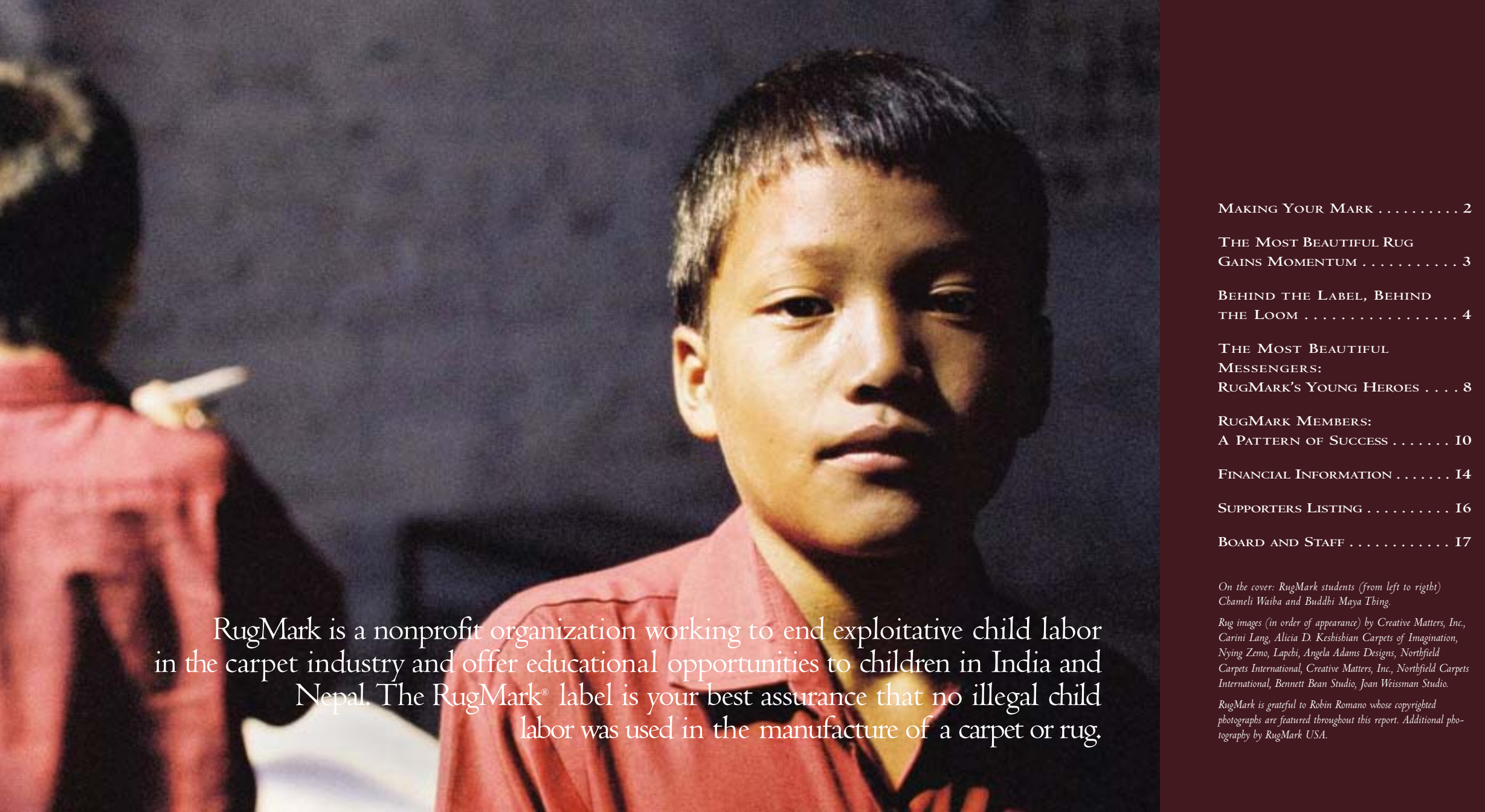




RUGMARK FOUNDATION *North America*
2007 ANNUAL REPORT



RugMark is a nonprofit organization working to end exploitative child labor in the carpet industry and offer educational opportunities to children in India and Nepal. The RugMark® label is your best assurance that no illegal child labor was used in the manufacture of a carpet or rug.

