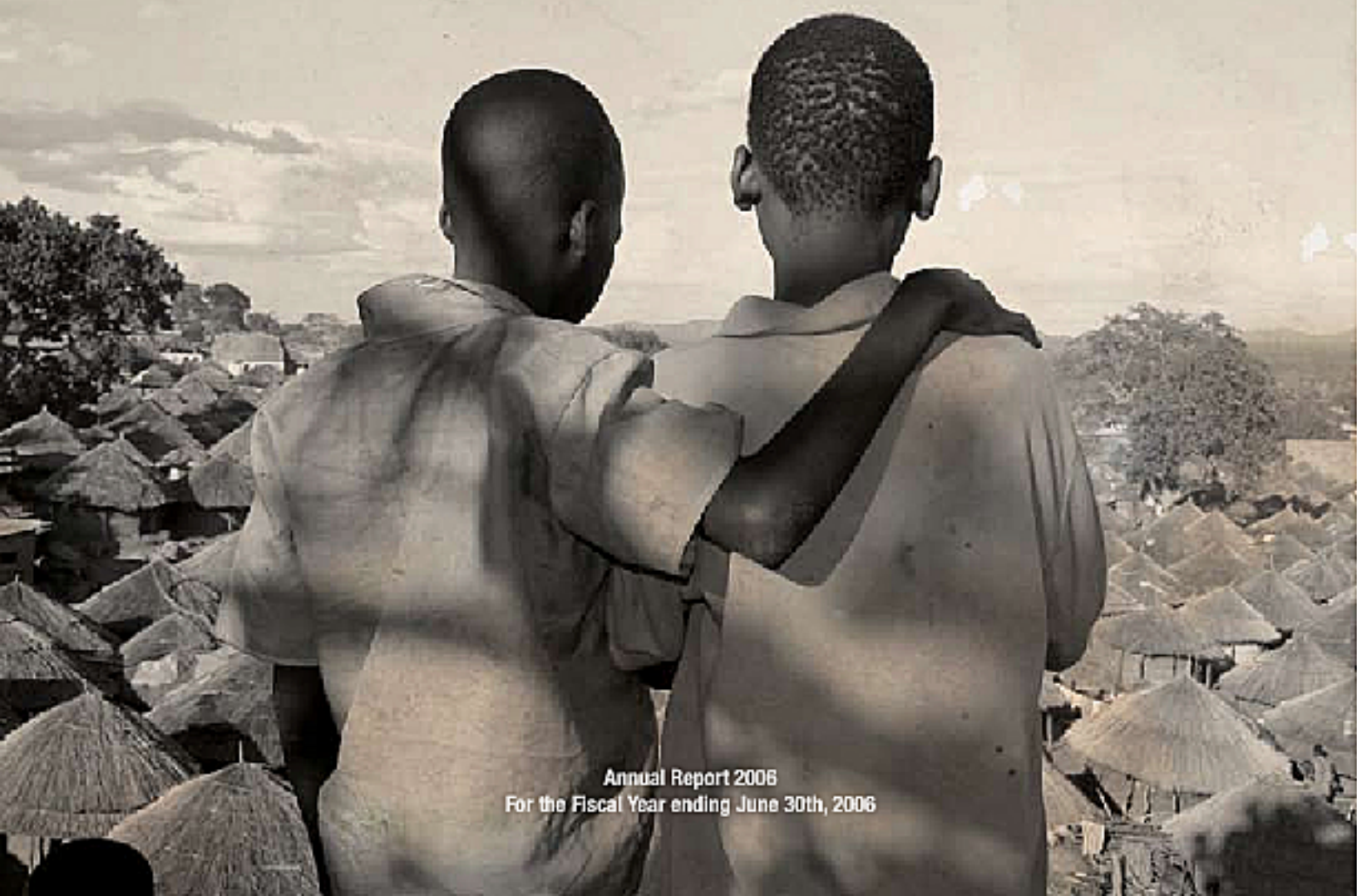


x x x x

Invisible children

x x x x

Annual Report
2006



Annual Report 2006
For the Fiscal Year ending June 30th, 2006

OUR VISION:
INVISIBLE CHILDREN INC. CHANGES
CULTURE, POLICY, AND LIVES,
THROUGH COLLISIONS
OF POWER
AND POVERTY.

