



The FISTULA FOUNDATION

2006 ANNUAL REPORT

a legacy of healing



a future of hope



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From Dr. Catherine Hamlin, Co-Founder of the Fistula Hospital

My Dear Friends,

First I want to greet you all from the Fistula Hospital in Addis Ababa, and to tell you how grateful I am to all who have supported our work during this past year. To know that so many concerned and kind friends in your great country are behind us as we work here for these most needy and most deserving women, and as we plan for the future, gives us comfort and great encouragement. We are filled with gratitude, and send you our heart felt thanks. Some wonderful things are happening here and last year seemed full of these!

Two more of our proposed five Outreach Fistula Centres were opened and are now functioning well. We attended both of the official openings of these two new centres in Mekele and Yirgalem. The Mekele Centre was donated by AusAid Australia and our own Charitable Trust in that country. In Yirgalem the opening was later in the year and it too was a great event, and is now running well, with one doctor in charge, and similar nursing staff as in the other Centres.

The building of our fourth Centre, which I call yours, is in the Harar Region and has just begun. We are most grateful that the Fistula Foundation of America is financing this! So it really is yours! We are indeed grateful for your generosity and for the hard work of Ethiopian-Americans volunteering their time for the "Tesfa Ineste"- Let's give them hope - program. This most needed Centre - not only will it help the many Ethiopian patients suffering in that area, but also those from Somalia as well - to travel to Harar will be a much shorter journey for these Somali women. It has been beautifully designed by our architect Joseph Bereded and is in an attractive situation. Already we are training the Ethiopian gynecologist who will take over the running of this Centre when it is finished.

In the last few months of 2006 we finally started planning seriously for our long desired Midwifery Training College - many are now enthusiastic about this means of preventing this tragic injury and also saving many from maternal death and stillborn babies.

Thank you again for helping us so generously to make all this possible, and to make it successful. I close this message by sending you all our warmest best wishes and our love.

May God's blessing rest on you all.

(Dr.) Catherine Hamlin



"We're giving a young beautiful woman a new life... we'd be honored for you to join us."

- Dr. Catherine Hamlin

“We are dedicated to doing all we can to advance Dr. Hamlin’s dream of eradicating fistula. We were pleased in 2006 to be able to reduce our overhead costs by nearly 14% and increase the funds raised for the Hamlin Fistula Hospitals by approximately 15%.”

– Kassahun Kebede, Board Chair

From the Board Chair and Executive Director

Dear Friends,

We are deeply grateful for the continuing interest and support from donors all over the United States. It is because of generous donors here and around the world that the Hospital has been able to remain open for over 33 years and has never turned away a single patient. In addition, the Hospital continues to undergo an inspiring expansion with the construction of five new small hospitals throughout Ethiopia.

In 2006, the Hospital opened its second and third of the five planned new Hospitals. In February, we traveled to Ethiopia for a meeting of the International Partners from around the world that support Dr. Hamlin's work, and celebrated the opening of the second Hospital in Mekele. In November, the third Hospital opened in Yirgalem. The last two hospitals will open in 2008 and 2009. This expansion would not be possible without your support.

For the Foundation, 2006 was a tremendous year, one where we were able to streamline our operations and increase our revenues and support for the Hospital. Specifically, we were pleased to be able to reduce our overhead costs by nearly 14% and increase the funds raised for the Hamlin Fistula Hospitals by approximately 15%.

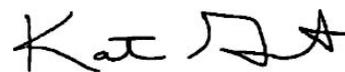
In so doing, we achieved a coveted 4 Star rating, out of a possible 4 Stars, from the Charity rating organization, Charity Navigator, a rating achieved by fewer than 25% of charities evaluated. In addition, we were also able to meet all 20 of the Better Business Bureau standards for Charity Accountability earning the BBB's seal. As a relatively new organization, we are proud to have met the best practice standards of key “charity watchdogs” and hope that this will give you the ability to continue to support us with the confidence that your donations will be used effectively.

We are grateful for your continuing support and look forward to reporting back to you about further progress made to both treat and help eliminate fistula.

With warm regards,



Kassahun Kebede
Chair



Kate Grant
Executive Director



Overview

Building on a Legacy of Healing

For over 33 years, the Fistula Hospital, founded by Dr. Catherine Hamlin and her late husband Dr. Reginald Hamlin, has been transforming the lives of often destitute women with the childbirth injury obstetric fistula. Eradicated in western countries in the late 19th century when cesarean sections became widely available, obstetric fistula continues to plague an estimated 2 million women in developing countries.

The Fistula Hospital is the recognized Global Center of Excellence in fistula treatment and training, offering specialized training to practicing obstetrician-gynecologists from around the world. Since opening it has treated more than 30,000 women and trained hundreds of doctors. While the Hospital in Ethiopia's capital, Addis Ababa, has never turned away a patient in its long history, many patients needing surgery have been unable to travel to Addis. Doctors from the Hospital have been traveling to regional hospitals to operate, but the number of patients needing attention continued to exceed the doctors' availability.

