



HEALING WATERS
INTERNATIONAL

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2009 Annual Report

Healing Waters International

Transforming La Brigada

When I first saw it with my own eyes, it seemed so, so, what's the word? Oh yeah – *obvious*. I listened to the explanation of how it works. And then I watched the people come. The line stretched for blocks. Everyone came with big blue bottles, coming to the church for clean, inexpensive water – the most plentiful substance on earth, and, to the poor, the most contaminated and disease-bearing substance on earth.

Water sustains life. And here was a church – a *church!* – saying, “come to the water and be refreshed. Come and be alive.” Does it get any more obvious than that?

I went home to the church I attend and talked with my Sunday School class about what I had seen and within a few months, we had raised enough to sponsor a water project in La Brigada, Guatemala. Seven of us from the class attended the celebration. The inauguration service was held and then it was time for the first day of service. The window came up and the distribution began. People came by the thousands.

Since that day, here is what has happened in that La Brigada church and community: money from the system was used to start a nutrition education program in the community, and more than 100 women attend. The pastor told the mayor of Mixco, a nearby city of 1.3 million people, about how the water system had drawn people to the church to also learn about nutrition. The mayor visited the site and allocated money from his city's budget to provide much-needed equipment and utensils. The La Brigada church expanded its services into comprehensive cooking and baking classes, and now there is a waiting list for people to attend.

The pastor saw that, in addition to nutrition education, dental care was lacking in his community. So he directed income from the water system to opening and equipping a dental clinic at the church. Two Christian dentists donate their time and have improved the lives of thousands.

The water system at the La Brigada church is transforming the physical and spiritual well-being of the community it serves. Everyone involved, from my Sunday School class to the Guatemalan family that no longer lives in fear of disease, has been, what's the word? Oh yeah – *transformed*.

By something so *obvious*.

Dean Nelson directs the journalism program at Point Loma Nazarene University in San Diego. His latest book is *God Hides in Plain Sight: How to See the Sacred in a Chaotic World* (www.deannelson.net)

Financial Position

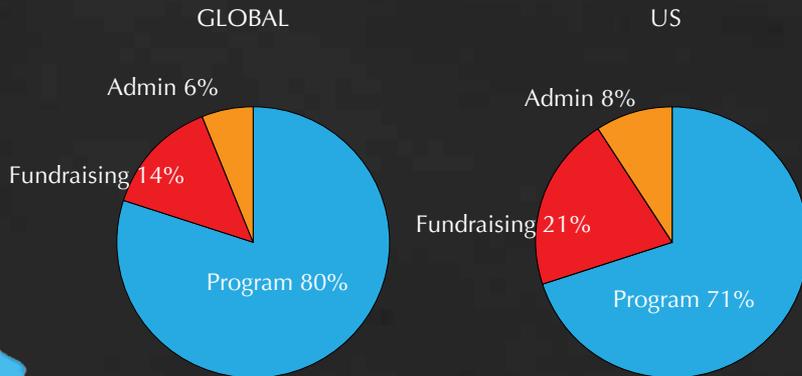
	2009	2008
ASSETS		
Cash	653,100	258,184
Accounts Receivable	53,353	58,781
Inventory	40,686	73,278
Prepaid Expenses	29,235	60,652
Furniture and Equipment	388,361	419,025
Total Assets	1,164,735	869,920
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	62,220	15,335
Accrued Expenses	57,580	48,240
Total Liabilities	119,800	63,575
Net Assets		
Unrestricted		
Equity in Furniture and Equipment	388,361	419,025
Operating	<u>364,649</u>	<u>-86,025</u>
Total Unrestricted	753,010	333,000
Temporarily Restricted		
Field Ministries	104,214	231,345
Water Systems	<u>187,711</u>	<u>242,000</u>
Total Temporarily Restricted	291,925	473,345
Total Net Assets	1,044,935	806,345
Total Liabilities + Net Assets	1,164,735	869,920

Financial Activities

	2009	2008
SUPPORT AND REVENUE		
Contributions and Other	1,471,368	957,027
Water Sales	458,223	454,257
Total Support and Revenue	1,929,591	1,411,284
EXPENSES		
Program Services	1,361,678	1,588,912
Support Activities		
Management & General	98,693	248,229
Fundraising	230,630	405,130
Total Expenses	1,691,001	2,242,271
Change in Net Assets	238,590	-830,987
Net Assets - Beginning of Year	806,345	1,637,332
Net Assets - End of Year	1,044,935	806,345



PERCENTAGE OF EVERY DOLLAR DONATED



Message from the CEO

Dear friends,

As we write this letter, Healing Waters International begins its ninth year of ministry. The closing of one chapter and the start of a new one brings reflection asking, what is our "true north"?

