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Form 990  
Department of the Treasury  
Internal Revenue Service

## Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung  
benefit trust or private foundation)

OMB No 1545-0047

2008

Open to Public  
Inspection

► The organization may have to use a copy of this return to satisfy state reporting requirements

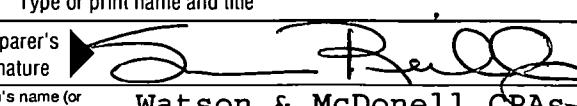
## A For the 2008 calendar year, or tax year beginning and ending

B Check if applicable <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization <b>Water First International</b> Doing Business As Water 1st	D Employer identification number <b>20-2601035</b>
	Number and street (or P.O. box if mail is not delivered to street address) <b>PO Box 17974</b>	E Telephone number <b>206-297-3024</b>
	City or town, state or country, and ZIP + 4 <b>Seattle, WA 98127-1954</b>	G Gross receipts \$ <b>1,024,272.</b>
	F Name and address of principal officer <b>Marla Smith-Nilson same as C above</b>	H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527	H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
	J Website: ► <a href="http://www.Water1st.org">www.Water1st.org</a>	H(c) Group exemption number ►
K Type of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ►	L Year of formation: <b>2005</b>	M State of legal domicile: <b>WA</b>

## Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <b>Water 1st's mission is to unite people to fight the global water crisis.</b>		
	2 Check this box ► <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	15
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	15
	5 Total number of employees (Part V, line 2a)	5	4
	6 Total number of volunteers (estimate if necessary)	6	150
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0.
b Net unrelated business taxable income from Form 990-T, line 34	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	922,220.	922,109.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,678.	4,899.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-7,179.	
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	920,719.	927,008.
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	175,599.	536,868.
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
E2-692 Expenses	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	192,045.	246,454.
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ► <b>111,687.</b>		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	219,085.	212,532.
	18 Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	586,729.	995,854.
	19 Revenue less expenses Subtract line 18 from line 12	333,990.	-68,846.
		Beginning of Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	567,042.	719,652.
	21 Total liabilities (Part X, line 26)	342,027.	563,483.
	22 Net assets or fund balances Subtract line 21 from line 20	225,015.	156,169.

## Part II Signature Block

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge			
	Signature of officer			
	Marla Smith-Nilson, Executive Director			
Preparer's Use Only	Preparer's signature	Date	Check if self-employed	Preparer's identifying number (see instructions)
		02/24/10	<input type="checkbox"/>	
	Firm's name (or yours if self-employed), address, and ZIP + 4	Watson & McDonell CRAs, PLLC 600 University Street, Suite 2828 Seattle, WA 98101-3301	EIN	

May the IRS discuss this return with the preparer shown above? (see instructions)

832001 12-18-08 LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions

X Yes  No

Form 990 (2008)

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### Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission See Schedule O for Continuation

Water 1st's mission is to serve families in the poorest communities in the world as they implement community-managed projects that integrate water supply, sanitation, and health education.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes", describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes", describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses  
Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a (Code: ) (Expenses \$ 626,870. including grants of \$ 536,868. ) (Revenue \$ )  
Water First International provides grants to non-governmental organizations (NGOs) based in developing countries in order to support the implementation of projects that include provision of drinking water, hygiene education, and sanitary latrines. The Organization works with the NGOs in some of the poorest communities in the world to support sustainable, community-managed solutions to water supply and sanitation problems. During 2008, the Organization and the local NGOs completed 53 water systems in three countries, benefiting over 6,000 people. The Organization has completed 168 water systems benefiting over 26,000 people since inception. In addition, the Organization initiated a project in Ethiopia that will benefit over 4,000 people upon completion in 2009.

4b (Code ) (Expenses \$ 229,613. including grants of \$ ) (Revenue \$ )  
Water First International educates people about the water supply and sanitation crisis in developing countries and the need for sustainable solutions.

