

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)

2006

Open to Public
InspectionDepartment of the Treasury
Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning , 2006, and ending**B Check if applicable:**

- ☐ Address change
☐ Name change
☐ Initial return
☐ Final return
☐ Amended return
☐ Application pending

Please use
IRS label
or print
or type.
See
specific
instruc-
tions.Living Water International
PO Box 2257
Sugar Land, TX 77487-2257**D Employer Identification Number**

76-0324875

E Telephone number

281-261-7984

F Accounting method:☐ Cash ☒ Accrual☐ Other (specify) ▶• Section 501(c)(3) organizations and 4947(a)(1) nonexempt
charitable trusts must attach a completed Schedule A
(Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? . . . ☐ Yes ☒ No

H (b) If 'Yes,' enter number of affiliates. ▶

H (c) Are all affiliates included? ☐ Yes ☐ No
(If 'No,' attach a list. See instructions.)H (d) Is this a separate return filed by an
organization covered by a group ruling? ☐ Yes ☒ No

I Group Exemption Number. . . ▶

M Check ☐ if the organization is not required
to attach Schedule B (Form 990, 990-EZ, or 990-PF).**G Web site:** ▶ www.water.cc**J Organization type**(check only one) ☒ 501(c) 3 (insert no.) ☐ 4947(a)(1) or ☐ 527**K Check here** ☐ if the organization is not a 509(a)(3) supporting organization and its
gross receipts are normally not more than \$25,000. A return is not required, but if the
organization chooses to file a return, be sure to file a complete return.**L Gross receipts:** Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 7,636,507.**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

1 Contributions, gifts, grants, and similar amounts received:					
a Contributions to donor advised funds.	1a				
b Direct public support (not included on line 1a).	1b	6,942,886.			
c Indirect public support (not included on line 1a).	1c				
d Government contributions (grants) (not included on line 1a).	1d	431,005.			
e Total (add lines 1a through 1d) (cash \$ 6,928,376. noncash \$ 445,515.)	1e			7,373,891.	
2 Program service revenue including government fees and contracts (from Part VII, line 93).	2			35,833.	
3 Membership dues and assessments.	3				
4 Interest on savings and temporary cash investments.	4			9,826.	
5 Dividends and interest from securities.	5				
6a Gross rents.	6a				
b Less: rental expenses.	6b				
c Net rental income or (loss). Subtract line 6b from line 6a.	6c				
7 Other investment income (describe.)	7				
8a Gross amount from sales of assets other than inventory.	(A) Securities		(B) Other		
	169,457.	8a	2,000.		
b Less: cost or other basis and sales expenses.	169,457.	8b	6,397.		
c Gain or (loss) (attach schedule). Statement. 1.		8c	-4,397.		
d Net gain or (loss). Combine line 8c, columns (A) and (B).		8d		-4,397.	
9 Special events and activities (attach schedule). If any amount is from gaming, check here. <input type="checkbox"/>					
a Gross revenue (not including \$ 1,392,143. of contributions reported on line 1b).	9a	45,500.			
b Less: direct expenses other than fundraising expenses.	9b	43,513.			
c Net income or (loss) from special events. Subtract line 9b from line 9a. Statement. 2	9c			1,987.	
10a Gross sales of inventory, less returns and allowances.	10a				
b Less: cost of goods sold.	10b				
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a.	10c				
11 Other revenue (from Part VII, line 103).	11				
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11.	12			7,417,140.	
13 Program services (from line 44, column (B)).	13			4,533,015.	
14 Management and general (from line 44, column (C)).	14			477,990.	
15 Fundraising (from line 44, column (D)).	15			663,376.	
16 Payments to affiliates (attach schedule).	16				
17 Total expenses. Add lines 16 and 44, column (A).	17			5,674,381.	
18 Excess or (deficit) for the year. Subtract line 17 from line 12.	18			1,742,759.	
19 Net assets or fund balances at beginning of year (from line 73, column (A)).	19			1,076,203.	
20 Other changes in net assets or fund balances (attach explanation).	20				
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20.	21			2,818,962.	

