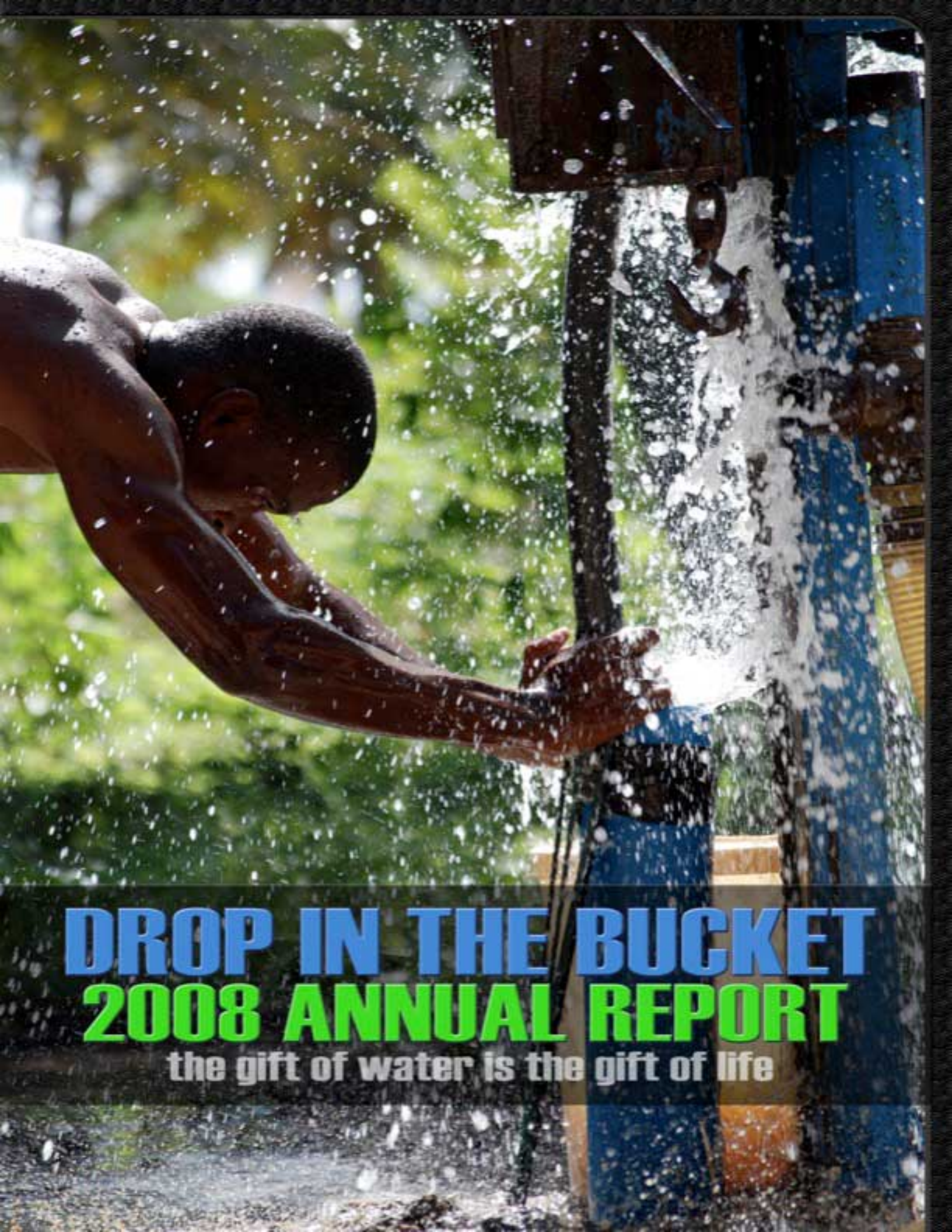




DROP IN THE BUCKET **2008 ANNUAL REPORT**

the gift of water is the gift of life

CONTENTS



Letter from DITB

Water Facts

Completed Projects

Fundraising Highlights

Financial Highlights

Board of Directors

Our Philosophy on Aid

The Coming Year

A LETTER FROM DITB



Dear Donors

We have had a great year. It is only our second year in operation and we completed 33 new projects. We worked with teams in Uganda, Mozambique and Tanzania, with a large portion of our focus on northern Uganda, which is just emerging from a 21-year guerrilla war. As the communities have been returning to their villages after decades of living in refugee camps, we have been there to help with the rebuilding by working to provide clean water for their schools. Along with installing water wells, we have also been constructing rainwater harvesting systems, and our advanced water/sanitation systems that are designed with pour flush toilets that utilize the technologically innovative delayed septic system.

These projects have been funded 100% by your individual donations.

Because we realize that you expect sustainable results for your hard-earned contributions, we have also organized strong community groups that are responsible for overseeing and maintaining these projects.

Our program is continuing to grow and expand. This year we formed some great new partnerships on the ground. We are working with our local Community Organizers to continually refine our program and gather feedback from the beneficiaries. At the same time, our drilling teams are excited about the new technologies they are implementing and can be commended for helping us keep our costs low.

