introduction.

It’s hard not to think about water today. In the western world, we face growing concerns about our stewardship of the world’s most precious resource. There’s talk of shortages, evidence of reservoirs and aquifers drying up and, of course, plenty of people who simply don’t care. But forget about us. If you’re like me, you’ve never really been thirsty. You’ve never had to leave your house and walk five miles to fetch water. You simply turn on the tap, and water comes out—clean. Yet more than 1.1 billion people on the planet don’t have clean water. It’s hard to imagine what a billion people really, but one in six is easier. One in six people in our world don’t have access to the most basic of human needs. Something I can’t imagine going 12 hours without.

In the images that follow, I invite you to meet a few of those billion people. They are very real, and they need our help. They didn’t choose to be born into a village where the only source of water is a polluted swamp. And I didn’t choose to be born in a country where even the homeless have access to clean water and a toilet. I invite you to put yourself in their shoes. Follow them on their daily journey. Carry 80 pounds of water in yellow fuel cans. Dig with their children in sand for water. Line up at a well and wait eight hours for a turn.

Now, make a decision to help.

We’re not offering grand solutions and billion dollar schemes, but instead, simple things that work. Things like freshwater wells, rainwater catchments and sand filters. For about $20 a person, we know how to help millions of people.

Scott Harrison
You live in the bustling coastal capital of Monrovia. You’re one of about a million people here and it’s an exciting time. Streetlights come on slowly each month now as power grids and tangled wires broken from 14 years of civil war are brought back online.

CITY LIVING. There’s now a single working stoplight in town, and dilapidated taxis crash to a halt on red, giving way to a stream of alternate traffic.

Your president is the first woman ever elected to lead an African country, and she’s making progress. 15,000 UN peacekeepers usher in a new hope for your nation, each day, chaos is ever so slowly replaced with order.

You are fortunate enough to live in a small house with a good roof of zinc and splintered wooden windows that swing open on hinges, but your neighborhood is truly vile. The dry and dusty area around your house is littered with garbage and bile. There’s no sewage system in town, or in the country for that matter.

The public latrines are ramshackle tin structures built over the river, and small children stoop on the shores. Human waste floats downstream, and at the beaches, the golden sand smells of fecal matter.

COUNTRY LIVING. It’s lush, green and beautiful near the border with Guinea, and cooler at night than in the city. Malaria’s a killer here, but you’ve had it so many times now, your body has worked up some resistance to it and it’s more of a regular nuisance than a threat to your life now. You live in a mud house with a leaky roof in a town with about 750 others, and you’ll be lucky to make $150 this year. You farm cassava, and can generally keep food on the table. You use the 50 cents a day to buy rice, fish and soap.

Water is big trouble for you here. Unlike the conveniences of the city, here you’ve got to walk quite a distance into the jungle to find the pond where you’ll gather your water. The village pigs use the same pond to bathe and defecate, and even though the water looks pretty clear, you hate the fact that everybody else from the village wades into the middle to collect water.

You just heard some people came and put in a freshwater well in a village about five miles away, and wished your village could get enough money together to provide itself with clean water. But even collectively, a few thousand dollars here in Liberia is impossible. You dread the rainy season’s approach in late May. The downpours come, the rivers and swamps rise and your neighborhood turns into an open sewer.
Cyclone Sidr crashed the shores of Bangladesh on November 15th, 2007, bringing with it 150 MPH winds and a seven foot tidal surge. When the water receded, more than 3,000 were dead, and 5,000 missing. Three million houses were completely destroyed, and a shocking eight million people were affected by the storm.

To be honest, I don’t remember hearing anything about a cyclone in Bangladesh on November 15 as I sipped my morning coffee in New York, or even in the few days following. I was busy preparing for our annual charity: ball gala, and had several meetings and a conference call that day. Like many, I was busy.

I learned about Sidr about a week later through one of our partners, Concern Worldwide US, who asked us - would charity: water consider helping the Bangladeshi people regain access to clean water?

Yes, I said, of course we were interested.

I asked if Concern would show me around the cyclone-affected area if I came, and let me bring the story home to our supporters. On January 15th, I landed in Dhaka from Calcutta, and jumped on a small seaplane with Concern’s country director, Kieron Crawley, Cat Power singer Chan Marshall, and my videographer Matt Oliver.