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*On the cover: RugMark students (from left to right)
Chameli Waiba and Buddhi Maya Thing.*

*Rug images (in order of appearance) by Creative Matters, Inc.,
Carini Lang, Alicia D. Keshishian Carpets of Imagination,
Nying Zemo, Lapchi, Angela Adams Designs, Northfield
Carpets International, Creative Matters, Inc., Northfield Carpets
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*RugMark is grateful to Robin Romano whose copyrighted
photographs are featured throughout this report. Additional pho-
tography by RugMark USA.*

A MESSAGE FROM THE EXECUTIVE DIRECTOR



Akkas's small hands foretold a bleak future. They were lined with cuts, caused by working on the looms from 3 a.m. to 8 p.m. every day. He'd been sold into bondage as a young child, forced to trade his dreams and his education for hard labor and constant hunger.

Today, his laughter tells a different story. It's a story of hope, mirrored in the lives of thousands of other children in India and Nepal, children whose lives have been transformed because of your support.

In this year's report, you'll read about Akkas' remarkable journey, and how RugMark has ensured that he and over 3,200 other children are now going to school instead of laboring on the looms. You'll also read about the new initiative that's making it all possible: RugMark USA's *Most Beautiful Rug* consumer awareness campaign.

Our *Most Beautiful Rug* campaign has helped to build our network of retail stores, design showrooms and online retailers, now 1,500 strong. In 2007, we moved significantly closer to our goal of ensuring that 15 percent of all handmade rugs in the US Marketplace carry the RugMark®. Once we reach our 15 percent goal, we believe we'll see an industry-wide change that leads to a business sector free from child labor.

This significant expansion in supply has been met with an equally impressive rise in demand. Sales of certified rugs increased by 20 percent over the past year, and more shoppers than ever visited RugMark.org. As the market for child-labor-free rugs grows, the number of children exploited on the looms declines – and for every certified rug sold, more funds are generated to educate kids.

The Most Beautiful Rug campaign is also opening the eyes of millions of consumers, showing them how their purchasing choices are inextricably linked to the invisible world of child labor. They're learning that the beauty of a carpet comes not just from color and design, but also from who made it, and under what conditions.

The story of Akkas reminds us that in the new global economy, the wellbeing of the rest of the world often lies in our hands. Together we can continue to build a just marketplace that protects the planet and those that inhabit it – especially the quarter of a million 'carpet kids' who are still waiting to be reached.

Nina Smith, Executive Director

“There is a movement afoot that has the potential to transform the way global corporations do their work. It is also capable of affecting producers positively at all levels. . . . I will refer to this movement as the ‘certification movement’.”

Michael Conroy, *Branded!*

MAKING THEIR MARK: Consumers Ask for Independent Label

Turn on the television or pick up the paper—how many times do you hear the word “green”? Consumers are getting the message over and over that decisions at the checkout counter can influence the air we breathe and the world we inhabit.

As the push toward responsible shopping builds, many are beginning to wonder how to tell if a product is part of the solution or the problem. A growing number of consumers want to know both the human and environmental impact of their purchase.

Fifteen years ago in India, one of the manufacturing capitals of the world, one of the very first social labels was launched: the RugMark®. At the time, there were an estimated 1 million ‘carpet kids’ in South Asia weaving rugs for export to the United States and Europe.

RugMark was founded with the belief that Western consumers had the compassion and economic power to improve the lives of children and artisans half a world away. With support from ally NGOs and seed funding from UNICEF, RugMark became one of the earliest independent global labor monitoring programs.

Today, with offices in five countries, RugMark is at the frontlines of this burgeoning green living movement. RugMark International (RMI) program areas include:

Monitoring and Certification - RugMark inspectors



in India and Nepal visit licensed manufacturers on a surprise, random basis. Companies that join RugMark and meet its strict no child labor standards are issued certification labels for their carpets. Each uniquely numbered label can be traced back to the production site.