4c (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services. (Describe in Schedule O)  
(Expenses \$ **856,483** including grants of \$ **0**) (Revenue \$ **0**)  
4e Total program service expenses ► \$ **856,483**. (Must equal Part IX, Line 25, column (B))

## Part IV Checklist of Required Schedules

	Yes	No
1		
1	X	
2	X	
3		X
4		X
5		
6		X
7		X
8		X
9		X
10		X
11		
11	X	
12		X
13		X
14a		X
14b	X	
15	X	
16		X
17		X
18	X	
19		X
20		X
21		X
22		X
23		X
24a		
24b		
24c		
24d		
25a		X
25b		X
26		X
27		X

## Part IV Checklist of Required Schedules (continued)

	Yes	No
28a During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X

## Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U S Information Returns Enter -0- if not applicable	1a	0
1b	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable	1b	0
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	4
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <i>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)</i>	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	X
3b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)? b If "Yes," enter the name of the foreign country ► See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts.	4a	X
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
5c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Did the organization solicit any contributions that were not tax deductible?	6a	X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	<b>Organizations that may receive deductible contributions under section 170(c).</b>	7c	X
7a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?	7a	X
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
7d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	X
7h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	X
8	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>	9a	
9a	Did the organization make any taxable distributions under section 4966?	9a	
9b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	<b>Section 501(c)(7) organizations.</b> Enter: N/A	10a	
10a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	<b>Section 501(c)(12) organizations.</b> Enter N/A	11a	
11a	Gross income from members or shareholders	11a	
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a	
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

**Part VI** **Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code)

**Section A. Governing Body and Management**

For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions

		Yes	No
1a	15		
1b	15		
2		X	
3		X	
4		X	
5		X	
6		X	
7a		X	
7b		X	
8a	X		
8b	X		
9a		X	
9b			
10	X		
11		X	

**Section B. Policies**

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13		
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?		
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done		
13	Does the organization have a written whistleblower policy?		
14	Does the organization have a written document retention and destruction policy?		
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision		
a	The organization's CEO, Executive Director, or top management official?		
b	Other officers or key employees of the organization?		
	Describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		
16a			X
16b			

**Section C. Disclosure**

17	List the states with which a copy of this Form 990 is required to be filed ►WA
18	Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
	<input checked="" type="checkbox"/> Own website <input checked="" type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request
19	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization ►
	<u>The Organization - 206-297-3024</u>
	<u>PO Box 17974, Seattle, WA 98127-1954</u>

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**
**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter 0- in columns (D), (E), and (F) if no compensation was paid

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors, institutional trustees, officers; key employees, highest compensated employees; and former such persons

Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)				(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	
Jim Moore Director	2.00	X					0.	0.
Linda Cheever Chair of Board of Direct	2.00	X	X				0.	0.
John Crossman Director	2.00	X					0.	0.
Sara DeRuyck Director	2.00	X					0.	0.
Margie Duckstad Director	2.00	X					0.	0.
Derek Pell Director	2.00	X					0.	0.
Christine Stickler Director	2.00	X					0.	0.
Darryl Swenson Vice Chair of Board of D	2.00	X	X				0.	0.
Daniel Won Director	2.00	X					0.	0.
Steve Crane Director	2.00	X					0.	0.
Kristi England Director	2.00	X					0.	0.
Ann-Marie Amies Oelschla Director	2.00	X					0.	0.
Matt Steele Director	2.00	X					0.	0.
Steve Romein Treasurer	2.00	X	X				0.	0.
Seshu Vaddey Director	2.00	X					0.	0.
Marla Smith-Nilson Executive Director	40.00		X				66,960.	0.

**Part VII** **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

**1b Total**

66,960.

0

0.

