

INVISIBLE CHILDREN, INC. ANNUAL REPORT

FISCAL YEAR 2008 FROM JULY 1, 2007 THROUGH JUNE 30, 2008





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LETTER FROM CEO

Ben Keesey

Fiscal year 2008 saw the continued development and growth of Invisible Children's impact and organizational identity. Starting from our humble origins in 2003 as a documentary film project, Invisible Children has now become a creative global development firm with award-winning awareness campaigns and internationally-recognized development programs. Through enormous collaboration and consultation with industry experts, innovative entrepreneurs, local leaders and everyday heroes, Invisible Children has written a new chapter for philanthropy.

Pushing toward our mission to be a social, political and global movement that uses the transformative power of stories to change lives, Invisible Children made it a priority in 2008 to listen, learn and strategically plan. As we came out of the enormous growth of 2007, Invisible Children paired that growth with tempered thought and reasoned strategy in 2008. The evolution of many of our programs is evidence of our desire to truly listen to the needs of the people we work with. After being closely involved in the ever-changing peace talks between the LRA and the Ugandan Government, we became the largest organization with the adaptability and messaging capabilities to help end Africa's longest-running war.

Heading into 2009, Invisible Children has a strong vision for our role in the upcoming chapter in the peace and security of Uganda and the greater region of East Africa. We are bringing a non-traditional, results-oriented approach to a non-profit sector desperately in need of innovation and change. By focusing on our unique strength of connecting the millennial generation to the story of the kids in northern Uganda through media and film, 2009 will see the continued growth of our development programs and influence toward the values of service, sacrifice and compassion for this global youth culture.

I would like to share our sincere appreciation for your support and involvement that made possible all of the life change shown in this recap of Invisible Children's work in 2008.

Most Sincerely,
Ben Keesey

Invisible children

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THE HISTORY OF PHILANTHROPY

COLONIZATION

In the beginning was **COLONIZATION**. Powerful nations sent out explorers to share their wealth and knowledge with those less fortunate. The problem was, it was their knowledge and their definition of fortune. Greed, betrayal and confusion spread and natural resources were taken in the name of progress - and it came at a very high price.



ASSISTANCE

A third kind of **ASSISTANCE** emerged - one of infomercials, billionaires and persuasive celebrities. It was reliant on guilt and strummed heartstrings. People threw money at the problem, and things looked like they might get better. But we became increasingly disillusioned with our ability to make a lasting change, and we started realizing that it would take more. We, the people, felt uninvolved and excluded, even cynical and powerless.

HUMANITARIAN AID

Then a new idea emerged, one that was deliberately focused on relief: **HUMANITARIAN AID**. Victims of war were given help regardless of race, tribe or religion. Anyone could be involved in the effort, no matter what experience they had. The need was great, and so was the response by major aid organizations.

But this model was soured as the business of benevolence became greedy and less focused on those in need. **HUMANITARIAN AID** became a competitive market, with funds often staying trapped within the company's own pockets. As the industry grew, support for those in need was at a standstill.





And then everything changed, and it changed forever - we realized we needed each other.

LISTEN

We decided to go out and **LISTEN**.
The needs of the needy soon became the desires of friends.
The world worked together to value sacrifice, celebrate creativity,
and push our good intentions into action.

We were just a group of friends at first, but we came together to end a war.
It all began with a simple film, but it did not end there.
The future looked hopeful because we believed in this new philanthropy.

This dream wasn't just for some of us; it was for all.



Invisible Children, Inc.
is a social, political, and global
movement using the transformative power
of a story to change lives.
By inspiring youth culture to value
creativity, idealism and sacrifice,
the movement fuels the most effective, adaptable
and innovative programs in the world.

PROGRAMS

“What sets Invisible Children apart is your open ears. You are more connected to the individual on the ground than a systematic process. You listen to the people in the field, see what they need and then act to meet those needs—which is the necessary approach for lasting, tangible change in northern Uganda. What you are doing...it’s impressive.”

Mr. Stephen A. Browning

United States Ambassador to the Republic of Uganda



LETTER FROM COUNTRY DIRECTOR

Jolly Okot

I had a dream to stand up to advocate for the education of children affected by war because I am a victim myself. The war in northern Uganda had been silent with literally no attention paid to it by the world, and the voices of the children had not been heard.

This fiscal year, I have seen Invisible Children become the organization that I had always dreamt about. Many children have not had the opportunity to get a basic education and, as a result, they don't understand the opportunities that await them. If the rebel group had been educated, there would be peace by now because they would know how to negotiate rather than commit atrocities that affect the lives of many.

With relative peace during the last two years, our programs have been able to grow as the war has evolved. The Visible Child Scholarship Program has realized a big impact on the vulnerable children in northern Uganda, empowering leadership and developing their sense of peace amongst them, their fellow students, and the community they live in. Schools for Schools has, for the past year, boosted the standard of education in northern Uganda better than any other program. Many formerly abducted and displaced have been benefiting from Invisible Children's economic development programs and are now prepared to return to their original homes because of successful sustainable businesses and available financial training.

With all of these major advances, peace is on the horizon. Words cannot fully express it, but I want to thank every single person who has contributed a dime to a big dollar. I encourage all of those who are a part of Invisible Children - those who have contributed financially, those who have sacrificed their time and energy, and those whose lives have been changed because their work has lifted many who had lost hope. Together, you have restored education for those affected by war. Here in Uganda we will remember a generation changing a generation, and many more will live to remember you. Thank you for letting the invisible children be visible to the world.

Jolly Grace Okot

Country Director



VISIBLE CHILD SCHOLARSHIP PROGRAM

- 690** Secondary students
- 55** University students (13 male, 42 female)
- 24** Mentors
- 1** University student in the US (starting fall 08)



After Uganda introduced the Millennium Goal of Universal Primary Education and many organizations focused their efforts on meeting the Millennium Development Goal of basic education, access to primary schools greatly improved while post-primary education was largely neglected. The pursuit for higher education became difficult for students.