Child Rescue and Education - RugMark rescues exploited children and offers them rehabilitation, education, vocational training and job placement. The RugMark approach is not simply harm reduction, but also prevention by investing in proactive programs such as daycare for weavers’ children, workers’ rights workshops and adult literacy classes.

Building an Ethical Marketplace -

Through social marketing, awareness campaigns, and business development, RugMark offices in the U.S., U.K., and Germany are building a marketplace in which child-labor-free rugs are demanded and available. The number of inspected facilities and restored childhoods is determined by how many companies and consumers select RugMark.

RugMark has made its mark in over a decade of operation. Child labor in the industry has decreased by as much as 60 percent. And a broad-based movement is afoot as consumers have started to ask questions not just about rugs but also clothing, shoes and household goods.

THE MOST BEAUTIFUL RUG GAINS MOMENTUM

What’s the single most beautiful thing about an imported rug? Bold colors, rich textures, and intricate designs all contribute to a carpet’s aesthetic beauty. But only one thing ensures its inner beauty: the RugMark child-labor-free certification. This is the message of RugMark USA’s consumer awareness campaign: *The Most Beautiful Rug*.

In its second year, the campaign spread the word to luxury rug purchasers and leading interior designers about the importance of sourcing certified rugs. Retail sales of RugMark rugs have never been stronger: totaling approximately \$50 million in 2007.

As the market in North America builds, child labor in South Asian weaving communities diminishes: RugMark inspectors gain increased access to manufacturing sites and more funds are generated to educate ‘carpet kids.’

In 2007, editorials and advertising in key print and online publications brought RugMark’s message to millions of readers. Placements of *The Most Beautiful Rug* ad more than doubled as RugMark developed new relationships with leading design magazines. This outreach was reinforced at the point of sale. When individuals walked into showrooms and browsed product, they saw posters and brochures that identified rugs bearing the RugMark®.

Many of these prospective consumers and clients took the next step and visited RugMark.org to locate retail outlets, link to online shopping, trace their certified rug, and learn about child labor around the world.

IN 2007 RUGMARK’S MEDIA MENTIONS INCREASED 164%. HIGHLIGHTS INCLUDED:

- *Home Miami’s* four-page spread, “Carpeting the Path of Ethical Progress,” described RugMark as practical and direct while “steeped in a faith in the humanity of consumers.”
- *Good Housekeeping* told readers to look for the RugMark® label in “Buy Smart: Area Rugs.”
- *PBS NOW’s* *Enterprising Ideas* featured RugMark as a market solution to ending child labor.
- Leading design blog, *Apartment Therapy*, called RugMark “amazingly proactive and intelligent.”

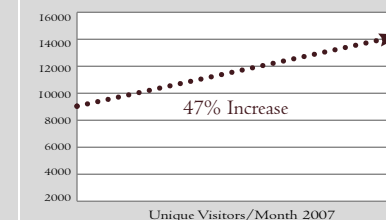
ON THE ROAD WITH RUGMARK

RugMark’s event schedule in 2007 was the busiest ever, ranging from tradeshow to workshops to benefits, reaching audiences from Portland to Boston to Miami.

Special product sections at “Dwell on Design” and the “Western Home and Interiors” shows in San Francisco connected interior designers with new, certified sources for hand-made rugs. RugMark also had a strong presence at the Atlanta International Area Rug Market and New York’s Market Week.

The Most Beautiful Rug made its Los Angeles debut in 2007. One hundred top designers and media representatives attended an event at the West Hollywood showroom of licensee Lapchi honoring RugMark’s work to sustain artisan communities.

RUGMARK.ORG IS DRIVING CHANGE



- The average number of daily visits grew 47 percent in 2007.
- The “Purchase a Rug” page continues to be the most popular attraction.
- On average, 44 percent of unique visitors follow an outbound link to a partner company website.



BEHIND THE LABEL, BEHIND THE LOOM

Since 1995 RugMark International has certified more than 5.5 million carpets as child-labor-free. The RugMark® label on the underside of the rug speaks to a sophisticated system of workplace monitoring, including surprise visits by inspectors to factories and village-based looms. This third-party certification program offers everyone in the supply chain – from producers to retailers to consumers – assurance that no illegal child labor was employed and their rug is beautiful both inside and out.