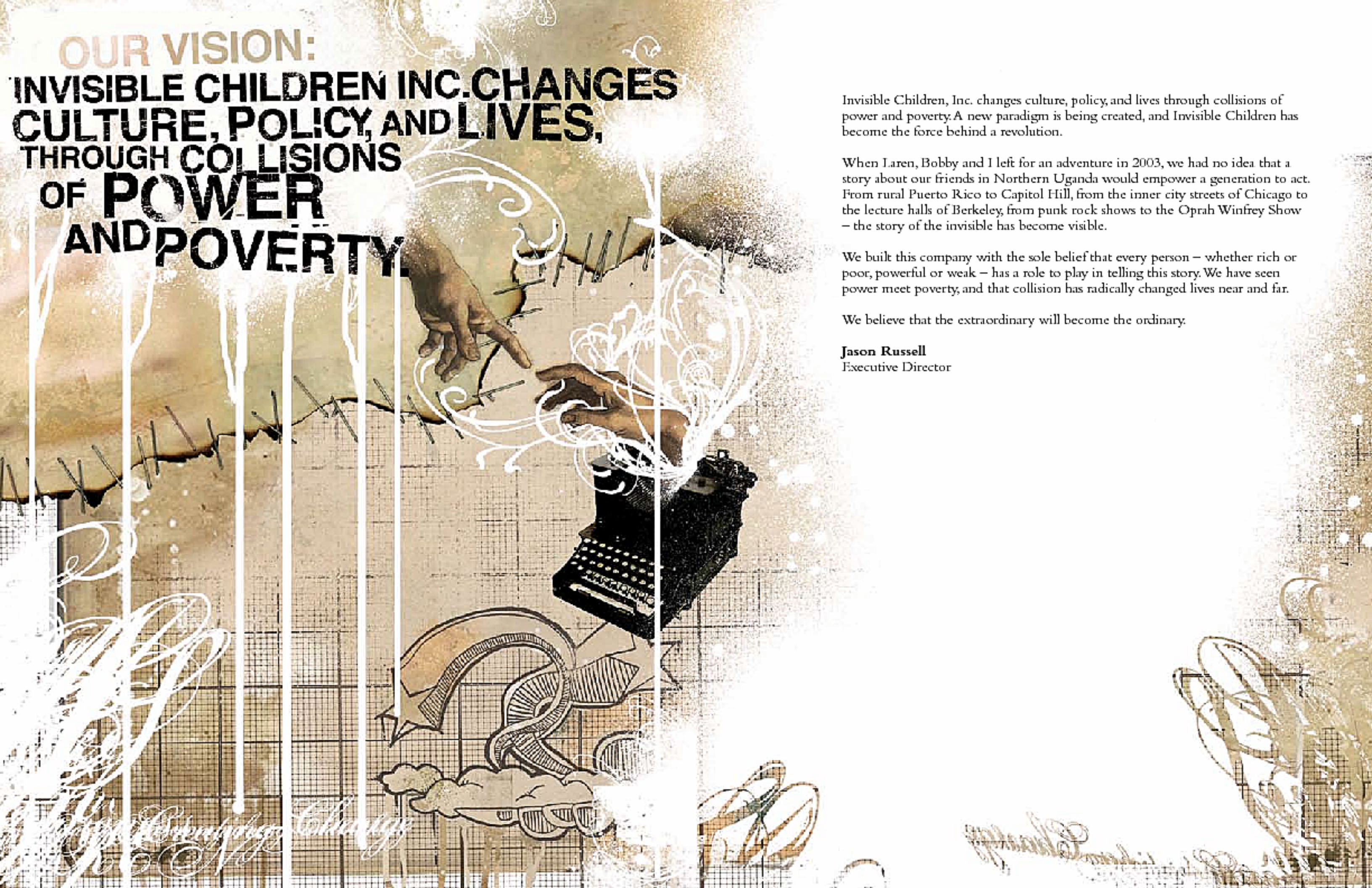
Invisible Children, Inc. changes culture, policy, and lives through collisions of power and poverty. A new paradigm is being created, and Invisible Children has become the force behind a revolution.

When Jaren, Bobby and I left for an adventure in 2003, we had no idea that a story about our friends in Northern Uganda would empower a generation to act. From rural Puerto Rico to Capitol Hill, from the inner city streets of Chicago to the lecture halls of Berkeley, from punk rock shows to the Oprah Winfrey Show – the story of the invisible has become visible.

We built this company with the sole belief that every person – whether rich or poor, powerful or weak – has a role to play in telling this story. We have seen power meet poverty, and that collision has radically changed lives near and far.

We believe that the extraordinary will become the ordinary.

Jason Russell
Executive Director



Dear Friends,

For Invisible Children, 2006 will be remembered as a year of explosive growth. Stemming from the simple quest of the three filmmakers to tell the story of the children in Northern Uganda, Invisible Children Inc has blossomed into a fully-functioning international 501(c)3 non-profit. Despite the late nights and long hours, 2006 was a year of extreme celebration and joy, seeing lives change both in Uganda as well as in America.

Personally, it has been an honor and adventure serving this organization as Non-Profit Director since late 2005, after returning from a life-changing trip to Uganda with the three IC filmmakers. I often think back to when IC was nothing but a room full of volunteers, a few fliers and a pile of DVDs. However, in a matter of a year, Invisible Children unknowingly began a huge movement of people committed to sacrifice for the kids in Northern Uganda.

Now, by leveraging the momentum of this movement, IC has 450 Ugandan children in its Educational/Mentorship Program, over 200 Ugandan adults receiving full-time wages through the Bracelet Campaign, over 80,000 Americans who participated in the Global Night Commute, over 1 million people who have seen the film, an army of devoted and committed volunteers, a full-time staff of over 20 Ugandans and 30 Americans and a solid infrastructure for future growth. I can humbly and confidently say that in only one year, through the service of volunteers and generosity of donors, IC has already been able to make a lasting and sustainable change in the lives of thousands of Ugandans and Americans.

How has this all been possible in just one year? Because our motto is simple:

"We are not Rock Stars. We are not Movie Stars.
But our influence is large. We are the little people.
And a bunch of littles add up to one big.
One big generation that can.
So we must. We are hopeful.
And we believe we can change the world."

It is with this youthful enthusiasm that Invisible Children will continue its quest to change culture, policy and lives. In this next year, we will continue to release new and creative ideas to motivate and inspire people of all ages, races and religions to care for the invisible children in the world.

I am honored to share with you some of the stories and initiatives that made 2006 such a groundbreaking year, and I am deeply grateful for your partnership in this work. I hope that you join us as we continue to do more.

Most Sincerely,
Ben Keese
Non-Profit Director

UNITED STATES
UNITED STATES
UNITED STATES



TOUR
TOUR

NATIONAL TOUR

The tour was nothing less than an inspiring, life-altering, three month adventure. 29 college-age "roadies" from all around the nation dropped everything in their lives to tell the story of the invisible children. From February 1st until the Global Night Commute on April 29th, they screened the "Invisible Children: Rough Cut" documentary in 38 states to a quarter of a million people. Every day we saw Americans truly changed and compelled to act as they heard, for the first time, the stories of these inspiring children in Northern Uganda.

The most incredible point in anyone's life may be when the person they really are, and the person they have always hoped of becoming, merge seamlessly into one singular being. For me that point came on Invisible Children's first National Tour. I came to Invisible Children in January of 2006. I was excited, but nervous, about to hit the road for four months and pretty set on just fading into a background position and letting the other roadies do all the public speaking. Then I stepped into a 25-foot RV and my world turned upside-down. I left the tour in mid-May, confident and inspired, yearning for just one more opportunity to stand before a thousand people and pour my heart out about the situation in Northern Uganda.

