

The Global Hunger Project And Affiliates

Consolidated Financial Report
December 31, 2007

McGladrey & Pullen
Certified Public Accountants

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

To the Global Board of Directors
The Global Hunger Project
New York, New York

We have audited the accompanying consolidated balance sheet of The Global Hunger Project and Affiliates, (Bangladesh, India, Benin, Burkina Faso, Ethiopia, Ghana, Malawi, Senegal, Uganda, Mozambique and Mexico), as of December 31, 2007, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of The Global Hunger Project and Affiliates' management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of The Hunger Project - Bangladesh, India, Benin, Burkina Faso, Ethiopia, Ghana, Malawi, Senegal, Uganda, Mozambique and Mexico, consolidated affiliates, which statements reflect total assets and revenue constituting 20% and 16%, respectively, of the related consolidated totals. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for The Global Hunger Project and Affiliates are based solely on the report of the other auditors. The prior year's summarized comparative information has been derived from the 2006 consolidated financial statement of The Global Hunger Project and Affiliates and, in our report, based on our audit and the reports of other auditors, dated October 3, 2007, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the 2007 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Global Hunger Project and Affiliates as of December 31, 2007, and the changes in their net assets and their cash flows for the year then ended are in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

Vienna, Virginia
May 20, 2008

The Global Hunger Project And Affiliates

Consolidated Balance Sheet

December 31, 2007

(With Comparative Totals For 2006)

Assets	2007	2006
Cash and Cash Equivalents	\$ 8,108,414	\$ 5,793,303
Investments (Note 4)	4,797,076	3,868,569
Receivables, net (Note 2)	3,758,121	3,324,607
Micro Credit Loans	890,525	724,768
Charitable Remainder Trust (Note 3)	413,776	525,753
Property and Equipment, net (Note 5)	1,341,749	686,586
Other Assets	367,341	551,987
	<u>\$ 19,677,002</u>	<u>\$ 15,475,573</u>
Liabilities And Net Assets		
Liabilities		
Accounts payable	\$ 433,853	\$ 269,832
Accrued expenses	422,774	453,931
Deferred rent (Note 7)	644,044	86,994
Total liabilities	<u>1,500,671</u>	<u>810,757</u>
Commitments (Notes 7 and 9)		
Net Assets		
Unrestricted	12,712,974	10,613,096
Temporarily restricted (Note 6)	5,463,357	4,051,720
	<u>18,176,331</u>	<u>14,664,816</u>
	<u>\$ 19,677,002</u>	<u>\$ 15,475,573</u>

See Notes To Consolidated Financial Statements.

The Global Hunger Project And Affiliates

Consolidated Statement Of Activities
 Year Ended December 31, 2007
 (With Comparative Totals For 2006)

	2007			2006 Total
	Unrestricted	Temporarily Restricted	Total	
Support and Revenue				
Contributions	\$ 9,661,464	\$ 6,267,465	\$ 15,928,929	\$ 13,022,749
Investment income (Note 4)	269,176	-	269,176	269,647
Foreign currency gains and other	516,754	-	516,754	310,013
Released from restrictions	4,855,828	(4,855,828)	-	-
Total support and revenue	15,303,222	1,411,637	16,714,859	13,602,409
Expenses				
Program services:				
Education and advocacy	2,194,843	-	2,194,843	1,495,938
Africa	5,026,253	-	5,026,253	4,323,388
Asia	2,703,050	-	2,703,050	2,165,986
Latin America	629,919	-	629,919	592,281
Total program services	10,554,065	-	10,554,065	8,577,593
Supporting services:				
Management and general	2,104,380	-	2,104,380	1,418,545
Fund raising	544,899	-	544,899	657,494
Total supporting services	2,649,279	-	2,649,279	2,076,039
Total expenses	13,203,344	-	13,203,344	10,653,632
Change in net assets	2,099,878	1,411,637	3,511,515	2,948,777
Net Assets				
Beginning	10,613,096	4,051,720	14,664,816	11,716,039
Ending	\$ 12,712,974	\$ 5,463,357	\$ 18,176,331	\$ 14,664,816

See Notes To Consolidated Financial Statements.

