

2009 ANNUAL REPORT



WATER 1ST INTERNATIONAL
1904 3rd Avenue, Suite 1012
Seattle, WA 98101
(206) 297-3024
info@water1st.org
Water1st.org



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*Water 1st International is a registered
501(c)(3) non-profit organization.*

WATER 1ST STAFF AND CONSULTANTS

Marla Smith-Nilson, *Executive Director*
Jennifer Norling, *Fundraising/Events/Outreach*
Kirk Anderson, *Fundraising/International Programs*
Stephanie Nelson, *Donor Relations/Events*
Christopher Brown, *Film/Photography/Web*
Steve Deem, *International Programs*
Ann Hollar, *Education Outreach*
Sandy Nelson, *Graphic Design*

OUR PARTNER ORGANIZATIONS

Akshaynagar Pallisri Sangha (APS) – India
COCEPRADIL – Honduras
Dushtha Shasthya Kendra (DSK) – Bangladesh
Water Action – Ethiopia

(January 1–December 31, 2009)

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CHANGE REQUIRES RESPECT

April 2010 marked our fifth anniversary as an organization. In this short time Water 1st supporters have given nearly \$4 million to fund 275 projects in four countries, benefiting 40,500 people.

If there is a single principle that has guided our efforts over the last five years, it is *respect*.



We respect the work of our in-country partners in providing the best and most efficient solution to this problem. We know that there is no one-size-fits-all response to this global problem, and our local partners are uniquely qualified to provide solutions that are adapted to local conditions.

We respect you, our donors, by efficiently and effectively using your financial contributions. We work hard to stretch our precious funds both here in the United States and in the countries where we work, leveraging local resources wherever possible. In addition, we closely monitor the work of our in-country partner organizations, to make sure our investments continue to be lasting and sustainable.

Most importantly, we respect the people we serve. By helping the world's poorest with their greatest need, and supporting sustainable, community-based solutions, we are demonstrating to our brothers and sisters around the world that we truly care about their lives.

Water 1st is a network of more than 4,000 supporters all giving what they can to this cause. We are proud of the diverse group that makes up the Water 1st community. Our collective contributions send a message to the world that we refuse to accept the notion that poverty is an unavoidable part of the human condition.

Marla Smith-Nilson
Executive Director

Linda Cheever
2009–2010 Chair, Board of Directors

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, illness, and inequality.

Our mission is to unite people to fight the global water and sanitation crisis. The funds we raise help the poorest communities in the world implement sustainable, community-managed projects that integrate water supply, sanitation, and health education.

THE WORLD WATER AND SANITATION CRISIS

THERE'S A WORLDWIDE WATER CRISIS:

- More than 1 billion people worldwide lack access to safe drinking water.
- 2.5 billion people worldwide lack hygienic toilets.

THE CONSEQUENCES:

- **It kills children:** Surviving diarrhea is the greatest single challenge for our world's children. Five million people die each year from water-related diseases, mostly children under the age of 5. Even when children do survive, they too often do not thrive. Children weakened by frequent diarrheal illnesses are malnourished and vulnerable to other infections, like pneumonia, leaving them physically and mentally underdeveloped for the rest of their lives.
- **It devastates women and girls:** Women and girls are traditionally responsible for water collection, walking miles to and from the nearest source. This burden leaves women with little or no time to manage their households or participate in income-generating work. Young girls often help their mothers collect water, making them unable to attend school, perpetuating a cycle of illiteracy and poverty.
- **It deepens poverty:** Poor people spend a high percentage of their household income on medical treatment to combat frequent water-related illnesses. Additionally, without safe water sources nearby, women are often unable to engage in paid work or agriculture. Instead, their time is spent collecting water multiple times a day, caring for the ill in their households, or lacking the strength to work themselves because of injury or illness.



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WHY WATER 1ST?

People living in extreme poverty have many needs, but we believe water comes first. There is a powerful and direct link between human development and water, sanitation, and hygiene-education projects.