The National Tour didn't just change my life, it changed me. It took all the awkwardness and insecurities, all the nervousness and fear, and fashioned them into determination, passion, spirit, resolve, and most of all, hope. Before the tour I was jaded. I was angry at the world, and in particular, America. I couldn't understand how there could be so much suffering, so much pain all across the globe, and yet we would just cruise on by, trying our hardest to stay ignorant and comfortable. I went on tour half-expecting to find nothing but cynicism and apathy, but what I found was beauty and love.

It's an interesting irony, how a movie depicting the extreme ugliness that people are capable of can inspire the most amazingly beautiful human actions. I saw things during the National Tour that will forever give me hope for the future of humanity. I saw high school girls in New Mexico drop everything in their lives to spend all their time focusing on fundraisers. I saw the poorest teenagers in Nebraska come together to donate thousands of dollars out of their own pockets. I saw 100 college and high school kids from Oklahoma walk 20 miles through rain and lightning to sleep in a parking lot at the Global Night Commute. I saw love in action, and it filled me to the brim. Never before have I been so blown away by generosity. Never before have I been so awed by unselfishness. Never before have I been so proud to be human.

The amazing thing about Invisible Children is that it is changing lives on all sides of the globe. It is bringing hope, prosperity, and peace to the people of Uganda, and at the same time giving us a chance here in America to become the type of people we were always meant to be, a people of action, a people of peace, a people of love. Ladies and Gentlemen this is more than the "next big thing." This is the start of something huge, something extraordinary, something earth-shaking. This is the start of a revolution, and we're not looking back. We are going to change the world, or die trying, and I'm all in.

If the National Tour taught me one thing it was this: the world may be a terrible, dark, and torturous place. We may wonder if all is lost, if we're too far gone, if there is ever really any way of climbing out of this nightmare we've created. But as long as there is breath in our lungs, as long as there is blood in our veins, as long as our hearts still beat, there is hope. There is hope because nothing, and I mean nothing, can withstand the awe-inspiring, robust, resilient, and beautiful creation that is the human spirit.

