2016 ANNUAL REPORT

BLOOD:WATER
I remember sitting in a house concert listening to great music and a story of how I could help people who seemed to be a world away; at least from my world. Interspersed with music, Dan Haseltine, lead singer for “Jars of Clay,” expressed the band’s deep commitment to helping in areas that were in need of clean water and basic health essentials in fighting the scourge of HIV/AIDS in Africa. The story was compelling.

However, what captured my imagination was not the story, but a smile. As I watched a short video of the work accomplished in Africa, I saw something that would change my perspective and implicate me in the greater story God would have for me.

Watching a young woman rolling an empty barrel to a well, where she would fill it with clean water, and then roll it back to her village moved me. Knowing that pushing this barrel may be a daily ritual for her, I could not believe what I witnessed: a smile. This young woman, struggling daily with what I take for granted, was smiling ear to ear. I asked myself, “Where does this joy come from?”

It was at that moment I knew I had to do something. I was invited on to the board of directors for Blood:Water and elected chairman this past July. The power of a smile was so simple, so pure, and so deeply profound that I was convicted.

I invite you to read our annual report knowing that, as an organization, we honor and respect the stories of the people we serve because of the generosity of our donors, and always knowing that the work we do matters.

In 2016, Blood:Water welcomed Stan Doerr as our new executive director. With 30 years of international experience, his leadership has ushered in exciting initiatives that will streamline our operations and maximize the incredible work we have undertaken in Africa. In addition to bringing on a new executive director, the board welcomed founder Dan Haseltine to the executive team as the new senior development officer.

On behalf of the board of directors, we thank you for your continued support. More importantly, we invite you to continue partnering with us as we strive to eliminate the HIV/AIDS and water crises in Africa.

Gratefully,

Kevin Clark
Chairman, Board of Directors
2016 TIMELINE
Take a look at some of our key moments from 2016.

JANUARY-MARCH
Three kiosks completed in northern Kenya
The new water kiosks are distributing water to different points in the community to provide more comprehensive coverage.

FEBRUARY-MARCH
Save a Drink, Save a Life campaign
Our awesome fundraisers saved their drinks to bring clean water to our friends in Africa.

MARCH 22
World Water Day celebration
Guests joined us in Nashville for a day of music, artistry, and community to recognize the good work done and that which remains to provide clean water worldwide.

APRIL
Wally visited Rwanda
Wally visited communities and met people who would benefit from the School Bells & Water Wells event the following week on The Wally Show on WAY-FM.

MAY
School Bells & Water Wells event
WAY-FM listeners raised funds to provide more than 27 schools in Africa with clean water.

JUNE-AUGUST
Kids made a difference
Across the country, kids hosted Lemon:Aid stands and collected change for The Walter Project to bring clean water to kids in Africa.
AUGUST
Stan Doerr welcomed as new executive director
With 30 years of international experience, Stan is ushering in exciting initiatives to streamline operations and maximize the incredible work happening in Africa

AUGUST
Annual Partner Summit in Nairobi, Kenya
Representatives from each of our partners gathered for a week of collaborative learning, sharing, engaging, and relationship building

AUGUST
Back to School campaign
Donors sent 400 kids in Ethiopia back to school with the uniforms and supplies they needed to be set up for a school year of success

SEPTEMBER
Rich Hoops rejoined our board of directors
Having served on the board from 2007-2014, Rich returns with private and public sector experience, as well as historical knowledge of the organization

OCTOBER
Vision Trip to Zambia
Five donors traveled to see our work firsthand, where one says her mindset about how to best love her neighbors was “forever changed, for the better”

DECEMBER
40 is Everything campaign
During the Christmas season, donors raised money to provide water, sanitation, and hygiene for more than 2,300 people
Ethiopia ACT
Supporting families in Suki, Ethiopia, that are infected and affected by HIV through medical, psychosocial, economic, and educational programs.

FH Kenya
Providing medical services for the HIV-positive populations of target communities in Marsabit County, Kenya, alongside water, sanitation, and hygiene services.

FH Uganda
Providing high-quality, family-oriented, integrated care and medical services for the HIV-positive population of Kitgum, Uganda.

Lwala Community Alliance
Delivering improved health and well-being through multi-dimensional services for the HIV-affected community in North Kamagambo, Kenya.

Moucecore
Partnering with local communities to provide clean water, and promote improved sanitation and hygiene practices in the Nyamagabe District of southern Rwanda.