We flew about an hour south to the coast, and landed on a wide river. Traveling by boat, Land Rover and bicycle rickshaw when bridges were out, we toured several communities in two affected districts, and saw for ourselves the incredible damage done by this storm that killed almost twice as many as Katrina, and destroyed seven times as many homes.

We saw many fresh graves, broken wells and contaminated water sources. And we learned what we could do to help the people here. That for $750, we could construct a new tube well, and for only $60, repair broken ones. Charity: water committed $100,000 to help some of the eight million people affected by Cyclone Sidr get clean water to drink.

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For years the people drank from this pond. So did their livestock. They knew the water was killing them.

“It is not clean at all,” Marcos, one of the village elders told me through a translator in Amharic. “But we have no other solution. We have to drink it!” He told me some people used to walk two hours a day to fetch water from the source, and then he grabbed his wife and colorful 20-liter Jerry Cans and jumped in the pond to show me how they used to gather the water. But not anymore. Thanks to humanitarian efforts, clean water arrived a month ago in the form of a freshwater well. It cost about $3500 to drill and cast, and now sits on a hill above the pond. It has changed Bulgeta. Able to pump about a million gallons of clean and safe drinking water a year, it has brought hope and health into town. You see, clean water changes everything in Africa. The precious children of Bulgeta are proof of that, crowding the well, eager to show me how clean their water now was.
UGANDA. Working in the Pader District of Northern Uganda, Concern Worldwide U.S. is focused on providing critical relief to 75,028 people living in six refugee camps. Due to the immediate need from an increasing population, charity: water funded eight new wells for this region. Charity: water has also funded an additional six wells in Bobi, Uganda through Restore International.

TANZANIA. Only half of the population has access to clean and safe drinking water. Charity: water worked with Global Partners for Development (GPfD) to bring clean and safe water to schools and health clinics in Arusha, Tanzania. This region is home to the Maasai tribe, who generally travel with their livestock. GPfD constructed dormitories so students can live at the school in order to continue their education. Charity: water partnered with GPfD to construct rainwater collection tanks, so the students will always have safe, clean water to drink.

MALAWI. Only 41% of people in Malawi have access to safe and clean drinking water. Water for People worked with the local government to construct six new boreholes and rehabilitated 10 broken wells. Communities also received skills in how to construct their own latrine. Once the pit latrines are full, the local government donates an avocado tree to the family. The frame of the latrine is moved to a new empty pit, and the tree is planted in its place, which thrives in the fertile soil and provides food for the family.

CENTRAL AFRICAN REPUBLIC. Working with Living Water International and our local implementing partner, ICDI, charity: water has partnered to drill deep boreholes and rehabilitate pumps broken during the recent civil war.
In September of 2007 Charity: Water celebrated its one year anniversary. We launched the September campaign, asking everyone born in the month of September to give up birthday presents and ask for donations instead. 100% of the money raised went to help people in need. The campaign raised $159,000 in less than 4 weeks, funding clean water projects in three hospitals and one school in Kenya.
Mr. Mosa wasn’t kidding. All the water for the Mogiato Health Clinic, found about three hours north of Nairobi, is piped up from a muddy river about half a mile away. A small stone house by the bank holds a pump that takes the muddy water up into the hospital’s two gigantic 7,500-gallon holding tanks, where it then slides down into taps to be used for cleaning, cooking, and drinking.

It’s all they have.

Mosa proudly walks me through his spacious yet modest clinic that boasts a small men’s ward, a women’s ward, maternity care ward, HIV counseling center, a laboratory and dental services.

KENYA. Mr. Mosa wasn’t kidding. All the water for the Mogiato Health Clinic, found about three hours north of Nairobi, is piped up from a muddy river about half a mile away.

A small stone house by the bank holds a pump that takes the muddy water up into the hospital’s two gigantic 7,500-gallon holding tanks, where it then slides down into taps to be used for cleaning, cooking, and drinking.

It’s all they have.

Stopping in the overflow room with two beds, he draws my attention to the beige bed sheets. “They used to be white,” he says.