Yours in hope and love,

Eric W. Mecca
Roadie, Team Middle America



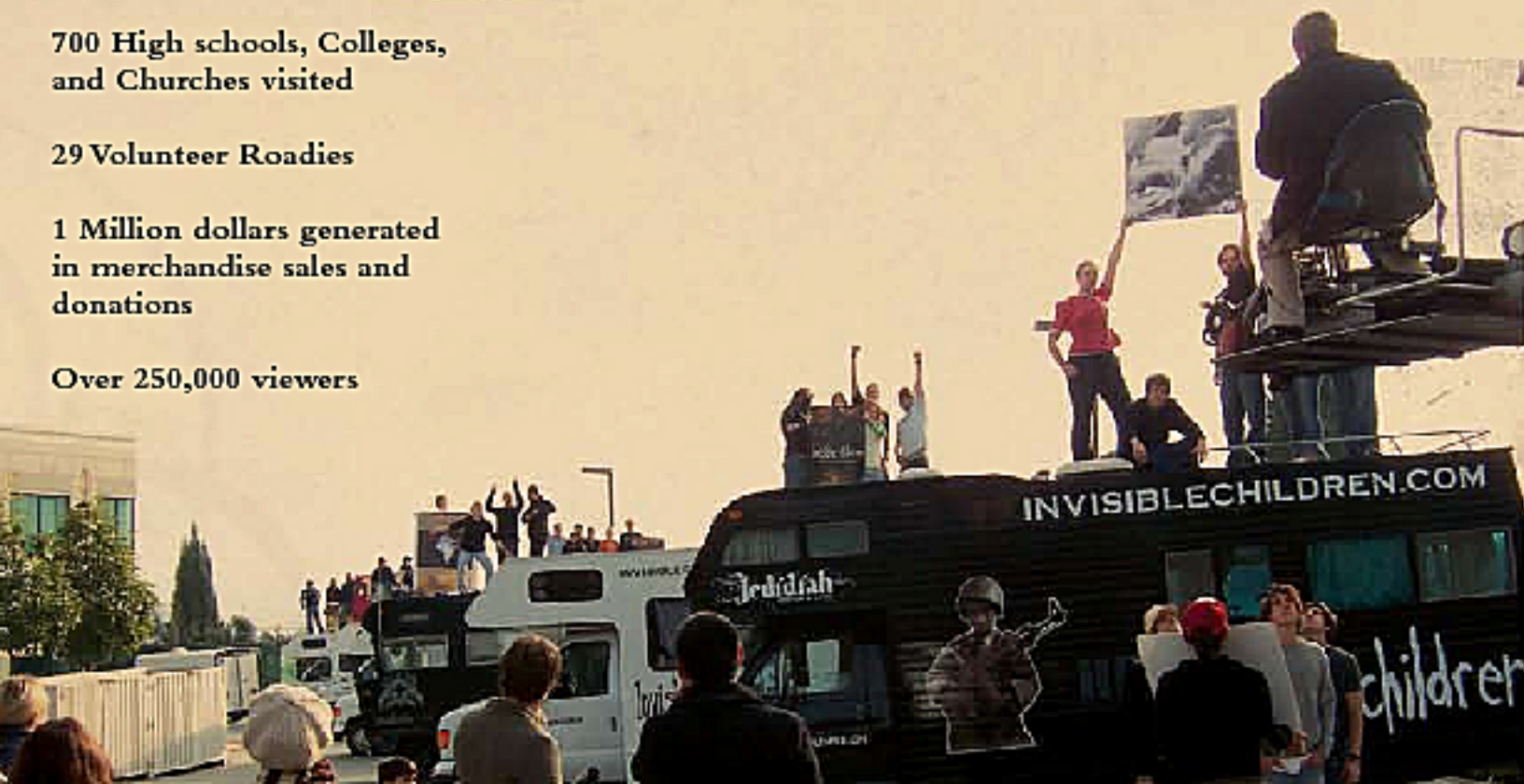
BY THE NUMBERS

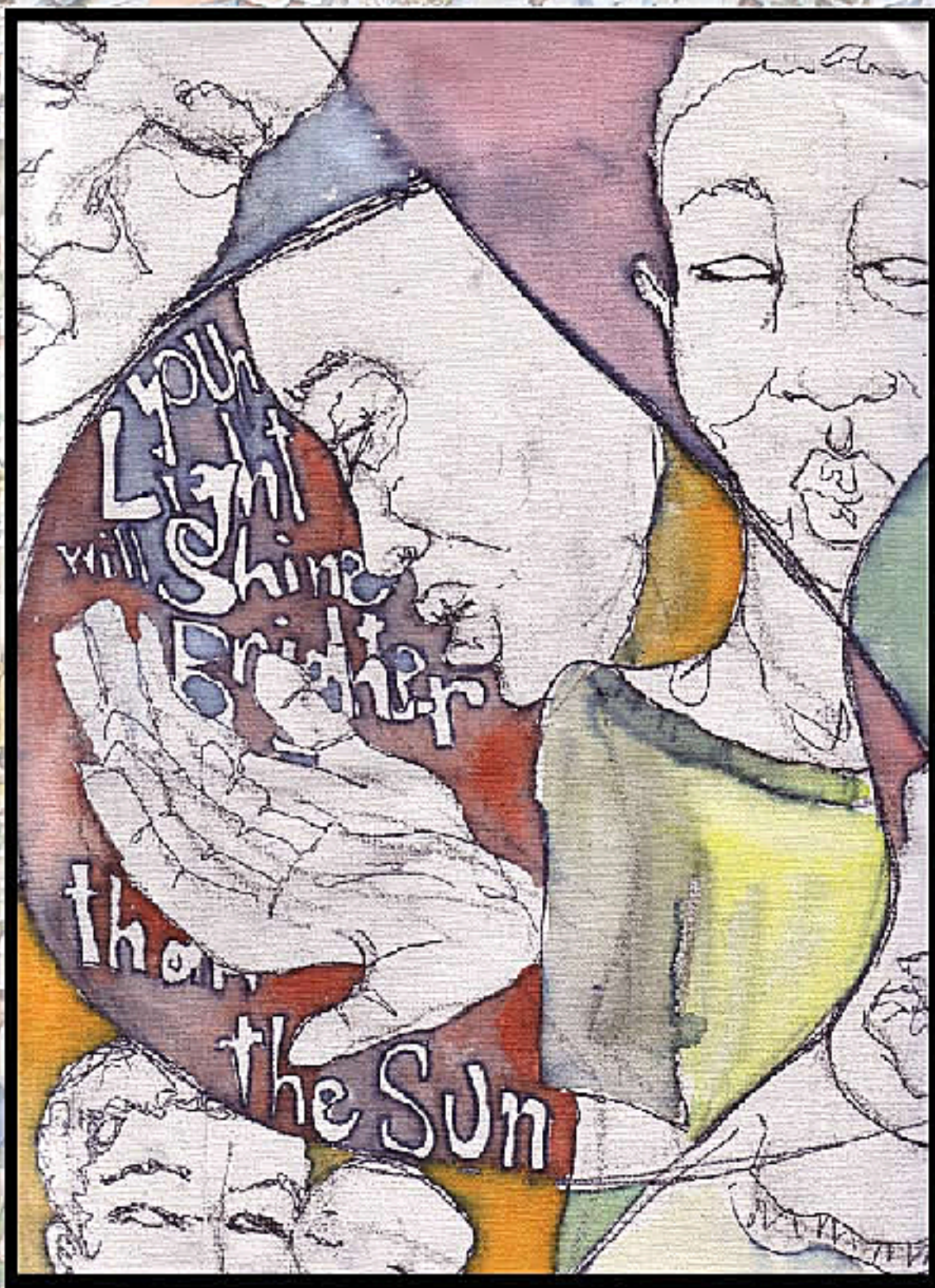
700 High schools, Colleges, and Churches visited

29 Volunteer Roadies

1 Million dollars generated in merchandise sales and donations

Over 250,000 viewers





Art projects
from the Global Night Commute

END A WAR

APRIL 29, 2006



THE GLOBAL NIGHT COMMUTE

On April 29th, 2006, more than 80,000 people commuted on foot to designated locations in their cities to sleep outside on behalf of the invisible children of Northern Uganda, who are forced into similar circumstances every night in order to avoid abduction by a violent rebel group known as the Lord's Resistance Army (L.R.A.). This international event was quickly labeled as one of the biggest demonstrations in the U.S. for Africa, and thousands of letters were written to the President and senators during the evening to raise awareness among the decision makers of this country. Coverage on the event from sources as varied as CNN and The Oprah Winfrey Show brought perhaps an unparalleled amount of attention to Northern Uganda, both within our government and the American population.

GLOBAL NIGHT
COMMUTE
VISIBLE.COM

BY THE NUMBERS

80,000 Participants

130 Cities involved

1,256,816 website visits during April 2006



Knowing how Invisible Children started, it takes me by surprise how far this organization has gone and how much it has touched people both in America and Uganda. Looking at Invisible Children now, I feel like God has different ways of using people. For sure the three boys were not what I thought would bring the story all of us are seeing now.

When the program started as a pilot, we were all not strong enough to believe it would happen right. I was so inspired when I went back to America this year and saw how many people are involved. I was shocked and broke down. Looking in Uganda at how much hope the children of Northern Uganda have received, I sit back and have no words. Everybody in Gulu right now appreciates the Education Program, which has become a model for the whole district because of its uniqueness and application of mentorship. Children really appreciate this program because many of them had lost hope in their lives.

Invisible Children started its operation in Uganda in September 2005, when the actual implementation of programs started as a pilot project. The Invisible Children Education Program was piloted with 100 vulnerable and orphaned children in the Gulu Municipality. The sponsorship was developed in a way that mentoring was the biggest part of the sponsorship. Invisible Children set to reach all the needy children in the District, including children who were able but could not access education in the IDP Camps. A research team from the University was sent to the IDP camps to identify these children who have never had the opportunity to get registered in the program. As a result, 1,500 children were identified from all over the district. At the moment, 450 children all over Gulu and Amuru districts are benefiting from the Invisible Children Education Program, and as we grow, we hope to meet the needs of hundreds more.