The Visible Child Scholarship Program started out as a request from our friends who were in need of scholarship for their secondary education, and the program soon developed into an exemplary model on the ground. Before being accepted, our scholarship beneficiaries are hand-picked for both their academic potential and vulnerability. They are then assigned a mentor, an experienced Ugandan Invisible Children staff member and community leader who provides support and guidance for the student while in the program. The Visible Child Scholarship Program was the first to be managed and operated entirely by Ugandan nationals, a model IC is continually striving for in Uganda – empowering and supporting local leaders to create positive change in their own country.

This fiscal year marked the official beginning of our expansion into a University Scholarship Program, where we provide scholarship and mentoring for 55 students at universities across Uganda. This development is an exciting example of how Invisible Children evolves as the needs continue to grow.

- 91%** of students are orphans with **44.9%** being partial orphans and **46.1%** being total orphans.
- 26.1%** of students are orphans because of HIV/AIDS. **23.9%** of students are orphans due to war.
- 5.5%** of students are members of child-headed families. **4.3%** of students are child mothers.
- 13.7%** of students have been abducted by the LRA at least once.
- 40%** of students are girls; **60%** are boys.

STORY FROM A MENTOR

One of the most exciting and innovative aspects of the Scholarship Program is the role of the mentor. Patricia, one of 24 mentors employed by Invisible Children, has become an incredible female leader and role model within the society. One of 11 siblings, Patricia is a force to be reckoned with. She used to host a nighttime call-in radio show about relationships, and loves to play practical jokes on her friends. All of the girls she mentors love her inner strength, childlike enthusiasm, and hilarious “stubbornness.”

Like the other mentors, Patricia works with 30 students. They see her as a friend, a role model, a disciplinarian and, sometimes, a mother. As a part of her relationship with her students, they come to her for everything from advice about boys to studying tips and a listening ear. Like all the other mentors, Patricia receives ongoing training in psycho-social support, academic career guidance and counseling - furthering her ability to support her students in a positive way.

Her work is an example of how Invisible Children’s Scholarship Program is about more than just providing students in northern Uganda with school fees. The goal is to invest holistically in each of the students by providing adult guidance and a support system to lean on. To a child in northern Uganda, economic hardship isn’t the only obstacle to academic and personal success. With an Acholi mentor that fully understands what each student experiences - especially the many effects of the war - Invisible Children has created a unique relationship that has allowed so many students to excel and even reach the top of their class.

Mentors often go the extra mile for their students, providing training, care and support for families. At least once a month, Patricia travels 170 kilometers (a two-hour trek) to the town of Kitgum to meet with some of the families of her students. Each home visit has a different purpose, but Patricia has the chance to not only support the family, but ensure that the student’s home life is positive.

A mentor’s job is never over, Patricia will tell you, but she is also quick to emphasize how much she loves her work.

“My students tell me that their parents are dead or that the war has affected them in various ways,” said Patricia. “But I get to remind them that they can continue and that they can still have hope in their life. I get to restore hope in someone who had lost it completely.”

One of Patricia’s students, Acii Nancy, became Invisible Children’s first international university student after being accepted to Boise State University in Spring 2008.



INVISIBLE CHILDREN'S BRACELET CAMPAIGN



Our response to help a handful of friends also became a bigger response to the deeper concerns within the community. The Bracelet Campaign is a microeconomic program that supports men and women living in the displacement camps. Each bracelet - made with reed and wire - is packaged with a short film of a child affected by the war. Our goal isn't to simply offer a product, but to provide a new perspective.

With the support of the Savings and Investment Training Initiative, Invisible Children now has bracelet makers starting their own businesses. Through weekly sessions held by a professional trainer who is also a member of the local community, our bracelet makers are taught how to create regular budgets and savings plans and invest their savings in sustainable income-generating activities. Each beneficiary is given individual consultation on their financial and business decisions in order to make their investments as personally beneficial as possible.

The curriculum includes three sections: An ideological discussion of poverty and the fact that it can be overcome; lessons in personal financial management, including budgeting, savings, and loans; and a guide to identifying, starting, and running successful small businesses.

Not only does the Bracelet Campaign allow a sustainable source of income for beneficiaries, but it also enables them to care for themselves and their families long after the campaign has ended.

Bracelets released in FY2008



Black is for Sunday
The Story of the Displaced



Blue is for Roseline
The Story of an AIDS Victim

179 total bracelet makers

Total bracelet making sites within Uganda and how many bracelet makers in each:
Koro: 65 Awer: 29 Heals: 23
Atanga: 28 Kica Ber: 7 Kampala: 27

Current beneficiaries of the program include widows, formerly abducted persons, child mothers, people living with HIV/AIDS, disabled persons and other vulnerable groups among the internally displaced.

INTERVIEW WITH SAVINGS & INVESTMENT OPERATIONS OFFICER

Ocan Christopher



"The training has made people realize their potential and to know that opportunities exist around them."

What is the greatest opportunity that the Savings and Investment Training can provide to people in northern Uganda? The initiation of the training program has helped all the bracelet groups to begin saving money for operating micro-finance businesses. Poverty and associated problems are the biggest challenges faced by the people of northern Uganda, and the training curriculum is designed to address those issues. Another challenge that these people face is a poor culture of saving, and the training encourages savings that people can use for their future.

How many beneficiaries have started businesses? So far, the training has been completed at three of the six sites and all the beneficiaries trained at those sites have created a plan for at least one income-generating activity. A good number have already started operating those income-generating activities, and some are saving to begin business ventures soon. On a whole, 75% have started businesses and we anticipate the rest to begin their small businesses soon.

How will the training help facilitate the return and resettlement process? One thing to note is that life in the camps has seriously limited the people of northern Uganda from available resources and viable opportunities. People lost their dignity and self-esteem. The training is a great solution to these problems. It has made people realize their potential and to know that opportunities exist around them. Therefore, return and resettlement is itself a great opportunity for people who received the training because they are now in a position to use their potential to take advantage of the abundant untapped resources in and around northern Uganda.

Bracelet Makers Becoming Entrepreneurs



Ajok Nighty



Wara Kennedy



Opiro Martin



Ajok Joyce

Invisible Children's films have compelled people to feel personally connected to the people in northern Uganda. Two of our programs - the GO Internship and the Teacher Exchange Program - give people the chance to directly respond and connect to what's going on.