**2 Total number of individuals (including those in 1a) who received more than \$100,000 in reportable compensation from the organization**

1

0

- 3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual
- 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. **NONE**

## **Part VIII | Statement of Revenue**

Part VIII Statement of Revenue		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts					
1 a Federated campaigns	1a				
b Membership dues	1b				
c Fundraising events	1c	465,682.			
d Related organizations	1d				
e Government grants (contributions)	1e				
f All other contributions, gifts, grants, and similar amounts not included above	1f	456,427.			
g Noncash contributions included in lines 1a-1f \$					
h Total. Add lines 1a-1f		922,109.			
Program Service Revenue		Business Code			
2 a					
b					
c					
d					
e					
f All other program service revenue					
g Total. Add lines 2a-2f					
3 Investment income (including dividends, interest, and other similar amounts)			8,675.		8,675.
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6 a Gross Rents	(i) Real	(ii) Personal			
b Less: rental expenses					
c Rental income or (loss)					
d Net rental income or (loss)					
7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other	2,960.		
b Less: cost or other basis and sales expenses	74.	6,662.			
c Gain or (loss)	-74.	-3,702.			
d Net gain or (loss)					
8 a Gross income from fundraising events (not including \$ 465,682. of contributions reported on line 1c) See Part IV, line 18	a	90,528.			
b Less: direct expenses	b	90,528.			
c Net income or (loss) from fundraising events					
9 a Gross income from gaming activities See Part IV, line 19	a				
b Less: direct expenses	b				
c Net income or (loss) from gaming activities					
10 a Gross sales of inventory, less returns and allowances	a				
b Less: cost of goods sold	b				
c Net income or (loss) from sales of inventory					
Miscellaneous Revenue	Business Code				
11 a					
b					
c					
d All other revenue					
e Total. Add lines 11a-11d					
12 Total Revenue Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		927,008.	-3,702.	0.	8,601.

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	536,868.	536,868.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	66,960.	53,568.	6,696.	6,696.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	150,012.	86,243.	5,988.	57,781.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,281.	3,856.	352.	2,073.
9 Other employee benefits	5,700.	3,500.	319.	1,881.
10 Payroll taxes	17,501.	11,145.	1,152.	5,204.
11 Fees for services (non-employees)				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17	8,700.		8,700.	
f Investment management fees				
g Other				
12 Advertising and promotion				
13 Office expenses	13,624.	6,703.	316.	6,605.
14 Information technology				
15 Royalties				
16 Occupancy	22,416.	16,896.	972.	4,548.
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	2,180.	673.	582.	925.
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,882.	1,213.	110.	559.
23 Insurance	2,320.	707.	1,173.	440.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>Professional Fees</u>	67,210.	64,852.	1,114.	1,244.
b <u>Project Monitoring Visits</u>	39,750.	39,750.		
c <u>Printing and Copying</u>	27,366.	20,797.		6,569.
d <u>Fees &amp; Licenses</u>	13,289.	1,102.	80.	12,107.
e <u>Postage</u>	7,577.	4,117.	130.	3,330.
f All other expenses	6,218.	4,493.		1,725.
25 Total functional expenses. Add lines 1 through 24f	995,854.	856,483.	27,684.	111,687.
26 Joint Costs. Check here ► <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

## Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	220,702.	1	178,695.
	2 Savings and temporary cash investments	234,684.	2	452,880.
	3 Pledges and grants receivable, net	104,000.	3	84,000.
	4 Accounts receivable, net		4	
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment cost basis	10a 9,113.		
	b Less accumulated depreciation Complete Part VI of Schedule D	10b 7,044.	10c 3,951.	2,069.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets See Part IV, line 11	3,705.	15	2,008.
	<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34)	<b>567,042.</b>	<b>16</b>	<b>719,652.</b>
Liabilities	17 Accounts payable and accrued expenses	22,469.	17	38,203.
	18 Grants payable	301,873.	18	525,280.
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities Complete Part X of Schedule D	17,685.	25	0.
	<b>26 Total liabilities.</b> Add lines 17 through 25	<b>342,027.</b>	<b>26</b>	<b>563,483.</b>
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	96,015.	27	72,169.
	28 Temporarily restricted net assets	129,000.	28	84,000.
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	225,015.	33	156,169.
	<b>34 Total liabilities and net assets/fund balances</b>	<b>567,042.</b>	<b>34</b>	<b>719,652.</b>

## Part XI Financial Statements and Reporting

1 Accounting method used to prepare the Form 990.  Cash  Accrual  Other

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

b Were the organization's financial statements audited by an independent accountant?

c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

b If "Yes," did the organization undergo the required audit or audits?