In 2007, RugMark inspectors in South Asia identified 157

child carpet weavers and the total number of rescued children surpassed 3,200. Every single boy and girl found working is offered the opportunity to reunite with their families and to have, what they call, “the light of an education.” For many children, their interaction with RugMark social workers is the first time they are given a chance to weave their own path.

Among the choices offered to children are whether to pursue ongoing learning or to enroll in vocational training, to live at home with educational support or to attend boarding school. RugMark’s role is to ensure students have the financial

and emotional support needed to stay in a classroom and off the carpet loom.

RugMark is one of the few certification programs that identifies problems and provides solutions. RugMark not only builds schools for rescued children, but also supports factory daycare to stop exploitation before it starts.

In 2007, 196 children were cared for at three daycare centers while 60 workshops were conducted to inform carpet weavers of their labor rights. Also, 793 adult artisans attended non-formal education classes taught by, among others, seven RugMark graduates.



The wide array of programs is increasingly funded by the sale of RugMark rugs. A portion of the purchase price of every RugMark certified rug is reinvested in the producer country of origin. In 2007, \$102,035 was raised for Viranasi, Mirzapur, the Kathmandu Valley and other weaving communities in South Asia. That represents a 15 percent increase over 2006.

Increasing educational opportunities in the rug making capitals of South Asia coupled with the deterrent effect of RugMark inspections has led to a dramatic reduction in the use of child labor in the carpet industry. With *The Most Beautiful Rug* campaign unrolling in North America’s top rug purchasing capitals, RugMark aims to reach the remaining estimated 250,000 child weavers.



GEARING UP TO END TRAFFICKING

In 2007, Nepal RugMark Foundation teamed up with the Asia Foundation and Underprivileged Children’s Educational Program (UCEP) to launch vocational training for young girls and women at risk of trafficking, including those found by RugMark working in carpet factories.

This three-way partnership produced four workshops, two in motorcycle repair and two in electronics. Beneficiaries received specialized training in these professions, which are in high-demand in Nepal but not a conventional field for women.

These are perhaps the first workshops in the country that are exclusively owned, managed and operated by young women. The Director of UCEP said about program participants: “With the proper training, it doesn’t matter where she came from. It’s where she can go.”



“It’s something to take a carpet child and make him a capable, strong citizen of the nation. That is the importance of RugMark.”

Jyoti, RugMark inspector



“I spent the day at the RugMark school. I have to say it was one of the most inspired days of my life”

Kerry Smith, *Lapchi*

AKKAS: THE STORY OF A CARPET BOY



Akkas lived with his parents and five siblings in the Ratan District of Nepal. His father’s salary as a rickshaw driver was meager and money he did earn was spent on alcohol. Not able to afford the school admission fee, Akkas was forced to stop his studies and in his words ‘drop his dream.’

One day his parents borrowed the equivalent of \$7 from a *thekedar* (broker) in exchange for Akkas and his elder sister. Akkas was taken to a carpet factory, where he was made to weave rugs from 3 a.m. to 8 p.m. with one break to eat. He later told a RugMark volunteer that “the worst part was hunger.”

Akkas was identified by a RugMark inspector four months later, once the company using that manufacturing site joined the U.S. certification program.

As a RugMark staff person in India powerfully notes: “A child laborer loses his eye, his bones, his lungs... but more than that, his personality and dreams. Those are often irreplaceable.”

While Akkas’s body still bears the evidence of his hard labor, including deep cuts in his hands from the yarn, his spirit does not. Akkas is a strikingly happy child, always smiling and laughing. Today, he is at the RugMark rehabilitation center, renewing his dream of getting an education.