As many of you know, I was in Kenya for a week, looking for the right project to fund for my 32nd birthday, and the one-year anniversary of charity: water. I’ll admit, I’d thumbed through the project proposals for these clinics with a bit of disbelief.

Several health clinics in the Rongai District of Kenya didn’t have any access to clean water, the reports stated. In some, patients were forced to bring five gallon Jerry Cans of water with them before they could receive treatment. The small clinics serve populations in 20+ mile radiuses of 30,000 - 50,000.

The numbers were hard to comprehend, as was the thought of going to a hospital and not having even the most basic ingredient for good health. Safe water.

10 minutes with Mr. Mosa brought the proposals to life.
It’s a terrible situation. Mogotio’s 21 staff and patients rely on a stream of mud from the now raging river, Molo - as long as the pump by the river is working. When it breaks, which happened four or five times in the past few years, Mosa is forced to pay people to fetch dirty Jerry Cans full of the same river water.

Across and down the road, we rolled into Athinai, a town of about 4,000. Within about five minutes we were surrounded by 50 children, then 100. Many of them were AIDS orphans; many of them belonged to parents who worked in the rope plantation and factory next door for about $1 a day. Athinai is a grubby slum made of ramshackle buildings all sloppily painted in white – perhaps an attempt to disguise its poverty.

I’m traveling with Lyle Owerko, a photographer who has spent a lot of time in Northern Kenya with the Samburu Warriors. He’s speechless. “You couldn’t make this stuff up,” he says. Athanai’s water comes from an open tap in the shadow of three huge tanks. The water is pumped by the plantation owners from the same river upstream from the hospital’s access point.

And here’s the thing. The water makes everybody sick. The adults get sick, the kids get sick. Typhoid - worms that attack the intestines - and dysentery are commonplace. And cholera - a waterborne disease - remains a severe threat in Kenya.

But the good thing is Mosa’s clinic is nearby, and they can get quality treatment, or at least they could if Mosa and his staff had safe water. Even though the clinic does its best to provide good care and medications to its patients, they are undermined by the disease-ridden water. As we interviewed him, Mosa stated the obvious. A circle of disease centers around the water here. In his examination room, he pointed out three waterborne diseases on a list of Mogotio’s top ten.
We came back and told the story of Mogotio to everyone that we knew, everyone that would listen.

The idea was simple: charity: water was turning one year old, and founder Scott Harrison was turning 32. He wanted to use the occasion to help Mogotio, and instead of asking for presents, he asked everyone he knew for $32 donations for his 32nd birthday - to drill a well there. He then asked everyone else born in September to join him and do the same. And 94 people did. We promised that if we could raise enough to give Mogotio clean water - $40,000, we’d go there on the day of Scott’s birthday and drill live.

In a remarkable four weeks, $159,000 was raised through people sacrificing their birthday gifts to help those in need. 100% of that money went to build water systems at three hospitals and one school in Kenya. We put the names of everyone who gave on the pumphouse wall, uniting the hundreds of donors who made this work possible with the people they’ve helped in Kenya.

What happened.

On September 7th, we drilled a well at Mogotio. And to prove it, we put 700+ donor names on the pumphouse wall. Yes, we know it seems a bit much, and we still feel bad for the local artist who wrote 700+ names by hand, but we wanted to connect people. We wanted to show that it wasn’t about how much they gave, but that they took the time to give, and their money really did something. We wanted to tie these 700+ people in America with some 5,000+ people halfway across the Earth whose lives were now changed. Whether they gave $1 or $1,000 they got their name on the Mogotio well.
378 WATER PROJECTS IN 2007
PROJECTS FUNDED BY CHARITY: WATER IN THE 2007 FISCAL YEAR

WATER PROJECTS KEY

NEW WELL  REPAIRED WELL
WELL AT HOSPITAL  WELL AT A SCHOOL
POND SAND FILTER  RAIN CATCHMENT

IMPLEMENTING PARTNER

120
IN BANGLADESH
60 new wells
60 pond sand filters

113
IN CENTRAL AFRICAN REPUBLIC
8 new wells
100 repaired wells

30
IN ETHIOPIA
30 new wells

5
IN KENYA
4 hospitals/clinics
1 school

72
IN LIBERIA
47 new wells
25 repaired wells

16
IN MALAWI
6 new wells
10 repaired wells

11
IN RWANDA
11 new wells

3
IN TANZANIA
3 rainwater catchments

8
IN UGANDA
8 new wells

IN UGANDA
16
IN MALAWI
11
IN RWANDA
3
IN TANZANIA
5
IN KENYA
72
IN LIBERIA
30
IN ETHIOPIA
120
IN BANGLADESH
113
IN CENTRAL AFRICAN REPUBLIC