A clean water supply is critical for survival and health. *Safe water saves lives.*

Water projects free up women and girls. Instead of fetching water, girls can attend school and women can hold jobs. *Safe water empowers women and girls.*

Water projects provide astounding economic benefits. The World Health Organization estimates that for every dollar invested in a water and sanitation project, up to \$11 is gained through labor savings, reductions in medical costs, and increased productivity. *Safe water saves money.*

Through our projects, communities also develop the skills, experience, and confidence needed to tackle other difficult community-level issues, such as building schools and roads. *Safe water builds strong communities.*

No other single intervention can provide such substantial and multifaceted benefits for people living in extreme poverty.

Helping communities in developing countries gain access to safe, sustainable water sources and adequate sanitary facilities is a challenging problem to address. Nevertheless, this challenge must be taken up if we want to end poverty in our world. Working through our talented and experienced in-country partner organizations, Water 1st specializes in implementing projects that continue to serve the needs of the beneficiaries for many, many years.



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2009 INTERNATIONAL PROGRAMS

In 2009, Water 1st continued its support of four partner organizations dedicated to integrated water supply, sanitation, and hygiene-education projects in Ethiopia, India, Bangladesh, and Honduras.

Our projects assist the world's poorest—people living on less than \$1 a day and in some cases less than \$1 a week—who do not have access to a functioning public or private water supply and sewer system.

REMOVING OBSTACLES TO THE GOAL OF SAFE WATER FOR ALL

International donors tend to think that success is demonstrated by working in many countries. We feel just the opposite — success is demonstrated by focus and commitment in a region, and creating an environment of constant program improvement.

Water 1st provides consistent, annual funding to each of our in-country partners in order to build local capacity to address the water and sanitation crisis. This allows our partner organizations to retain qualified and experienced staff and develop long-term master plans to saturate a region.

The organizations we select as our partners identify, design, and build appropriate technological solutions. And, because they have the ability to engage, educate, and train local communities, our partners effectively prepare communities to manage their own water and sanitation systems. The end result is a group of projects that are sustainable over the long term.



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PROJECT SUSTAINABILITY AND FOLLOW-UP

We are diligent in selecting, evaluating, and monitoring the ongoing work of our in-country partner organizations. Applying a comprehensive program evaluation system is one of our central operating principles. We take very seriously our role in ensuring that our donors' money is being spent efficiently and effectively.

One tragic irony of the water crisis is the prevalence of project failures. Constructing basic water systems in developing countries may sound simple, but it is not. Project failures are generally caused by sociological factors, not technical ones, and due to inadequate follow-up, most organizations are not aware of the status of their own projects.

Water 1st follows a set of project implementation principles that ensures communities are able to successfully maintain their projects over the long run. We also thoroughly monitor our completed water projects. Because of this unique approach, we are confident our projects will continue functioning far into the future.

Water 1st is unique in its program support and monitoring. Because of our intensive monitoring efforts, Water 1st can say with confidence that 100% of our projects are still in operation today.

COMMUNITY COMMITMENT

Community empowerment is central to the Water 1st program model and a primary reason that our projects are sustainable over the long term. Our beneficiary communities are empowered through participation in the planning, implementing, and financing of their projects. They also assume responsibility for maintenance and repairs. Community members learn a variety of skills through these projects, equipping them to take on new development endeavors.

ROLE OF WOMEN

Women and girls are traditionally responsible for collecting water for their families, so they benefit significantly from these projects and contribute to their sustainability. Our projects place women in key roles, particularly on the local water committee. In this way, women participate in design and siting decisions, as well as long-term project maintenance. Having an important public role as a hygiene promoter or a water committee member provides a woman with job skills, enhances her status in the community, gives her more confidence, and ultimately paves the way for increased involvement in community affairs.

