again with
more devastation and loss.

But, thanks to you, Living Water International was there on the ground, providing short-term and long-term relief to the families in need of safe drinking water.

Living Water has been present in communities in North and West Haiti since 2004. Over the years, the field team has worked tirelessly to provide safe water, offer hygiene and sanitation training, and share the good news of Jesus Christ.

In response to Hurricane
Matthew—thanks to our faithful
donors—Living Water wasted
no time in reaching those in need
with life-saving resources.

The field team worked through established relationships to respond to the disaster as they:



Met with local pastors in Cabaret to coordinate efforts for reaching communities with information about safe sanitation and hygiene.



Met with Community
Health Club and School
Health Club facilitators
to promote reviews of
cholera prevention
lessons in schools.



Provided emergency kits for families in the Cabaret emergency shelter at the mayor's request.



Distributed chlorine and soap to residents in need.

Today, the field team continues to restore water points and drill new wells in Haiti. They also share the hope that can only be found through Christ—the *living water*.

Although Haitians have been hit hard by many natural disasters and challenges in recent years, their spirit remains strong. With the support of our donors, the Living Water team is there, joining in the work of building and rebuilding while continually sharing the gospel of Jesus.

ODF: EMPOWERMENT THROUGH FREEDOM

For more about sanitation and hygiene, visit water.cc/ForLife.

While our vision at Living Water International has always included drilling water wells in the name of Jesus, the importance of sanitation and hygiene has become an essential part of our mission. Globally, a staggering 2.4 billion people do not use improved sanitation facilities, and 946 million people around the world defecate in fields, bushes, rivers, and other open spaces. Known in the water access, sanitation, and hygiene (WASH) sector as the practice of open defecation, this act brings devastating health risks for a community and reduces the life-changing impact of a safe water source.

A few years ago, Living Water introduced the Community-Led Total Sanitation approach into our programs—starting with Liberia. Community-Led Total Sanitation (CLTS) is a highly participatory methodology that engages the entire community to identify and adopt solutions to improve the health of the community as a whole. One of the key steps in the CLTS process is addressing the sanitation issues head-on by becoming Open Defecation Free (ODF).

First, the community undergoes a "triggering" exercise during which they analyze their own sanitation profile, including the extent of open defecation and the spread of fecal-oral contamination that affects all community members. Trained facilitators then use activities to help the community realize the negative impact of open defecation. The facilitators do not lead or enforce a decision to take any action, as this must originate from the beneficiaries themselves. Through participatory exercises, discussions, and awareness, a community plan to become ODF and promote hygienic behaviors is developed, along with construction of latrines by the communities themselves.

However, obtaining ODF status requires much more than building a latrine. After several monitoring visits by a designated CLTS team, a local government health delegation thoroughly scrutinizes and assesses the community.

When the entire community has fulfilled all specific criteria—no visible signs of defecation and a latrine and handwashing station at every household—they move on to become ODF certified. However, if even one household does not meet the criteria, the community is required to address the gaps, conduct another self-assessment, and reapply for verification. In some countries, the entire process from start to finish can take up to eight months to complete.

After a community does become certified, a celebration is definitely in order! ODF celebrations are widely publicized, and each community is proudly given a sign declaring them as an official ODF community—making their hard work and progress visible.

This past year, Living
Water teams in Kenya,
Liberia, Sierra Leone
(for the first time in its
program history), and
Uganda declared a total of
55 communities ODF. Now
that's something to celebrate!



KATIE'S SEVEN-YEAR DREAM

For more about Advent Conspiracy, visit water.cc/Advent.

In 2010, when Katie Koziatek was only seven years old, she entered a contest sponsored by Living Water International and Advent Conspiracy—a multi-church initiative focused on rediscovering the meaning of Christmas by spending less and giving more. She submitted a video about her excitement to share God's love by providing safe water for kids around the world. A few weeks later, her entry won! However, she soon learned she couldn't yet accept the prize—a trip to help drill a Living Water well—because safety and security regulations required her to be 14 years old to participate.

Yet Katie was adamant that she needed to take action to provide kids with safe water. Her trip would have to be postponed seven long years, so she used that time to raise \$5,000 to sponsor her own water project. By saving her allowance, selling handmade bracelets and charms, opening a lemonade stand for neighbors, and recruiting the help of friends and family online, Katie met her fundraising goal early on New Year's Eve in 2014!

Katie's hard work, patience, and relentless spirit has paid off. The well she helped fund will be drilled in Guatemala later this year, and thanks to a very special fourteenth birthday this

she used that time to raise \$5,000 to sponsor her own water project.

past June, she and her parents will join members of their home church—The Crossing in St. Louis, Missouri—to finally, personally accept her well-earned prize.