We don't believe in poverty tourism. We believe people should connect in a very life-changing way.

GO INTERNSHIP

12 total interns

Positions during FY2008 Schools for Schools Administrative Assistant, Filmmaker, Photographer, Communications Assistant, Logistics Assistant.

The GO Internship provides professional opportunities for motivated individuals to contribute toward Invisible Children's mission for development in Uganda and facilitate first-hand experiences that promote cultural understanding.

Jamie Roach, originally a roadie in FY2007, volunteered as the Schools for Schools Administrative Assistant during summer 2007. While in Uganda, he became more than a temporary intern. He joined the local choir and helped get Kope Cafe, a local eatery in Gulu, on its feet. At the end of his internship, he was asked to stay as the GO Internship Program Officer for the remainder of the 2008 fiscal year. Jamie truly embodies the deep connection between a Westerner and an Acholi.

Below is an excerpt from Jamie's last week in Uganda before he returned back to the United States:

"My last week was spent on that red dirt road, walking from dinner party to dinner party, motor biking to distant IDP camps and saying bye to all of the great friends I had made. I did not want to miss out on saying goodbye to anyone, but time was running out. I was sick with worry that I was not able to spend time with everyone.

"Walking into the Invisible Children office that last day, I had no idea that it would be the organization - who had encouraged me to make so many friends and invest in the community - that would also be there to help me say goodbye. I opened the gate as I had hundreds of times before, and in front of the office stood all 70 employees with a sign reading 'We'll Miss You Jamie' taped across four of my closest friends. Then, from behind the office, came the sound of the National Anthem and an entire Ugandan marching band revealed itself. My heart exploded as the gates flung open, and I led the parade through the neighborhood in a final farewell.

"Along that red dirt road, my feet pounded the earth in jubilant celebration for the chance of this internship, the months of friendships and the endless experience that will live on within me."

Jamie is currently leading the Australia and New Zealand expansion for the International Tour 2009.

TEACHER EXCHANGE PROGRAM

By the numbers:

93 Total teachers involved
50 Ugandan
43 From the US and Canada

The Teacher Exchange aims to create cross-cultural collaboration between international and Ugandan educators, all of whom already volunteer their time and energy to the organization. Created to enhance present educational models and establish long-term learning opportunities for both Western and Ugandan teachers, the Teacher Exchange Program gives educators the opportunity to engage in team teaching, information sharing, and skill-building conferences - all through collaborations among teachers from around the world during a six-week program in northern Uganda. The Teacher Exchange seeks to challenge teachers, administrators, and young people alike to develop school communities in Uganda and abroad.

As Schools for Schools works to address problems with space and supplies (please see page 16 for more information), the Teacher Exchange Program provides a dynamic opportunity to facilitate global support for members of the international teaching community. During this fiscal year, the Teacher Exchange Program assessed and reformatted to meet the needs of its unique constituents - a value that Invisible Children maintains throughout all of its programs.



"I learned more from my Ugandan students and my co-teacher Irene than I think they will ever learn from me. It is not an easy task to teach 122 12-year-old girls, but Ugandan teachers make it possible and that is something I truly admire. They astounded me how they creatively stretched their resources and managed to do accelerated work, despite their lack of resources. The students, teachers and the school as a whole is an inspiration!"

Margot Fitzsimmons
American Teacher



"During the program, opportunities for cultural exchange gave me exposure to look at the world from a wider dimension and a sense of acceptance. I was also able to share my experiences in the war with someone who was always there to listen and this gave me great relief."

Abwot Helen
Ugandan Teacher

INTERNATIONAL TOURS

FALL 2007 — 31 Roadies, 6 Weeks

SPRING 2008 — 38 Roadies, 10 Interns, 11 Weeks

As Invisible Children started telling the stories of northern Uganda, we realized our generation wanted to roll up their sleeves and help. But how? Our unlikely response: full-time volunteers, or roadies, traveling in vans around the world, screening Invisible Children films, informing students of the war in Uganda and how to get involved.

During this fiscal year, Invisible Children sent out two tours with totally separate goals: a fall tour that centered around the Schools for Schools competition, and a spring tour that focused on investing in our supporters to strengthen our network for future campaigns. By the end of the fiscal year, a once "apathetic" generation became politically driven and focused on establishing peace in northern Uganda. These two tours exemplify Invisible Children's ability to refocus itself with the needs of those in Uganda and of our supporters.



"The Invisible Children Road Crew blew our school away showing us that there is way more out there. We were shown that even though Collegedale seems off the map we can make a big difference."

Amanda,
Collegedale, TN

In Collegedale, TN, not much happens. As described by Amanda, a student at Collegedale Academy, the town is "a small southern notch in the Bible Belt. It's that place where the people spend their whole lives saying 'one of these days I'm gonna get out of this town' but that's as far as they get."

The Mid-Atlantic team visited the small Tennessee town during FY2007, and Collegedale Academy raised \$26,000 within a single week for Schools for Schools. Two students - Travis and Amanda - had the opportunity to travel outside Collegedale and into northern Uganda during the summer 2007 with Invisible Children to see their money in action. After coming back, Travis, the leader behind the successful fundraising effort, joined Invisible Children as a roadie for the Pacific Northwest Tour to share his experiences to empower future leaders like himself. Amanda, a once-shy girl trying to find her place in the world, spoke in front of Senators, Hill staffers, and hundreds of students at the Northern Uganda Lobby Days in February 2008.

Collegedale has forever been transformed since that first screening. They are a true example of a community working together for a community thousands of miles away, establishing a tradition founded in compassion and service. For the 2009 fiscal year, another of one of their students, Adam, will go on tour with Invisible Children to follow this new legacy.

