Project Healing Waters Fly Fishing, Inc. (PHWFF) is dedicated to the physical and emotional rehabilitation of disabled active military service personnel and disabled veterans through fly fishing and associated activities including education and outings.

BOARD OF TRUSTEES

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Brian Trow

Douglas M. Dear
Chairman Emeritus
Dear Friends,

Thank you for making 2016 yet another remarkable year for Project Healing Waters Fly Fishing! As I began to compose this letter, I realized how quickly my first six months passed as your President and Chief Executive Officer. Although 2016 represents a year of transition for me and for the organization, we made solid progress on many fronts. Personally, I’m truly humbled with the honor to lead our talented staff, dedicated volunteers, and to serve our common cause! Once again our dedicated headquarters staff and volunteers in the field expanded our outreach while strengthening our programs and services.

The overall focus for the year was to expand our programs and services to an ever-increasing population of disabled veterans. As you’ll find outlined in this Annual Report we’ve enjoyed many organizational successes during 2016. A few programmatic highlights include:

- **Over 210 operational programs serving disabled veterans and disabled military service personnel from all 50 states and Germany.** Each program is managed at the local level by volunteers that work with Department of Veterans Affairs (VA) facilities, Department of Defense (DOD) military installations, Warrior Transition Units (WTU) and other institutions. PHWFF has 20 geographic regions throughout the United States and 1 region in Europe.

- **Over 3,200 PHWFF volunteers contributed more than 262,000 hours.** This enabled more than 7,500 disabled veterans and disabled active military service personnel to participate in PHWFF program activities.

The emphasis for 2017 is to continue to expand our organizational reach while we complete and deliver an improved website with a data management application. This application will enable us to deliver consistently high quality programs to our participants.

Thanks to your dedicated individual and collective efforts Project Healing Waters enjoys a reputation as one of our Nation’s premier nonprofit organizations. I can’t thank you enough for your compassion and your selfless service to this great Nation. I’m truly honored and blessed to lead this great team!

Warm Regards

Todd S. Desgrosseilliers, President & Chief Executive Officer
Colonel, U.S. Marine Corps (retired), Combat Wounded and Disabled Veteran

To our participants, volunteers, staff, partners and donors,

Many thanks for contributing to our success in 2016! PHWFF has made great strides in growing the organization, improving its level of service and securing a sound financial profile. Since its inception when our Founder, Ed Nicholson started the first program at Walter Reed our legion of volunteers and dedicated staff have worked tirelessly to provide a healing program across the US and in Germany. One donor said “you have earned your brand.” I agree and know that we must now “protect” the brand.

As we move forward we are positioned for growth through consistency of service, dedicated volunteers, implementation of best practices throughout our programs, compliance with the regulations and laws that govern us, and a Board of Trustees committed to ensuring the resources are in place to support our programs. We will stay true to our mission and never forget that the most important people in our programs are the disabled servicemen and women that look to us for respite, camaraderie and compassion. We will recruit an increasing number of veterans that can either join our volunteer force to “help” implement our programs or to participate in the “healing” process.

PHWFF will continue to perform its mission for generations to come.

Robert Fitch, Chairman
Statement of Financial Position

In 2016, PHWFF revenue increased 27% over the previous year and 10% over the projected budget. This strong increase puts the organization in a position to provide more support to PHWFF participants by increasing the amount of money spent on core programmatic expenses. In the past five years, PHWFF has more than doubled the amount of support provided to our Regional and National Programs. At the same time, we continue to maintain low overhead costs. In 2016, **84% of revenue went directly to fund programmatic expenses.**

PHWFF attributes its success to the legion of dedicated volunteers leading programs all across the country — providing fly tying, fly casting, fly rod building and other instruction; to those serving on the Board of Trustees; or to the many others who volunteer time and talents to support the ongoing work of ‘Healing Those Who Serve.’ In 2016, PHWFF volunteers contributed 262,768 hours which, using IRS guidelines, equates to a contribution of $6,343,220 in a non-cash value to our organization. We gratefully acknowledge the invaluable contribution of all of our volunteers.

### Balance Sheet as of December 31, 2016

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents $1,638,582</td>
<td>Accounts payable and accrued expenses $149,299</td>
</tr>
<tr>
<td>Investments 129,522</td>
<td>Deferred revenue 4,027</td>
</tr>
<tr>
<td>Contributions receivable 229,617</td>
<td></td>
</tr>
<tr>
<td>Prepaid expenses 33,239</td>
<td>$153,326</td>
</tr>
<tr>
<td>Fixed assets, net 49,281</td>
<td></td>
</tr>
<tr>
<td>Other assets 1,300</td>
<td>NET ASSETS</td>
</tr>
<tr>
<td></td>
<td>Unrestricted 1,089,769</td>
</tr>
<tr>
<td></td>
<td>Temporarily restricted 838,446</td>
</tr>
<tr>
<td><strong>Total Assets</strong> $2,081,541</td>
<td><strong>Total Liabilities and Net Assets</strong> $2,081,541</td>
</tr>
</tbody>
</table>