NEW
WELL
REPAIRED
WELL
WELL
AT
HOSPITAL
WELL
AT
A
SCHOOL
POND
SAND
FILTER
RAIN
CATCHMENT

WATER SOLUTIONS
EDUCATION + HEALTHCARE + WATER
PARTNERS ON THE GROUND
PROVING IT: GOOGLE EARTH

solutions.

02

charitywater.org
annual report 2007
charity: water partners with local organizations on the ground to build and rehabilitate freshwater wells. A freshwater well can cost $4,000 to $15,000, depending on the region. charity: water staff then visits the projects, monitoring their success and sustainability and providing comprehensive reports to our donors.

### A HAND-DUG WELL
Hand-dug wells are possible in areas with a high water table. The opening takes 1-3 months to dig, and the entire community usually participates. Because of the free labor force within the villages, hand-dug wells are the most cost-effective and are implemented whenever possible.

### A DRILLED WELL
A well is drilled when the water table is not reachable by hand-digging. It typically takes 3-4 days to drill a well, and a professional team of well drillers is deployed. Because of the depth of drilled wells, they typically yield more potable water than hand-dug wells, but are also more expensive.

### RAINWATER CATCHMENT
Rainwater collection tanks are utilized when groundwater is not available or is in short supply. Rain gutters are installed on the roofs of houses, schools or other large buildings and direct the flow of rainfall through a series of pipes into a holding tank.

### POND SAND FILTER
Water is filtered through multiple chambers of sand, removing debris and particles. Afterwards, water is boiled or treated to make it safe to drink. Pond sand filters are good water solutions in areas where there is high rainfall.

### WELL AT SCHOOLS
Half of all schools in the world lack access to clean and safe drinking water, and 75% are without bathrooms. Without water and proper sanitation, children often miss school or drop out, especially girls. charity: water works to keep children in school by installing water projects, and constructing proper bathrooms and handwashing facilities.

### WELL AT CLINICS
Clean water is the most basic necessity for health – yet many clinics and hospitals in developing countries are forced to operate without clean water. Some clinics have no choice but to ask patients to bring water from home. charity: water has been focused on installing water systems in health clinics and hospitals worldwide.

### TIME
Children aged 12 and older often help their parents collect water. Their mornings are spent walking 2-3 hours causing them to miss class, and eventually drop out of school.

### WATER
We build a well that can serve the school as well as the community. Children are able to drink clean, safe water while at school, which means that they can play soccer at recess and hydrate after the fun.

### DISEASE
Dirty water is responsible for most cases of diarrhea, and the spread of other diseases such as cholera, typhoid and schistosomiasis, which can lead to dehydration and eventually death.

### SANITATION
We build latrines to contain waste and give students privacy. Without latrines, the students are forced to relieve themselves behind bushes and in fields, polluting the water at its source.

### GIRLS
Lack of sanitation is one of the main reasons why girls drop out of school. Schools often have co-ed facilities, or none at all, and without latrines, there is no privacy or dignity.

### HYGIENE
Washing hands can reduce disease by 45%. We fund handwashing stations and offer hygiene training to every single community receiving a new water point.

Water speeds up development because of how much time is freed up when people don’t have to walk for water. Kids can go to school. Hospitals and clinics can operate. They can focus more on other illnesses when they don’t have to treat as many people for water-borne diseases.
Our partners on the ground have spent years researching the terrain, learning and perfecting the skills of well-drilling and integrating within the culture in the countries where they work. charity: water relies on their experience and knowledge to ensure sustainable, long-lasting water programs. In our travels, we’ve met exceptional people, doing life-changing work through well-established organizations. What we felt they needed most was additional funding to expand their outreach and scope. So we started charity: water to help the already existing non-profits do even more. Partners that have been in the area for years, that know the language and customs of the people and have mastered the terrain. They know the in-depth water issues facing the communities, which approaches to hygiene and sanitation work best, and what water development techniques are suitable for their specific region.