The Global Hunger Project And Affiliates

Consolidated Statement Of Functional Expenses

Year Ended December 31, 2007

(With Comparative Totals For 2006)

	2007										2006 Total
	Program Services				Supporting Services						
	Education and Advocacy	Africa	Asia	Latin America	Total Program Services	Management and General	Fund Raising	Total Supporting Services	Total		
Salaries and benefits	\$ 1,047,818	\$ 1,093,415	\$ 551,235	\$ 201,012	\$ 2,893,480	\$ 955,487	\$ 292,524	\$ 1,248,011	\$ 4,141,491	\$ 3,827,995	
Direct investment	-	2,270,902	1,261,457	89,192	3,621,551	-	-	-	3,621,551	2,609,492	
Travel and related costs	162,268	235,748	160,063	38,922	597,001	129,229	91,955	221,184	818,185	770,557	
Professional services	113,772	326,272	68,857	63,515	572,416	312,606	59,134	371,740	944,156	710,104	
Rent and occupancy	169,414	354,272	94,740	11,006	629,432	504,318	47,296	551,614	1,181,046	587,797	
Office	44,450	318,183	108,137	6,522	477,292	40,532	12,409	52,941	530,233	358,150	
Depreciation	24,066	234,553	31,981	5,461	296,061	21,945	6,719	28,664	324,725	249,083	
Grants	1,100	-	-	190,000	191,100	-	-	-	191,100	251,280	
4 Production, design, printing and conferences	504,672	64,685	364,698	12,005	946,060	52,199	473	52,672	998,732	511,797	
Corporate	48,394	41,743	50,607	2,376	143,120	44,130	13,510	57,640	200,760	169,683	
Telephone	12,131	66,454	7,167	8,256	94,008	7,415	8,374	15,789	109,797	126,992	
Shipping	48,688	2,655	1,378	1,360	54,081	20,041	7,460	27,501	81,582	83,306	
Data processing	18,070	17,371	2,730	292	38,463	16,478	5,045	21,523	59,986	67,647	
Total expenses	\$ 2,194,843	\$ 5,026,253	\$ 2,703,050	\$ 629,919	\$ 10,554,065	\$ 2,104,380	\$ 544,899	\$ 2,649,279	\$ 13,203,344	\$ 10,653,632	

See Notes To Consolidated Financial Statements.

The Global Hunger Project And Affiliates

Consolidated Statement Of Cash Flows
Year Ended December 31, 2007
(With Comparative Totals For 2006)

	2007	2006
Cash Flows From Operating Activities		
Change in net assets	\$ 3,511,515	\$ 2,948,777
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Donated securities	(155,237)	(76,660)
Deferred rent	557,050	(38,680)
Depreciation	324,725	249,083
Increase in provision for doubtful accounts	458,711	974,080
Cash surrender value of life insurance	(177,125)	(164,449)
Loss on charitable remainder trust	111,977	7,330
Unrealized gain on investments	(76,286)	(24,659)
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	(892,225)	(2,222,703)
Micro credit loans	(165,757)	72,045
Other assets	184,646	(306,375)
(Decrease) increase in:		
Accounts payable	164,021	68,803
Accrued expenses	(31,157)	77,069
Net cash provided by operating activities	3,814,858	1,563,661
Cash Flows From Investing Activities		
Purchase of investments	(2,795,201)	(2,119,389)
Proceeds from sale and maturity of investments	2,196,984	2,155,403
Purchase of property and equipment	(905,055)	(421,734)
Sales of property and equipment	3,525	-
Net cash used in investing activities	(1,499,747)	(385,720)
Net increase in cash and cash equivalents	2,315,111	1,177,941
Cash And Cash Equivalents		
Beginning	5,793,303	4,615,362
Ending	\$ 8,108,414	\$ 5,793,303
Supplemental Schedule Of Noncash Investing And Financing Activities		
Receipt of donated securities	\$ 155,237	\$ 76,660

See Notes To Consolidated Financial Statements.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies

Nature of activities: The Global Hunger Project and Affiliates (The Hunger Project) is a California not-for-profit, nonmember, public benefit corporation.

The Hunger Project is a strategic organization and global movement committed to the sustainable end of world hunger. In Africa, Asia, and Latin America, it empowers local people to create lasting society-wide progress in health, education, nutrition, family income, gender equality and environmental sustainability - objectives which are now enshrined as the UN Millennium Development Goals (MDGs). The Hunger Project fully supports the MDGs, and in each country where we work we play a leadership role for their achievement.

In 13 developing countries, The Hunger Project implements strategies that have three elements in common: we mobilize people for self-reliant action, we intervene for gender equality and we foster effective partnership between local-level governments and the people.

The financial position and activities of affiliated partner countries entities based in the developed countries outside the United States (i.e. THP-Australia, THP-Germany, THP-Netherlands, etc.) are not included in these financial statements. The affiliated partners are not controlled by The Hunger Project: they have separate boards and no funding is provided to them. However, there are charter agreements in place for the use of The Hunger Project's name. These agreements can be terminated at any time by The Hunger Project. The affiliated partners raise funds which, less their own expenses, are applied to The Hunger Project programs and projects.

