For nearly 40 years, Lifewater International has served vulnerable children and families in distress with the most basic gifts of safe water and improved sanitation.

That was the original calling that God gave our Founder, Bill Ashe, in 1962. Today, we remain driven by the same faith-filled passion and conviction that Bill started Lifewater with all those years before.

Times have changed since Lifewater first began. More people now have cellular phones in our world than have toilets. For the first time in the history of humanity more people live in cities than in rural towns. And the Christian movement is gaining momentum in the developing world, while losing steam in the western world.

At the onset of 2015, we paused and took a deep and hard look at all that was going on in the world, and began praying through a way to remain true to our calling, while also applying all that we have learned and all that is changing in the sector. In all things, our deepest desire is to serve more people, more effectively.

With approval from the Board of Directors, our national staff began enacting our Vision of a Healthy Village strategy in Ethiopia during October of 2015. And now, we are taking this strategy to scale across East Africa and Southeast Asia — one village at a time. What you will see in the pages that follow is this vision coming to life, and we couldn’t be more excited about what is ahead in the future.

Every day, I remember that this work does not happen without the collective effort of the Body of Christ coming together to serve our world’s most vulnerable children and families with the love and compassion of Jesus. Thank you! None of this life-changing work happens without your faithful, prayerful, and generous support.

Soli Deo Gloria,

Justin Narducci, MBA
President / CEO
Lifewater International
YEAR IN REVIEW
Deploy a Real-Time Monitoring System

All village-level program activity is now tracked in real time from the rural communities where our staff walk with vulnerable children and families to improve their health and well-being. Trainings, water well installation, construction projects, school WASH clubs, and Healthy Homes are all tracked in our database and visualized to help monitor and evaluate program quality in real time. All information is reviewed by the team at headquarters for quality control and consistency. Furthermore, a sampling of this information is now also shared dynamically on Lifewater’s website for every program that is using the data system.

Learn more by visiting lifewater.org/projects

Strengthen the Christian Witness of our Programming

We believe that the local church is best able to provide long-term discipleship to members in its community. In an effort to strengthen the impact and reach of the local churches in our regions of service, or to help churches grow in regions where it is not yet present, Lifewater entered into a multi-year partnership with CityTeam International. Currently in a test-phase in East Africa, CityTeam will be responsible for the church planting and disciple-making activities in communities served by Lifewater programs. Strategies deployed leverage the activities of local people in natural interactions to bring about a cost-effective and replicable means of respectfully and intentionally inviting people to follow Jesus.

Learn more by visiting lifewater.org/approach/local-churches

Improve Water Point Sustainability

Lifewater standardized two important enhancements to improve the long-term operability of newly constructed village water points. Foremost, we developed and deployed standards for Water Committee Savings Groups. From this point forward, each and every group is required to collect a maintenance fee from community members who will use the water point (exceptions are made for widows and orphans). This process improves community buy-in to the project and also makes repairs and ongoing operational maintenance of the water source viable. Secondarily, construction activities of all water points are now tracked in a drilling or construction log that helps local and headquarter staff monitor trends in geology, water table depth, water quality, and quality of construction over time. All of this data is now tracked in the monitoring system mentioned above.

Learn more by visiting lifewater.org/approach/clean-water
FY 2016 TOTALS

- 94 Water points rehabilitated
- 54 New water points constructed
- 9 Water points
- 44 Latrine doors constructed at schools

- Trained 18,284 individuals to share WASH messages at their home, community, and schools
- Pilot programs served 2,105 people with clean water
- 2,884+ supporters gave to Lifewater

- Provided safe water, hygiene, and sanitation training to more than 34,160 people

- Started two new 3-year programs that will serve 90,000 people

- 113 Water Points Planned
- 350 Water Points Funded

- 13% increase from the previous year

- 2015 vs. 2016

- $2.75M to fund our mission

- Lifewater.org

- Annual Report FY 2016
PROGRAM UPDATE:

ETHIOPIA

Serving remote and rural villages in the southern and central regions of Ethiopia

Ethiopia has become the world’s example of what can happen with focused investment in sanitation. Although Ethiopia used to have one of the highest rates of open defecation, it now has one of the lowest rates in Sub-Saharan Africa. This is a result of years of reaching urban dwellers and rural villages with information about how latrine use can prevent water-borne diseases like typhoid and trachoma. Disease rates have also dropped dramatically.