YOU ARE GOING PLACES

LIVING WATER TRIPS

This year marked a very special milestone for Living Water Trips—our fifteenth anniversary! Since September 2001, you have traveled with us on over 2,000 Living Water Trips to Central America, Haiti, and starting last year, eastern Africa. Trips are life-changing not only for the beneficiaries who receive water, for life, in Jesus' name, but also for those who help bring it.

As we heard from one recent trip participant, "This week, I learned that when we put aside our worries, we have an opportunity to gain big love and truly connect with our brothers and sisters in Christ. If I have one word of advice, it would be, GO!"

15 TH ANNIVERSARY

2,000 TRIPS



WATER.CC/TRIPS









THE COMMON WELL

Earlier this year, The Common Well raised \$26,000, funded a well in Guatemala, and sent a team on a Living Water Trip—all to empower women through water. "Our message to the sweet women and little girls of the community was clear from the beginning: Women are strong. Women are brave. Women are beautiful."—Hannah Dismuke, trip participant.
For more on The Common Well, visit water.cc/TheCommonWell.

10 DAYS

College students giving up coffee, energy drinks, soda, and other beverages for 10 days in the midst of projects and midterms might sound strange, but that's what 1.522 advocates at 24 universities did this fall. Students across the United States chose to remember our neighbors without safe water in Ruhango, Rwanda, by donating money they would have spent on all non-water drinks. Because of their giving, they raised \$122,000 to impact 416 families through 6 water projects. For more on the 10 Days. visit water.cc/10days.

WATER WORKS

Young professionals joined forces as part of Water Works and together raised over \$158,000 in the last 12 months for safe water. Through events and their Giving Tuesday campaign—which raised almost \$4,000—they shared information about the water crisis and Living Water International's impact with over 600 young professionals in Houston. For more on Water Works, visit water.cc/WaterWorks.







TEAM LIVING WATER

Running 26.2 miles, or even 13.1 miles, is a daunting task, but Team Living Water runners were eager to run for a cause. Collectively, 155 team members ran nearly 2.500 miles for safe water at the 2017 Chevron Houston Marathon and Aramco Houston Half Marathon. Together, they raised \$136,000 to fund safe water projects across the globe, but that wasn't all. The team, along with staff and supporters, voted daily, and Living Water was named this year's favorite charity—winning \$51,000! In total, Team Living Water endured and raised \$187,000 so that those who do not have safe water won't have to. Congrats, runners! For more on Team Living Water. visit water.cc/TeamLivingWater.

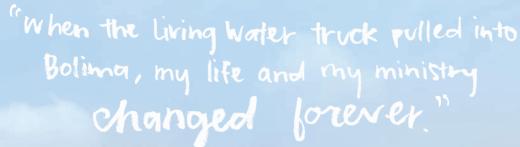
WORLD WATER DAY 5K

To celebrate World Water Day—a day centered around taking action to tackle the water crisis—we hosted our first ever World Water Day 5K this year. With over 450 participants running at the Houston Sports Park and 150 people participating through virtual runs, \$32,500 was raised to provide 1,300 families in Liberia with safe water. As the event's title sponsor, Chick-fil-A® provided breakfast for the runners, and even the cows made an appearance! Based on this success, we can't wait to see how this event grows in years to come. For more on the World Water Day 5k, visit water.cc/5k.



in Jesus' name

so they will never thirst again





OPENING DOORS IN SIERRA LEONE

For more about Pastor David, visit water.cc/OpeningDoors.

Earlier this year, Living Water International met a man in Sierra Leone who once went by the name Mohammed. He shared the incredible impact of the gospel—not only on his own life, but also on his entire community and on generations to come.

Several years ago, a friend asked Mohammed if he truly understood why he was worshipping as a Muslim. He confessed he did not, but it would be many more months before he accepted his friend's invitation to church to learn more about Jesus. When this happened, Mohammed was transformed. He took the name David as he was baptized into the Christian faith and started pursuing Kingdom work under a new profession—pastor.

As a former Muslim, Pastor David knew God was calling him to serve his Muslim community of Bolima in Sierra Leone. He saw the transformation Christ brought in his own life and wanted to share that same transformation with his neighbors. Brick by brick, he faithfully labored to build the community's first Christian church. His ministry wasn't easy—too often his church was empty, and

the hearts of the community members were hard. Even harder than their hearts was their quality of life without safe water.

The people of Bolima, including Pastor David's own family, were often sick from the community's only water source—a stream contaminated with waterborne diseases, like cholera. Without safe water, the community and the church could never thrive.

David realized he could never fully nurture the spiritual needs in his community without also addressing its physical needs. He reached out to Living Water and asked for help. Thanks to generous donors, Living Water responded.