The future of the International Tours for the 2009 fiscal year:



Europe



Canada



Mexico



Australia



New Zealand

SCHOOLS FOR SCHOOLS

Schools for Schools emerged out of Invisible Children's overarching goal to help children in northern Uganda receive a quality education. With schools working at substandard conditions due to the effects of the war, Invisible Children is rebuilding the education system from the ground up. After selecting ten partner schools that severely need support, Invisible Children has given schools around the world the opportunity to directly raise money for the projects - 90% of the money raised goes directly to projects on the ground, while 100% stays within the program. As a result, the program is one of the most unique and innovative ways of connecting the student in Uganda to the activist around the globe while establishing the donor's trust in where the money is going.

686 total schools.
\$1,552,336.38 raised.
150 days of competition.
\$30,573.69 raised by top fundraising school, Downingtown West High School, Downingtown, PA.
35 schools raised over \$10,000.
48 states involved.
14 countries involved.



During this fiscal year, Invisible Children had the opportunity of seeing how Schools for Schools would continue on at schools around the world. Central High School in Louisville, KY, one of the top fundraising schools in the first round (FY2007), has taken the values of the program to a new level.

Central High School has students from all different backgrounds, with more than 80% African-American and representing 25 different countries. The school is known throughout the community for its gang fights and drop-outs; but there is more than meets the eye. Out of 975 students, there isn't one who hasn't done something to raise money or awareness for the children of Uganda. Tye, a sophomore at the time, was the force to bring in thousands of dollars during the spring 2007 competition, and he visited northern Uganda with Invisible Children during this fiscal year to see his school's work firsthand.

Since then, Central High School has helped one of their own - a star football player diagnosed with Lupus and suffering from its effects while going to school. The students and faculty have raised enough money to cover his medical expenses and ease the situation at home. Because the community at Central High was strengthened through Schools for Schools, they have translated the values of service and sacrifice to their own community - a true model of the transformative power of Invisible Children's programs.



At the start of the 2009 fiscal year, Central High School began fundraising once again for their partner school in Uganda, and Tye was voted senior class president.

THE WINNERS' TRIP SUMMER 2007

23 students, 9 teachers,
2 trips, 2 weeks in Uganda per trip.

To bring the story full circle, Invisible Children honors the top fundraising schools by sending student representatives to northern Uganda. By seeing where their money is going on the ground and to whom, the Schools for Schools program has established the strongest connection between donor and beneficiary. After visiting their partner school and meeting students in northern Uganda, the winners return home as true ambassadors of the program.

One Schools for Schools winner, 18-year-old Brittany from Newport Beach, CA, developed a deep friendship with Sacred Heart Secondary School's Head Girl, Lillian. Over the summer, they grew close and, once she returned home, Brittany helped Invisible Children develop the Visible Child Scholarship Program's University Pilot Program because of Lillian's desire to receive a higher education.

"It's a hard thing to explain, the impact a single individual can have on you in such a short time, but an incredible thing to experience. Lillian and I shared so many commonalities - commonalities many would deem unthinkable being on opposite ends of the world. We both understand the value in education, we both love the power of laughter, and we both want to become female leaders of some kind. There is something about making that personal connection that really just makes everything strike so much closer to your heart. For myself, Lillian is that connection." —Brittany

"When I go to university I will use my creativity to change many things that need to change. I feel so relieved because the opportunity to prove my worth has finally come. It's a chance to explore and touch many lives, a pride I hold with all of those who have suffered in the twenty-two-years' insurgency. I am so proud of those who made it possible for me and other beneficiaries. Even though I may never know the students that have helped me, I can feel your big heart and what you have shared." —Lillian

Invisible Children, Inc.

INNOVATIVE TECHNOLOGY

During the 2008 fiscal year, Invisible Children began implementing over \$1 million of funds raised through Schools for Schools. Using the money on the ground became an exciting way for Invisible Children's program directors and engineers to utilize new technology to help not only the school but the community at large. Two of the most outstanding examples of innovative technology offer sustainable solutions to environmental and economic issues that many of the schools face.



Interlocking Soil Stabilized Blocks (ISSB)

Used at Sacred Heart and Sir Samuel Baker Secondary Schools, this technology requires less materials than normal brick-making and doesn't rely on the always temperamental electrical system throughout the region. Ugandan earth, mixed with a small amount of cement and water, is compressed through a low technology steel block press to create an interlocking brick. The press only needs two people to operate it and will stay at each school so the community can create bricks for both their own and community-wide needs, potentially an additional revenue source for the school.

Overall Benefits:

- Reduced cost per square meter, especially from using less cement in the mortar.
- Increased construction speed.
- Uniform finish because the bricks are created with the same size and shape.
- No need to plaster the wall, reducing both time and cost.



Ecological Sanitation (Eco San) Latrines

A single person produces the same levels of nitrogen, phosphorus and potassium per year as a commercial fertilizer. With this in mind, Invisible Children employed an alternative for conventional sanitation systems at both Atanga and Sacred Heart Secondary Schools. Eco San is based on an ecological approach to human waste as a recyclable and valuable resource - primarily a fertilizer - and uses existing physical conditions for its benefit.

Eco-sanitation is based on four main principles:

- Prevents disease by removing pathogen-rich excreta from the immediate environment.
- Does not contaminate groundwater or use scarce water resources.
- Creates a valuable resource for waste. Also, by-products can be used as fuel for a kitchen.
- Reduces construction costs - there is no need to excavate large areas because latrines are above-ground.

This form of "closing the loop," or recycling, is relatively unknown within African communities, but Invisible Children is discovering new options through the Schools for Schools implementation process.

IMPLEMENTATION ON THE GROUND

"These achievements speak for themselves, and yet so much remains to be done."

Thanks to your efforts, we have made a number of solid strides in this noble cause to provide lifetime opportunities to the disadvantaged youth of northern Uganda. The stats are clear and the effects of your toil are beginning to be seen. I shall delve a little into some notable specifics:

- The average classroom student ratio was **183:1** in 2007, and is now at **94:1**. The target is **60:1**.
- The average latrine coverage was at **9%**, and is now at **43%**. Our target? **100%**.
- Safe water coverage has improved from **53%** in 2007 to **85%** in 2008. We are **15** points away.
- We have churned out **24** new classrooms and refurbished **17** more; we have constructed **108** latrine stances (20 blocks) and refurbished another **14** flush toilets.
- One new block of science labs has been constructed and **3** blocks refurbished, making a total of **15** labs available for use.
- **6** motorized water systems have been established, **4** new boreholes constructed and **4** others refurbished.
- The first batches of textbooks and lab equipment have been supplied, and many teachers trained.