Lifewater has served pastoralist communities in Ethiopia, home to 14 million people, with clean water, health, and hope since 2004. In FY 2016, Lifewater launched its first field office in the West Arsi region and registered its first Healthy Home. In the next three years, this field team will serve 60,000 vulnerable children and families.

Accomplishments

- 19,321 vulnerable children and families received safe water
- 1,011 households constructed their own safe and dignifying latrine
- 60,000 people will be served through Lifewater’s first regional field office that was launched in West Arsi, Ethiopia
- 1st Healthy Home was registered through our real-time data system that monitors field activities

Times have changed. We are fortunate to have safe water, unlike our fathers before us.

KEBEDE, WATER COMMITTEE MEMBER
Ethiopia
PROGRAM UPDATE:

UGANDA

Helping underserved communities in eastern and northern Uganda

Uganda is a nation where uneven investments in water, sanitation, and hygiene have left many communities with the resources they need to thrive, while many remote, rural communities remain completely unreached. Lifewater has been working in Uganda for two decades, through wars and resettlement, and is now in the final push to ensure everyone has access to safe water, improved sanitation, and hygiene education.

With two 3-year projects completed at the end of 2015, Lifewater expanded water access, sanitation, and hygiene (WASH) programming into the very underserved eastern region of Kaliro. With waiting times for water averaging 2.5 hours in the dry season and only 3% of the population having a safe and dignifying latrine, this new region was strategically chosen to serve more people, more effectively.

5,253 vulnerable children and families served with a clean water source

2,396 individuals trained to make WASH changes in their homes, churches, and schools

30,000 people will be served through the Kaliro field office that was successfully launched

33,223 vulnerable children and families were served through two 3-year projects that were completed

I am happy today because I have learnt that my wife Ketty has the capacity to be a leader. The community members gave her trust to lead them in the water source management.

PATRICK EBONG (AGE 67)
Uganda
PROGRAM UPDATE:

CAMBODIA

Tangibly sharing the love of Christ to rural communities in Cambodia

Cambodia faces many challenges in ensuring WASH access for all. Farmers in remote villages and many minority communities find it harder to establish and maintain safe water points and many families have not heard about how improved sanitation and hygiene can prevent disease. Lifewater has been serving in Cambodia since 2011.

In FY 2016, Lifewater continued its work serving these remote communities. Sanitation and hygiene education reached thousands of people, which helps these families keep more of their income instead of spending it on treatment for preventable water-borne diseases.

Additionally, field staff helped train households to use SODIS (solar distillation) where it was appropriate, as this can be an inexpensive way to make water safe. Lifewater supports the local church in reaching its neighbors with a tangible witness of God’s love.

Accomplishments

- 3,177 vulnerable children and families received safe water
- 1,058 individuals trained to share WASH messages at their home, community, and schools
- 441 households practicing SODIS
- 200 households successfully constructed their own household latrine through Lifewater’s latrine loan pilot program

Before, I did not have a clear understanding about hygiene and sanitation. My family and other families in my community spent a lot of money for our health every month due to illness.

NY CHROURN (AGE 28)
Cambodian Mother
The overall financial picture for Lifewater is healthy moving into the future

On the income side, Lifewater experienced strong and diversified growth for FY 2016. Total revenue reached $2.75M, up 13% compared to the previous fiscal year. If the one-time adjustment for the long-term receivable is removed from FY 2015 revenue, organic income growth was 24% in FY 2016. Furthermore, Lifewater was able to replace revenue lost by two large institutional donors during the same period in FY 2015. Overall revenue growth was very strong and continues to look optimistic for the future.