"When the Living Water truck pulled into Bolima," Pastor David shared, "my life and my ministry changed forever. Hearts that were once hard were now asking about the *living water*. They wanted to know why you would

care about us enough to bring us the safe water we needed."

Pastor David quickly learned that water is not only essential to life, but it also opens doors to relationships. He then began sharing a message of hope and the reason we are called into this work. "There is only one answer—Jesus. He put the love in your hearts to do this great work!"

Because of your generosity, every day people come to the well in Bolima for safe water, and Pastor David tells them about the *living water* of a loving Savior. The church is thriving, and people who had never before heard the name of Jesus Christ are coming to know the Lord. Thanks to God's redemptive work and the life-changing power of safe water, lives in Bolima are truly being transformed.

"Now, we can face the future without fear because of our personal relationship with Jesus Christ. But my work is not over," Pastor David reminded us. "There are still many who have not yet heard the name of Jesus. Please pray that the Lord will continue to open doors so that the people of Sierra Leone may hear about the hope we have in Christ."

IMPACT BEYOND THE WELL

For more about Living Water and the Church, visit water.cc/Church.

"our Lord is using Living Water to change lives"

When Living Water Trips volunteers spend a week in another country drilling a water well and sharing the hope of the gospel, the impact on the community's residents is tangible. With new access to safe water, the burdens of water collection and water-related illnesses are lifted, improving the quality of life of everyone in the community. Yet Living Water Trips often change the lives of volunteers just as profoundly.

Pastor Ken Hester of First Baptist Church in Pontotoc, Mississippi, took his first Living Water Trip during a difficult season of ministry. He shared with us that demonstrating God's love to a thirsty community in El Salvador spiritually reinvigorated him. Once he returned home, Pastor Ken passionately spoke about how the trip moved him personally and encouraged his church members to go as well.

"As a pastor, I am telling you that our Lord is using Living Water to change people's lives—not only in those places where we put wells, but also in the lives of the people who go," Pastor Ken said.

After Pastor Ken's trip, another group from the church responded and traveled to Honduras. That team's testimony ignited a spark within the entire congregation. Motivated to provide water in Jesus' name, First Baptist

fundraised by collecting loose change—which yielded \$4,000 in only two months—and by hosting their own water walk. Unified by this shared vision, the church has now sponsored two wells and sent two teams on Living Water Trips.

"Part of the aftershocks of these trips has been the people who have expressed interest in going," Pastor Ken told us. "Some who have drifted away from our congregation are coming back."

Stories like this showcase how safe water and the *living water* of Jesus Christ act powerfully together to revitalize and mobilize the Church across the world and here at home.



FLOURISH: WATERED AND BEARING FRUIT

For more about Flourish, visit water.cc/Flourish.

Since Living Water International's beginning, sharing and showing God's ultimate love—the *living* water of Jesus Christ—has been at the heart of what we do. For us, water and the gospel go handin-hand, and local churches play a central role. Their calling, local knowledge, and relationships make them our most important partner in every community we serve. Over the past three years, we've been on a journey to learn deeply from the Church and to empower her as we provide water, for life, in Jesus' name—together.

This most recent journey began in March of 2014, when leaders from 16 Living Water country offices gathered in Accra, Ghana, for a forum on church mobilization. They shared about previous efforts to mobilize churches and to share the gospel message, celebrating successes and recognizing challenges. Each leader went home equipped with new ideas to share and inspired to learn more.

This community of leaders gathered for a second forum in Bulawayo, Zimbabwe, in August of 2016. They talked through their two years of focused learning and described the most effective approaches, tools, and measures they had found. Through the conversation, the Flourish Model emerged.

Wherever it works, Living Water should:

- Organize churches for collective impact.
- 2. Conduct contextual Bible storytelling workshops.
- Facilitate WASH-focused church mobilization.

Now, a year later, this model defines Living Water's approach to church mobilization and gospel proclamation.

"I see Living Water as a catalyst for what God wants to do in the face of the world through his church," shared Davis Mambure, one of our church mobilizers in Zimbabwe. "Through platforms like the global forum, leaders get to talk about their experiences and their challenges, and they learn best practices from each other."



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Our board rotates each calendar year. This year we changed our fiscal year, causing an 18-month transition period. Those who served during this period but are not pictured: David Welch (Chairman of the Board), Jerry Cox, and Eric Francis.

MEET THE SENIOR STAFF

As part of our core objective to develop people and systems in Living Water International's new five-year strategic plan, we are continuing to push authority and responsibility as close to the implementing teams as possible while providing cost-effective regional and global support. This year we formed our new senior leadership team to include deputy and regional vice presidents—Ruth Okowa, Victor Madziakapita, Gary Evans, and Wesley Charles. This diverse and skilled team will continue making us an effective international organization.