All these in just over a year of implementation!

But we are a long way from home. In order to complete the home run, we need 48 new classrooms, 88 latrine stances, four more motorized water supply systems, nine science lab blocks, thousands of books, and science lab equipment, among others. The enormity of the task we have ahead can never be overstated. So many classrooms, latrines, libraries, and science laboratories remain to be built, so many water supply systems need upgrading, equipment and tools remain lacking, so many lives are wallowing in the mire and strive even if only to keep their heads above the water, so many! For most of these kids, they do not miss a good education because they don't understand the difference anyway. Once we can set up these oases of success, we hope the rest will tell the difference and hold their leaders, their teachers, their parents, their communities, and most of all themselves accountable to pursue good education and widen their opportunities in life.

Letter from Schools for Schools Program Manager
Patrick Munduga



MONEY RAISED FISCAL YEAR 2008 FOR THE 10 PARTNER SCHOOLS:

| | | |
|--------------------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------|
| Pope Paul VI Anaka Secondary School | \$127,036.28 |  |
| Atanga Secondary School | \$137,363.98 |  |
| Awere Secondary School | \$282,197.59 |  |
| Gulu High School | \$134,446.62 |  |
| Gulu Senior Secondary School | \$102,251.40 |  |
| St. Mary's College Lacor Secondary School | \$148,483.00 |  |
| St. Joseph's College Layibi Secondary School | \$139,467.00 |  |
| Pabbo Secondary School | \$100,868.55 |  |
| Sacred Heart Secondary School | \$232,957.19 |  |
| Sir Samuel Baker Secondary School | \$147,264.77 |  |
| Keyo Secondary School | New Partner for FY2009 |  |

THE NEXT STEP IN

A Look Into Invisible Children, FY2009

MEND

MEND is designed to seam a personal connection between products and their makers, while repairing the lives of women in distressed regions of the world. A new subdivision of Invisible Children, MEND is constructed with the belief that what's on the outside and what's on the inside should both matter equally.™

The 13 women employed in the program are formerly abducted child soldiers, forcefully given as wives to rebel commanders. Those lucky enough to escape (often with children of their own) are ostracized due to their affiliation with the rebels. They lack education, and are taught sewing as a part of their brief rehabilitation. With demand for seamstresses already sparse due to the war, many are left without the means to support themselves and their children. By using a similar model as the Bracelet Campaign, Invisible Children is creating a market for these women to use their skills by making handbags to support their families.

MEND will be released in stores late 2009.



Invisible Children, Inc.

PHILANTHROPY

COTTON

Invisible Children has seen great success with its micro-economic programs; however, as the sociopolitical climate changes in northern Uganda, our programs will need to adapt. People in northern Uganda have begun to leave the IDP camps and return to their original homesteads, thus being faced with the immense challenge of rebuilding their lives from the ground up. With the majority of them being farmers, we have developed a program in conjunction with Edun Apparel and Wildlife Conservation Society that will give them greater value in a socially and environmentally sustainable supply chain. Conservation Cotton Initiative will connect farmers in northern Uganda with the dynamic global market for organic cotton, not only giving rural farmers a dependable livelihood option, but also driving economic and industrial development in the region and throughout Uganda. It will also give consumers a transparent view of who and where the products come from, and the opportunity to use their purchasing decisions to make positive, measurable changes in the world. By accomplishing these goals, Invisible Children will not only play a role in the reconstruction on northern Uganda, but will also create new revenue streams to fund other development activity. We believe good business is sustainable development.

The project will begin working with farmers in spring 2009.

"Organic cotton is an important cash crop in northern Uganda that, when rotated with food crops, improves soil quality and provides an economically viable and sustainable livelihood for thousands of farm families in the Gulu and surrounding districts of the conflict stressed northern region of the country. The Conservation Cotton Initiative (CCI) is being advanced by Invisible Children as a financially self-sustaining business solution for repatriating IDP camp residents to farms and lives of dignity and self-sufficiency."

-Nick Hahn
former CEO, Cotton Incorporated

Annual Report 2008



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THE FEATURE FILM

It is our hope and prayer that Invisible Children Feature Film can shake the giant of popular youth culture, resonate and ripple through the world to ignite a force behind a new brand of social entrepreneurship, empowering those inheritors of the world toward justice, equality and responsibility.

Our story started with vulnerability, from the three of us to the children of northern Uganda, documenting along the way genuine life change on both continents. The feature film will detail such vulnerability of not only the people of the rough cut but a nonprofit trying for the impossible, with no money or experience to speak of, through tough times and good. It will also lend voice to a generation striving for something beautifully sacrificial, trusting and seeking, to end a vicious horrible war in a far-off land. But, perhaps the most powerful message from this feature comes from the most unlikely of heroes: a young former child soldier, who against all odds or reason finds the will to forgive those that have trespassed against him, in ways most of us can hardly imagine.

The transformative ignition brought about through the collision of Power and Poverty is what Invisible Children is and will be about, for as long as we are allowed to serve both communities. Thank you in advance and, with popcorn in hand, we will see you at the movies.

Jason Russell, Bobby Bailey, Laren Poole

Co-founders and filmmakers



During the 2008 fiscal year, Bobby, Jason and Laren began working hands-on editing the feature film while continuing the pursuit for an interview with rebel leader Joseph Kony. Three assistant editors helped organize over 2,000 hours of footage, and counting.