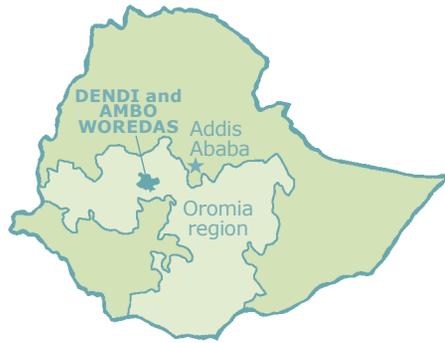
In communities all over the world, we have witnessed a chain reaction of events as a result of a water project. Empowered communities no longer feel isolated and helpless, and can begin to tackle other problems in the community, like building roads and schools and opening small businesses. That's why at Water 1st, we believe providing people with water is the first step to ending poverty.

OUR WORK IN THE FIELD

ETHIOPIA

COMPLETED: Ilamu Muja project serving 3,500 people and engineering studies for three water systems to be constructed from 2010 - 2012.

IN-PROGRESS: Bishikiltu water system serving 4,250 with 12 public water taps (this multi-year project was completed in March 2010) and Kelecho Gerbi water system serving 4,085 with eight public water taps.



ETHIOPIA



HONDURAS



HONDURAS

COMPLETED: Agua Caliente and San Gabriel projects serving 580 people.

IN-PROGRESS: Four water systems with 195 household water taps and toilets, hygiene education, and natural resource protection serving 1,174 people in Plan de Gallinero (completed in March 2010), Tierra Colorada (Completed in April 2010), La Loma, San Antonio, and Las Minas communities of the municipalities of San Andrés and Erandique.

BANGLADESH

COMPLETED: 240 water projects, 225 toilets, and hygiene education serving 18,765 people in slum settlements of Bangladesh's two largest cities, Dhaka and Chittagong.

IN-PROGRESS: 81 water systems, 99 community latrines, and hygiene education serving 6,420 people in four slum areas of Dhaka and Chittagong.



BANGLADESH



INDIA

COMPLETED: 31 wells with hand pumps, 796 toilets, and hygiene education serving 13,400 people in the Sundarbans.

IN-PROGRESS: Two wells with hand pumps, 40 toilets, and hygiene education serving 800 people.



INDIA

OUR WORK AT HOME

Our fundraising and outreach strategy is an intentional effort to develop community around the cause of clean water, sanitation, and health education for the world's poor. We believe the global water crisis will be solved when we build and mobilize a community of concerned individuals to take simple, effective actions – making a donation, telling friends about Water 1st, attending an event, visiting a project, or volunteering for the organization.



EVENTS

GIVE WATER • GIVE LIFE BENEFIT

In 2009 we held the 5th annual Give Water • Give Life Benefit, our premier fundraising event of the year. Seven hundred guests enjoyed a unique silent auction, dinner, and a documentary film featuring Water 1st project beneficiaries. A record \$510,000 was raised for communities in need of clean water.

Water 1st was pleased to present the annual Water Ambassador award to the Laird Norton Family Foundation. This award recognizes outstanding supporters who have played a critical role in making the work of Water 1st possible. Water 1st and our beneficiaries are extremely grateful to the Laird Norton Family Foundation for their generosity and commitment to this issue.

Special thanks to our corporate sponsors, table sponsors, silent auction donors, volunteers, and guests for their support.



CARRY 5 WALKING FOR WATER

Here in the U.S., with pipes bringing water to convenient faucets and showers in our homes, we have no idea what life is like when you have to carry every drop of water that you use. Through our CARRY 5 Walks, people of all ages experience for just one day what more than 1 billion people do every day of their lives. In 2009, CARRY 5 expanded beyond Seattle to Tucson, Arizona, Redmond, Washington, Boulder, Colorado, and Seoul, Korea. Participants raised money, and on walk day, tried to carry 5 gallons of water for 5 kilometers, the average walk made by women and children in poor countries who lack access to safe, convenient water supplies. More than \$50,000 was raised through the walks. Special thanks to our sponsors, volunteers, and walkers for their participation and support.