Charity: water proves every well built using photos, video and GPS coordinates plotted in Google Earth™.

Volunteers and staff visit completed projects on an ongoing basis, bringing back proof of the work being done. charity: water found its initial project partners through Charity Navigator, America’s largest independent non-profit evaluator. Four-star charities were selected to implement our water and sanitation projects on the ground, ensuring their extensive experience and expertise in water and sanitation as well as in the customs, culture and terrain of each country. Working with these organizations has also given us the opportunity to support growing economies by employing local drillers and workers.

Our partners on the ground:

- **Concern Worldwide**
  - Partnered in: Bangladesh, Liberia, Uganda
  - Concern Worldwide is an international humanitarian organization dedicated to reducing suffering and ending extreme poverty. Since the beginning, over 40 years ago, their focus has been on improving the lives of the poorest people.

- **EQUIP Liberia**
  - Partnered in: Liberia
  - EQUIP Liberia is a faith-based health and social welfare NGO working to improve the lives of Liberians by providing access to quality health services at the clinic and community level and access to expanded justice and protection for all.

- **Global Partners for Development**
  - Partnered in: Tanzania
  - Since 1989, Global Partners for Development has worked to achieve an end to hunger throughout the world, especially as it affects the survival and development of children.

- **Healing Hands International**
  - Partnered in: Ethiopia
  - Healing Hands International serves to save lives and relieve suffering through the distribution of humanitarian aid in order to bring hope to all people.

- **Living Water International**
  - Partnered in: Central African Republic, Ethiopia, Kenya, Rwanda
  - Living Water International exists to demonstrate the love of God by helping communities acquire desperately needed clean water, and to experience “living water”—the gospel of Jesus Christ—which alone satisfies the deepest thirst.

- **Water For People**
  - Partnered in: Malawi
  - Water For People helps people in developing countries improve their quality of life by supporting the development of locally sustainable drinking water resources, sanitation facilities and health and hygiene education programs.
Imagine if New York’s taps ran dry. What would we do? We’d probably walk through the streets in search of the nearest water source. This 60-second short allows us to imagine for a moment what life without clean water would be like in New York City. Oscar winner Jennifer Connelly, Hotel Rwanda director Terry George, and award-winning cinematographer Ellen Kuras volunteered their time to shoot the piece. American Idol was generous enough to donate 60 seconds of national airtime to screen our public service announcement during Idol Gives Back on April 9, 2007.

The Sundance Exhibition was made possible through a $20,000+ donation of gallery space on Main Street in Park City. We thought we’d be lucky to sell enough $20 charity: water to build a well or two, but instead, we brought home $23,200! More than 1,500 people visited the gallery during the 5-day run, and some wept at the images and stories of those without access to clean water. Kevin Bacon, Billy Baldwin, Keri Russell, Tim Hutton and Dakota Fanning supported us, but the generosity among the Park City locals was the real story.
$105,000 was raised on June 19, 2007. That’s more than ten wells in Rwanda. Charity: water would like to thank all of our generous supporters who attended, and all the volunteers for helping make this event possible. Additionally, thanks to this event, we finally reached our one million dollar mark after 10 months.

Over 1,000 guests attended the 2007 charity: ball and $500,000 was raised in one night. The exhibition aimed to educate and engage viewers, connecting them first hand to the people and communities we are trying to help. Throughout the night, guests were given various ways to donate through the live and silent auction, merchandise sales and the Waterwalk. The event was hosted by Entourage star Adrien Grenier and model Jessica Stam. Special live performances by Cat Power and Chaka Khan concluded the evening.
IN THE FIELD
OPERATING COSTS
FINANCIAL STATEMENTS
2007 was a year of phenomenal growth and change at charity: water. In our first full year, we assembled a small but dedicated staff of four and moved into our first real office – an industrial loft in the heart of SoHo, New York City. We were granted our official 501(c)(3) status 58 days after applying. Our accounting and operations systems were built from the ground up. Our first strategic relationships were solidified.