FINANCIALS



LETTER FROM CFO

Jay Woodcock

Fiscal year 2008 was a year of maturation for the Invisible Children Finance department. While our organization has always operated with integrity, we recognize that there are areas for growth and have made strides to improve our budgeting and reporting systems and we'll continue to do so. In June of 2007 we hired a new finance manager in Uganda, Lenni Luchau, a woman with over 15 years experience in non-profit accounting, a portion of which was spent on the ground in Sudan. With her help, we have created a new process for the way funds are requested and spent in Uganda, providing an additional layer of accountability. We were also extremely pleased at the addition of Alan Bergstedt to our Board of Directors and the Director of our Finance Committee. Mr. Bergstedt is the former CFO of World Vision and currently works as an independent consultant, specializing in non-profits in rapid growth. He has been a tremendous help to us as we constantly improve the interaction between our board of directors and management team.

While we are excited about the key additions to our finance team we are equally excited to report our financial successes and the outputs they have enabled. In addition to the financial information on the following pages, here's a few of our FY2008 financial successes:

- Total revenue increased 4.5%, with an even portion of that growth coming from both unrestricted and temporarily restricted revenue sources.
- \$2.3 million in general donations, up 31% over the previous year.
- The TRI Campaign is responsible for 15% (\$357,000) of all general donations.
- 84.3% of all spending going directly to program areas.
- Program spending: 50% went towards our Uganda development programs, while the other 50% went towards awareness programs.
- Uganda Programs spending was up \$1.3 million to just under \$3 million.
- 90% of Schools for Schools funds raised spent directly on project implementation, while all 100% stayed within the program.
- \$1.3 million invested in projects at partner schools.

Invisible Children started over four years ago with the audacious goal of ending a war. As we look forward to FY2009 we remain steadfast in our commitment to the people of northern Uganda. Peace talks have failed and the LRA rebels have begun terrorizing other people groups in East Africa as abductions and atrocities continue, but we continue to have hope and believe we still have a part to play. Our investment and strategic efforts in awareness and advocacy are working, but the job is not done. We challenge you to continue to partner with us as together we see this conflict to its end.