RUGMARK SCHOOLS IN SOUTH ASIA

NEPAL

NON-FORMAL EDUCATION

Nepal RugMark Foundation Rehabilitation Center/Center for Child Studies and Development
Sinamangal, Kathmandu

FORMAL EDUCATION

Little Angels’ School, *Lalitpur, Kathmandu*

Laboratory Higher Secondary School
Kiripur, Kathmandu

Annapurna English Secondary School
Sinamangal, Kathmandu

DAY CARE AND EARLY CHILDHOOD EDUCATION

Education, Protection and Help for Children
Jorpati, Kathmandu

Children Welfare and Community Development Services, *Mabankal, Kathmandu*

Helpless Rehabilitation Society
Mabankal, Kathmandu

INDIA

REHABILITATION, NON-FORMAL AND FORMAL EDUCATION

Balashrya Centre for Bonded Laborers
Gopiganj, Bbadobi

PRIMARY SCHOOLS, GRADES K-8

Jagapur, Bbadobi

Newada, Varanasi

Handia, Allahabad

Cherapur, Bbadobi

Vijaypur, Mirzapur

Lakbamanpatti, Bbadobi



THE MOST BEAUTIFUL MESSENGERS: RUGMARK'S YOUNG HEROES

It began as a simple idea to weave together RugMark's domestic and international efforts ... to introduce supporters to beneficiaries ... and to link the cause to the product. In 2007, *The Most Beautiful Rug* campaign came to life.

Last April, RugMark embarked on a 10-day multi-city speaking tour with two rescued child weavers stopping in some of the nation's top showrooms, studios and universities.

The issue of child labor is a largely invisible one, often hidden in dark loom sheds and remote factories. The *Young Heroes: Voice of RugMark Children* initiative brought people face-to-face with this problem and it's most beautiful solution.

From Boston to Miami, audiences heard the story of South Asia's carpet kids. Talks were given by RugMark leaders Nina Smith and Kailash Satyarthi. However, the most important spokespeople were Jaya



Award-winning composer Marvin Hamlisch gives a private concert for RugMark's Young Heroes and supporters.

Bhandari and Sanita Lama, who shared their powerful testimony. At first Sanita struggled as she told crowds how she began weaving at the age of six. For two years, she tied knots and inhaled wool fibers until she

was found by a RugMark inspector and brought to *Hamro Ghar*, meaning 'our home.'

Sanita's voice got stronger when she shared that she was a student in the 12th grade and a part-

time teacher with Nepal RugMark teaching non-formal education classes to adult carpet workers. Both Sanita and Jaya are the first educated generation in their families, and today, are college-bound as a result of RugMark's support.

Thousands learned about RugMark's work via event attendance and millions more through media placements. Interviews aired on "The World" and "Voice of America" and news of the tour made it into *O (Oprah)* magazine and the *Philadelphia Inquirer* among others.

In one of the tour's most poignant moments, celebrated pianist and composer Marvin Hamlisch dedicated the Broadway hit "Dreamers" to Sanita and Jaya during his New York benefit concert. For the 218 million children forced to work in the world today, life is without dreams. Through its *Most Beautiful Rug* campaign and *Young Heroes* tour, RugMark is changing that.

To see video of RugMark's *Young Heroes*, click on "film clips" in the News + Events section at www.RugMark.org.



University of Miami President Donna E. Shalala with Sanita and Jaya.



YOUNG HEROES TOUR SPONSORS

RugMark is deeply grateful to all the *Young Heroes* event hosts including Domini Social Investments, Maureen Orth, the New York Design Center, Odegard Miami and New York, Tisch College at Tufts University, The University of Miami and Walden Asset Management.

The *Young Heroes* tour was generously sponsored by Humanity United, Ramsay Merriam Fund and Donna E. Shalala via the Henry J. Kaiser Family Foundation.

"Education shows us the real beauty of the world. I hope that all the children of the world can have freedom and the golden chance for education."

Jaya Bhandari, *RugMark Young Hero*

RUGMARK MEMBERS: A PATTERN OF SUCCESS

RugMark's fight to end illegal child labor utilizes a market-driven approach and industry partners are the engine fueling its progress. Rug company involvement encourages manufacturers in South Asia to open their doors to RugMark's independent workplace inspections and agree to improved conditions.

The number of North American importers and designers joining RugMark's mission has grown by more than 100 percent since 2005. Sales of rugs certified by RugMark increased 20 percent over 2006 while total industry sales of imported handmade area rugs declined 1.2 percent for the same period. Evidence is building that ethical production is big business.