We are moving at a steady pace, but there is still much to be done. There are still 1.1 billion people who do not have access to clean water. Along with the health risks associated with this problem, it is also preventing many children from getting a proper education because of missed school days due to water-related issues.

Together we can continue to make a difference. In 2009 we plan to further expand our program in northern Uganda and also move into southern Sudan. The people of these post-conflict regions are facing an uphill battle to rebuild their lives and communities. As they strive to move forward, we will be there to help them along by providing water and sanitation to their schools and orphanages.

Thank you for your continued support.

the gift of water is the gift of life

WATER FACTS

Areas of northern Uganda are widely recognized as some of the most underdeveloped regions of the world.



Due to decades of guerrilla war, this post-conflict area faces a deadly crisis from lack of access to clean drinking water and sanitation systems.

More village children in this region are dying from preventable water-related illnesses than from AIDS or from war combined.

Lack of clean available water leads to health destruction, hours spent collecting water daily with exposure to danger, missed educational opportunities, and lost chances for productive economic activity and a means to stabilize and rebuild village life.



COMPLETED PROJECTS

SCHOOL	LOCATION	SYSTEM
Wairasa CC	Jinja, Uganda	Repairs
Wairasa Village	Jinja, Uganda	Borehole
Starch Factory	Lira, Uganda	Borehole
Lira SS	Lira, Uganda	Full System
Ateri	Lira, Uganda	Borehole
Akany	Lira, Uganda	Borehole
Amakogee	Lira, Uganda	Borehole
Adwila	Lira, Uganda	Borehole
St. Lenda	Lira, Uganda	Borehole
Agali	Lira, Uganda	Borehole
Alebere	Lira, Uganda	Borehole
Ayile	Lira, Uganda	Borehole
Alito Leper	Lira, Uganda	Borehole
Alworo PS	Lira, Uganda	Full System
Ororo PS	Lira, Uganda	Full System
Ognica PS	Lira, Uganda	Full System
Amach	Lira, Uganda	Hand washing Station
Akwaworo PS	Lira, Uganda	Borehole
Kakindu PS	Mubende, Uganda	Borehole
Lusiba Parish	Mubende, Uganda	Borehole
Mijunwa	Mubende, Uganda	Borehole
Kabulamuliro	Mubende, Uganda	Borehole
Masafu	Tororo, Uganda	Borehole
Kakoni	Tororo, Uganda	Hand pump
Butiru	Mbale, Uganda	Rainwater
Nauyo	Mbale, Uganda	Pump & filter
Bukayagi	Mbale, Uganda	Pump & filter
Maguezane	Maguezane, Mozambique	Borehole
Chilubyane PS	Maguezane, Mozambique	Borehole
Embukoi Village	Embukoi, Tanzania	Borehole
Embukoi Village	Embukoi, Tanzania	Borehole
Embukoi Village	Embukoi, Tanzania	Borehole
Orkolili Village	Orkolili, Tanzania	Borehole

FUNDRAISING HIGHLIGHTS

Our 2008 Annual Fundraiser

On December 2 more than 200 people gathered at the Hollywood Highlands for our second annual Drop in the Bucket fundraiser. More than \$70,000 was raised to help DITB bring clean water and sanitation facilities to schools in Africa. Extreme Home Makeover's Ty Pennington started off the evening by introducing our host Henry Rollins. We also had the honor of Gil Garcetti speaking about his book, *Water is Key: A Better Future for Africa*.



The producers of ABC's *Extreme Makeover: Home Edition* funded a well and PB&J Television, also funded two projects.

This year we were also able to complete the installation of the projects that were funded by music superstars Dixie Chicks and Linkin Park. Impressive Individuals

"The gift of water is the gift of life" this event will fully fund the construction of a well in Africa, providing clean water and saving hundreds of lives (dropinthebucket.org)

ROCK THE BOAT DC
A night of live music to provide clean water & sanitation

Location: The Celebrity, 90 12th Street NW, NW Washington
Time: 10:30pm - 1:30am
Date: September 15th, 2008
Cost: \$55/person
Includes:
Full service open bar
Heavy hors d'oeuvres
Music: DJ Steve Albini
Attr: Sant-Juan (leave the James and sports at home)

BOOK SOON: space on the boat is limited and we expect this event to sell out quickly
:: www.rocktheboatdc.com | info@rocktheboatdc.com | www.dropinthebucket.org ::

We are very proud of the number of everyday people who have gone above and beyond the call of duty, and sometimes even taken extreme steps to help address the water crisis. These are just a few examples of some of these extraordinary people.

Rock the Boat DC

The Wake Up and Dream organization from Washington, DC, hosted a fundraising event onboard a boat on the Potomac. They called it Rock the Boat DC. The evening raised enough money to fund two wells for schools in Uganda.

Running for Water

Liz and Nick Merrill from Seattle Washington did a fundraising run (yes, they actually physically ran) from Portland Oregon to Seattle Washington. It took them five days and they raised over \$22,000, which helped fund several water projects at schools in northern Uganda.