In order to address the needs of the many women in the provinces who require fistula care and to help prevent fistulas, the Fistula Hospital is opening permanent small fistula hospitals in five strategic locations in Ethiopia. In 2005, the first of these hospitals opened in Bahr Dar. In 2006, two additional hospitals opened in the cities of Mekele and Yirgalem.



The purpose of these small hospitals is threefold:

Treatment

Prevention

Education

“The Addis Ababa Fistula Hospital is the only facility in the world exclusively dedicated to treating fistula. It serves as a centre of excellence, offering training and pioneering surgical techniques and methods of physical and psychosocial rehabilitation.”

– UNITED NATIONS POPULATION FUND (UNFPA)



A Future of Hope

Bahr Dar – the first small hospital working at capacity

The first of the five small hospitals is now operating at capacity in the Northern Ethiopian city of Bahr Dar. The Hospital is under the very capable direction of Dr. Andrew Browning, a second generation Christian Missionary.

Thanks to the generosity of the Fistula Foundation donors, new Nurses' Quarters have been built and are operating next to the main Bahr Dar Hospital. For over three decades,

“For many patients, simply being here is good news. Some of these women have been through surgeries, others don't even know what's happened to them, and they think this is something God has just meted out. For many this is their last hope to live an ordinary life.”

*—Dr. Andrew Browning
Chief, Bahr Dar Fistula Hospital*



the Fistula Hospital in Addis has maintained its high standard of care by having former patients serve as nursing aides. This tradition goes all the way back to 1974 when the late Dr. Reginald Hamlin and his wife Dr. Catherine Hamlin opened the hospital and brought with them nurses aides who lived close by and were then available for any emergencies that would develop. This wonderful healing tradition continues in Bahr Dar.

The Nurses' Quarters will provide safe and comfortable housing for ten nurses and nurses-aides initially and eventually ten more, for a total of 20.





Programs and Projects funded

The Foundation provides general operating support to the Fistula Hospitals. In addition, the Foundation is pleased to be able to provide support for the following programs and projects such as these over the last two years:

- The construction, building and furnishing costs for the new Fistula Hospital in Harar, Ethiopia, serving fistula victims in an underserved region and providing emergency obstetric care to women at high risk of obstructed labor
- Medications and medical supplies required for fistula care at Addis Ababa Fistula Hospital
- The building of Nurses' Quarters near the Bahr Dar Fistula Hospital
- The construction, building and furnishing costs for Nurses' Quarters near the Harar Fistula Hospital
- The construction, building and furnishing costs for the Nurses' Quarters near the Yirgalem Fistula Hospital
- Advanced Medical training for Fistula Hospital Senior Surgeon
- Medical conference for Addis Ababa Hospital Senior Staff
- Computers and Software to help Hospital streamline its financial system
- 4 Wheel Drive Vehicles for use at the Hospital
- Incinerator for the Bahr Dar Fistula Hospital



"It is a privilege for us to be working in a place that brings such joy and hope to people who have been living on the fringes of society."

- Mark Bennett, CEO, Hamlin Fistula Hospitals

Media and Event Highlights



International Partners Meeting

On February 9 and 10 Dr. Hamlin and her senior team at the Fistula Hospital hosted guests from seven countries supporting the work of the Hospital. This is only the second time in its 33 year history the Hospital has held such a gathering, and provided the opportunity for the Hospital staff to share their vision for the future, including the tripling of patient treatment capacity with the opening of the five new small hospitals throughout Ethiopia.



Voice of America Television

Voice of America, VOA, born during World War II as a radio broadcaster, has evolved to become the nation's largest publicly funded broadcasting network. In May, VOA's Healthy Living Show, hosted by Linord R. Moudou, focused on fistula and featured an interview with Sister Ruth Kennedy, the Fistula Hospital's Liaison Officer and Foundation Executive Director, Kate Grant. Though VOA is not broadcast in the United States, it is seen in countries all over the world. The network has become a global multi-media giant encompassing the Internet and 1500 affiliated radio and TV stations across the globe.

More Media Coverage

The Washington Times: "Ethiopia's trail of tears", by Betsy Pisik, photos by Mary Calvert, March 2006

The Globe and Mail: "When giving birth means being damaged and shunned" by Stephanie Nolen, May 2006

San Jose Mercury News: "Area residents pitch in for Ethiopian women" by Yomi Wronge, July 2006

Dr. Catherine Hamlin Receives Honorary Degree

Dr. Catherine Hamlin, co-founder of the Fistula Hospital, received an honorary doctorate of law from Dundee University in the United Kingdom.

Board Member Dr. Allan Rosenfield Receives Global Health Tribute

At the annual Global Health Council Conference in Washington, DC., Dr. Allan Rosenfield, pictured to the left with his wife, poet Clare Rosenfield, received the Global Health Career Tribute Award. Presented by CEO of the Bill and Melinda Gates Foundation, Patty Stonesifer, the award recognizes the significant contribution Dr. Rosenfield has made to the health of the world's poor, particularly women and girls.