WATER 1ST – BEER 2ND FUN(D)RAISER

The 4th annual Water 1st-Beer 2nd Fun(d)raiser in Seattle drew a record crowd of 600 supporters, raising \$45,000, and the 2nd annual Water 1st-Beer 2nd event in Portland, Oregon, raised \$23,000. Also, Water 1st expanded to San Francisco in 2009 with a new Water 1st-Beer 2nd event.



ETHIOPIA WATER TOUR

The 2009 Water Tour was another life-changing adventure for those fortunate enough to make the trip to Ethiopia. Visiting project sites in person provides a greater understanding of the need for safe water and the work we are all supporting.

Travelers enjoyed the unique opportunity of experiencing life in rural Ethiopia through the lens of our partner organization, Water Action. The trip included the usual work day, in which we joined community members and skilled technicians who were constructing a 20,000-gallon water storage/distribution tank. A highlight of the trip was an actual walk with water. We gathered early one morning at the Bishikiltu community spring and filled 5-gallon containers with water, strapped them on our backs, and walked home with women from the community. Water Tour participants walked 30–90 minutes to deliver their 40-pound loads. Everyone developed a deeper sense of appreciation for the people and life in rural Ethiopia before and after a water project.



The day after we returned from Ethiopia was the Martin Luther King Jr. holiday here in the U.S. It gave travelers a chance to re-enter our time zone before heading back to work. For **Karen Nilson**, an elementary school principal in Edmonds, Washington, it was also a day to reflect on her journey.

I was preparing a video for the Martin Luther King Jr. assembly at my school when I came across a 1949 photograph of African American school children crowded onto a wooden bench, and suddenly I was reminded of the schools in Ilama Muja and Bishikiltu. I stopped and stared at this photo, knowing I would find a similar image in the pictures I have just reviewed from my trip.

The children in Bishikiltu and Ilamu Muja are watching their communities change, just like the children who grew up during the 1960s in America. In these two Ethiopian villages, the adults seem newly focused on their

future instead of mere survival. Children see their parents persist in improving the quality of life for their families. The leadership role of women in the community certainly provides girls with role models that didn't exist before. Sixty years ago, we said similar things about communities here in the U.S. I can't help but think that we will see children nurtured in positive change from this work, and change will come at a pace we can't anticipate. To witness this transformation is something I won't forget.

OUTREACH TO SCHOOLS AND YOUTH

Water 1st's program for schools and youth reached dozens of schools in Seattle and beyond. Students learn about the global water crisis using Water 1st's Water Day curriculum—a DVD/film and presentation, classroom discussion, various writing, arts, math, and science activities, and fundraising ideas. As young people grow in their understanding of the issue, they are inspired to take action. In 2009, students raised \$8,400 for people in need of clean water.



2009 DONORS

We thank those who generously contributed to Water 1st from January 1 to December 31, 2009. Through the support of individuals, schools, corporations, religious organizations, civic groups, and foundations—people of all ages and backgrounds—together, we raised \$921,660 to support the implementation of 275 water projects in Honduras, India, Bangladesh, and Ethiopia.

INDIVIDUAL DONORS

\$25,000 AND ABOVE

Jonathan Grodnick
Pat Kennedy and Melissa Ries
Brian and Diane Langstraat
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Darryl Swenson and Carol Merrifield

\$10,000 - \$24,999

Ron and Barbara Carucci
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Siochan Fellowship
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Linda and Martin Cheever
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Marla Smith-Nilson and Jim Nilson

\$2,500 - \$4,999

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Tonia Woods
Julie Wroble and Rick Kolpa
Kelly Yamaichi

While space does not allow us to acknowledge all of our donors, every gift is valued and adds up to support entire village projects. Your support has a lasting impact on thousands of lives and sends a message of hope to the people we serve around the world.