BAA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0109L 01/22/07

Form 990 (2006)

Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ _____) non-cash \$ _____ If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule).....St. 3	23 225,224.	225,224.		
24 Benefits paid to or for members (attach schedule).....	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch).....	25a 530,781.	227,959.	136,509.	166,313.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch).....	25b 0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule).....	25c 0.	0.	0.	0.
26 Salaries and wages of employees not included on lines 25a, b, and c.....	26 631,649.	356,584.	149,267.	125,798.
27 Pension plan contributions not included on lines 25a, b, and c.....	27			
28 Employee benefits not included on lines 25a - 27.....	28 39,104.	16,795.	10,058.	12,251.
29 Payroll taxes.....	29 63,015.	33,716.	15,396.	13,903.
30 Professional fundraising fees.....	30 82,000.			82,000.
31 Accounting fees.....	31 20,231.		20,231.	
32 Legal fees.....	32 6,328.		6,328.	
33 Supplies.....	33 192,469.	133,468.	17,973.	41,028.
34 Telephone.....	34 35,138.	21,008.	7,074.	7,056.
35 Postage and shipping.....	35 20,571.	6,999.	1,808.	11,764.
36 Occupancy.....	36 18,863.	8,863.	5,000.	5,000.
37 Equipment rental and maintenance.....	37 73,234.	36,539.	13,852.	22,843.
38 Printing and publications.....	38 41,019.	15,684.	4,727.	20,608.
39 Travel.....	39 635,872.	597,349.	6,409.	32,114.
40 Conferences, conventions, and meetings.....	40			
41 Interest.....	41 26,691.		26,691.	
42 Depreciation, depletion, etc (attach schedule).....	42 52,867.	28,120.	12,373.	12,374.
43 Other expenses not covered above (itemize):				
a Fundraising exp.....	43a 36,726.			36,726.
b Licenses/permits/dues.....	43b 47,399.	31,679.	6,393.	9,327.
c Other Expenses.....	43c 86,569.	29,813.	23,577.	33,179.
d Other professional.....	43d 113,562.	68,146.	14,324.	31,092.
e Water delivery projects.....	43e 2,695,069.	2,695,069.		
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15).....	44 5,674,381.	4,533,015.	477,990.	663,376.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ▶ Provide clean water and aid

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)

a See Statement 4

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

4,533,015.

b

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

c

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

d

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

e Other program services.

(Grants and allocations \$) If this amount includes foreign grants, check here ☐

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶

4,533,015.

BAA

Form 990 (2006)

Part IV Balance Sheets (See the instructions.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
ASSETS	45 Cash — non-interest-bearing	829,273.	45	610,206.	
	46 Savings and temporary cash investments	8,709.	46	1,841,510.	
	47a Accounts receivable	47a 62,100.			
	b Less: allowance for doubtful accounts	47b	47c 3,305.	62,100.	
	48a Pledges receivable	48a 542,001.			
	b Less: allowance for doubtful accounts	48b	48c 248,519.	542,001.	
	49 Grants receivable		49		
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b		
	51a Other notes and loans receivable (attach schedule)	51a 390,380.			
	b Less: allowance for doubtful accounts	51b	51c	390,380.	
	52 Inventories for sale or use	82,770.	52	76,099.	
	53 Prepaid expenses and deferred charges	2,719.	53	2,638.	
	54a Investments — publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a		
	b Investments — other securities (attach sch)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b		
55a Investments — land, buildings, & equipment: basis	55a				
b Less: accumulated depreciation (attach schedule)	55b	55c			
56 Investments — other (attach schedule)		56			
57a Land, buildings, and equipment: basis	57a 418,939.				
b Less: accumulated depreciation (attach schedule)	57b 143,635.	217,276.	57c	275,304.	
58 Other assets, including program-related investments (describe ► <u>See Statement 7</u>		537.	58	2,500.	
59 Total assets (must equal line 74). Add lines 45 through 58.		1,393,108.	59	3,802,738.	
LIABILITIES	60 Accounts payable and accrued expenses	138,419.	60	183,821.	
	61 Grants payable		61		
	62 Deferred revenue	6,000.	62	258,219.	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	50,000.	63		
	64a Tax-exempt bond liabilities (attach schedule)		64a		
	b Mortgages and other notes payable (attach schedule)	<u>See Statement 8</u>	122,486.	64b	541,736.
	65 Other liabilities (describe ►		65		
	66 Total liabilities. Add lines 60 through 65		316,905.	66	983,776.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted	855,461.	67	1,879,849.	
	68 Temporarily restricted	220,742.	68	939,113.	
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds		70		
	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
	72 Retained earnings, endowment, accumulated income, or other funds		72		
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21).		1,076,203.	73	2,818,962.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73.		1,393,108.	74	3,802,738.