We raised awareness of the water crisis through events, fundraising exhibitions and innovative campaigns. And we used 100% of the money publicly donated on direct project costs, funding sustainable clean water solutions in the areas of greatest need. A loyal and small group of board members, foundations, and individual donors sponsored all operational, administrative and fundraising costs.

But we wanted to take it a step further. One of the most common reasons young non-profits fail is due to a lack of business foundation. So, we made it our goal from the start to become a leading non-profit in transparency and efficiency. To do this we surrounded ourselves with a solid team of executive consultants, legal counsel and accounting firms.

As we grow out of a grassroots startup to impact more lives around the world, we believe our financials will continue to show a growing efficiency, and reflect the integrity and commitment to detail by which we operate.

Together, here’s a look at what we made happen in 2007:

- Over $1,700,000 raised in total donations
- Over $1,100,000 raised in public donations, 100% funded water projects
- Over $932,000 granted to water projects in 9 developing nations
- The remaining 2007 water funds dispersed in early 2008
- Over $192,000 received in gifts in kind & donated services

Here’s a step-by-step look at what happens to your dollar within charity: water. 100% of each dollar donated by the public pays for direct costs associated with building wells.

Your dollars are combined with other donations made to charity: water, and once every three months, grants go out to our in-country partners so the work can begin on the ground.

Our local partners on the ground agree to use 100% of your money for direct project costs as well.

Here’s where your money begins to work. A team of local drillers is deployed to begin constructing the water project, and a hygiene and sanitation worker (often this is a woman from the local culture) trains the community on sanitation and hygiene practices. The drilling team leaves once the well is complete, but the hygiene worker lives in the community often for up to five years to make sure sanitation practices are integrated into the every day lives of the community members.

Here’s your dollar within charity: water: 100% of public donations to direct project costs. A group of private donors, foundations and sponsors help pay for the everyday costs of running the organization so your money goes directly to the people who need it most.
in the field.

TOTAL: $932,367

100% of public donations go directly to funding water projects.*

- KENYA: $186,254
- CENTRAL AFRICAN REPUBLIC: $165,000
- BANGLADESH: $100,000
- ETHIOPIA: $95,000
- MALAWI: $63,372
- RWANDA: $110,000
- LIBERIA: $133,100
- UGANDA: $68,000
- TANZANIA: $11,018

*An additional, separately-funded, $623 grant was made to Cure International from the special needs fund to provide hand surgery for Nai, a 7-year-old girl from Kenya.

operating costs.

TOTAL: $598,395

$405,761 + $192,634

CASH SPENT ON OPERATIONS

GIFTS IN KIND

DONATED SERVICES

MANAGEMENT + WATER PROGRAM SUPPORT

<table>
<thead>
<tr>
<th>OFFICE EXPENSES</th>
<th>Management + Development</th>
<th>Water Program Support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Charges/Credit Card Fees</td>
<td>$82,771</td>
<td>$16,157</td>
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<tr>
<td>Storage Fees</td>
<td>$19,092</td>
<td>$3,476</td>
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<tr>
<td>Postage and Shipping</td>
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<td>Office Supplies</td>
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<td>Insurance</td>
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<td>Licenses and Permits</td>
<td>$9,130</td>
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<tr>
<td>Equipment and Equipment Rental</td>
<td>$1,857</td>
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<tr>
<td>Meetings, Hospitality, and Meals</td>
<td>$2,724</td>
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<tr>
<td>Depreciation</td>
<td>$3,847</td>
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PROFESSIONAL SERVICES

| Accounting | $75,090 | $500 |
| Legal | $24,748 | $34,817 |
| Miscellaneous | $15,525 | $500 |