### Revenue and Expenses for the Year Ended December 31, 2016

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>EXPENSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and grants 2,609,898</td>
<td>Program services 3,142,159</td>
</tr>
<tr>
<td>In-kind donations 966,984</td>
<td>Management and general 377,293</td>
</tr>
<tr>
<td>Special events, net 727,642</td>
<td>Fundraising 208,389</td>
</tr>
<tr>
<td>Investment income 2,219</td>
<td></td>
</tr>
<tr>
<td>Other revenue 15</td>
<td><strong>Total Expenses</strong> $3,727,841</td>
</tr>
<tr>
<td><strong>Total Revenue</strong> $4,306,758</td>
<td></td>
</tr>
</tbody>
</table>

Source: Project Healing Waters Fly Fishing, Inc.'s 2016 Audited Financial Statements for the year ending December 31, 2016
2016 Audited Support & Revenue
$4,307,000

- 44% Donations ($1,883,000)
- 17% Grants ($727,000)
- 22% In-Kind Donations ($967,000)
- <1% Other ($2,000)
- 17% Special National Events ($728,000)

2016 Donation Sources

- United Way/CFC: 1%
- Foundations: 17%
- Corporations: 24%
- Individuals: 58%

Audited 2016 Expenses
$3,727,000

- 6% Fundraising ($208,000)
- 84% Program Services ($3,142,000)
- 10% General Management ($377,000)
7,514 participants
3,281 volunteers
262,768 volunteer hours
3,878 fly tying workshops
1,118 fly rod building workshops
1,274 fly casting workshops
654 fly fishing education workshops
1,540 fly fishing outings
210 programs
18% of volunteers are former participants
$0 cost to participants
GRANTS, your generosity accounted for 17% of revenue. It is through your support, we were able to provide fly fishing materials, education, and outings required to maintain an outstanding level of experiences to those we serve.

Thank you for your loyalty and support of our mission.

National Program Rendezvous

PHWFF held its first ever National Program Rendezvous (NPR) in Orlando, FL, March 13-16, 2016. The event focused on training and better equipping our volunteers with the skills and knowledge needed to help heal the injured and disabled military service personnel and disabled veterans we serve nationwide.

Bringing together over 177 volunteer Program Leads, Assistant Program Leads, Regional Coordinators, and Deputy Regional Coordinators, the NPR was an excellent opportunity to provide the tools and training volunteers need to continue providing consistent therapeutic experiences at each of our programs across the country. Special guest speakers included U.S. Department of Veterans Affairs Deputy Secretary Sloan Gibson; Deputy Assistant Secretary of Defense James Rodriguez; and U.S. Department of Veterans Affairs Director of Voluntary Services Sabrina Clark, among others.

The NPR was funded by a grant from the Department of Veterans Affairs, Adaptive Sports Grant Program, under the Office of Rehabilitation and Prosthetic Service.

“I spent 35 years working in Corporate America, and I shudder to think of how much time I wasted on conventions and other such pow-wows. They were often thinly disguised boondoggles to get out of the office and to someplace more fun. The National Program Rendezvous wasn’t like that at all. Day after day was filled with good information, valuable idea-sharing and heart-warming stories that all of us need to hear to keep us energized in the work we do for those who serve and who have served. Throughout the Rendezvous, we were made aware of how important it is for us to respect the trust that our donors and our participants place in us. The Rendezvous kept all of us focused on our mission, and on how valuable an opportunity we had been provided. I brought a swimsuit to the event but I never used it, that’s how engaged we were for the duration of the meeting.”

– Jim Kissane, Assistant Program Lead, Kansas City, MO
“I was an inpatient in the PTSD program at the Biloxi, MS VAMC. Your organization was the only organization I directly benefitted from. Your volunteers came in and taught me how to make my first fishing fly!! I was soooo proud of myself that day. Your volunteers were extremely patient with all Vets and I am graciously thankful for that day.”

— PHWFF Veteran Participant

“This program has kept a lot of us alive. “

— SSG (ret) Robert Bartlett, US Army

“This program has delivered everything that this disabled Vet could have imagined. As a novice I’ve truly been blessed with some natural ability in tying flies. While doing so, my limitations, the kind you can’t see, are quite diminished. I’ve been able to share this skill and instruct my brother Vets. Not to mention the realization of overcoming my physical limits has been nothing short of miraculous. For this I am forever grateful. Truly “HEALING THOSE WHO SERVE.”