A summary of The Hunger Project's significant programs is as follows:

Africa: The Hunger Project has offices in Benin, Burkina Faso, Ethiopia, Ghana, Malawi, Mozambique, Senegal and Uganda. The Hunger Project carried out three integrated initiatives for Africa during the year ended December 31, 2007, the Epicenter Strategy, the African Woman Food Farmer Initiative (AWFFI), and the "HIV/AIDS and Gender Inequality Workshop" to empower grassroots people to know the facts about AIDS and change the destructive behaviors that spread the disease.

The Epicenter Strategy mobilizes the population of clusters of villages to work together to meet their basic needs. The centerpiece of the strategy is a multipurpose building created by the people themselves through which they create and operate their own programs for health, education, income-generating activities, nutrition, food production and processing, food security and microfinance. As of December 31, 2007, there were 100 epicenters. The current highest priority in the Epicenter Strategy is to demonstrate in the Eastern Region of Ghana that this strategy can be "scaled-up."

The *African Woman Food Farmer Initiative* (AWFFI) is the microfinance component of the Epicenter Strategy. This program is committed to the economic empowerment of Africa's most important and least supported producers - the women who grow 80% of Africa's food. During the year ended December 31, 2007, AWFFI disbursed 11,705 loans totaling \$904,260.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Education and Advocacy: Influencing policymakers and educating a worldwide constituency of committed individuals are high priorities of The Hunger Project. During the year ended December 31, 2007, The Hunger Project organized more than 100 local events across the United States. During the year ended December 31, 2007, The Hunger Project utilized the opportunity of its 30th anniversary to create and disseminate education and advocacy materials that communicate the essential actions needed to achieve the Millennium Development Goals.

Asia: The Hunger Project has offices in India and Bangladesh. In India in the year ended December 31, 2007, The Hunger Project carried out its five-prong strategy to empower elected local women leaders as key change agents for human development, social justice, and economic growth. Since 2000, more than 65,000 Indian women leaders have taken our Women's Leadership Workshop. In Bangladesh, The Hunger Project carried out a ten-prong strategy to strengthen local democracy and empower women. During 2007, The Hunger Project trained 14,145 new volunteer animators, bringing our entire team of volunteer animators to 101,674, (40% of whom are women), who focus their efforts in 508 clusters of villages.

Latin America: The Hunger Project has an office in Mexico, and works in partnership with established organizations in Bolivia and Peru that share our vision and philosophy. *In Mexico,* The Hunger Project programs, in partnership with local government in four states, mobilize people to take strategic actions for the end of hunger. *In Bolivia,* The Hunger Project works with ACLO (Fundación Acción Cultural Loyola), whose radio stations provide literacy and agricultural training to Quechua-speaking people in the Andes. *In Peru,* The Hunger Project works with Chirapaq, a national network of indigenous people to strengthen women's leadership in local democracy.

Program Countries: The financial positions of affiliated Hunger Project entities that implement programs in the developing world (e.g. THP-Senegal, THP-Bangladesh, etc.) are consolidated into these financial statements. Each entity is registered according to the laws of its own country and is led by a country director who reports directly to a vice president in The Global Hunger Project Office. All affiliated program country directors are citizens and residents of their respective countries. They have individual contractual agreements with and are compensated directly from The Hunger Project's Global Office. The program country director's contracts can be cancelled for cause or otherwise at any time with proper notice. The affiliated program countries receive annual appropriations quarterly based on an operational program budget approved by The Hunger Project.

A summary of the significant accounting policies of The Hunger Project follows:

Basis of accounting: The Hunger Project maintains its accounting records and prepares its consolidated financial statements on the accrual basis of accounting whereby revenue is recognized when earned and expenses are recognized when incurred.

Consolidation policy: The accompanying consolidated financial statements include the accounts of The Global Hunger Project and its Affiliates in the developing world which work within a common strategy, with funding largely from The Global Hunger Project, and led by country directors employed directly by The Global Hunger Project. All significant transactions between The Global Hunger Project and the Affiliates have been eliminated in the consolidation.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Basis of presentation: The consolidated financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, The Hunger Project is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Hunger Project has no permanently restricted net assets at December 31, 2007.

Cash and cash equivalents: The Hunger Project considers interest bearing accounts and amounts held in overnight sweep accounts to be cash equivalents.