DESIGNERS AND IMPORTERS

In 2007, forty-six North American rug-design and import companies participated in the third party, certification program.

RugMark members represent a broad spectrum of the industry. From boutique design firms to multi-channel retailers, each is committed to transforming labor practices and providing social and educational programs to its weaving communities. Inherent in all, is a product quality only achieved by the work of skilled adult artisans.

Increasingly, companies are teaming up with RugMark because of the moral and business imperatives. Recent studies show U.S. consumers are looking beyond the buzz to make more informed purchasing

decisions. To understand if a company "does good things for people and the planet," more than half of surveyed consumers depend on certification seals and product labels as guides.

RugMark makes the connection between its members and this rapidly expanding base of socially motivated shoppers. *The Most Beautiful Rug* campaign increased exposure with advertising and editorial placements growing 60 and 169 percent respectively over 2006.

RugMark now certifies 2.1 percent of the total handmade rug market in the U.S. and certifies almost 30 percent of all handmade rugs imported from Nepal.

BEHIND THE LABEL: WHAT IT MEANS TO BE A LICENSEE

When rug design or import companies sell certified child-labor-free carpets, it means they are licensed by RugMark USA. Becoming a licensee can have a profound effect on children's lives, but the process is straightforward. Makers and sellers of handmade rugs sign a legally binding contract to:

- Produce carpets without illegal child labor;
- Register all looms in India and Nepal with RugMark;
- Allow access to looms for unannounced inspections; and

- Pay associated license fees (totaling a half a percent of the retail price)

Sixty percent of fees collected by RugMark's North American licensees funds child rehabilitation and education in South Asia. The remainder is invested in developing a more aware, ethical marketplace through *The Most Beautiful Rug* campaign.

Visit www.RugMark.org for more information on how to become a licensee and to view a sample license agreement.

RETAILERS AND MARKETING PARTNERS

RugMark certified rugs are sold through a network of showrooms and home furnishings retailers and a growing number of online and catalog outlets nationwide. With sales venues rapidly expanding, buying a certified rug has never been easier.

The Marketing Partnership program provides specialized tools to retailers who wish to further support RugMark's

mission and contribute financially to help children in weaving communities. Marketing Partners differentiate themselves through higher profile recognition on RugMark.org, editorial outreach and dedicated point-of-sale materials. RugMark's website is gaining an increased position through an aggressive search engine optimization and online marketing program.



"It's always been my vision to respect and support the artisans I employ... Joining RugMark is an extension of this and ensures that my rugs support a just supply chain that doesn't exploit children."