Sincerely,

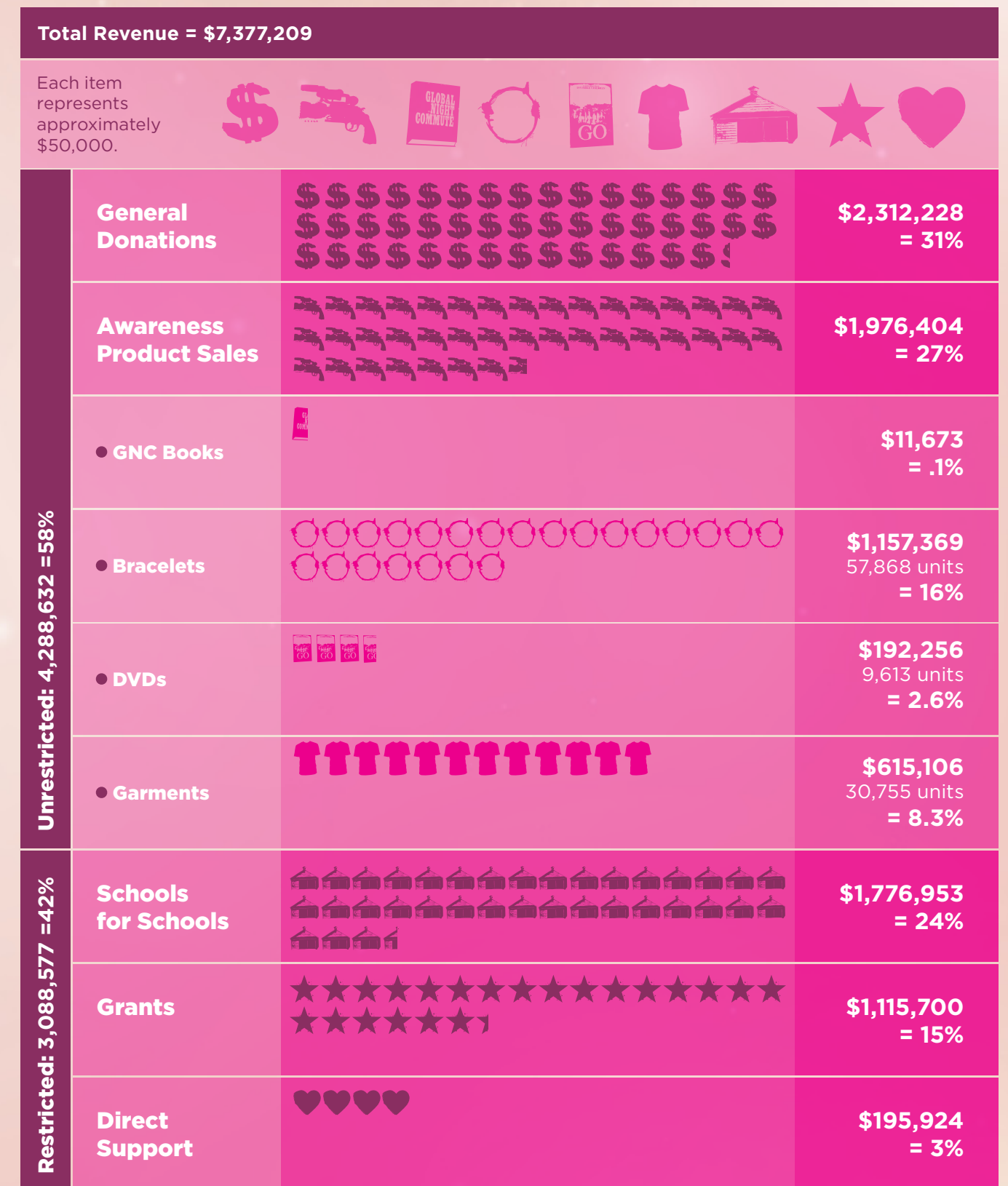
Jay Woodcock
Chief Financial Officer

INCOME STATEMENT

| Item | FY2007 Actuals | % | FY2008 Actuals | % |
|-----------------------------------------|--------------------|----------------|------------------|----------------|
| Unrestricted Revenue | | | | |
| General Donations | 1,875,065 | 26.57% | 2,312,228 | 31% |
| Awareness Product Sales | | | | |
| Book Sales | 36,016 | | 11,673 | |
| Bracelet Sales | 1,427,313 | | 1,157,369 | |
| DVD Sales | 379,141 | | 192,256 | |
| Garment Sales | 475,335 | | 615,106 | |
| Total Awareness Product Sales | 2,317,805 | 32.85% | 1,976,404 | 27% |
| Total Unrestricted Revenue | 4,192,870 | 59.42% | 4,288,632 | 58% |
| Temporarily Restricted Revenue | | | | |
| Schools for Schools Revenue | 1,552,028 | 22.00% | 1,776,953 | 24% |
| Grants | 991,600 | 14.05% | 1,115,700 | 15% |
| Direct Support | 319,277 | 4.53% | 195,924 | 3% |
| Total Temporarily Restricted Revenue | 2,862,905 | 40.58% | 3,088,577 | 42% |
| Total Revenue | 7,055,775 | 100.00% | 7,377,209 | 100.00% |
| Program Service Expense | | | | |
| Programs in Uganda | | | | |
| Scholarship Program | 409,722 | | 668,852 | |
| G.O. | 133,142 | | 129,337 | |
| ICBC | 529,849 | | 710,756 | |
| Programs in Conception* | 166,162 | | 65,245 | |
| Schools for Schools Program | 370,993 | | 1,271,292 | |
| Teacher Exchange | 34,957 | | 103,654 | |
| Total Mission | 1,644,826 | 31.42% | 2,949,136 | 41.74% |
| Awareness Programs | | | | |
| Awareness Event | 563,577 | | 8,680 | |
| Awareness Media | 170,771 | | 202,101 | |
| Communications | - | | 165,570 | |
| Conference | - | | 54,375 | |
| European Expansion | - | | 77,548 | |
| National Tour | 797,594 | | 919,614 | |
| Political Advocacy | 154,528 | | 91,331 | |
| Schools for Schools | 285,958 | | 590,097 | |
| Total Awareness Programs | 1,972,428 | 37.68% | 2,109,316 | 29.85% |
| Movie | 295,990 | 5.65% | 436,828 | 6.18% |
| Cost of Awareness Products | | | | |
| Bracelets | 207,594 | | 172,064 | |
| DVDs | 169,157 | | 63,747 | |
| Books | 13,301 | | 5,938 | |
| Merchandise | 181,892 | | 219,763 | |
| Total Cost of Awareness Products | 571,944 | 10.93% | 461,512 | 6.53% |
| Total Program Service Expense | 4,485,187 | 85.69% | 5,956,792 | 84.30% |
| Fundraising | 102,635 | 1.96% | 131,862 | 1.87% |
| Management And General | 646,652 | 12.35% | 977,346 | 13.83% |
| Total Expense | 5,234,474 | 100.00% | 7,066,000 | 100.00% |
| Net Income | \$1,821,301 | | \$311,209 | |

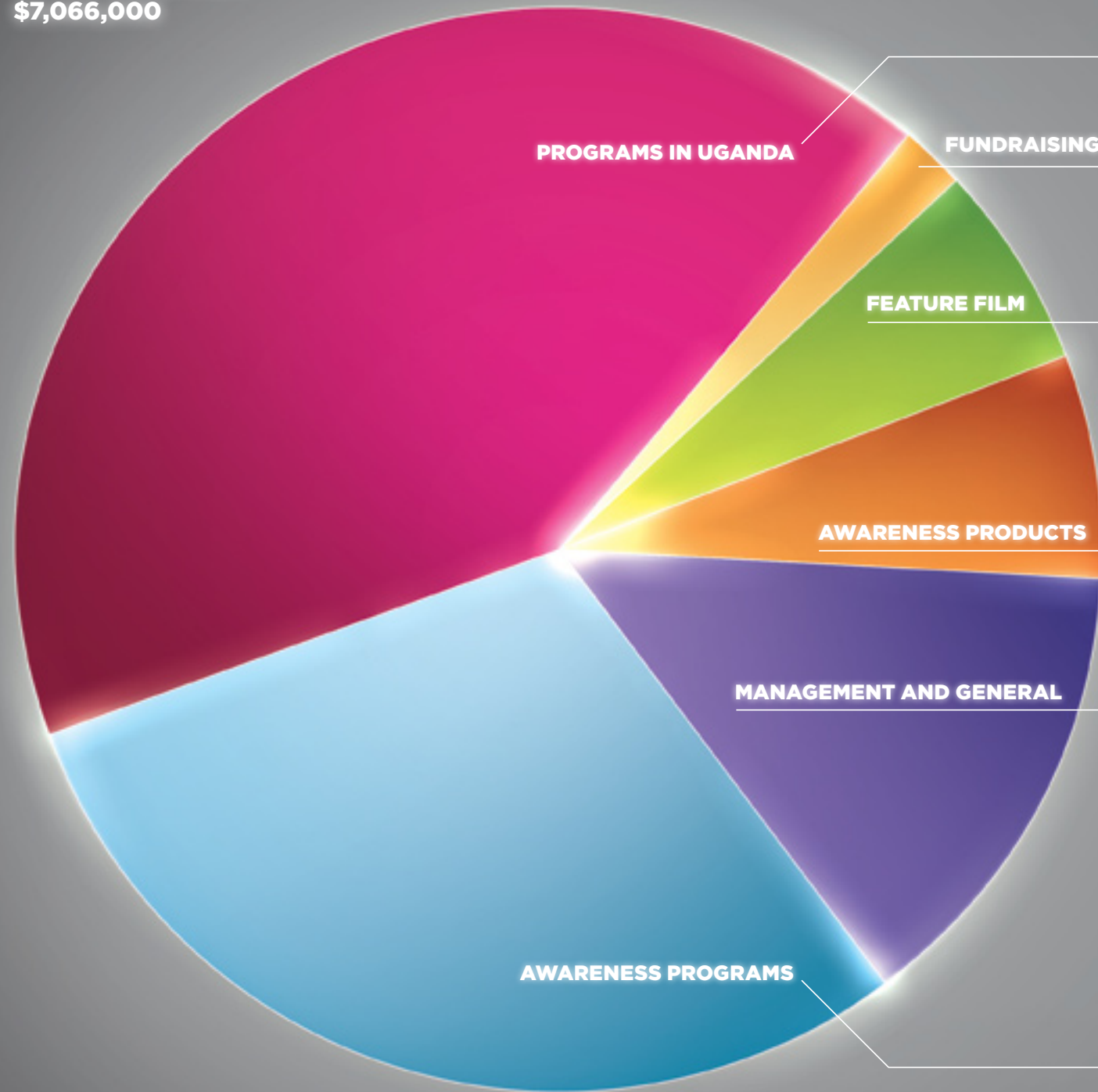
*Includes the Cotton Program, MEND and other small auxiliary programs in Uganda