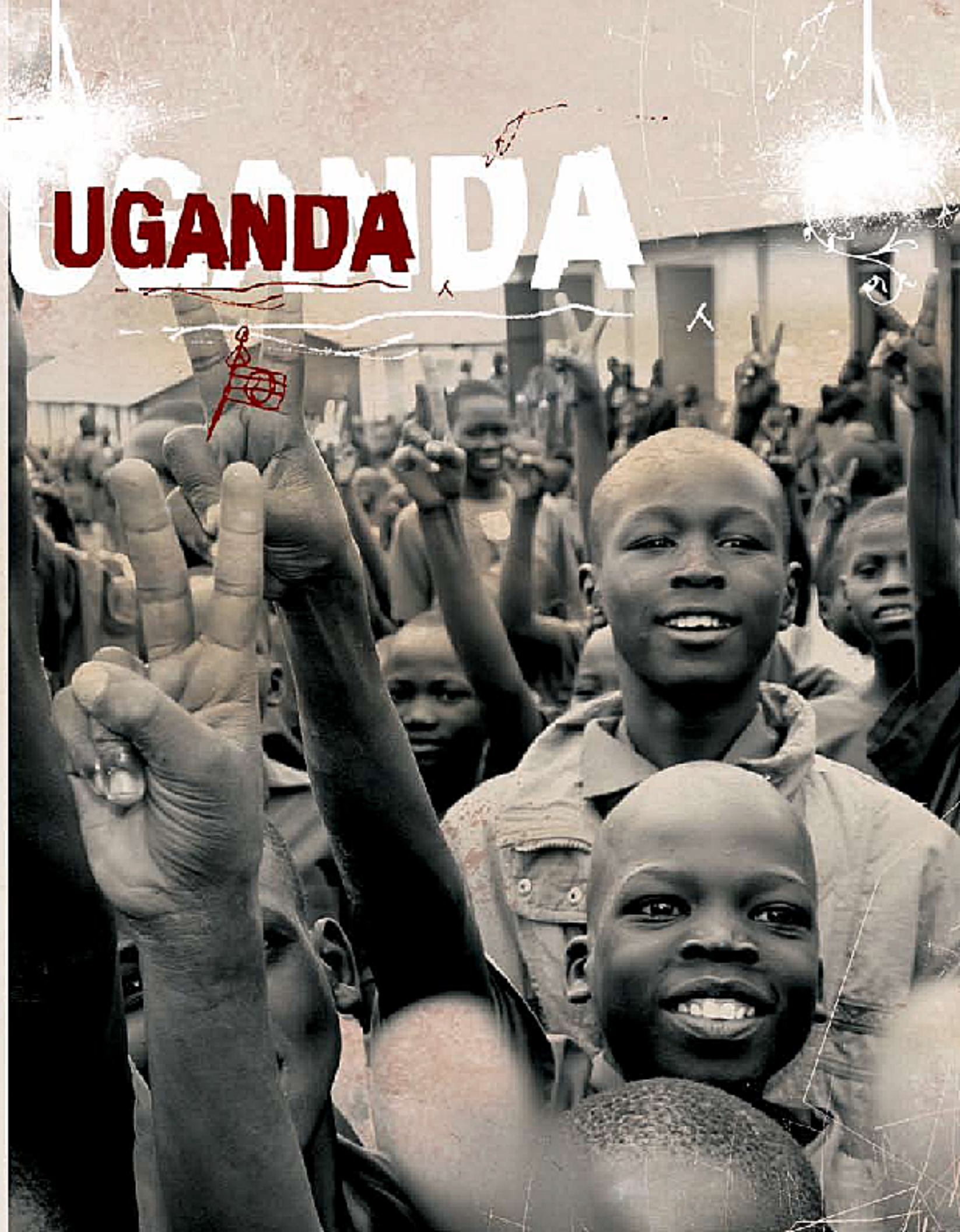
The Invisible Children Bracelet Campaign started in Kampala in 2005. The program was started by a group of internally displaced Acholis living in the city. Their source of income was working in a stone quarry in one the worst slums in the suburbs of Kampala. The Bracelet Campaign is meant to help tell the stories of the children who were affected by the war. Stories of these children accompany a hand-made bracelet, which originates from Acholi culture. They are then sold in America, with proceeds supporting the Education Program. The Bracelet Campaign gradually moved to Koro IDP Camp to help support the unemployed people living in the displaced camps and increase production. The making of the bracelets has created employment for over 200 people in the IDP Camps, people who lived on hardly 3 dollars a month and who can now afford to send their children to school, open up small businesses, and support their families.

The impact of this program is more evident in women, who had no hope of survival and strictly depended on food distributed by the World Food Programme. Most unemployed individuals in the camp want to join the program, as evident when we sought 15 new bracelet makers and over 200 people showed up interested in joining the program.

In summary, I am so happy because our dream of education has finally come true. Thank you for listening to our prayers and making our dreams come true.

Thank You,
Okot Jolly
Country Director, Uganda

UGANDA





OCIYA JACOB



INVISIBLE CHILDREN EDUCATION PROGRAM (ICEP)

After extensive evaluation in Northern Uganda, it is clear that education for the neglected next generation is the greatest need. In fact, more than 250,000 children in Northern Uganda receive no education at all. ICEP seeks out the most vulnerable who have the highest potential in becoming the future leaders of their country through an extensive screening process. We invest in their education from high school to the end of their schooling, with a commitment to sparing no expense on a child's future. The program provides full-ride scholarships for each child to these schools, along with food, uniforms, housing, schools supplies, haircuts, and a Ugandan mentor.

BY THE NUMBERS

450 students enrolled as of Fall 2006

15 full-time mentors assigned to these students

80% of students are full or partial orphans

Invisible Children started with two children, me and my brother Thomas. Madam Jolly brought Jason, Laren, and Bobby to us sleeping in the bus park, and now I am very happy with Invisible Children because I personally was not going to study due to school fees. Now I have everything for school. Not only me but 450 children in Northern Uganda are going to school under this program. I am proud and I want to live exemplary to others who are in the program. Now I am no longer sleeping in the bus park, so I encourage them to maintain the spirit of loving children of Northern Uganda.