Yes	No
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75b	X	
75c		X
75d	X	

75b	X	
-----	---	--

75c	X
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75d	X	
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Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

[illegible]

Yes	No
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76		X
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77		X
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78a	X
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78b	N/A
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732	27/12

79		X
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80 a		X

81 a	0
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81 b	X
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Part VI Other Information (continued)

	Yes	No
82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a X	
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a X	
b Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b X	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b N/A	
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members.	85c N/A	
d Section 162(e) lobbying and political expenditures.	85d N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.	85e N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h N/A	
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86a N/A	
b Gross receipts, included on line 12, for public use of club facilities.	86b N/A	
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders.	87a N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A	
88 a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88a	X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Part XI.	88b	X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0.		
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.	89b	X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ 0.		
d Enter: Amount of tax on line 89c, above, reimbursed by the organization. ▶ 0.		
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? ...	89e	X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
90 a List the states with which a copy of this return is filed ▶ <u>See Statement 13</u>		
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b 23	
91 a The books are in care of ▶ <u>Emison Lewis, CPA</u> Telephone number ▶ <u>281-207-7800</u> Located at ▶ <u>PO Box 2257, Sugar Land TX</u> ZIP + 4 ▶ <u>77487-2257</u>		
b 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)?	91b	X
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.		

Part VI Other Information (continued)

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91 c** ☐ Yes ☒ No
 If 'Yes,' enter the name of the foreign country: _____

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041— Check here. **N/A** ☐
 and enter the amount of tax-exempt interest received or accrued during the tax year. **92** **N/A**

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Training fees					35,833.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts.			14	9,826.	
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop.					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-4,397.	
101 Net income or (loss) from special events			1	1,987.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				7,416.	35,833.
105 Total (add line 104, columns (B), (D), and (E))					43,249.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Living Water International conducts training seminars covering various aspects of Integrated Water Solutions. Courses are offered at various training sites throughout the United States. Fees are charged to offset the cost of the seminars.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
 b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

				Yes	No	
106	Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity					X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

				Yes	No	
107	Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If 'Yes,' complete the schedule below for each controlled entity					X

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

				Yes	No	
108	Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?					X

Please 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		Date		
Paid Preparer's Use Only	Type or print name and title.				
	Preparer's signature	Date		Check if self-employed	Preparer's SSN or PTIN (See General Instruction W)
	Firm's name (or yours if self-employed), address, and ZIP + 4		EIN		Phone no.
	Blazek & Vetterling LLP 2900 Wesleyan, Suite 200 Houston, TX 77027-5132		N/A		(713) 439-5739

BAA

Form 990 (2006)

SCHEDULE A
(Form 990 or 990-EZ)

**Organization Exempt Under
Section 501(c)(3)**

OMB No. 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information — (See separate instructions.)

► **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

Living Water International

Employer identification number

76-0324875

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
<u>Patrick Darilek</u> <u>P.O. Box 2257 SugarLand, 77487</u>	<u>Operations Dir</u> 40	<u>74,025.</u>	<u>3,008.</u>	<u>0.</u>
<u>Sandra Grobe</u> <u>same as above,</u>	<u>Executive Asst</u> 40	<u>62,227.</u>	<u>0.</u>	<u>0.</u>
<u>John Nadolski</u> <u>same as above,</u>	<u>Program Dir</u> 40	<u>68,205.</u>	<u>3,008.</u>	<u>0.</u>
Total number of other employees paid over \$50,000		0		

Part II - A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>Marketing Development Group</u> <u>5151 Wisconsin Ave, NW 4th Fl Washington, DC 20016</u>	<u>Fundraising</u>	<u>82,000.</u>
Total number of others receiving over \$50,000 for professional services		0

Part II - B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter 'None.' See instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<u>None</u>		
Total number of other contractors receiving over \$50,000 for other services		0

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2006

Part III Statements About Activities (See instructions.)

Yes No

- 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. . . . ▶ \$ N/A
(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.

- 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions.)

See Statement 14

- a Sale, exchange, or leasing of property?

2a X

- b Lending of money or other extension of credit?

2b X

- c Furnishing of goods, services, or facilities?

2c X

See Form 990, Part V

- d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

- e Transfer of any part of its income or assets?

2e X

- 3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how the organization determines that recipients qualify to receive payments.)

3a X

- b Did the organization have a section 403(b) annuity plan for its employees?