Partners in Hope
Providing holistic HIV/AIDS care through clinical and comprehensive community-based psychosocial services in Malawi.
WATER IMPACT

KENYA:
4 water points repaired
16,681 provided with access to safe water
13,949 learned proper hygiene practices
4,300 received improved access to sanitation
329 latrines constructed

MOZAMBIQUE:
46 water points repaired
2,808 provided with access to safe water
8,437 learned proper hygiene practices
8,437 received improved access to sanitation
611 latrines constructed

RWANDA:
4 new water points constructed
4,098 provided with access to safe water
5,081 learned proper hygiene practices
292 received improved access to sanitation
51 latrines constructed
**ETHIOPIA ACT**
179 enrolled for care and treatment
15 tested and counseled for HIV
13 received HIV/AIDS education

**KENYA: TUMAINI CLINIC**
3,728 enrolled for care and treatment
2,742 tested and counseled for HIV
4,572 received HIV/AIDS education

**KENYA: LWALA COMMUNITY HOSPITAL**
9,003 enrolled for care and treatment
12,392 tested and counseled for HIV
27,795 received HIV/AIDS education

**UGANDA: NEW LIFE MEDICAL CENTER**
1,452 enrolled for care and treatment
5,813 tested and counseled for HIV
5,152 received HIV/AIDS education
FUNDRAISER FEATURES
Take a look into the campaigns of some of our amazing and inspiring fundraisers!

ISABEL HAMBURGER: TURNED 18 FOR GOOD
Isabel wanted her 18th birthday to be special – but not just for her. So, she asked friends and family to donate what they could to help her raise $350 so that people in Africa could have clean water and HIV/AIDS care and treatment. Isabel got her birthday wish, and raised more than $400!

MEGAN & JAMES KEENUM: SHARED THE LOVE
Megan and James have been blessed in life and love. When they got married last year, they knew the greatest gifts they would receive were the continued friendship and presence of loved ones at their wedding. So in lieu of traditional gifts, they asked guests to share the love with our friends in Africa!

KATE FORBIS: MADE A STAND FOR CLEAN WATER
Kate has a big dream to change the world, and she already has! Last summer, she made a stand – a Lemon:Aid stand – for clean water. She made signs, plenty of lemonade, and even a super cute video to help spread the word about her Lemon:Aid stand. The result? More than $1,200 raised!

GILEAD BAPTIST CHURCH: THE WALTER PROJECT
The children’s ministry at Gilead Baptist Church completed The Walter Project during their Vacation Bible School last summer. Together, they collected VBS offerings and even hosted a Lemon:Aid stand at a community yard sale to raise more than $3,000 to help make sure kids in Africa could have clean water!
FINANCIAL UPDATE

Together, we celebrate the major progress Blood:Water has made in 2016. We have made significant changes to become a stronger and healthier organization, allowing us to more effectively serve our African partners.

Adjustments that were made in 2016 were necessary and have prepared Blood:Water to more effectively engage our partners in 2017 and beyond. We will not only be able to begin work with new African partners, but to strengthen all of our partners and help them become more effective community leaders.

In addition to seeing our programmatic expenditures grow from the 50 percent range to over 78 percent, we are seeing growth from $1.5 million to $2.1 million being spent in support of our amazing grassroots partners in Africa.

None of this could have been possible without the strong and faithful support of our donors. As you hear the stories of what is happening in Africa, know that these are your stories. You are providing water for communities, you are making community support groups possible for those living with HIV/AIDS, and you are making it possible for girls to stay in school through better sanitation facilities at schools.

Thank you for making all that Blood:Water does possible.

Stan Doerr
Executive Director

To view our financial documents, see Appendix A. A full report can be viewed at bloodwater.org/financials.

You can also visit our GuideStar page to learn more.
IMPACTING COMMUNITIES WITH CLEAN WATER

In a desert, water is very essential, and impacts nearly every aspect of life for the people living there. That’s why, in 2016, we worked with one of our local partners in northern Kenya to support them in their effort to install three water kiosks to better serve the community. Learn more about the impact these water kiosks are making: vimeo.com/191560630.

We celebrate the success this project is having today! But this is just one of the many stories your gifts made possible last year, and we are so excited about the work our partners in Ethiopia, Kenya, Malawi, Rwanda, and Uganda are continuing to do.
As we partner with organizations working to provide communities with clean water, we also continue to come alongside partners that act as the bridge between despair and hope for HIV-positive people. One way they do this is by implementing support groups that help reduce the fear and stigma associated with living with HIV. See the impact these support groups make: vimeo.com/222462259.

Seeing the transformation these groups make is inspiring. It’s what keeps us (and our partners) going in this work, and we are honored to be a part of all they are planning to do throughout 2017 and into the future.
BOARD OF DIRECTORS

Kevin Clark, Chair
Clark Wealth Advisors of Raymond James
Holland, MI

Jena Lee Nardella
Praxis
Palo Alto, CA

Caitlin Glover
Clinton Health Access Initiative
Tampa, FL

Brad Gibson
Ascend Advisory Group
Columbus, OH

Rich Hoops
Impact Hub Boulder
Boulder, CO

Steven Garber (Emeritus)
The Washington Institute
Burke, VA

Porter Delaney (Advisory)
Kyle House Group
Washington, DC

Scott Morris (Advisory)
JMI Sports-Clemson University
Greenville, SC
Forms 990 / 990-EZ Return Summary

For calendar year 2016, or tax year beginning , and ending

BLOOD:WATER MISSION, INC.