It was when we were sleeping in the bus park and those three guys came with some lady, then I stood up and walked forward to them and they were asking me why was I sleeping outside. I just talked to them since I was having problem of school fees and maybe they could help. The numbers could reach something like two thousand children sleeping in the bus park in fear of rebel abduction. The three boys put me back in school and they picked me out from sleeping under the veranda and put me in boarding school. In April I got into a plane and I went to America for the Global Night Commute. The flight was good but was also cold. From there I was in Chicago for the Global Night Commute. It was raining and very cold, but I could not even believe the number of people who were there because it was so many. They knew what they were doing through the film, and they had wanted this sleeping outside in Northern Uganda to be stopped. They were asking me to take a photo with them.

Invisible Children has changed my life because it has started with 2 children and raised to 450 children who are going to school now under this Education Program. So I am very proud that God used me to put others in school, and I should be the exemplary student because I was the first.

Ociya Jacob, 16
ICEP Beneficiary
Gulu, Uganda



I Lanyero Benna just and foremost want to send my sincere appreciation and thanks to the head office of Invisible Children and the officials in America and also their head office which is operating in Uganda, especially in the northern part of Uganda in Gulu District for their wonderful program which is helping us a lot.

I greet you all in the name of Jesus Christ. I am Ugandan by nationality and Acholi by tribe.

Since I joined the Bracelet Campaign, I have experienced a lot of changes in my life and they are as listed below. The money that I get from the Bracelet Campaign has helped me in a way that I am now in position to pay the school fees of my cousin, sister, and brother who were not schooling because of shortage of money, since they are all total orphans without anybody to look after them.

I am also in the position to take myself for a better medical treatment when I am sick, and even also my younger sisters and brothers. My younger sisters and brothers can now put on better dresses like those who have both parents, though they are alone. All this is because of the money that I get from the Bracelet Campaign.

In the past, immediately after my father was killed I had lost hope in life because there was nobody to care for our children and also us in school, but now I have gained at least hope in life and also for the future. All this came because of the money I am getting from the Bracelet Campaign.

I think those are the few that I can write because if I am to write all down it may fill the whole book.

But now I am just requesting you that if you can keep the Bracelet Campaign running for more years ahead then we would be very happy. All the bracelet makers in Koro Abili camp convey their sincere congratulations and greetings to all those who are working tirelessly to make this program run smoothly.

Finally I pray that may the Lord of wisdom and power continue to give you these hearts which sympathize and care for the suffering ones like we in the northern part of Uganda, especially the Acholi.

May God bless you all in Jesus name. Amen.

Lanyero Benna
Koro Abili IDP Camp
Koro Division
Labuloch Parish



INVISIBLE CHILDREN BRACELET CAMPAIGN (ICBC)

Currently, 2 million people in Ugandan displacement camps live on less than a dollar a day. The Bracelet Campaign is changing that. A micro-economic program creating jobs in an otherwise unemployable war area, the Bracelet Campaign allows Ugandans living in displacement camps to hand make bracelets and generate a much-needed income. Eight different colored bracelets are being made, and each is accompanied by a short-film told by an invisible child, highlighting one of the many ways Northern Ugandans have been affected by this unrelenting war. The proceeds made from selling these packaged bracelets here in the U.S. funnel directly into the Invisible Children Education Program.

BY THE NUMBERS

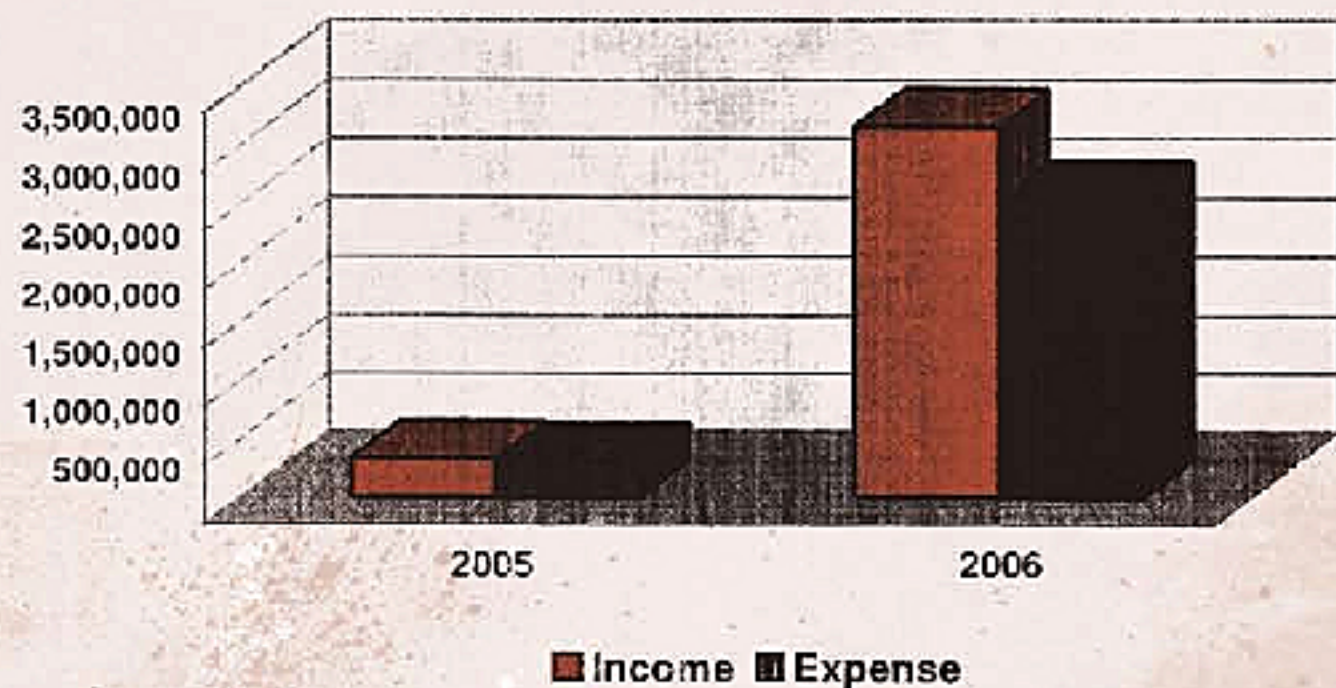
230 adult Ugandans employed by ICBC

40,000 bracelets assembled per month

15 bracelets sold provide a trimester of schooling for a child in the Education Program

THE FINANCES

Income/Expense Trend



At Invisible Children, it is our vision to change culture, policy and lives through collisions of power and poverty. We believe that changing our world begins with changing ourselves and our nation, and that this change in culture will drive the policy that will ultimately affect lives across the world. We are continually amazed at the staggering response of individuals and organizations who have invested in our programs and share our commitment to this vision.