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

**SCHEDULE A**  
(Form 990 or 990-EZ)

## Public Charity Status and Public Support

OMB No 1545-0047

Department of the Treasury  
Internal Revenue Service

**To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.**

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

**2008**  
Open to Public  
Inspection

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**Name of the organization**

**Employer identification number**

20-2601035

Water First International

**Part I Reason for Public Charity Status** (All organizations must complete this part) (see instructions)

The organization is not a private foundation because it is: (Please check only one organization.)

20-2601035

1  A church, convention of churches, or association of churches described in section 1

1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).

2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E )

3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii). (Attach Schedule H.)

4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_

5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II )

6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).

7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II )

8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II )

9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete the Part III.)

10  An organization organized and operated exclusively to test for public safety See section 509(a)(4). (see instructions)

11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h

a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Other

e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the organizations the organization supports

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?	(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?	(vii) Amount of support
				Yes	No		
<b>Total</b>							

**LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.**

**Schedule A (Form 990 or 990-EZ) 2008**

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")		423,402.	455,154.	922,220.	922,109.	2,722,885.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 - 3		423,402.	455,154.	922,220.	922,109.	2,722,885.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						426,826.
<b>6 Public Support.</b> Subtract line 5 from line 4						2,296,059.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4		423,402.	455,154.	922,220.	922,109.	2,722,885.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources			7,524.	5,678.	8,675.	21,877.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>11 Total support.</b> Add lines 7 through 10						2,744,762.
12 Gross receipts from related activities, etc (see instructions)					12	30,565.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	83.65	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	77.86	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>	
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
17a 10% -facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
b 10% -facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>	
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>	

**Part III Support Schedule for Organizations Described in Section 509(a)(2)** (Complete only if you checked the box on line 9 of Part I.)**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 - 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%
<b>19a 33 1/3% support tests - 2008.</b> If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>b</b> 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>		
<b>20 Private foundation.</b> If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► <input type="checkbox"/>		

**Schedule D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

OMB No. 1545-0047

**2008**  
Open to Public  
Inspection

Name of the organization

Water First International

Employer identification number  
20-2601035

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)	
<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	
2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.	
a Total number of conservation easements	<b>Held at the End of the Year</b>
b Total acreage restricted by conservation easements	2a
c Number of conservation easements on a certified historic structure included in (a)	2b
d Number of conservation easements included in (c) acquired after 8/17/06	2c
3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____	2d
4 Number of states where property subject to conservation easement is located ► _____	
5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ► _____	
7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ► \$ _____	
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements	

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a	If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items	
b	If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items.	
(i)	Revenues included in Form 990, Part VIII, line 1	► \$ _____
(ii)	Assets included in Form 990, Part X	► \$ _____
2	If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:	
a	Revenues included in Form 990, Part VIII, line 1	► \$ _____
b	Assets included in Form 990, Part X	► \$ _____

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3. Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations

d  Loan or exchange programs

e  Other \_\_\_\_\_

4. Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5. During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets

to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements.** Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a. Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b. If "Yes," explain the arrangement in Part XIV and complete the following table.

	Amount
1c	
1d	
1e	
1f	

2a. Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b. If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if organization answered "Yes" to Form 990, Part IV, line 10

- 1a. Beginning of year balance
- b. Contributions
- c. Investment earnings or losses
- d. Grants or scholarships
- e. Other expenditures for facilities and programs
- f. Administrative expenses
- g. End of year balance

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a					
b					
c					
d					
e					
f					
g					

2. Provide the estimated percentage of the year end balance held as

a. Board designated or quasi-endowment ► \_\_\_\_\_ %

b. Permanent endowment ► \_\_\_\_\_ %

c. Term endowment ► \_\_\_\_\_ %

3a. Are there endowment funds not in the possession of the organization that are held and administered for the organization

by

- (i) unrelated organizations
- (ii) related organizations

b. If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4. Describe in Part XIV the intended uses of the organization's endowment funds