Rosemary Hallgarten,
Rosemary Hallgarten



RUGMARK LICENSEES IN NORTH AMERICA

ALEURE, LTD.
www.aleure.com

ALICIA D. KESHISHIAN
CARPETS OF IMAGINATION
www.adkcarpets.com

AMY HELFAND
www.amyhelfand.com

ANGELA ADAMS DESIGNS
www.angelaadams.com

BARBARA JACOBS SILK ROAD
WEAVES
www.integralcolor.com

BENNETT BEAN STUDIO
www.bennettbeanstudio.com

BEV HISEY
www.bevhisey.com

CARINI LANG
www.carinilang.com

CLASSIC RUG COLLECTION,
INC.
www.classicrug.com

COMPANY C, INC.
www.companyc.com

CREATIVE MATTERS, INC.
www.creativemattersinc.com

CUSTOM COOL
www.customcool.net

DAVIS & DAVIS
www.davisrugs.com

DELIANTE DESIGNS
www.deliantedesigns.com

DELINEAR RUGS
www.delinear.com

DORJÉ CONTEMPORARY
www.dorjecontemporary.com

ELSON & COMPANY
www.elsoncompany.com

EMMA GARDNER DESIGN,
LLC
www.emmagardnerdesign.com

INSTYLE HOME & RUGS
www.instylehomerugs.com

JOAN WEISSMAN STUDIO
www.joanweissman.com

JUDY ROSS TEXTILES
www.judyrosstextiles.com

LAPCHI
www.lapchi.com

LIZA PHILLIPS DESIGN
www.lizaphillipsdesign.com

LIZZ GREER ARTISAN
TEXTILES
www.lizzgreer.com

M & M DESIGN
INTERNATIONAL, INC.
www.mandmgallery.com

MADÉLINE WEINRIB
ATELIER
www.madelineweinrib.com

MAT THE BASICS
www.mat-thebasics.com

MESSENGER RUGS
www.messengerrugs.com

NEW MOON
www.newmooncarpets.com

NIBA
www.nibarugs.com

NORDIC HOME
www.nordic-home.com

NORTHFIELD CARPETS
INTERNATIONAL
www.northfieldcarpets.com

NOTNEUTRAL
www.notneutral.com

NYING ZEMO
www.nyingzemo.com

ODEGARD, INC.
www.odegardinc.com

ROBIN GRAY DESIGN
www.robingraydesign.com

ROSEMARY HALLGARTEN
www.rosemaryhallgarten.com

RUG ART
www.rug-art.net

SACCO CARPET
www.saccocarpet.com

SATIA ART AND FLOOR
www.satia.com

STILE BK USA
www.stilebkusa.com

STORY RUGS

TEXTURES
www.texturesdesign.com

THE NOUGHT COLLECTIVE
www.thenoughtcollective.com

THE RUG COMPANY
www.therugcompany.info

THE RUG STUDIO
www.rugstudio.ca

ZOË LUYENDIJK STUDIO
www.zoeluyendijk.com

RUGMARK MARKETING PARTNERS

DAVID E. ADLER, INC.
Scottsdale, Arizona

DRISCOLL ROBBINS
ORIENTAL CARPETS
Seattle, Washington

EDGAR KELLY RUGS
Austin, Texas

EMMETT EILAND'S
ORIENTAL RUGS
Berkeley, California

FLOORDESIGN
San Francisco, California

FLOOR STYLES
Cathedral City, California

G. COLES-CHRISTENSEN
LTD.
Santa Fe, New Mexico

GHIORDES KNOT
Birmingham, Michigan

INTERIOR RESOURCES
Dallas, Texas

J. ASHER HANDMADE &
DECORATIVE CARPETS
Washington, DC

J. ILOULIAN RUGS
Los Angeles, California

KUSH HAND-KNOTTED
CARPETS
Portland, Oregon

MADISON MILLINGER
Portland, Oregon

THE RUG SOURCE
Denver, Colorado

RUG CHIC
New Orleans, Louisiana

RUGS BY ROBINSON
Atlanta, Georgia

S.R. HUGHES
Tulsa, Oklahoma

STEVEN KING, INC.
Boston, Massachusetts

STEPHEN MILLER
GALLERY
Menlo Park, California

WEAVERS ART
Toronto Ontario, Canada

WEISSHOUSE SHOW-
ROOMS
Pittsburgh, Pennsylvania

“Our clients are educated. They are aware of potential child labor abuses overseas. So when I tell customers about RugMark and its third-party certification, they feel much more at ease. It makes selling a rug easier.”

Dean Buchanan, *J. Asher Handmade and Decorative Rugs*



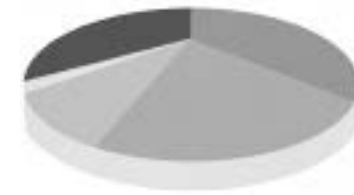
FINANCIAL INFORMATION FOR YEAR ENDING DECEMBER 31, 2007

STATEMENT OF FINANCIAL POSITION For the Year Ended 12/31/2007 with Comparative Totals for 2006

ASSETS	2007	2006
Current Assets		
Cash and Equivalents	\$704,109	\$712,380
Investments	11,164	10,249
Licensing Fees Receivable	91,500	81,258
Marketing Partnership Fees Receivable	1,664	14,859
Grants and Other Receivable	8,618	20,474
Prepaid Expenses and Other Assets	4,050	19,272
Total Current Assets	821,105	858,492
Property and Equipment		
Website	37,179	54,557
Photo Library	31,582	-
Property and Equipment, Net	8,099	6,197
Total Property and Equipment	76,860	60,754
Total Assets	\$897,965	\$919,246
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$16,098	\$31,156
Social Welfare Transfers	116,047	76,815
Funds Held as Fiscal Sponsor	23,377	12,076
Deferred Revenue	6,000	-
Total Liabilities	161,522	120,047
Net Assets		
Temporarily Restricted	205,087	425,437
Unrestricted	531,356	373,762
Total Net Assets	736,443	799,199
TOTAL LIABILITIES AND NET ASSETS	\$897,965	\$919,246