SALARIES AND EMPLOYEE BENEFITS

$146,686 + $99,052

SPECIAL EVENTS

$89,996

TRAVEL EXPENSES

$23,955 + $22,510

OFFICE RENT

$15,014 + $9,936

OTHER

Write off of Uncollectible Receivables

$16,683 + $4,288

$12,395 + $45
## Consolidated Statement of Financial Position

**For the Year Ended December 31, 2007**

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<thead>
<tr>
<th>Total Liabilities and Net Assets</th>
<th>2007</th>
<th>2006</th>
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<tbody>
<tr>
<td><strong>Assets</strong></td>
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<td>Cash and cash equivalents</td>
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<td>Other current assets</td>
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<td>Fixed assets (net of accumulated depreciation)</td>
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<td><strong>Total Assets</strong></td>
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<td>$383,220</td>
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<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
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</tr>
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<td>Accounts payable and accrued expenses</td>
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</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>364,900</td>
<td>20,064</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>234,964</td>
<td>130,729</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>522,546</td>
<td>232,427</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>757,510</td>
<td>363,156</td>
</tr>
</tbody>
</table>

**Total Liabilities and Net Assets**

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,122,410</td>
<td>$383,220</td>
</tr>
</tbody>
</table>

## Consolidated Statement of Activities

**For the Year Ended December 31, 2007**

### Revenue, Support, and Releases

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2007 Totals</th>
<th>2006 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contributions</strong></td>
<td></td>
<td>$501,445</td>
<td>$498,854</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td>$732,040</td>
<td></td>
</tr>
<tr>
<td>Less: direct expenses</td>
<td></td>
<td>53,770</td>
<td></td>
</tr>
<tr>
<td><strong>Net special event revenue</strong></td>
<td></td>
<td>-</td>
<td>723,632</td>
</tr>
<tr>
<td><strong>Gifts in Kind</strong></td>
<td></td>
<td>123,366</td>
<td>-</td>
</tr>
<tr>
<td><strong>Donated Services</strong></td>
<td></td>
<td>69,268</td>
<td>-</td>
</tr>
<tr>
<td><strong>Interest and dividends</strong></td>
<td></td>
<td>9,469</td>
<td>-</td>
</tr>
<tr>
<td><strong>Foreign currency remeasurement loss</strong></td>
<td></td>
<td>(918)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net assets released from restrictions</strong></td>
<td></td>
<td>932,367</td>
<td>(932,367)</td>
</tr>
<tr>
<td><strong>Total revenue, support, and releases</strong></td>
<td></td>
<td>1,634,997</td>
<td>290,119</td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>2007 Totals</th>
<th>2006 Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program services</strong></td>
<td></td>
<td>1,080,567</td>
<td>-</td>
</tr>
<tr>
<td><strong>Management and general</strong></td>
<td></td>
<td>208,322</td>
<td>-</td>
</tr>
<tr>
<td><strong>Development and public relations</strong></td>
<td></td>
<td>241,873</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>1,530,762</td>
<td>-</td>
</tr>
</tbody>
</table>

### Change in Net Assets

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>$104,235</td>
<td>290,119</td>
</tr>
</tbody>
</table>

### Net Assets at Beginning of Year

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>130,729</td>
<td>363,156</td>
</tr>
</tbody>
</table>

### Net Assets at End of Year

<table>
<thead>
<tr>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>$234,964</td>
<td>$522,546</td>
</tr>
</tbody>
</table>
financial statements.
CHARITY GLOBAL, INC. AND AFFILIATE

consolidated statement of cash flows.
FOR THE YEAR ENDED DECEMBER 31, 2007

<table>
<thead>
<tr>
<th>CASH FLOWS FROM OPERATING ACTIVITIES</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$394,354</td>
<td>$363,156</td>
</tr>
<tr>
<td>Depreciation</td>
<td>9,847</td>
<td>10,899</td>
</tr>
<tr>
<td>Stock gifts</td>
<td>(29,336)</td>
<td>-</td>
</tr>
<tr>
<td>Contributions receivable (increase)</td>
<td>38,658</td>
<td>(52,499)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>(5,802)</td>
<td>(7,797)</td>
</tr>
<tr>
<td>Increase in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants payable</td>
<td>321,254</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>23,982</td>
<td>20,064</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>752,957</td>
<td>233,823</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

| Proceeds from the sale of investments | 29,336 | -     |
| Purchase of property and equipment   | (23,319) | (28,083) |
| Net cash provided (used) by investing activities | 6,017  | (28,083) |
| Net increase in cash                 | 798,674 | 305,740 |

CASH AND CASH EQUIVALENTS AT Beginning OF YEAR/PERIOD

| 305,740                  |

CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD

| $1,064,314  | $305,740 |