Total expenses were lower than budgeted, particularly on the international side where local partnerships came to a close mid-fiscal year and new Lifewater field offices slowly ramped up during the course of the year. Combined, these factors pushed the cost per beneficiary up as the total beneficiary count decreased during programmatic transitions. This occurrence is a one-time anomaly related to the shift from partnership to direct implementation in the regions where Lifewater serves.

Lifewater’s balance sheet remains strong. Days of operating capital were 85 on current operating capital balance of $617K. Lifewater does not have any current or long-term debt other than transactional payables and accrued payroll/vacation balances.
### STATEMENT OF ACTIVITIES (YEAR ENDED MARCH 31, 2016)

#### SUPPORT & REVENUE

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions</td>
<td>$2,572,712</td>
<td>$2,173,963</td>
</tr>
<tr>
<td>Special events</td>
<td>$151,219</td>
<td>$112,269</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>$76,700</td>
<td>$171,054</td>
</tr>
<tr>
<td>Government grants</td>
<td>–</td>
<td>$46,480</td>
</tr>
<tr>
<td>Program fees</td>
<td>$28,827</td>
<td>$51,321</td>
</tr>
<tr>
<td>Merchandise sales</td>
<td>–</td>
<td>$15,916</td>
</tr>
<tr>
<td>Other income</td>
<td>$1,014</td>
<td>$41,080</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Support &amp; Revenue</strong></td>
<td><strong>$2,828,472</strong></td>
<td><strong>$2,612,083</strong></td>
</tr>
</tbody>
</table>

#### EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>$2,026,381</td>
<td>$1,924,240</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>$384,417</td>
<td>$466,777</td>
</tr>
<tr>
<td>Fundraising</td>
<td>$324,913</td>
<td>$306,381</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>$709,991</td>
<td>$753,158</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$2,735,472</td>
<td>$2,677,398</td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$93,000</td>
<td>$(56,315)</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>$834,812</td>
<td>$900,127</td>
</tr>
<tr>
<td>Net Assets at end of year</td>
<td>$927,812</td>
<td>$834,812</td>
</tr>
</tbody>
</table>

### STATEMENT OF FINANCIAL POSITION (YEAR ENDED MARCH 31, 2016)

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>$344,850</td>
<td>$306,211</td>
</tr>
<tr>
<td>Grants &amp; contributions receivable</td>
<td>$250,086</td>
<td>$138,701</td>
</tr>
<tr>
<td>Bequests receivable</td>
<td>$300,777</td>
<td>$352,540</td>
</tr>
<tr>
<td>Other receivables</td>
<td>$2,590</td>
<td>$5,465</td>
</tr>
<tr>
<td>Prepaid expenses &amp; deposits</td>
<td>$40,081</td>
<td>$26,546</td>
</tr>
<tr>
<td>Inventory</td>
<td>$15,544</td>
<td>$23,418</td>
</tr>
<tr>
<td>Furniture &amp; Equipment, less accumulated depreciation of $41,003 in 2015 and $23,659 in 2014</td>
<td>$75,030</td>
<td>$82,337</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$1,029,968</strong></td>
<td><strong>$935,218</strong></td>
</tr>
</tbody>
</table>

#### LIABILITIES & NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$32,411</td>
<td>$26,686</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$69,745</td>
<td>$73,720</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$102,156</strong></td>
<td><strong>$100,406</strong></td>
</tr>
</tbody>
</table>

#### NET ASSETS

<table>
<thead>
<tr>
<th></th>
<th>FY 2016</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$256,916</td>
<td>$301,791</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>$970,896</td>
<td>$533,021</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td><strong>$927,812</strong></td>
<td><strong>$834,812</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities &amp; Net Assets</strong></td>
<td><strong>$1,029,968</strong></td>
<td><strong>$935,218</strong></td>
</tr>
</tbody>
</table>
130 Village Water Projects Planned

The FY 2017 Lifewater Operating Budget of $3.5M (up 27% from FY 2016) allocates 50% more resources to in-country field programs that are designed to install 130 water points during the year. That is the equivalent of one new or rehabilitated water point every three days.