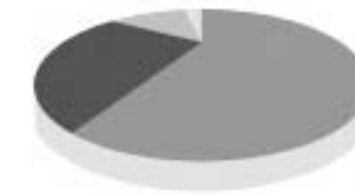
STATEMENT OF ACTIVITIES For the Year Ended 12/31/2007 with Comparative Totals for 2006

UNRESTRICTED SUPPORT AND REVENUE	2007	2006
Foundation Grants	\$236,501	\$223,000
Licensing Fees	187,436	157,219
Marketing Partnership Fees	13,780	34,599
Contributions from Individuals	99,282	70,124
Interest and Other Revenue	23,946	10,528
In-Kind Contributions	407,322	309,364
Net Assets Released from Restrictions	429,875	185,644
TOTAL UNRESTRICTED SUPPORT AND REVENUE	1,398,142	990,478
EXPENSES		
Program Services		
Consumer Campaign	512,482	496,179
Carpet Trade Outreach	295,288	166,789
International Programs	211,250	123,451
Total Program Services	1,019,020	786,419
Supporting Services		
General and Administration	79,168	37,853
Fundraising	142,360	99,210
Total Supporting Services	221,528	137,063
TOTAL EXPENSES	1,240,548	923,482
CHANGE IN UNRESTRICTED NET ASSETS	157,594	66,966
TEMPORARILY RESTRICTED SUPPORT		
Grants and Contributions	209,525	290,000
Net Assets Released from Restrictions	(429,875)	(185,644)
CHANGE IN TEMPORARILY RESTRICTED SUPPORT	(220,350)	104,356
CHANGE IN NET ASSETS	(62,756)	171,352
Net Assets at the Beginning of the Year	799,199	627,847
NET ASSETS AT THE END OF THE YEAR	\$736,443	\$799,199



2007 TOTAL REVENUE

- 38% Foundation
- 35% In-Kind
- 17% Industry
- 8% Individuals
- 2% Other



2007 CASH REVENUE

- 58% Foundation
- 26% Industry
- 13% Individuals
- 3% Other



2007 EXPENSES

- 83% Program Services
- 11% Fundraising
- 6% General & Administration

2007 FINANCIAL HIGHLIGHTS

- Imports of RugMark certified rugs in North America generated \$190,000 – \$102,000 for the rehabilitation and education of children in weaving communities and \$88,000 to fund *The Most Beautiful Rug* campaign.
- The Most Beautiful Rug* campaign expanded to the pages of leading home design and trade magazines with three new media sponsors supporting the campaign in 2007. In-kind advertising placements totaled \$375,000, a 42% increase over 2006.
- More individuals are committed to ending child labor. Individual giving rose 41% to nearly \$100,000 in 2007.
- 83 cents of every dollar contributed to RugMark supports program activities. General and administrative costs accounted for just 6% of total expenses.

RugMark USA was audited by Cocchiaro & Associates, LLC, Certified Public Accountants of Alexandria, Virginia. Full audited financial statements are available upon request.

2007 RUGMARK SUPPORTERS LISTING

RugMark Foundation USA is grateful to all its charitable supporters.

\$100,000+ Anonymous Calvert Foundation Humanity United The Skoll Foundation	Abbey Chase/Morris Family Foundation Katharine & Mark Dickson Kerry Kennedy New York Design Center NIBA Rug Collections Ester Pereira-Razim & Josef Razim Bruce Rich Monica Torres Megan & Russell Wiese Women's Division, United Methodist Church
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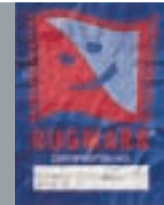
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