56-2483082

Net Asset / Fund Balance at Beginning of Year

Revenue
Contributions 2,641,239
Program service revenue
Investment income 36
Capital gain / loss 0
Fundraising / Gaming:
Gross revenue
Direct expenses
Net income
Other income 3,426
Total revenue 2,644,701

Expenses
Program services 2,104,160
Management and general 198,246
Fundraising 392,916
Total expenses 2,695,322
Excess / (deficit) -50,621

Changes

Net Asset / Fund Balance at End of Year

Reconciliation of Revenue
Total revenue per financial statements 2,644,701
Less:
Unrealized gains
Donated services
Recoveries
Other
Plus:
Investment expenses
Other
Total revenue per return 2,644,701

Reconciliation of Expenses
Total expenses per financial statements 2,695,322
Less:
Donated services
Prior year adjustments
Losses
Other
Plus:
Investment expenses
Other
Total expenses per return 2,695,322

Balance Sheet

<table>
<thead>
<tr>
<th>Assets</th>
<th>Beginning</th>
<th>Ending</th>
<th>Differences</th>
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<tr>
<td></td>
<td>461,983</td>
<td>322,621</td>
<td>-50,621</td>
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<tr>
<td>Liabilities</td>
<td>150,249</td>
<td>61,508</td>
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<tr>
<td>Net assets</td>
<td>311,734</td>
<td>261,113</td>
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</table>

Differences

<table>
<thead>
<tr>
<th>Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>-50,621</td>
</tr>
</tbody>
</table>

Miscellaneous Information

Amended return
Return / extended due date 11/15/17
Failure to file penalty
Blood:Water Mission, Inc.
Statement of Activities and Changes in Net Assets
For the Year ended December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues and Support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$2,071,712</td>
<td>$563,211</td>
<td>$2,634,923</td>
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<tr>
<td>In-Kind Contributions</td>
<td>6,316</td>
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<td>6,316</td>
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<td>Interest Income</td>
<td>36</td>
<td>-</td>
<td>36</td>
</tr>
<tr>
<td>Merchandise - Net</td>
<td>3,426</td>
<td>-</td>
<td>3,426</td>
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<tr>
<td>Net Assets Released from Restriction</td>
<td>653,111</td>
<td>(653,111)</td>
<td>-</td>
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<tr>
<td>Total Revenues and Support</td>
<td>2,734,601</td>
<td>(89,900)</td>
<td>2,644,701</td>
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<tr>
<td>Expenses</td>
<td></td>
<td></td>
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<tr>
<td>Program Services</td>
<td>2,104,160</td>
<td>-</td>
<td>2,104,160</td>
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<tr>
<td>Supporting Services:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and Administrative</td>
<td>198,246</td>
<td>-</td>
<td>198,246</td>
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<tr>
<td>Fundraising</td>
<td>392,916</td>
<td>-</td>
<td>392,916</td>
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<tr>
<td>Total Expenses</td>
<td>2,695,322</td>
<td>-</td>
<td>2,695,322</td>
</tr>
<tr>
<td>Change in Net Assets</td>
<td>39,279</td>
<td>(89,900)</td>
<td>(50,621)</td>
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<tr>
<td>Net Assets - Beginning of the Year as Originally Stated</td>
<td>136,007</td>
<td>114,900</td>
<td>250,907</td>
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<td>Prior Period Adjustment</td>
<td>-</td>
<td>60,830</td>
<td>60,830</td>
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<tr>
<td>Net Assets, Beginning of Year as Restated</td>
<td>136,007</td>
<td>175,730</td>
<td>311,737</td>
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<tr>
<td>Net Assets - End of the Year</td>
<td>$175,286</td>
<td>$85,830</td>
<td>$261,116</td>
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See Notes to the Financial Statements
Blood:Water Mission, Inc.
Statement of Cash Flows
For the Year Ended December 31, 2016

<table>
<thead>
<tr>
<th>Cash Flows from Operating Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in Net Assets</td>
</tr>
<tr>
<td><strong>Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities</strong></td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Decrease in Grant Receivable</td>
</tr>
<tr>
<td>Increase in Miscellaneous Receivable</td>
</tr>
<tr>
<td>Decrease in Merchandise Inventory</td>
</tr>
<tr>
<td>Decrease in Accounts Payable and Accrued Expenses</td>
</tr>
<tr>
<td><strong>Total Adjustments</strong></td>
</tr>
<tr>
<td><strong>Net Cash Used for Operating Activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Investing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of Fixed Assets</td>
</tr>
<tr>
<td><strong>Net Cash Used for Investing Activities</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash Flows from Financing Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion of Notes Payable</td>
</tr>
<tr>
<td><strong>Net Cash Used for Investing Activities</strong></td>
</tr>
</tbody>
</table>

Net Decrease in Cash $(77,022)

Cash, Beginning of the Year 287,585

Cash, End of Year $210,563

**Supplemental Cash Flow Information**

| Interest Paid | $900 |