FROM LEFT TO RIGHT: Gary Evans Regional Vice President for India, Jonathan Wiles Vice President for Strategy and Program Development, Wesley Charles Regional Vice President for Latin America and the Caribbean, Ruth Okowa Deputy Regional Vice President for Africa, Mike Mantel President and CEO, Jim Malliet Senior Vice President and CFO, Penny Mock Controller, Victor Madziakapita Regional Vice President for Africa, Zack Aspegren Senior Vice President for Development, Shona Barnard Vice President for HR/Integration and Effectiveness



LETTER FROM THE CFO



This year, I once again witnessed the immense blessings of donors like you who were led by God to contribute to the work of Living Water International—providing water, for life, in Jesus' name.

Since I last communicated with you, we have been very busy planning and transitioning our fiscal year-end to June 30. Over these 12 months, we have also greatly increased the time and energy we spend acquiring international donors and grantors to support our work around the world, allowing us to provide even more safe water.

The attached financial summaries were prepared by Living Water senior management and reflect our strong desire to be good stewards of your contributions. In the United States, as well as every country office, we capture and record transactions according to generally accepted accounting principles (GAAP) to create donor confidence, accountability, and transparency. Our audited financial statements and Form 990 are published on our website (water.cc/Financials) as they become available.

You will note that our revenue growth was not as we had hoped, but our teams worked together to reduce spending accordingly. Consequently, we started the new fiscal year (July 1) with no loans and an appropriate amount of cash to meet short-term needs.

We are also pleased with our continued ratings and standing with Charity Navigator, the Better Business Bureau (BBB), and the Evangelical Council for Financial Accountability (ECFA). You can invest in Living Water with trust. Thank you for your support!

Sincerely,

James W. Malliet

SVP - Chief Financial Officer & Treasurer

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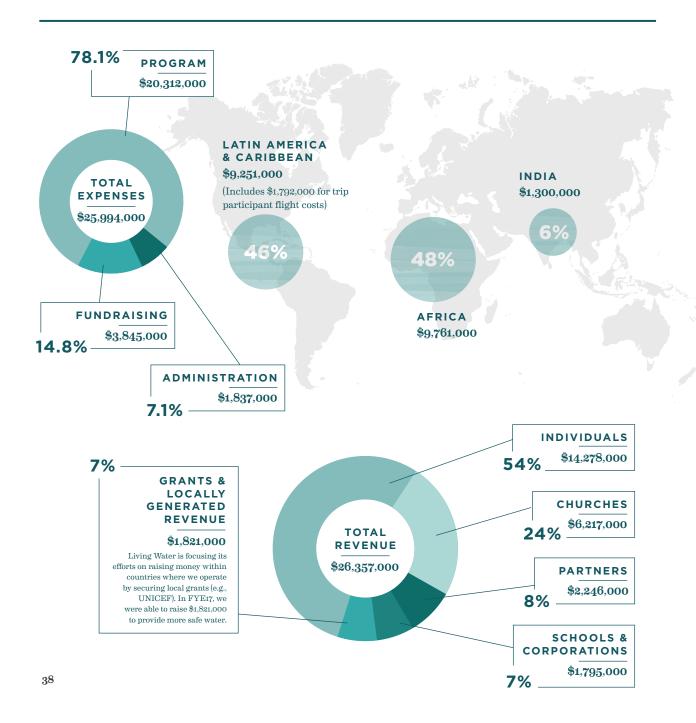








EXPENSES & REVENUE



KEY FINANCIAL DATA

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

Revenue	FYE15	FYE16	FYE17
Total Contributions, Fees & Events	\$24,437,000	\$26,589,000	\$26,357,000

Operating Expenses	FYE15	FYE16	FYE17
Total Program Expenses	\$21,069,000	\$21,516,000	\$20,312,000
Fundraising	\$3,161,000	\$3,177,000	\$3,845,000
Administration	\$1,661,000	\$2,026,000	\$1,837,000
Total Operating Expenses	\$25,891,000	\$26,719,000	\$25,994,000

Net Assets	FYE15	FYE16	FYE17
Change in Net Assets From Operations	(\$1,454,000)	(\$130,000)	\$363,000
Consolidation of Affiliates & Other	\$0	\$390,000	\$213,000
Net Assets Beginning of Year	\$9,103,000	\$7,649,000	\$7,909,000
Net Assets End of Year	\$7,649,000	\$7,909,000	\$8,485,000

Figures above are management-generated; audit for FYE17 currently underway. Historical numbers have been restated to conform to new fiscal year end: June 30.



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."



LIVING WATER INTERNATIONAL

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