BREAKDOWN ON REVENUE



BREAKDOWN ON EXPENSES

TOTAL EXPENSES:
\$7,066,000



| PROGRAMS IN UGANDA | | \$2,949,136 | 41.74% |
|---------------------------|-------------|--------------------|---------------|
| ● Schools for Schools | \$1,271,292 | 43.11% | |
| ● Bracelet Campaign | \$710,756 | 24.1% | |
| ● Scholarship Program | \$668,852 | 22.68% | |
| ● GO Internship | \$129,337 | 4.39% | |
| ● Teacher Exchange | \$103,654 | 3.51% | |
| ● Future Programs | \$65,245 | 2.21% | |

| FUNDRAISING | | \$131,862 | 1.87% |
|--------------------|--|------------------|--------------|
|--------------------|--|------------------|--------------|

| FEATURE FILM | | \$436,828 | 6.18% |
|---------------------|--|------------------|--------------|
|---------------------|--|------------------|--------------|



| AWARENESS PRODUCTS | | \$461,512 | 6.53% |
|---------------------------|-----------|------------------|--------------|
| ● Merchandise | \$219,763 | 47.62% | |
| ● Bracelets | \$172,064 | 37.28% | |
| ● DVD | \$63,747 | 13.81% | |
| ● Books | \$5,938 | 1.29% | |

| MANAGEMENT AND GENERAL | | \$977,346 | 13.83% |
|-------------------------------|--|------------------|---------------|
|-------------------------------|--|------------------|---------------|



| AWARENESS PROGRAMS | | \$2,109,316 | 29.85% |
|-----------------------------------|-----------|--------------------|---------------|
| ● International Tour | \$919,614 | 43.6% | |
| ● Schools for Schools - Awareness | \$590,097 | 27.98% | |
| ● Awareness Media | \$202,101 | 9.58% | |
| ● Communications | \$165,570 | 7.85% | |
| ● Political Advocacy | \$91,331 | 4.33% | |
| ● European Expansion | \$77,548 | 3.68% | |
| ● Conference | \$54,375 | 2.58% | |
| ● Awareness Event | \$8,680 | .4% | |

2008 MANAGEMENT, BOARD OF DIRECTORS, AND SPECIAL THANKS

2008 Management

SAN DIEGO, CA

Bobby Bailey
Mariana Blanco
Margie Dillenburg
Adam Finck
Ben Keeseey
Tiffany Keeseey
James Brody McMurtry
Laren Poole
Jason Russell
Carolyn Sams
Chris Sarette
Ben Thomson
Javan Van Gronigen
Jay Woodcock
David Young
Davy Young
Naomi Zacharias

BOARD OF DIRECTORS

Dave Karlman (Chairman)
Bobby Bailey
Alan Bergstedt
John Bradel
Ben Keeseey
Rich McCullen
Laren Poole
Kevin Relyea
Sheryl Russell
Jason Russell
Scot Wolfe

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Country Director
Houston Shearon
Assistant Country Director
Bigena Jerry
Human Resources Manager
Tiffany Tripson
Finance Manager
Jon Neal
Logistics Manager
Sarah Hartley
S4S Program Manager
James Pearson
ICBC Program Manager
Okot Geoffrey Howard
VCSP Program Manager

SPECIAL THANKS

BridgeWay Foundation
Circle Family Foundation
Guess, Inc. and the Marciano Family
Humanity United
Kathy Reber
Panju Merali Foundation
ProVision Foundation
Terry and Barbara Caster
Tom Shadyac
Waitt Family Foundation
Wellspring International

LETTER FROM CHAIRMAN OF THE BOARD

Dave Karlman



There is a spirit of celebration and gratitude resonating around Invisible Children as this fiscal year closes. It has been an amazing year filled with challenges, change, lessons learned, and victories.

We have so much to be thankful for and celebrate. I wish I could capture all the accomplishments we experienced this past year at Invisible Children. If I could, I would carefully place each experience in a special gift box, put a ribbon on it and present it to each of you as a gift. As one would present a precious jewel perhaps. As you unwrap this gift your eyes would light up as you take in all facets of Invisible Children's uniqueness as we continue our journey of philanthropy. You would capture the reflection of Gloria's face as she can now realize her dream of an education in a safe place because of Schools for Schools. You might experience the sparkle in the eyes of Lillian who, because of our Visible Child Scholarship Program, can attend school. You would see a glint of a rainbow in the child who was shepherded back to a new sense of self-worth and dignity because of our mentors in Uganda, or feel the warmth from the smile of a Ugandan dad who, because of our Bracelet and other microeconomic programs, is empowered to work, save and invest in his dream to provide for his family through being economically self-sustaining and independent.

Then just when you think you have experienced all the uniqueness in the Invisible Children diamond, you fully appreciate the glimmering facet of the youth around the world who are rising up and calling others to value creativity, self-sacrifice and idealism. One need only lock eyes with Amanda, Tye, Brittany, or any other of the thousands of high school, college students, or Invisible Children staff who are making a difference in the world, to understand that the future is in good hands. Scratch that - great hands.

As we embrace the future, we enthusiastically renew our commitment to the Invisible Children family. Our steadfast commitment is to make every program impactful, every decision meaningful, and every story powerful.

Thank you for helping us make every invisible family visible, and all the Invisible Children - visible.

Dave Karlman

Chairman of the Board
Invisible Children, Inc.

Invisible Children Annual Report

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INVISIBLE CHILDREN