\$500 - \$999

Whit Alexander and Shelly Sundberg
Joan Allsberry
April and Rene Ancinas
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Tom and Shelby Aura
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Kenneth Zweig

CORPORATIONS

\$5,000 – \$9,999

Costco Wholesale
Mercury
Microsoft Giving Campaign

\$2,500 – \$4,999

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Northwest Hydraulic Consultants, Inc.
Starbucks Matching Gifts Program
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\$1,000 – \$2,499

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Kompan, Inc.
Lake & Company Real Estate, Inc.
Northwest Travel Professionals
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\$999 AND UNDER

Ankle and Foot Specialists of WA
Aramark
Celebrated Chefs
Classical Wines from Spain
Darigold
GoodSearch
Google Matching Gifts
GSI Water Solutions, Inc.
Jet Parts Engineering, Inc.
Love Plumbing and Remodel
Pacific Continental Bank
Russell Matching Gifts Program
Silver Creek Capital Management
Terex Corporation
Verizon Foundation
Waldorf Travel Service

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\$40,000 AND ABOVE

Covenant World Relief
Laird Norton Family Foundation

\$20,000 – \$39,999

Johnson Haefling Foundation
WYCO, Inc.

\$10,000 – \$19,999

Lenore Hanauer Foundation
Seattle International Foundation

\$2,000 – \$9,999

The Atticus Trust
Bill & Melinda Gates Foundation
Matching Gifts Program
Paramitas Foundation

\$1,000 AND UNDER

Hearon Philanthropic Fund
Review Foundation
Thomas and William Gilbane
Foundation

EDUCATIONAL, CIVIC AND RELIGIOUS ORGANIZATIONS

\$40,000 AND ABOVE

Newlife Church of the Peninsula

\$5,000 – \$9,999

New View Church
Seattle Rotary Service Foundation

\$2,500 – \$4,999

Edmonds Unitarian Universalist Church
Wellesley Hills Congregational Church

\$1,000 – \$2,499

Harvard Extension School
McMinnville Covenant Church
Meridian School
St. Joseph School

\$999 AND UNDER

Bernard Baruch College
Bryant Elementary School
Community Church, Boulder Junction
Congregational Church of Mercer Island
Covenant Church of Trailer Estates
Edmonds United Methodist Church
First Covenant Church of Portland
Juanita High School
Monastery of St. Gertrude
Montlake Elementary School
Plymouth Congregational Church
Sisters of St Joseph of Peace
Trinity Presbyterian Church
World Water Association

HOW YOUR \$1 WAS SPENT IN 2009

INCOME:

Thanks to your generous support, our total annual income was \$921,660. While in previous years we were able to increase our revenue, during the recession of 2009, our goal was to maintain our revenue at the same level as 2008. We are pleased to report that we succeeded in doing just that. Many nonprofits were forced to cut services in 2009. We did not. Despite continuing increases in the price of materials like PVC pipe and cement for projects, we were able to maintain 100% of our grant commitments to our beneficiaries.

When we founded Water 1st in 2005 we knew that in order to make long-term commitments to our in-country partners, we needed a reliable fundraising base. The dedication of our supporters was crucial in 2009. More than 75 percent of our funding comes from individual donors, giving us sustainable support in any economic climate. In 2009, through new events, such as the CARRY 5 walks and an event in San Francisco, we continued to expand our base of supporters, increasing our number of donors by 22 percent over last year.

EXPENSE:

Total expenditures in 2009 were \$930,098, of which \$770,051 (83 percent) supported our program activities. Our program activities include: the funds awarded by contract to our in-country partner organizations to implement water, sanitation, and hygiene-education components; the costs of monitoring the implementation and long-term sustainability of those projects; and the funding of our work in advocacy and education about the world water and sanitation crisis.

PROTECTING YOUR INVESTMENT IN OUR WORK:

While the general percentages are one way of evaluating a nonprofit, we also encourage supporters to look closely at program outcomes. What you accomplish with the funds you expend on program is at least as important as the relative percent of money spent on program versus administration and fundraising.