It is important to note that there are many factors that go into the completion of these village water projects that is out of the control of Lifewater. Weather must make dirt roads passable. Rural supply chain of materials must be reliable. Funding must be available. Most importantly, however, Lifewater field staff will not commence a village water project until the community has done their part to contribute to the project.

You can sponsor an entire village water project by visiting lifewater.org/donate/water-project.

Reach 30,000 More People

Each Lifewater field office is located in the remote region where program activities take place. On average, field offices can serve 10,000 people/year. For the upcoming year, Lifewater plans to launch a new program and field office in each of our three (3) primary program countries: Cambodia, Ethiopia, and Uganda. These new locations will be fully staffed by national personnel and will be equipped with program and field operating manuals, financial policies and procedures, assets needed to accomplish the work, and will receive a full onboarding to Lifewater’s Vision of a Healthy Village strategy.

All field offices will utilize Lifewater’s real-time monitoring systems and will be under the direct management of a Country Director.

You can follow the progress of these field offices as they go about their daily work by viewing all programs at lifewater.org/projects.

Develop National Servant Leaders

Each Lifewater field office is staffed with local Christian personnel that are from the region of service. Because the regions we serve are exceedingly rural, the leadership/management capacity of these local staff is often quite low. At Lifewater, we want to intentionally provide an environment where all staff feel continually challenged to make a significant and lasting contribution to both the organization and also to the vulnerable children and families that we serve.

This year, Lifewater Country Directors will formally enter into a regionally accredited Master’s of Organizational Leadership Program that is provided by the highly trusted and reputable leadership development organization Development Associates International (DAI). With an emphasis on Servant Leadership, DAI and Lifewater will also work arm-and-arm to provide formal and informal educational opportunities to develop the leadership capacity of all local staff. Our long-term goal is to develop the capacity of national staff to serve with humility and effectiveness.

To learn more about the activities of Development Associates International, please visit their site at daintl.org.
Serving More People, More Effectively

Lifewater is scaling up its Vision of a Healthy Village strategy to reach hundreds of thousands of people each year. We won't stop until every child has safe water, and this requires us to work in remote places, using field staff to visit every household and working with schools, local government, and local churches. We plan to open new field offices each year to be close to the communities and ensure the transformation is real and that it lasts.

All planned field office locations are subject to change based on the dynamic conditions in the countries of service.

- **Current**
- **2016 Planned**
- **2017 Planned**
- **2018 Planned**
**Senior Staff**

Justin Narducci, MBA  
President/CEO

Pamela Crane-Hoover, PhD  
Vice President, Global Programs

Christine Zurbach  
Vice President, Philanthropy

Carol Nowlin  
Regional Director, Southeast Asia

Zerihun Hailu  
Country Director, Ethiopia

Alex Mbaguta  
Country Director, Uganda

Sopheak Im  
Country Director, Cambodia

---

**Board of Directors**

The following individuals served on Lifewater’s Board of Directors during FY 2016

Justin Ahrens  
Principal + Creative Director, Rule29

Gene Ashe, Chairman  
Owner, MDM Inc.

William Ashe, Emeritus Member  
Founder, Lifewater

Jeff Bjorck, PhD, Secretary  
Professor of Psychology, Fuller Seminary

Greg Hamer, MS, PG  
Hydrogeologist and Geologist, Amec E&E

Harold Harrington  
Legal Finance Manager, Stryker

Douglas Headrick, MS, MBA, Treasurer  
General Manager, San Bernardino Valley Municipal Water District

Justin Narducci, MBA  
President/CEO, Lifewater

Seth Olsen, Vice-Chairman  
Professional Football Player, Fellowship of Christian Athletes

Lisa Wen, MBA  
Philanthropist

---

To meet our national staff, visit lifewater.org/about/staff

---

**CREDITS**

Photo Credits
David Utliley, Luminescent Images  
Tyler Wohlford, The Halle Project  
halleproject.com

Brian MacDonald, Wonderkind Studios  
wonderkindstudios.com

Paper generously donated by  
Appleton Coated  
appletoncoated.com

Printing provided by  
O’Neil Printing  
oneilprint.com

Design provided by  
Rule29  
rule29.com