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FeelGood Results of Operation Fiscal Year Ending December 31, 2008

SUMMARY:

2008 marks another great year of exciting accomplishments. This is true both in terms of how FeelGood performed financially as well as how much progress it has been made toward achieving its own financial model of self sufficiency. The following results are an example of the successes and challenges met during fiscal 2008

CONTRIBUTIONS:

Total contributions increased by **\$10,438** or **8%** over last year. Most impressive within this increase is the significant shift from our dependency on donor seed money toward growth in both our university concession activity as well as the increase resulting from our fundraising initiative, the In My Lifetime Campaign.

1) *Concession sales by Universities* – University contributions were up **63%** or **\$22,941** over prior year. During this year, FeelGood hired Talis Apud as director of University Operations. Among the many hats that Talis now wears, is that of Director of Campus Deli Operations. Talis and Kristin have both focused significant energy on providing direct support to the FeelGood student leadership through increased communication, materials, goal setting and education. Although much of this increased activity occurred in the later part of the year, it is clear that the efforts are beginning to paying off.

As noted in the schedule below, we increased the number of active universities from five in 2007 to ten in 2008. Both Kristin and Talis along with FeelGood 4 Life, our alumni organization, continue to explore the best practices for supporting all universities in the unique challenges they face in their tireless effort to operate their campus activities.

University Dollars Raised					
		2008	2007	Chg \$	Chg %
1	Columbia		\$ 1,720		
2	George Mason University		521.93		
3	University of Texas		3,437.74		
4	Santa Barbara	\$ 314			
5	Oregon State	462			
6	University of Mexico	550			
7	Columbia	1,351			
8	University of Arkansas	1,400			
9	University of Illinois	1,700			
10	Linfield College	2,150			
11	Clemson	4,240	1,228.35	\$ 3,012	245%
12	University of Pittsburgh	5,659			
13	University of Vermont	41,305	29,282.46	\$ 12,023	41%
		\$ 58,817	\$ 30,511		

3) *Donor Seed Money* - Broadening the base of support by non university donations is an important area of growth for FeelGood and which serves as a measure of successful advocacy and support for Smart Development.

This year, total Donor Seed money dropped by \$30,271, or 38%. In following up with individual donors it is clear that this drop is due almost exclusively to the volatile financial markets.

# of Seed Donors		
	2007	2008
Up to \$100	39	50
\$100 - \$250	16	14
\$251 - \$500	5	4
\$501 - \$1,000	3	5
\$1,000 - \$2,000	5	4
\$2,001 - \$5,000	3	
\$5,001 - \$10,000	1	
\$10,000-\$45,000	2	2
	74	79

4) *Other Fund Raising Initiatives*: During 2008 FeelGood launched two new initiatives. One was the *FeelGood Café*, opened in San Francisco and supported by a local business owner. Under this program, FeelGood raised \$2,446. The other initiative is the *Restaurant Program* which supports University Chapters in expanding their fund raising options. During its initial year, students raised \$1,630 under this restaurant program. Under the program, students solicit local restaurants to put a FG Grilled Cheese on the restaurant's menu with a percentage of the net proceeds being reinvested back into FeelGood. FeelGood provides students with a full solicit package of branded educational material on smart development models to end poverty.

5) *Apparel Sales*: Apparel sales remained relatively flat from 2007 to 2008 at on a net expense basis. Although total sales doubled in 2008 at \$7,000, related expenses were also around \$7,000. As in prior years our efforts in selling apparel continue to have difficulty netting a positive financial return, however, the merits continue to be in the effective branding and marketing that this program generates. Due to a lack of an adequate inventory accounting systems, and limited staff, the challenges lie in tracking the inventory and sales at the University level. This is less true with the online activity from the website. The hope is that this program can continue until FG has the adequate resources to support this program of apparel sales.

6) *In My Lifetime Campaign* - During the year, FeelGood continued its fund raising efforts under its initiative called the "In My Lifetime Campaign" (IMLC or "Campaign") which generated **\$28,770** this year in contributions to the general operating fund. This is an increase of \$13,540 or 89% over last year.



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The Campaign is a strategic alliance between The Hunger Project and FeelGood. The Campaign is designed to fund up to 10 Hunger Project epicenters over FeelGood's life time. During 2007, two epicenters were secured through FeelGood's IMLC initiative for a total \$1 million, over a 5 year period.

During the year, the Hunger Project made some changes to its fundraising policies which impacted the In My Lifetime Campaign. These changes provide for the following: 1) FeelGood IMLC donor groups will not be funding one specific epicenter, but rather many epicenters within one specific country and 2) The money that FeelGood raises within the In My Lifetime Campaign will be gifted over to the Hunger Project within the year it is received regardless of the cumulative amount. Note that In prior year, the Hunger Project would not accept donations until the epicenter target of \$500,000 in gifts and pledges had been met.

FeelGood is happy about these new changes as it allows the money we raise to get into circulation more rapidly and consequently helps more of our brothers and sisters, on a timelier basis. As a result, we were able to gift \$47,070 of IMLC funding received during 2007 over to the Hunger Project during this fiscal year.

As a reminder, under the IMLC, 90% of the money raised goes directly to the Hunger Project and 10% to FeelGood's annual fund. This broadening of public support has provided synergy to both The Hunger Project, introducing them to new and loyal donors, and to FeelGood, by increasing the awareness of chronic hunger and which organizations are most effective in eliminating it through their smart development methodologies

EXPENSES:

Total expenses where up \$32,000 or 49% in 2008 over prior year. Below is a break-out of how these additional dollars were spent during the year.

Total Expenses	2008	2007	Change in \$	Change %
Total Administrative	\$ 17,893	\$ 6,152	\$ 11,741	191%
Apparel	7,179	2,941	4,238	144%
Event Expense	1,156	1,769		
FeelGood Cafe	4,538	-	4,538	
Kiosk Expense	175	3,610		
Marketing & Promotion	4,913	9,563	(4,650)	-49%
Salaries & related expenses	43,480	34,976	8,504	24%
University Advocacy	304	162		
University Education	11,817	3,662	8,156	223%
University Operations	6,254	2,737	3,517	128%
Total Expenses	\$ 97,710	\$ 65,572	\$ 32,138	49%



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During the year, total administrative expenses increased largely as a result the increased travel and related expenses to hold our student leadership summit and other professional development for students as well as both Kristin and Talis.

Apparel expenses increased proportionately with related sales.

The launch of our FeelGood Café was a cash neutral initiative as both revenue and expenses hovered around \$4,000. Due to time constraints and to limited staff and financial resources it was determined that this program should be discontinued until FeelGood can adequately fund the program.

Salaries increased during the year as a result of FeelGood's hiring of a second Director, Talis Apud. Not only does Talis come with strong business experience, she was one of FeelGood's founders of FeelGood while she was a student at the University of Texas.

Conclusion:

During the year, FeelGood made the decision to formalize its educational program and improve its instructional materials. Our commitment is to develop our students and give them the tools and experience they need to become change makers on their campuses. This includes education about effective principles of smart development. These activities resulted in a doubling of University Educational expense or an increase of \$8,000 during the year. This investment has proven to be a good one as born out by the increase of new universities and leadership qualities of our students.