Financial risk: The Hunger Project maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Hunger Project has not experienced any losses in such accounts. The Hunger Project believes it is not exposed to any significant financial risk on cash.

Promises to give: Unconditional promises to give are recognized as revenue or gains in the period acknowledged. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Management determines the allowance for doubtful accounts by regularly evaluating individual promises to give and considering prior history of donors and proven collectibility of past donations. Promises to give are written off when deemed uncollectible. Recoveries of promises to give previously written off are recorded when received. The allowance for doubtful promises at December 31, 2007, is \$1,705,603.

Investments: Investments with readily determinable fair values are reflected at fair market value. To adjust the carrying value of these investments, the change in fair market value is charged or credited to current operations.

Micro-credit loans: Micro-credit loans are recorded as a receivable when funds are initially paid to the borrower and as a reduction of the receivable upon repayment by the borrower. Annual interest rates range from 10% - 36%, a deposit (collateral) is required which is usually 10% of the loan principal and loan terms are between six months to one year.

Property and equipment: The Hunger Project capitalizes all property and equipment with a cost of \$5,000 or more. Property and equipment are recorded at cost and depreciated on the straight-line basis over estimated useful lives of five to ten years. Leasehold improvements are recorded at cost and amortized over the lesser of the useful life or lease term.

Impairment of long-lived assets: The Hunger Project accounts for the valuation of long-lived assets under Statement of Financial Accounting Standards (SFAS) No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. SFAS No. 144 requires that long-lived assets and certain identifiable intangible assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 1. Nature Of Activities And Significant Accounting Policies (Continued)

Deferred rent: The Global Hunger Project has a lease agreement for rental space in New York City. Under the terms of the lease agreement, The Global Hunger Project occupied its office space for a period of free rent during the initial rental period. In addition, a landlord improvement allowance was provided for leasehold improvements. The benefits that The Global Hunger Project received from the free rent, allowance and rent increases in future years, are being allocated on a straight-line basis over the term of the lease. The difference between the expense and the cash payments is reported as deferred rent.

Support and revenue: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are reported as unrestricted net assets if the restrictions are met in the same period received.

Expenses: Direct costs associated with specific programs are recorded as direct program expenses. Personnel costs, depreciation, occupancy, office, data processing and certain corporate expenses are allocated to programs based on employee time distributions.

Direct investment expense: Direct investment expenses consist mainly of amounts provided to affiliated program Hunger Project entities.

Foreign currency transactions: Foreign currency transactions are recorded in U.S. dollars at the actual exchange rates in effect at the date of the transactions. Gains on foreign currency fluctuations were \$169,714 for the year ended December 31, 2007.

Income taxes: The Hunger Project is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, The Hunger Project qualifies for charitable contribution deductions and has been classified as an organization that is not a private foundation. Income which is not related to exempt purposes, less applicable deductions, is subject to federal and state corporate income taxes. The Hunger Project did not have any net unrelated business income for the year ended December 31, 2007.

Estimates: The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Prior year information: The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with The Hunger Project's consolidated financial statements for the year ended December 31, 2006, from which the summarized information was derived.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 2. Receivables

Receivables at December 31, 2007, consist of the following:

Promises to give	\$ 5,532,918
Accrued interest - certificates of deposit	21,923
Other	6,303
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	5,561,144
Less provision for doubtful accounts	1,705,603
Less discount to present value	97,420
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	\$ 3,758,121
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Promises to give in one year or more are measured using the present value of future cash flows based on a discount rate of approximately 5%. Unconditional promises to give at December 31, 2007, consist of the following:

Promises to give in less than one year	\$ 4,047,168
Promises to give in one to five years	1,485,750
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	\$ 5,532,918
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Note 3. Charitable Remainder Trust

The Global Hunger Project is a beneficiary in a charitable remainder trust (the Trust). The Trust makes payment each year to the grantor for the duration of the Trust's term (the grantor's lifetime). At the end of the Trust's term, the remaining assets are available for The Global Hunger Project's use. The administrator, who is a third-party trustee, holds the assets. The Global Hunger Project's interest in the Trust is recognized at the estimated net present value. The fair market value of the Trust at December 31, 2007, was \$929,998. The Global Hunger Project's estimated interest in the Trust at December 31, 2007, was \$413,776.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 4. Investments

Investments at December 31, 2007, consist of the following:

Certificates of deposit	\$ 3,387,786
Cash surrender value of life insurance policy	744,616
Money market	212,205
U.S. Treasury notes	200,000
Equity securities	155,237
Other	39,957
Ethiopia	57,275
	<u>\$ 4,797,076</u>