— Leominster, MA participant, Michael Bousquet

“It heals. Just as its name states. Suffering from PTSD and various other injuries and complications from a brain injury, my life had been drastically altered in the last few years. Things have been falling out of place. My body has been failing. My mind has been failing. Stressors were mounting up, depression thickening, and isolation becoming even more of a problem. PHWFF has provided a cure for the most of it.”

— Staff Sergeant (ret) Charles “Sarge” Speakman, US Army
Fly Tying

The annual National Fly Tying Competition featured over 50 entries from PHWFF Participants. This competition showcases veteran participants’ fly tying skills and creativity garnered from program classes and independent study in a casual, fun contest. This great annual program has grown each year since its inception in 2012 and we’ve been delighted and astounded to see the remarkable patterns and flies submitted from our participants across the country. Five finalists from this competition attend the International Fly Tying Symposium where the winners are announced. While attending the two day symposium the finalists demonstrated their fly tying skills at the PHWFF booth, and met and learned from the professional tiers assembled for the event.

Fly Rod Building

Over 650 participants took part in the annual National Rod Building Program & Competition representing 17 PHWFF Regions and 91 individual PHWFF Programs. This annual competition affords our participants the experience of building their own fly rods to further their physical and mental rehabilitation through the sport of fly fishing. It is a way for them to further exhibit the skills and creativity garnered from program classes, meetings, and independent study in a casual, fun program. Additionally, the rod building program includes a competition component as well, which gives participants the chance to win prizes for their rod building abilities. These prizes may include the opportunity to further their rod building experience by attending a bamboo rod building school or attend a PHWFF National fly fishing trip.

Trips

In 2016, 150 participants went on 26 “trips of a lifetime” through the National Trips Program. Destinations included world class fishing locations in Montana, Michigan, Alaska, Maine, Florida, Colorado, North Carolina, Virginia, Tennessee and even international locations in Canada. PHWFF Participants that attend National Trips must first be active participants in their local PHWFF Program where they learn all the basics of fly fishing and fly tying at ongoing instructional classes. PHWFF Participants then have the opportunity to apply these fly fishing skills on a trip that will last in their memories for a lifetime.
Fundraising Summary and Overview

PHWFF Programs all across the country realized great success in fundraising efforts in 2016. A variety of approaches, both tried and true and new and unproven, were employed to raise funds to support local programmatic activities. Through the tireless efforts of volunteers, fundraising goals were met and often exceeded. Supporters external to the organization continued to contribute through third party fundraising efforts affirming that the PHWFF brand is recognizable and endorsed.

National events were repeat performances featuring several longstanding fundraising efforts, notably the 2-Fly Tournament, Mossy Creek Invitational, Battle at Boxwood, Smoky Mountain Grand Slam Challenge and Healing on the Fly New York City. The 2016 2-Fly Tournament was the 10th anniversary of this annual event and we welcomed Tom Brokaw as the keynote speaker to mark this special occasion.

Healing Saturday, a one day nationwide PHWFF fundraising event was held for the first time in 2016. While this is a new nationwide fundraising endeavor for PHWFF, Healing Saturday is based on a concept created and successfully activated by PHWFF supporters and volunteers in Missouri for three years. Healing Saturday first year efforts proved successful as the fundraising goal was exceeded through the efforts of volunteers who held forty Healing Saturday events all across the country.

To capitalize on the rapid growth of PHWFF’s media footprint, a concerted effort was made to build local program presence on social media through training and platform development and the resultant expansion directly led to building greater awareness of our cause and two successful online fundraising campaigns: #GivingTuesday and our first digital annual appeal.
PHWFF was featured in hundreds of media outlets throughout 2016, including the following highlights:

- **The NBC Nightly News with Lester Holt** (Wounded Veterans Find Peace through the Serenity of Fly Fishing, July 2016)

- **Forbes Magazine** (Wounded Veterans, PTSD, and the Healing Powers of Fly Fishing, October 2016)

- **U.S. Department of Veterans Affairs, VAntage Point** (Project Healing Waters Brings Fly Fishing to Disabled Veterans, March 2016)

- **The Huffington Post** (Veterans Require No Label — Honor Where They Are and Who They Are! April 2016)

- **PBS** (The Veterans of Kansas City PHWFF, December 2016)

- **Real Simple Magazine** (How a Long-Forgotten Wedding Present Changed My Marriage by Lee Woodruff, February 2016)

- **The VFW Magazine** (Camaraderie of Fly Tying Vets is Phenomenal, August 2016)

- **Anchored with April Vokey** (David Folkerts, November 2016)

- **Parade Magazine** (Bob Rich writes a fish story to benefit our nations veterans, May 2016)

- **The Daily Caller** (How Fly Fishing is Helping Veterans Find Peace of Mind, July 2016)

- **Bass Pro Shops Outdoor Radio** (Project Healing Waters and 3 Fishing Legends, June 2016)

- **We Are the Mighty** (Tom Brokaw talks about this effective vet program that uses fly fishing as therapy, June 2016)
Project Healing Waters Fly Fishing gratefully acknowledges and thanks Peter Corbin for the inclusion of his beautiful sketch in this Annual Report. In a painting career that has spanned more than 40 years and produced a body of work bearing comparison to the likes of A.B. Frost and Ogden Pleissner, Peter Corbin has established himself as one of the finest American sporting artists of his generation. But while his reputation is based primarily on his meticulously composed scenes of sport — fly fishing and wingshooting in particular — the paintings collected in his portfolio reveal the full range of his talent, the stunning breadth of his reach and vision. View more of Peter’s work at www.petercorbin.com.