Invisible Children is sustained by private cash contributions and the revenue generated at screenings of the documentary. While three large grants were received during the 2006 fiscal year, these grants were earmarked specifically for stateside awareness projects, including the development of a final feature film, the National Tour, and the Global Night Commute. In total, just over \$1.2 million was contributed by individuals, students, families, schools, and faith-based institutions over the past year, reflecting over a 200% return on the grants invested here in America. In addition, \$1.3 million was earned as a result of merchandise sales, which relates closely to stateside programming. Thus, the grant money invested into programming in the United States resulted in a 500% return that funded additional media-based programming, management and general expenditures, and Invisible Children programs in Northern Uganda.

While the impact these programs have on youth is reason enough for the allocation of time and resources, these programs will also help accomplish sustainable change in Northern Uganda through their impact on culture and policy. There are significant costs associated with communicating to a young demographic primarily through media, but the response to our messages and calls-to-action has indicated the development of a successful new model in the non-profit world.

The early decision by our founders to pour resources into stateside projects was based upon the belief that simultaneous change can occur in both America and Uganda. The 2007 fiscal year will build upon this idea, as the new programs we launch aim to bridge the divide between the youth of America and the youth of Uganda. As long as our individual supporters continue to believe in their singular opportunity to affect culture, policy, and lives, Invisible Children will continue to offer the programming it has developed to help accomplish these very things.

Chris Sarette
Development Director

Jay Woodcock
Financial Controller

FINANCES

Invisible Children, Inc. Profit & Loss by Category Fiscal Year 2006

Income		
Unrestricted		
Product Related	1,341,504	42.52%
General Donations	1,225,265	38.84%
Grants	479,625	15.20%
Temporarily Restricted	108,313	3.43%
Total Income	3,154,707	100.00%

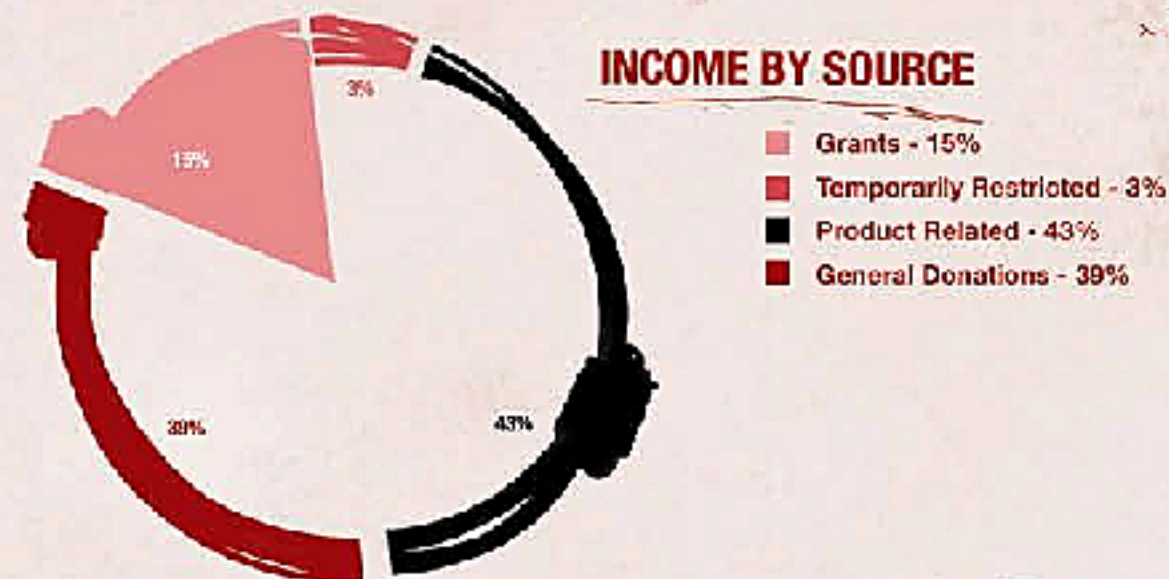
Expense		
Programs Related		
Movie	205,208	8.08%
Movement		
Awareness Event	287,900	11.34%
Bracelet Vignette	41,577	1.64%
Podcast	29,713	1.17%
World Tour	216,531	6.53%
Movement - Other	377,434	14.87%
Mission		
Bracelet Campaign	220,356	8.68%
Education Program	239,361	9.43%
Volunteer Program	35,274	1.39%
Mission - Other	229,566	9.04%
Product Cost		
Bracelet	141,107	5.58%
DVD	69,910	2.75%
Merchandise	75,886	2.99%
Product Cost - Other	4,150	0.16%
Management and General	331,546	13.06%
Fundraising	32,866	1.29%
Total Expense	2,538,385	100.00%

Net Income \$616,322

*Adjustments to Cash Balance:

7/1/2005 - Beginning Cash Balances	31,775
Net Income	616,322
Investment in Inventories for Future Sales:	(469,909)
Other Adjustments of Accruals	(133,819)
6/30/2006 - Ending Cash Balance	\$44,369