3b X

- c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' attach a detailed statement.

3c X

- d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

- 4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.

4a X

- b Did the organization make any taxable distributions under section 4966?

4b N/A

- c Did the organization make a distribution to a donor, donor advisor, or related person?

4c N/A

- d Enter the total number of donor advised funds owned at the end of the tax year. . . . ▶ N/A

- e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year. . . . ▶ N/A

- f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts. . . . ▶ 0

- g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year. . . ▶ 0.

Part IV Reason for Non-Private Foundation Status (See instructions.)I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ☐ _____
- 10 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ 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 charitable, etc., 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). (Also complete the **Support Schedule** in Part IV-A.)
- 13 ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization: ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					0.

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

BAA

Schedule A (Form 990 or 990-EZ) 2006

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.***Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)..... ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)...	5,754,806.	3,309,669.	4,176,519.	2,143,775.	15,384,769.
16 Membership fees received.....					0.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose.....	147,354.	299,761.	538,660.	197,787.	1,183,562.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975.....	199.	9,156.	5,531.		14,886.
19 Net income from unrelated business activities not included in line 18.....					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.....					0.
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.....					0.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.....					0.
23 Total of lines 15 through 22....	5,902,359.	3,618,586.	4,720,710.	2,341,562.	16,583,217.
24 Line 23 minus line 17.....	5,755,005.	3,318,825.	4,182,050.	2,143,775.	15,399,655.
25 Enter 1% of line 23.....	59,024.	36,186.	47,207.	23,416.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24..... ▶					26a 307,993.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts..... ▶					26b 588,878.
c Total support for section 509(a)(1) test: Enter line 24, column (e)..... ▶					26c 15,399,655.
d Add: Amounts from column (e) for lines: 18 14,886. 19.....					26d 603,764.
22 588,878. 26b.....					26e 14,795,891.
e Public support (line 26c minus line 26d total)..... ▶					26f 96.08 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))..... ▶					
27 Organizations described on line 12: N/A					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					27c _____
17 _____ 20 _____ 21 _____					27d _____
d Add: Line 27a total..... and line 27b total.....					27e _____
e Public support (line 27c total minus line 27d total)..... ▶					27f _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e).... ▶					27g _____ %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))..... ▶					27h _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))..... ▶					

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

N/A

29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?

29

Yes No

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

30

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.)

31

32 Does the organization maintain the following:

a Records indicating the racial composition of the student body, faculty, and administrative staff?

32a

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

32b

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

32c

d Copies of all material used by the organization or on its behalf to solicit contributions?

32d

If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)

33 Does the organization discriminate by race in any way with respect to:

a Students' rights or privileges?

33a

b Admissions policies?

33b

c Employment of faculty or administrative staff?

33c

d Scholarships or other financial assistance?

33d

e Educational policies?

33e

f Use of facilities?

33f

g Athletic programs?

33g

h Other extracurricular activities?

33h

If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)

34a Does the organization receive any financial aid or assistance from a governmental agency?

34a

b Has the organization's right to such aid ever been revoked or suspended?

34b

If you answered 'Yes' to either 34a or b, please explain using an attached statement.

35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.

35

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check ☐ **a** if the organization belongs to an affiliated group. Check ☐ **b** if you checked 'a' and 'limited control' provisions apply.**Limits on Lobbying Expenditures**

(The term 'expenditures' means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table —		
	If the amount on line 40 is —		
	The lobbying nontaxable amount is —		
	Not over \$500,000	20% of the amount on line 40	
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
	Over \$17,000,000	\$1,000,000	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h.)			

If 'Yes' to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization

Living Water International

Employer identification number

76-0324875

Organization type (check one):

Filers of:

Form 990 or 990-EZ

Section:

- ☒ 501(c)(3) (enter number) organization
☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
☐ 527 political organization

Form 990-PF

- ☐ 501(c)(3) exempt private foundation
☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule — see instructions.)

General Rule —

- ☐ For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules —

- ☒ For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF) but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

BAA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization

Employer identification number

Living Water International

76-0324875

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 976,950.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 229,764.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 250,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 199,481.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 209,264.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6		\$ 184,600.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Living Water International

76-0324875

Part I Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 177,354.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
8		\$ 175,400.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization

Employer identification number

Living Water International

76-0324875

Part II Noncash Property (See Specific Instructions.)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
4	Medical supplies and pharmaceuticals		
		\$ 199,481.	Various
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		\$	

BAA

Statement 1
Form 990, Part I, Line 8
Net Gain (Loss) from Noninventory Sales

Publicly Traded Securities

Gross Sales Price: 169,457.
 Cost or Other Basis: 169,457.