Provide Clarity of Purpose

define and align our work and its impact on our participants

Create a Sustainable Business Model

develop resources and position PHWFF for future success

Enable the Right Leadership

steer and steward efforts toward SMART results (specific, measureable, attainable, relevant, time-bound)
Just as the fly angler casts the line in anticipation of landing a trophy fish, PHWFF is casting a vision toward a strong and vibrant future, one where we continue to reach the next disabled veteran who will find healing through participation in a PWHFF Program.

4 Conduct Smart Operations
manage and marshal PHWFF’s resources to accomplish our mission

5 Encourage Implementation and Improvement
use information to adapt, improve and evolve for the future

6 Foster Strategic Collaboration
leverage the community for greater impact for our participants
Project Healing Waters Fly Fishing Regional List

1. Alabama – AL
Eric Cohen, Regional Coordinator
Richard Haynes, Deputy Regional Coordinator

2. Florida – FL
Stewart Mitchell, Regional Coordinator
Dennis O’Brien, Deputy Regional Coordinator
Mike Reeves, Deputy Regional Coordinator
Anthony Fernandez, Deputy Regional Coordinator

3. Georgia – South Carolina – GA, SC
Curt Boatman, Regional Coordinator
Mark Pierce, Deputy Regional Coordinator

Clinton Carpenter, Regional Coordinator
Denise Miller, Deputy Regional Coordinator
Jim Gera, Deputy Regional Coordinator
Terry Pierce, Deputy Regional Coordinator

5. Kentucky-Ohio – KY, OH
Kevin Ramsey, Regional Coordinator

6. Midwest – IA, IL, IN, MI, MN, WI
Richard Lobianco, Regional Coordinator
Chris Jackson, Deputy Regional Coordinator

7. National Capital – District of Columbia, DE, MD
George Gaines, Regional Coordinator
Julie Keene, Deputy Regional Coordinator

8. New England – CT, MA, ME, NH, RI, VT
George Draper, Regional Coordinator
Richard Diamond, Deputy Regional Coordinator
William Schmitt, Deputy Regional Coordinator

Tim Daly, Regional Coordinator
Ed Veaudry, Deputy Regional Coordinator

10. North Carolina – NC
Ryan Harman, Regional Coordinator
John Bass, Deputy Regional Coordinator
Pat Curley, Deputy Regional Coordinator

11. Northwest – AK, OR, WA
Chuck Tye, Regional Coordinator
Jerry Lorang, Deputy Regional Coordinator

12. Pennsylvania – PA
Skip Hughes, Regional Coordinator
Heide Marie Cebrick, Deputy Regional Coordinator
Dave Riggio, Deputy Regional Coordinator

13. Rocky Mountain Northeast – ND, SD, WY
Derrick Dietz, Regional Coordinator
Spencer Amend, Deputy Regional Coordinator

14. Rocky Mountain Northwest – ID, MT, WA
Jerry Griffin, Regional Coordinator
Sylvia Bach, Deputy Regional Coordinator

15. Rocky Mountain South – CO, UT
Steve Perry, Regional Coordinator
David Carrillo, Deputy Regional Coordinator

16. South Central – LA, MS, TX
David Inbody, Regional Coordinator
Walter McLendon, Deputy Regional Coordinator
Bill Adams, Deputy Regional Coordinator

17. Southwest – AZ, CA, HI, NM, NV
Carole Katz, Regional Coordinator
David Lipscomb, Deputy Regional Coordinator

18. Tennessee Valley – TN, MS
Ken Swinburne, Regional Coordinator
Russ Ambrose, Regional Coordinator
Steve Thompson, Deputy Regional Coordinator
Bill Coyne, Deputy Regional Coordinator

19. Virginia – VA
Ray Babineau, Regional Coordinator
Jim O’Brien, Deputy Regional Coordinator
Bob Crawshaw, Deputy Regional Coordinator
Chuck Jocen, Deputy Regional Coordinator

20. West Virginia – WV
Paul Moore, Regional Coordinator
Bernard Kubisiak, Deputy Regional Coordinator

21. Europe (Germany)
Stephen Graves, Regional Coordinator