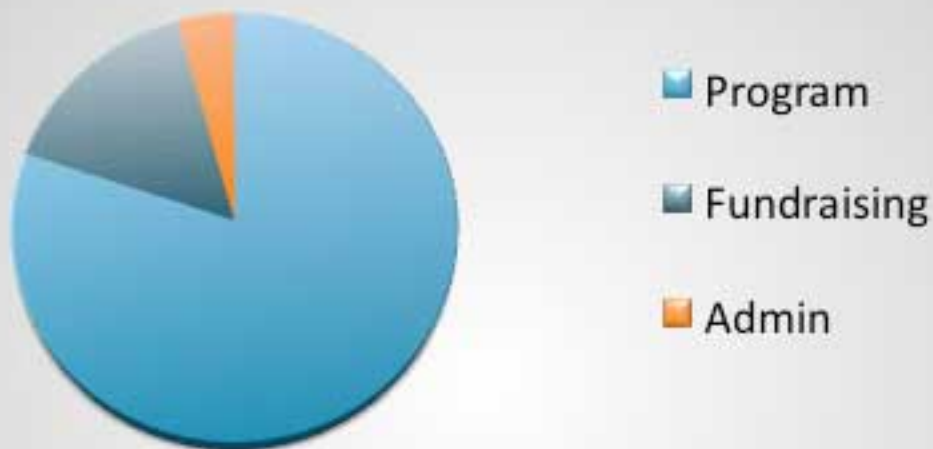
The students of Meridian Medical School in Idaho held a number of fundraising events in an effort to fund a complete water and sanitation system for a school in Uganda. They raised \$10,000 and were featured on their local news for their impressive accomplishment.

A youth group from Collegedale Community Church also raised the funds for a full system. This one will be going in at a boarding school in Uganda where 85% of the pupils are war orphans.

These are just a few examples of the outstanding contributions individuals are making to help improve the water and sanitation situation for communities and schools in Africa. There are many more stories just like these listed on our website.

FINANCIAL HIGHLIGHTS

Expenses



Income

- Fundraising Campaigns
- Annual Fundraiser
- General Contributions
- Donated Services



The program expenses category only includes money spent on wells, sanitation systems and support for our work in Africa. It does not include and salary or monetary compensation for work carried out in the US.

BOARD OF DIRECTORS

John Travis
Drop in the Bucket
Co-founder/President

Stacey Travis
Drop in the Bucket
Co-founder/Director

Rob McDermott
The Collective
President Music Division

Simon Renshaw
Strategic Artist Management LLC
President

Rebecca Salgado
Live Nation
Global Marketing Coordinator

Patty Ivins Specht
PB&J Television
Owner/President

Scott Liewellyn
Morrison/Foerster LLP
Partner

Advisory board
Hunter Beatty
Finance
Perth, Australia

Bill McKay
Design & Engineering
Perth, Australia



OUR PHILOSOPHY ON AID



There has been much debate recently among global economists on how to most effectively dispense aid to the developing world. DITB's philosophy is that success is directly related to community involvement.

Underestimating the role of community participation in any aid effort is not only a risk to the success of the specific project, but more importantly, it serves to damage the spirit of the people you are trying to help. Creating an environment of dependence, rather than one that strives to empower, will only undermine your efforts and promote the status quo.

Our outreach teams are constantly working to find new ways to incorporate the beneficiaries into the entire process, from the initial application process to the long-term maintenance of the individual projects. Of course, this approach takes longer and requires much more effort and strategizing. However, in the end, you are helping to build something that will endure for generations to come.



THE COMING YEAR



In the past two years of operations we have formed an alliance of experienced partners, contractors and teams who specialize in the development and rebuilding of post-conflict regions. In 2009 we intend to broaden our operations in northern Uganda, and also expand them to include southern Sudan.

The communities of southern Sudan and northern Uganda have been ravaged by over twenty years of civil and guerrilla war. A brutal 21-year civil war between northern and southern Sudan ended with a peace agreement in 2005, resulting in the organization of southern Sudan as a semi-autonomous region. At the same time, in Uganda, the notorious Lords Resistance Army retreated to the Congo.

With these developments toward a fragile peace, hundreds of thousands of southern Sudanese and northern Ugandans have been returning to villages to find them devastated from decades of neglect.

Southern Sudan is widely recognized as one of the most underdeveloped regions of the world. Few roads, schools, or hospitals existed prior to the disruptive wars. Northern Uganda also suffers from severe infrastructure challenges with a predominantly rural, subsistence economy. Returning refugees now face the challenge of rebuilding their homes and countries, literally from the ground up.

While years of serious neglect, war and death have taken its toll, now is an optimistic time for both Regions which are experiencing vast resettlement and growth. Communities are working to rebuild lives. Schools are opening and filling with eager students.

DITB is positioned to expand its operations and is targeting efforts on schools and orphanages in these areas.

Your continued support will enable us to become part of a powerful movement toward achieving global access to clean water. Together we can continue to make a difference.



Thank You