Total Gain (Loss) Publicly Traded Securities \$ 0.

Other Assets

Description: Sale of fixed assets
 Date Acquired: Various
 How Acquired: Purchase
 Date Sold: Various
 To Whom Sold:
 Gross Sales Price: 2,000.
 Cost or Other Basis: 6,397.

Gain (Loss) -4,397.

Total Gain (Loss) Other Assets \$ -4,397.

Total Net Gain (Loss) From Noninventory Sales \$ -4,397.

Statement 2
Form 990, Part I, Line 9
Net Income (Loss) from Special Events

Special Events	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Annual Gala	1,437,643.	1,392,143.	45,500.	43,513.	1,987.
Total	<u>\$ 1,437,643.</u>	<u>\$ 1,392,143.</u>	<u>\$ 45,500.</u>	<u>\$ 43,513.</u>	<u>\$ 1,987.</u>

Statement 3
Form 990, Part II, Line 23
Specific Assistance to Individuals

Medical supplies..... \$ 225,224.
 Total \$ 225,224.

Statement 4
Form 990, Part III, Line a
Statement of Program Service Accomplishments

Description	Grants and Allocations	Program Service Expenses
Living Water International (LWI) exists to demonstrate the love of God by providing desperately needed clean water and medical attention along with the Living Water of the Gospel of Jesus Christ.		95,725.
Includes Foreign Grants: No		
Water Projects: LWI drills water wells, constructs and installs bio-sand filtration systems and repairs well pumps in developing countries to provide clean, safe water for drought stricken people. Often these people have no water other than from a polluted river or stream or even a mud hole. Many people, including children under 5, get sick or even die from drinking water unsafe for human consumption. Along with providing clean drinking water, LWI provides training and education in basic health and hygiene practices and habits in an effort to break the cycle of disease caused by the lack of knowledge or practice of basic sanitation. To date, since 1990, LWI has completed over 4,100 water projects providing clean water to more than 6 million people daily in 21 countries. At each project, some type of evangelism occurs, a Jesus Film is shown, a crusade, distribution of Bibles, a dedication service of the well where the gospel is preached or one-on-one evangelism.		4,212,067.
Includes Foreign Grants: No		
Medical Ministries. LWI provides pharmaceuticals to the poor and indigent in certain developing countries with the cooperation of medical doctors and in-kind donations of pharmaceuticals.		225,223.
Includes Foreign Grants: No		
	\$ 0.	\$ 4,533,015.

Statement 5
Form 990, Part IV, Line 51
Other Notes and Loans Receivable

Other Notes and Loans	Balance Due	Doubtful Accounts Allowance
Living Water Int-Kenya	\$ 390,380.	\$ 0.
Total Other Notes and Loans	\$ 390,380.	\$ 0.
Total Net Receivables	\$ 390,380.	

Statement 6
Form 990, Part IV, Line 57
Land, Buildings, and Equipment

Category	Basis	Accum. Deprec.	Book Value
Automobiles / Transportation Equipment	\$ 70,865.	\$ 19,689.	\$ 51,176.
Furniture and Fixtures	24,919.	20,865.	4,054.
Machinery and Equipment	323,155.	103,081.	220,074.
Total	<u>\$ 418,939.</u>	<u>\$ 143,635.</u>	<u>\$ 275,304.</u>

Statement 7
Form 990, Part IV, Line 58
Other Assets

Security deposits.....	\$ 2,500.
Total	<u>\$ 2,500.</u>

Statement 8
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

Other Notes Payable

Lender's Name: Overseas Private Investment Co
Date of Note: 10/19/2001
Maturity Date: 7/15/2007
Repayment Terms: \$16,667 semi-annually
Interest Rate: 6.76%
Purpose of Loan: Purchase water well equipment
Original Amount: 200,000.
Balance Due: \$ 33,334.

Lender's Name: Overseas Private Investment Co
Date of Note: 10/25/2002
Maturity Date: 7/15/2007
Repayment Terms: \$10,000 semi-annually
Interest Rate: 5.00%
Purpose of Loan: Purchase water well equipment
Original Amount: 100,000.
Balance Due: \$ 20,000.