Yes	No
3a(i)	
3a(ii)	
3b	

**Part VI Investments - Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a. Land				
b. Buildings				
c. Leasehold improvements				
d. Equipment	8,493.	6,796.	1,697.	
e. Other	620.	248.	372.	
<b>Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))</b>			►	2,069.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other _____		

Total. (Col (b) should equal Form 990, Part X, col (B) line 12.) ►

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13

Total (Col (b) should equal Form 990, Part X, col (B) line 13.) ►

**Part IX Other Assets.** See Form 990, Part X, line 15

Total. (Column (b) should equal Form 990, Part X, col (B) line 15 )

**Part X Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	

In Part XIV, provide the text of the footnote to the organization's filing.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48  
B32053

**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	1	927,008.
2	2	995,854.
3	3	-68,846.
4	4	
5	5	
6	6	
7	7	
8	8	
9	9	0.
10	10	-68,846.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	1	1,013,451.
2		
a	2a	
b	2b	79,781.
c	2c	
d	2d	6,662.
e	2e	86,443.
3	3	927,008.
4		
a	4a	
b	4b	
c	4c	0.
5	5	927,008.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	1	1,082,297.
2		
a	2a	79,781.
b	2b	
c	2c	
d	2d	6,662.
e	2e	86,443.
3	3	995,854.
4		
a	4a	
b	4b	
c	4c	0.
5	5	995,854.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b

Line 2 d - Cost of goods sold reported as an expense on the audited

financial statements \$6,662

**Schedule F**  
**(Form 990)**Department of the Treasury  
Internal Revenue Service**Statement of Activities Outside the United States**

OMB No 1545-0047

**2008**Open to Public  
Inspection

Name of the organization

Water First International

Employer identification number

20-2601035**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b

1 For grantmakers. Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

2 For grantmakers. Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
<u>Bangladesh</u>	0	0	Grants to Recipients Located in Region	Water First International provides grants to non-governmental	120,296
<u>India</u>	0	0	Grants to Recipients Located in Region	Water First International provides grants to non-governmental	58,217
<u>Honduras</u>	0	0	Grants to Recipients Located in Region	Water First International provides grants to non-governmental	239,920
<u>Ethiopia</u>	0	0	Grants to Recipients Located in Region	Water First International provides grants to non-governmental	118,435
<b>Totals</b>					<b>536,868</b>

LHA For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule F (Form 990) 2008

See Part IV for Column (e) descriptions





**Part IV Supplemental Information**

Complete this part to provide the information required by Part I, line 2, and any other additional information

Schedule F, Part I, Line 2: When Water 1st makes a grant to a recipient organization, these procedures are followed:

A grant agreement is signed between Water 1st and each recipient organization describing the project for which the grant from Water 1st is being given in support of water, sanitation, and health projects in specific communities, or group of specific communities. The agreement will specify the purposes for which the grant is being made, requiring a final narrative and financial reporting during project implementation, requiring a final narrative and financial report, and acknowledging Water 1st's authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused.

Grant agreements are endorsed by financing by the members of the International Programs team (currently staff members Kirk Anderson, Marla Smith-Nilson, and Steve Deem and board member John Crossman) within the annual budget allowances approved by the Board of Directors. After projects have been endorsed by the International Programs team. The Executive Director has the authority to sign on behalf of Water 1st. The grant agreement will specify quarterly progress payments to the grantee.

The Executive Director or anyone with check signing authority will transfer the quarterly progress payment to the partner organizations according to the schedule specified in the grant agreement.

Water 1st staff will then notify our local partner organization of transfer and ask them to complete a wire transfer confirmation form or provide other confirmation that the funds were received.

**Part IV Supplemental Information**

Complete this part to provide the information required by Part I, line 2, and any other additional information.

After funds have been transferred, our local partner organizations will be required to submit quarterly financial reports and will also be required to have an annual independent audit of their accounts.