Investment income for the year ended December 31, 2007, consists of the following:

Interest income	\$ 304,867
Loss on charitable remainder trust	(111,977)
Unrealized gain on investments	76,286
	<u>\$ 269,176</u>

Note 5. Property And Equipment

Property and equipment and accumulated depreciation at December 31, 2007, and depreciation expense for the year ended December 31, 2007, consist of the following:

Asset Category	Estimated Lives	Cost	Accumulated Depreciation	Net	Depreciation Expense
New York:					
Leasehold improvements	Lease term	\$ 321,266	\$ 7,950	\$ 313,316	\$ 50,103
Furniture and equipment	5 to 10 years	103,713	11,676	92,037	13,580
		424,979	19,626	405,353	63,683
Program Countries	3 to 10 years	2,132,527	1,196,131	936,396	261,042
		<u>\$ 2,557,506</u>	<u>\$ 1,215,757</u>	<u>\$ 1,341,749</u>	<u>\$ 324,725</u>

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 6. Temporarily Restricted Net Assets

Temporarily restricted net assets include donor restricted and other funds, which are only available for program services, or supporting services designated for future years. Temporarily restricted net assets were released from restrictions during the year ended December 31, 2007, due to the time restriction ending or the purpose restriction being accomplished.

Temporarily restricted net assets at December 31, 2007, are available for the following programs:

	Balance December 31, 2006	Additions	Released	Balance December 31, 2007
Time restricted:				
Promises to give	\$ 1,874,750	\$ 1,027,620	\$ (2,231,060)	\$ 671,310
Charitable Remainder Trust	525,753	-	(111,977)	413,776
Program restricted:				
Ghana	749,000	2,699,000	(1,029,210)	2,418,790
Africa Epicenters	838,825	1,185,766	(482,515)	1,542,076
India	13,392	1,355,079	(951,066)	417,405
Mozambique	50,000	-	(50,000)	-
	<u>\$ 4,051,720</u>	<u>\$ 6,267,465</u>	<u>\$ (4,855,828)</u>	<u>\$ 5,463,357</u>

Note 7. Lease

The Hunger Project has a lease for office space in New York City, which expires on October 31, 2008. Additionally, on May 4, 2007, The Hunger Project entered into a new lease for office space which expires September 30, 2017. The lease provides for a period of free rent, a landlord improvement allowance and escalating payments. Rent expense is being recognized on a straight-line basis over the term of the lease. The difference between the expense and the cash payments, which was \$644,044 at December 31, 2007, is reported as deferred rent in the accompanying financial statements. Rent expense for the year ended December 31, 2007, was \$327,061.

The landlord required that in lieu of a security deposit, The Hunger Project obtain a letter of credit for \$306,119.

The Global Hunger Project And Affiliates

Notes To Consolidated Financial Statements

Note 7. Lease (Continued)

During the year ended December 31, 2007, The Hunger Project entered into an agreement to sublet 4,790 square feet of their current office lease which expires November 30, 2010.

Net future minimum lease payments at December 31, 2007, are as follows:

Years Ending December 31,	Lease Commitment	Sublease Income	Net Lease Commitment
2008	\$ 746,595	\$ 139,207	\$ 607,388
2009	586,714	163,813	422,901
2010	598,322	154,286	444,036
2011	622,468	-	622,468
2012	631,526	-	631,526
2013 to 2017	3,213,664	-	3,213,664
	<u>\$ 6,399,289</u>	<u>\$ 457,306</u>	<u>\$ 5,941,983</u>

Note 8. Retirement Plan

The Hunger Project has a profit sharing contribution employee retirement plan (the Plan) covering substantially all U.S. employees who are 18 years of age and have completed 1,000 hours of service. Amounts contributed to the Plan are discretionary and determined on an annual basis. During the year ended December 31, 2007, The Hunger Project contributed \$298,280 to the Plan.

The Hunger Project also maintains a 403(b) savings plan for all full-time employees. Employees are eligible to participate immediately upon employment. The Hunger Project makes no contributions to this plan.

Note 9. Commitment – Retirement Contract

The Hunger Project has a post retirement contract with the Founding President. Under the terms of this agreement, the Founding President will receive \$100,000 per year in exchange for part-time services rendered upon retirement from full-time employment.

Note 10. Life Insurance

The Hunger Project established a life insurance policy on the Founding President. The Hunger Project pays the premiums and is the sole beneficiary on the policy. Total face amount and cash surrender value of the policy at December 31, 2007, was \$2,079,948 and \$744,616, respectively.