Lender's Name: GE Capital
Date of Note: 9/12/2006
Maturity Date: 9/12/2007
Interest Rate: 10.00%
Purpose of Loan: Ingersol Rand Air Compressor
Original Amount: 30,580.
Balance Due: \$ 22,935.

Statement 8 (continued)
Form 990, Part IV, Line 64b
Mortgages and Other Notes Payable

Other Notes Payable

Lender's Name:	Overseas Private Investment Co	
Date of Note:	2/21/2006	
Maturity Date:	6/15/2017	
Repayment Terms:	\$10,000 semi-annually	
Interest Rate:	5.47%	
Purpose of Loan:	Water well equipment in Kenya	
Original Amount:	200,000.	
Balance Due:		\$ 200,000.
Lender's Name:	Overseas Private Investment Co	
Date of Note:	4/27/2006	
Maturity Date:	6/15/2016	
Repayment Terms:	\$10,000 semi-annually	
Interest Rate:	5.72%	
Purpose of Loan:	Water well equipment in Kenya	
Original Amount:	200,000.	
Balance Due:		\$ 200,000.
Lender's Name:	Key Equipment Finance, Inc.	
Date of Note:	11/01/2006	
Maturity Date:	11/01/2007	
Repayment Terms:	\$872 paid monthly	
Interest Rate:	3.50%	
Security Provided:	Truck	
Purpose of Loan:	Purchase Disaster relief truck	
Original Amount:	10,567.	
Balance Due:		\$ 8,806.
Lender's Name:	De Lage Landen	
Date of Note:	2/02/2006	
Maturity Date:	2/02/2009	
Repayment Terms:	\$434 monthly for 36 months	
Interest Rate:	4.00%	
Purpose of Loan:	Forklift OS030	
Original Amount:	15,639.	
Balance Due:		\$ 9,697.
Lender's Name:	PLS, Inc.	
Date of Note:	2/15/2006	
Repayment Terms:	\$1,000 monthly	
Interest Rate:	4.70%	
Purpose of Loan:	Purchase drill for Mexico	
Original Amount:	55,733.	
Balance Due:		\$ 46,964.

Total \$ 541,736.

Living Water International

76-0324875

Statement 9
Form 990, Part IV-A, Line b(4)
Other Amounts

Direct donor benefits..... \$ 43,513.
 Total \$ 43,513.

Statement 10
Form 990, Part IV-B, Line b(4)
Other Amounts

Direct donor benefits..... \$ 43,513.
 Total \$ 43,513.

Statement 11
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compen- sation</u>	<u>Contri- bution to EBP & DC</u>	<u>Expense Account/ Other</u>
Gary L. Evans P.O. Box 2557 Sugar Land, TX 77487-2257	Executive Direc 45	\$ 101,520.	\$ 3,008.	\$ 0.
Jerry Wiles P.O. Box 2557 Sugar Land, TX 77487-2257	President 45	63,996.	3,008.	24,000.
Lewis Hough P.O. Box 2557 Sugar Land, TX 77487-2257	Executive VP 45	69,749.	3,008.	0.
Emison Lewis P.O. Box 2557 Sugar Land, TX 77487-2257	Treasurer 45	62,979.	2,256.	0.
Sharon Evans P.O. Box 2557 Sugar Land, TX 77487-2257	Secretary 45	43,082.	3,008.	0.
Bruce Whitmire P.O. Box 2557 Sugar Land, TX 77487-2257	Vice President 45	69,720.	3,008.	0.
Tim Mulville P.O. Box 2557 Sugar Land, TX 77487-2257	Vice President 45	65,443.	3,008.	0.
Malcolm S. Morris P.O. Box 2557 Sugar Land, TX 77487-2257	Chairman 8	0.	0.	0.

Statement 11 (continued)
Form 990, Part V-A
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compensation	Contribution to EBP & DC	Expense Account/ Other
Nancy Brannen P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	\$ 0.	\$ 0.	\$ 0.
Heidi Cruz P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Dr. Peter Kwan P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Ron Lee P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Gary Loveless P.O. Box 2557 Sugar Land, TX 77487-2257	Director 8	0.	0.	0.
Martha McGuire P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Garnett Pampell P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Bill J. Walls P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
W. David Welch P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Harry Westmoreland P.O. Box 2557 Sugar Land, TX 77487-2257	Director 8	0.	0.	0.
Scott Young P.O. Box 2557 Sugar Land, TX 77487-2257	Director 4	0.	0.	0.
Total		\$ 476,489.	\$ 20,304.	\$ 24,000.