Water 1st is aware of the U.S. Executive Orders and U.S. law that prohibit transactions with, and the provision of resources and support to, individuals and organizations associated with terrorism. In selecting and monitoring our local partner organizations, we will work to ensure compliance with these Executive Orders and laws, by monitoring the distributions we make to our local partner organizations and also cross-checking with the U.S. Department of State's Current List of Designated Foreign Terrorist Organizations.

Water 1st also conducts site inspections and require access to all invoices, financial records and accounts for the projects we support through our local partner organizations. Water 1st reserves the right to have an audit conducted if any questions cannot be resolved during our site inspections.

Schedule F, Part I, Line 3: Water 1st has ongoing monitoring of each grant and each local partner organization. According to our grant agreements, each of our local partner organizations will be required to:

Submit quarterly financial reports as well as final financial report after expenditure of the entire grant to Water 1st describing in detail how the grant was spent;

Submit quarterly narrative progress reports as well as a final report

**Part IV Supplemental Information**

Complete this part to provide the information required by Part I, line 2, and any other additional information

after expenditure of the entire grant to Water 1st describing the extent to which the goals and purposes of the project or program for which the grant was obtained were accomplished;

Provide the most recent copy of an annual independent audit of the local partner organization's financial records;

Provide, as part of their financial report to Water 1st, complete records of each receipt and expenditure made in connection with the grant;

Use the entire grant only for the purposes stated in the agreement between Water 1st and the local partner organization; and

Repay any portion of the grant not used for the purposes stated in the Grantee's grant proposal.

Water 1st staff makes periodic visits, no less than annually, to our local partner organizations and the projects supported by Water 1st, to conduct our own inspection of the ongoing or completed water, sanitation and health projects funded by Water 1st. Water 1st has a written evaluation that we complete which involves interviews with the staff of the local partner organization, the water committees and individual households. Observations will also be made of the use and construction of the water and sanitation systems.

As part of each visit, Water 1st meets with the staff of the local partner organization to share the evaluation results so that the local partner organization can further improve its efforts in the communities

**Part IV Supplemental Information**

Complete this part to provide the information required by Part I, line 2, and any other additional information.

we support. These meetings cover such topics as health education, project operation and maintenance, finance, watershed protection, sanitation, and community organization. These meetings also allow the staff of Water 1st to provide some cross-fertilization of ideas and experience sharing between local partner organizations.

While conducting oversight of the grants, if Water 1st determines that any portion of a grant has been used for a purpose other than stated in the agreement, Water 1st will take all reasonable and appropriate steps to recover such wrongfully diverted funds and, at the discretion of Water 1st staff, will immediately terminate the grant arrangement without any obligation to make further disbursements of the grant.

If Water 1st determines that a local partner organization has otherwise violated the agreement (by, for example, failing to submit required reports), Water 1st will either, at the discretion of the staff, (a) withhold any future installments of the grant until Grantee corrects the violation, or (b) immediately terminate the arrangement without any obligation to make further disbursements of the grant.

Part I, line 3, Column (e):

Region: Bangladesh

(e) Specific Types of Services in Region: Water First International provides grants to non-governmental organizations (NGOs) based in developing countries in order to support the implementation of projects that include provision of drinking water, hygiene education, and sanitary latrines. In the urban slums of Dhaka, Bangladesh beneficiaries pay 100 percent of the capital costs of their projects through one or two-year

**Part IV Supplemental Information**

Complete this part to provide the information required by Part I, line 2, and any other additional information

loans. The loans are repaid to the local non-governmental organization, who is the recipient of Water First's grants. Repaid loan funds are revolved and used for additional water and sanitation projects and create a sustainable source of funds for Water First's Bangladesh partner.

**Region: India**

(e) Specific Types of Services in Region: Water First International provides grants to non-governmental organizations (NGOs) based in India in order to support the implementation of projects that include provision of drinking water, hygiene education, and sanitary latrines. In Water First's India program, which serves subsistence fishing communities in rural West Bengal, beneficiaries pay 40 percent of the capital costs of their water supply and sanitation projects through a four-year revolving loan fund.