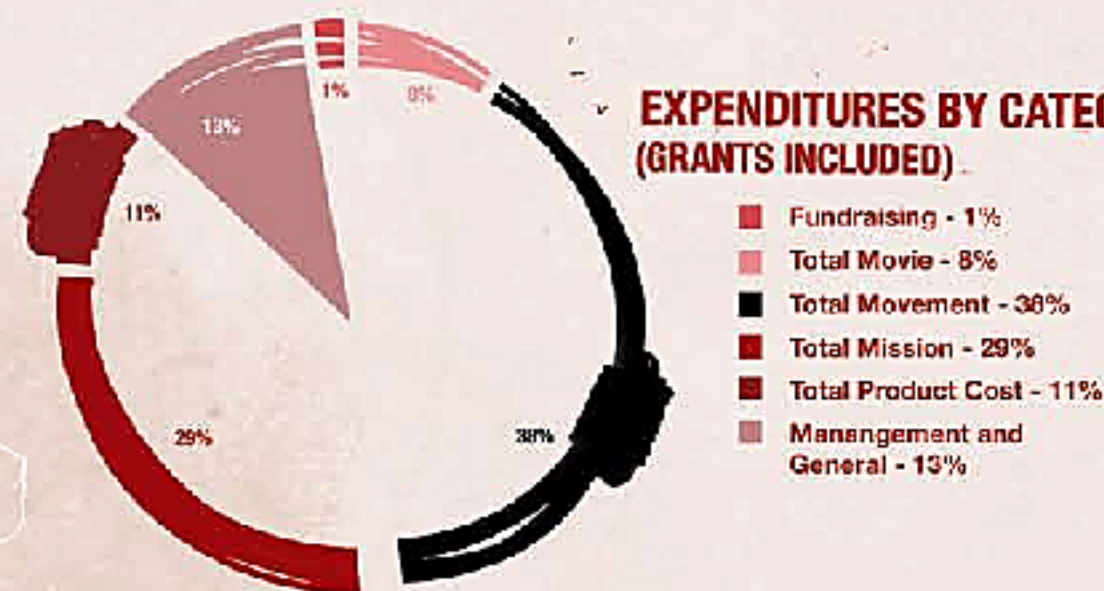
INCOME BY SOURCE



EXPENDITURES BY CATEGORY (GRANTS EXCLUDED)



EXPENDITURES BY CATEGORY (GRANTS INCLUDED)



SCHOOLS FOR SCHOOLS

SCHOOLS FOR SCHOOLS

Designed to build a partnership between schools in the United States and schools in Northern Uganda, this program is built upon our promise to bring education to those affected by the war. More than 737 schools in Northern Uganda (60% of the total) are non-functioning because of the war, but fortunately, children in the U.S. have the resources to help. This program allows students in the United States to mobilize their school or youth group to think of creative ways to raise funds for the schools in Northern Uganda. The money raised will go to immediate needs such as new textbooks, enhanced laboratories, teacher training, and improved dormitories, among other things. Individual high schools will watch their Ugandan sponsored school rise to a nationally competitive level through an interactive web community, giving them unique ownership and connectivity to the program. Selected students will have the opportunity to go to Uganda and become a part of the story by working alongside Ugandans. This experience benefits the youth of Uganda and America – Ugandans will receive much-needed resources and Americans will be able to experience what it means to live outside of themselves by putting others first.

INVISIBLE CHILDREN: FEATURE FILM

INVISIBLE CHILDREN: FEATURE FILM

A completed feature-length film to be released in theaters worldwide, with a built-in audience who contributed to and feels personally invested in the story's end. Unlike any other movie in Hollywood, the feature-length film will empower the audience to respond to the stories in a tangible and life-changing way. This film will tell the complete story of the filmmaker's journey to Uganda and the 20-year-long war that has plagued the country. From past to present, the film will delve into the details of the war with a style echoing that of the "Rough Cut." A theatrical release will provide a strong podium that will give Northern Uganda the international media attention it deserves.

Invisible Children is a 501(c)3 non-profit charity and provides tax receipts for all donations made (Federal Tax ID# 54-2164338). If you are interested in becoming a financial sponsor for any of these programs or for Invisible Children generally, please contact our Development Director:

**Chris Sarette: (619) 562-2799
chris@invisiblechildren.com**

For the most up-to-date information regarding Invisible Children, please visit our website, www.invisiblechildren.com, regularly, and sign up for our video newsletter.

UPCOMING PROJECTS

WORLD TOUR 2007

WORLD TOUR 2007

During the spring of 2006, seven R.V.'s drove across the U.S. to bring the "Invisible Children: Rough Cut" film to more than 700 venues, including high schools, colleges, and places of worship. This year, we are sending out 13 teams across North America and abroad to cover more ground, collaborating with bands and corporations, to get more people involved. This tour intends to raise further advocacy and awareness, and, as the first tour introduced people to the Global Night Commute, this tour will end with an even larger international event. The teams are equipped with the knowledge of the war and the humanitarian crisis. The World Tour is the platform from which Invisible Children will launch its most innovative programs yet and will play a critical role in bringing increased resources to Northern Uganda.



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Kevin Relyea
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Bobby Bailey
Laren Poole

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Jason Russell

Non-Profit Director

Ben Keesey

Financial Controller

Jay Woodcock

Development Director

Chris Sarette

Movement Director

Margie Dillenburg

Movement Coordinator

Jessica Chan

Mission Director

Ben Thomson

Mission Coordinator

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Creative Director

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Art Director

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Travis Russell

Movement Media

Filmmaker

Mariana Blanco

Art/Design

Brandon Fink

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Art Dept. Project

Coordinator

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Nicole Neff

Warehouse Managers

Mike Bolitho

Ryan Bolitho

The 2006 Roadies

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Country Director

Okot Jolly

Country Coordinator

Komakeek Patrick

Education Program

Director

Adam Finck

ICEP Project Coordinator

Okot Geoffrey Howard

ICEP Mentors

Ocwee Grace (Lead Mentor)

Adong Evelyn Olla

Aklyu Stella Mistica

Evelyn Achalo Ebong

Kibwota Okidi Richard

Lalam Marylyne

Odong Collie Mark

Odong Kenneth

Ojara Geoffrey Ojiri

Ojok Amos

Okello Quinto

Okwir Joyce Patricia

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Director

James Pearson

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Tiffany Tripson

Volunteer Coordinator

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Special Thanks To:

Circle Family Foundation

Caster Family Foundation

The Omidyar Network

Geneva Global

Bridgeway Foundation

Kibo Group

Greg & Debbie Hammond

All of our donors, and all of the bake sales, car washes, marathons, pizza parties, and screenings



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