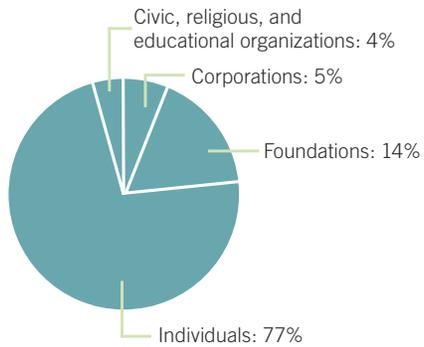
Every water and sanitation project is working on its first day of use, when the ribbon is cut and the photo of happy villagers is taken. The real test of a water and sanitation program is what happens next. If the hand pump starts to break down or the pipes start to leak, are community members adequately trained to make repairs? Are funds being collected from water users on a regular basis in order to buy spare parts?

If we get it wrong, our donors' funds are wasted, but our beneficiaries suffer the greatest consequence: a return to the drudgery of carrying water from distant, contaminated sources.

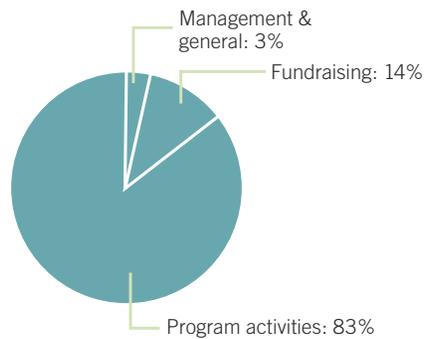
Our challenge is not just spending your donations efficiently, but also effectively. We closely monitor the work of our in-country partners to make



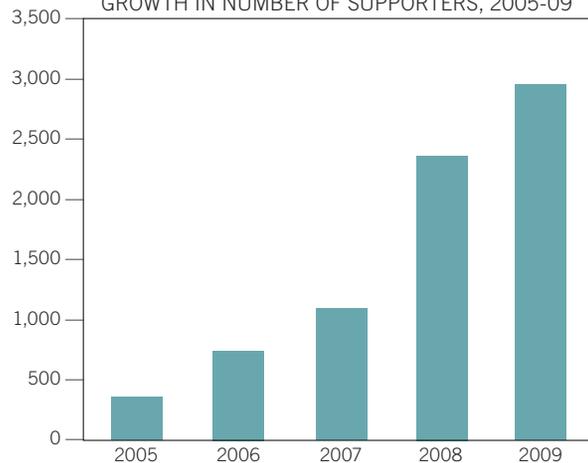
REVENUE SOURCES:



2009 EXPENSE ALLOCATIONS:



GROWTH IN NUMBER OF SUPPORTERS, 2005-09



STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended December 31, 2009

SUPPORT AND REVENUE

Special events revenue, less \$502,204 of contributions included below

	Unrestricted	Temporarily Restricted	Total
Special events revenue, less \$502,204 of contributions included below	\$85,800		\$85,800
Less: cost of direct benefits to donors	(93,093)		(93,093)
Net special events revenue	(7,293)		(7,293)
Contributions	797,888		797,888
Grants	127,000		127,000
Other income	2,045		2,045
Interest income	2,020		2,020
Net assets released from restrictions	59,000	(\$59,000)	
Total support and revenue	980,660	(59,000)	921,660
EXPENSES			
Program services	770,051		770,051
Management and general	29,798		29,798
Fundraising	130,249		130,249
Total expenses	930,098		930,098
Change in net assets	50,562	(59,000)	(8,438)
Net assets, beginning of year	72,169	84,000	156,169
Net assets, end of year	\$122,731	\$25,000	\$147,731

Copies of our 2009 Form 990 and audited financial statements are available at Water 1st International's website, Water1st.org, or call us at 206.297.3024.