Statement 12
Form 990, Part V-A, Line 75b
Compensation Paid to Related Individuals

Name and Relationship

Gary Evans, Executive Director is married to Sharon Evans, Secretary.

Statement 13
Form 990, Part VI, Line 90a
List of States which this Return is Filed

AL AK AZ AR CA CO CT DE DC FL GA ID IL IN IA KS KY LA MD ME MA MI MN MS MO NE NH
NJ NM NY NV NC ND OH OK OR PA RI SC TN TX UT VA WA WV WI

Statement 14
Schedule A, Part III, Line 2
Transactions with Trustees, Directors, Etc.

Living Water International reimburses officers and key employees for expenses they incur on behalf of the organization under an accountable plan. See attached statement for details.

12/31/06

2006 Federal Book Summary Depreciation Schedule

Page 1

Living Water International

76-0324875

No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Form 990/990-PF										
Auto / Transport Equipment										
3	Vehicles	Various		70,865			11,833	S/L	12	7,856
	Total Auto / Transport Equipment			70,865		0	11,833			7,856
Furniture and Fixtures										
4	Furniture/fixtures	Various		24,919			18,416	S/L	7	2,449
	Total Furniture and Fixtures			24,919		0	18,416			2,449
Machinery and Equipment										
1	Drilling equipment	Various		205,312			27,200	S/L	7	27,676
2	Office/Computer equipment	Various		117,843			33,319	S/L	5	14,886
	Total Machinery and Equipment			323,155		0	60,519			42,562
	Total Depreciation			418,939		0	90,768			52,867
	Grand Total Depreciation			418,939		0	90,768			52,867

Schedule A, Part III, Line 2d - Reimbursement of expenses

Tim Mulville - VP

\$	1,200	travel advance to Indonesia May 30th thru June 10th
	6,000	travel advance to Puebla Mexico Aug 2 - 22
	1,000	trip to Sacramento CA Sep 12-23 re donated scientific Eq.
	1,000	travel advance trip to Puebls Mexico Jan 7-14
\$	9,200	

Harry Westmoreland - Board Member

\$	6,000	Contract Labor per agreement
	3,800	Travel advance survey trip to Mozambique Jun 26th - Jul 21st
\$	9,800	

Jerry Wiles - President

\$	1,500	Kenya Mission Trip Jan 7-18
	1,983	National Religious Broadcasters Convention Grapevine TX Feb 18-22
	2,089	Arkansas March "Share the Vision" donor acquisition trip
	2,038	May Washington DC Share the Vision & major donor acquisition trip
	1,568	Annual AWWA Convention June
	1,056	Trip to Washington DC for first LWI DC Gala
	1,337	Arkansas October "Share the Vision" donor acquisition trip
	1,592	Colorado Share the Vision Meeting
\$	13,163	

Gary Evans - Exec. Dir.

\$	1,000	Fund Feb trip for Paul Ligano to Kenya
	1,500	Fund Mar trip for John Odongo to Kenya
	2,000	Travel Advance for Evans/Whitmire trip to East Africa various countries
	1,100	Western union money to attorney in Rwanda to process NGO paperwork
\$	5,600	

Lew Hough - VP

\$	4,000	Travel advance Guatemala trip Jun 10-17
	3,000	Travel advance Guatemala trip Aug 5-12
	3,500	Travel advance Guatemala trip Jul 22-29
	3,000	Travel advance El Salvador trip Jun 17-24
	2,500	Travel advance Nicaragua trip Nov 10-18
	3,300	Travel advance El Salvador trip Nov 11-18
	19,000	New Ford F-250 truck for Nicaragua
	5,000	Import Taxes & Fees for new truck
	4,400	Nov/Dec support for Wilsons in Nicaragua
	3,000	Travel advance Nicaragua trip Jan 12-20
\$	50,700	

Bruce Whitmire - VP

\$	1,000	Travel advance trip to Liberia Jun 1-26
	5,000	Travel Advance for Evans/Whitmire trip to East Africa various countries
	1,476	Cell Phone & various materials & supplies trip to East Africa countries
\$	7,476	

Dr Peter Kwan - Board Member

\$	1,008	Mission trip expenses trip to Honduras, El Salvador & Panama
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