**Region: Honduras**

(e) Specific Types of Services in Region: Water First International provides grants to non-governmental organizations (NGOs) based in Honduras in order to support the implementation of projects that include provision of drinking water, hygiene education, and sanitary latrines. In Water First's Honduras program, beneficiaries contribute labor and local materials, which are valued at up to 25 percent of the total project cost.

**Region: Ethiopia**

(e) Specific Types of Services in Region: Water First International provides grants to non-governmental organizations (NGOs) based in Ethiopia in order to support the implementation of projects that include

**Part IV Supplemental Information**

Complete this part to provide the information required by Part I, line 2, and any other additional information

provision of drinking water, hygiene education, and sanitary latrines. In 2008 Water First International initiated a project in Ethiopia that will benefit over 4,000 people upon completion in 2009

**Part II, Column (d):**

Region: Bangladesh

(d) Purpose of Grant: Community based water supply and sanitation project targeting urban slums in Bangladesh.

Region: Bangladesh

(d) Purpose of Grant: Community based water supply and sanitation project targeting urban slums in Bangladesh.

Region: Honduras

(d) Purpose of Grant: Water and sanitation system for small communities in Lempira; Aldea Chimisal, Caserios of La Loma, San Antonio, San Sebastian, Tierra Colorada and Plan De Gallinero, Municipality of Erandiaque, Department of Lempira.

Region: Ethiopia

(d) Purpose of Grant: Bishikiltu Communities water supply, sanitation and hygiene promotion project.

**SCHEDULE G**  
(Form 990 or 990-EZ)

## **Supplemental Information Regarding Fundraising or Gaming Activities**

OMB No 1545-0047

**2008**  
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Inspection

Department of the Treasury  
Internal Revenue Service

► Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a

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Name of the organization

**Employer identification number**  
**20-2601035**

Water First International

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply

- a  Mail solicitations
- b  Email solicitations
- c  Phone solicitations
- d  In-person solicitations
- e  Solicitation of non-government grants
- f  Solicitation of government grants
- g  Special fundraising events

**2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

Yes

X No

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

**Total** ► **3** List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing  
**WA**

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a List events with gross receipts greater than \$5,000

	(a) Event #1 Give Water Give Life Be Carry 5 (event type)	(b) Event #2 Carry 5 (event type)	(c) Other Events 2 (total number)	(d) Total Events (Add col (a) through col (c))
1 Gross receipts	462,979.	56,091.	35,014.	554,084.
2 Less. Charitable contributions	393,859.	52,064.	17,633.	463,556.
3 Gross revenue (line 1 minus line 2)	69,120.	4,027.	17,381.	90,528.
4 Cash prizes				
5 Non-cash prizes				
6 Rent/facility costs	8,833.			8,833.
7 Other direct expenses	75,366.	6,848.	21,071.	103,285.
8 Direct expense summary Add lines 4 through 7 in column (d)			► ( 112,118. )	
9 Net income summary Combine lines 3 and 8 in column (d)			► ( -21,590. )	

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a

	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
1 Gross revenue				
2 Cash prizes				
3 Non-cash prizes				
4 Rent/facility costs				
5 Other direct expenses				
6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary Add lines 2 through 5 in column (d)			► ( )	
8 Net gaming income summary. Combine lines 1 and 7 in column (d)			► ( )	

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

Yes	No
9a	

a Is the organization licensed to operate gaming activities in each of these states?

b If "No," Explain:

10a	
-----	--

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

b If "Yes," Explain:

11	
----	--

11 Does the organization operate gaming activities with nonmembers?

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

12	
----	--

13 Indicate the percentage of gaming activity operated in

	Yes	No
13a	%	
13b	%	

14 Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?

15a

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_.

c If "Yes," enter name and address

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

16 Gaming manager information.

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_  
\_\_\_\_\_ Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

17a

b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**SCHEDULE O****(Form 990)**Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**Open to Public  
Inspection

Name of the organization

Water First International

Employer identification number

20-2601035**Form 990, Part III, Line 1, Description of Organization Mission:**

We envision a world free of extreme poverty. Providing people with safe water systems, latrines, and hygiene education is the 1st step to ending the cycle of poverty and death.