True north is a line, based on longitude, that begins and ends at the Earth's poles defining direct north and south travel. When used by the military, true north terminates in a five point star. For us, the five points of the star are:

1. Our Mission
2. Our Vision
3. Our Core Values
4. Sustainability
5. Transformation

The first three points outline who we are, what we do, and how we do it. Points four and five provide our performance metrics.

Our founders, Tom and Dana Larson, were ahead of their time with their uncompromising commitment to system sustainability. Over 90% percent of the systems installed by Healing Waters over the past eight years continue to serve communities today! This is an enviable record and one that will not be compromised moving forward.

Project sustainability is essential to transformation. This approach is complex, expensive, and time consuming, demanding careful planning and flawless implementation. This is the road less travelled that we choose to follow.

In January 2010 Ned Breslin, Chief Executive Officer of Water for People, published an essay titled "Rethinking Hydro-Philanthropy." I quote: "... a 'catastrophe' is spreading across Africa – approximately 50,000 rural water points are broken and US\$215-360 million of investment wasted because of poor programming and careless implementation. Others quote 20-year losses between \$1.2 and \$1.5 billion."

While we desire dynamic growth, it must be growth that enables sustainable, transformational outcomes.

Best regards,



Country Overview

Dominican Republic

The Dominican Republic continues to be the country where we experience both the highest growth and highest water distribution. In 2009 we installed 9 new projects, almost half of which were in conjunction with Willow Creek Church and its local church partners. While this year represented the single largest year of water distribution ever, it was not without challenges. Same system water distribution volumes were the same as 2008. The single largest driver behind this was the Ministry of Health and its changing regulations and requirements. Projects were sporadically and temporarily closed while we worked quickly to comply with new Ministry of Health regulations. Nevertheless, the total number of people served on a daily basis grew by 15% to 67,290.

Mexico

Significant competition from a for-profit, copy-cat vendor, Iglu, clouded the performance landscape in Mexico in 2009. Even though 3 new projects were installed, total water distribution decreased 1% and distribution at projects open for more than one year was down 7%. Despite these challenges, water donated to local organizations represented more than 5% of total water distributed. Collectively, Mexico water systems generated a total of \$65,000 in community service funds which were then used by our church partners to invest in local outreach projects.

Guatemala

Slow and steady growth characterized Guatemala in 2009. A total of 3 new projects were installed and total water distribution increased by 3%. All 3 projects implemented in Guatemala were in conjunction with Willow Creek Church and its local network of church partners. Overall, the number of people served on a daily basis increased to 18,666.

Statistics by Country

	2009	Inception to 12-31-2009
Dominican Republic		
People served per day	67,290	
Water projects installed	9	48
Total gallons distributed	12,280,413	62,775,904
Total gallons donated	620,761	2,958,056
Mexico		
People served per day	27,584	
Water projects installed	3	20
Total gallons distributed	5,034,036	16,911,483
Total gallons donated	276,636	861,653
Guatemala		
People served per day	18,666	
Water projects installed	3	23
Total gallons distributed	3,406,457	9,527,991
Total gallons donated	165,555	585,331
Global		
People served per day 2009	113,539	
Water projects installed	15	91
Total gallons distributed	20,720,906	89,215,378
Total gallons donated	1,062,952	4,405,040

Our Vision

To see safe water provided in the name of Jesus in every poor community of the world.

Our Mission

Healing Waters International empowers local ministry partners to bring physical, social, and spiritual transformation to poor communities by providing sustainable, safe water solutions.

Core Values

Jesus-Inspired
Sustainability
Integrity
Accountability
Accessibility
Unity

Transformation in Action

After her husband died in a tragic motorcycle accident, Doris (pictured right) struggled to raise her three daughters and to make ends meet. Left with no money, family or job, she was forced to take on odd jobs and work long hours in order to survive. Doris and her family lived in poverty for two years, and most days she struggled to put food on the table.



Life changed for Doris and her family three years ago when she was hired as the encargada, or water system manager, in Peronia, Guatemala. Doris works full-time at the Peronia water system and is now able to support her family. She walks to work and enjoys the convenience of being close to home so she can be involved in the lives of her three daughters Valeria (17), Kimberly (16) and Doris (11).

Doris is proud of her work and enjoys the opportunity to interact with local residents who come to buy water. She is grateful for the ways that God has worked to transform her life and the lives of her daughters through the Healing Waters system in Peronia.