**Form 990, Part VI, Section A, line 10:** It is reviewed by the Executive Director and the treasurer (meeting in person) and by the finance committee of the board via email.

**Form 990, Part VI, Section B, Line 12c:** All Water 1st employees and board members are covered under our conflict of interest policy. We must not only avoid actual conflicts of interest, but also avoid situations that may create any appearance that a conflict exists. Conflicts are determined at the board level and are reviewed by the board. Employees and board members have a duty to disclose any possible conflicts. After disclosure, the remaining Board shall decide by majority vote if a conflict of interest exists. These discussions and votes are recorded in written meeting minutes. We also have procedures if we find violations of our policy.

**Form 990, Part VI, Section B, Line 15:** The Executive Director is currently the only compensated officer in our organization. The Board governance committee undertakes an annual performance review, interviewing board and staff members for input. Compensation is partly based on this review. At the board's annual November meeting, the budget for the year is approved, including the compensation for the Executive Director. The Executive Director is not present for this discussion, nor does the Executive

**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**

Open to Public  
Inspection

Name of the organization

Water First International

Employer identification number  
20-2601035

Director have a vote on this topic or any other board vote.

Form 990, Part VI, Section C, Line 19: Our audited financial statements are available on our website for download and upon request. All other documents, such as our governing documents, conflict of interest policy, and other documents of interest to our supporters are available upon request.

Financial Statements

The Executive Director prepares all narrative and financial statements which are reviewed by the Board treasurer and the finance committee every 2 months. The Executive Director reviews all reports prior to presenting them to board members to ensure that the financial information makes sense and can be translated into issues and opportunities facing the organization. In addition, key staff members such as program directors and the director of outreach and education should have the opportunity to review income and expense reports for the whole organization.

The Board finance Committee, headed by the Board treasurer, reviews the financial reports and presents them to the full board. To help the board fulfill its oversight function, the Executive Director and the finance committee present the information in as clear and concise a manner as possible.

**SCHEDULE O**

(Form 990)

Department of the Treasury  
Internal Revenue Service**Supplemental Information to Form 990**

► Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No 1545-0047

**2008**Open to Public  
Inspection

Name of the organization

Water First International

Employer identification number

20-2601035Amended ReturnChange in voting members

The number of voting members of the governing body was originally listed on page 1, Part I, line 3 and 4 as 13; the correct number should have been 15.

On page 7, Part VII Marla Smith-Nilson was incorrectly listed as a individual trustee.

Application for Extension of Time To File an  
Exempt Organization Return

► File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed)

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only *All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.*

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return. See Instructions	Water First International	20-2601035
	Number, street, and room or suite no. If a P.O. box, see instructions PO Box 17974	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions Seattle, WA 98127-1954	

Check type of return to be filed(file a separate application for each return)

Form 990  
 Form 990-BL  
 Form 990-EZ  
 Form 990-PF

Form 990-T (corporation)  
 Form 990-T (sec. 401(a) or 408(a) trust)  
 Form 990-T (trust other than above)  
 Form 1041-A

Form 4720  
 Form 5227  
 Form 6069  
 Form 8870

**The Organization**

- The books are in the care of ► PO Box 17974 - Seattle, WA 98127-1954  
 Telephone No ► 206-297-3024 FAX No ► \_\_\_\_\_
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box ►  If it is for part of the group, check this box ►  and attach a list with the names and EINs of all members the extension will cover

1	I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until <u>August 15, 2009</u> , to file the exempt organization return for the organization named above. The extension is for the organization's return for. ► <input checked="" type="checkbox"/> calendar year <u>2008</u> or ► <input type="checkbox"/> tax year beginning _____, and ending _____	
2	If this tax year is for less than 12 months, check reason: <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Change in accounting period	
3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a \$ _____
b	If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b \$ _____
c	Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions	3c \$ _____ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.