In 2006 gifts to the Foundation totaled \$2.1 million dollars. In addition to gifts from individual donors, the Foundation is also grateful for donors who participate in the following programs:

Circle of Friends

Our popular Circle of Friends program assists groups and individuals in holding fundraising or informational events to support the work of the Hamlin Fistula Hospitals. This form of volunteer fundraising helps ensure that the hospitals will continue to restore health and dignity to women devastated by fistula - for as long as there is a need.

In 2006 volunteers across the country held events to both spread the word about fistula and raise funds. For instance, in spring, Madeline McGriff organized a photography exhibit at the Nexus Gallery in Berkeley, California to benefit the Foundation. The exhibit featured photographs by Dr. Larry William, long-time Fistula Foundation Board Member and a talented amateur photographer.

Meanwhile, New York state resident and Foundation donor, Lisa Colagiovanni, had a different plan. After attending the very successful “Girl's Night Out” in 2005 she became inspired to create an event of her own. Lisa conceived and created “Art for Hope and Food for Thought” to help the Fistula Foundation. Lisa and her team of friends and family hosted a dinner at Crabtree's Kittle House in Chappaqua, New York, along with a silent auction with over 100 works of art and other donated items.

Tesfa Ineste

Tesfa Ineste, an Amharic phrase meaning “let's give them hope,” is the Foundation's campaign within the Ethiopian-American community to help fund and eventually maintain the Harar Hamlin Hospital in the city of Harar. The Tesfa Ineste program is led by National Chair and Foundation Board Member, Abaynesh Asrat, and is supported by regional committees in several major cities. The largest of the Committees, in Washington, D.C., is chaired by the very talented and dedicated, Tsedale Assefa.

Love-a-Sister

The Love-A-Sister program provides donors with a way to help ensure that women suffering from obstetric fistula will always be able to obtain free, safe surgery to repair their devastating injuries. A \$450 contribution - spread out over the course of one year or paid all at once - is enough to pay for surgery and post-operative care for one of the thousands of women who will continue to seek care at the Hamlin Fistula Hospitals.

“Many of you have given and given again, we are deeply grateful for your willingness to share in what we do”.

*– Sister Ruth C. Kennedy,
Liaison Officer,
Hamlin Fistula Hospitals*

An independent audit of Fistula Foundation by Delagnes, Mitchell & Linder, LLP attests to the unqualified strength and integrity of Fistula Foundation's financial control and reporting systems.

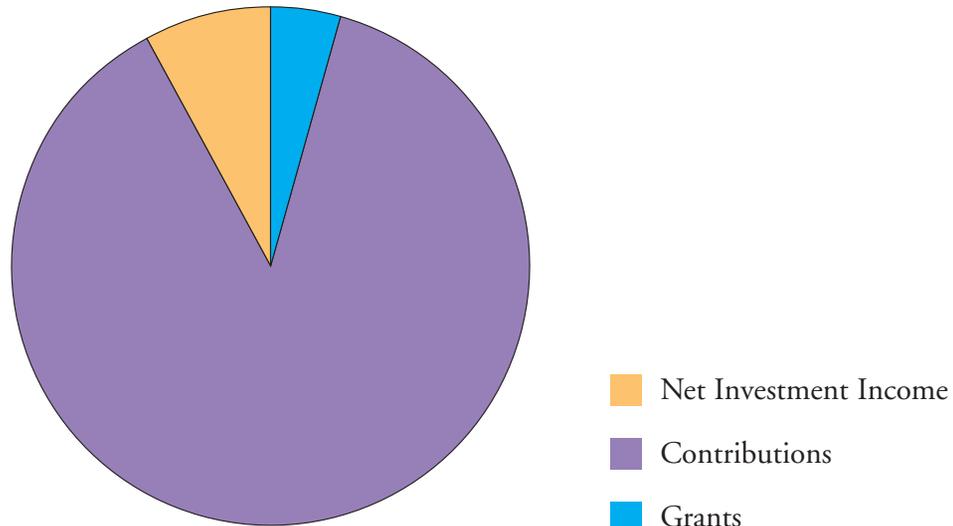
The Fistula Foundation Statements of Activities for the Year Ended December 31, 2006

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|--|--------------------|------------------------|------------------------|------------------|
| Revenues and support: | | | | |
| Grants | \$ 60,000 | 45,000 | - | 105,000 |
| Contributions | 1,749,873 | 332,742 | 32,155 | 2,114,770 |
| Net investment income | 191,354 | - | - | 191,354 |
| Other income | - | - | - | - |
| Net assets released from restriction for purpose | 342,871 | -342,871 | - | - |
| Total revenues and support | \$2,344,098 | 34,871 | 32,155 | 2,411,124 |
| Expenses: | | | | |
| Program services | \$1,404,837 | - | - | 1,404,837 |
| Management and general | 217,178 | - | - | 217,178 |
| Fundraising | 231,342 | - | - | 231,342 |
| Total expenses | 1,853,357 | - | - | 1,853,357 |
| Change in net assets | 490,741 | 34,871 | 32,155 | 557,767 |
| Net assets at beginning of year | 3,419,851 | 255,200 | - | 3,675,051 |
| Net assets at end of year | \$3,910,592 | 290,071 | 32,155 | 4,232,818 |

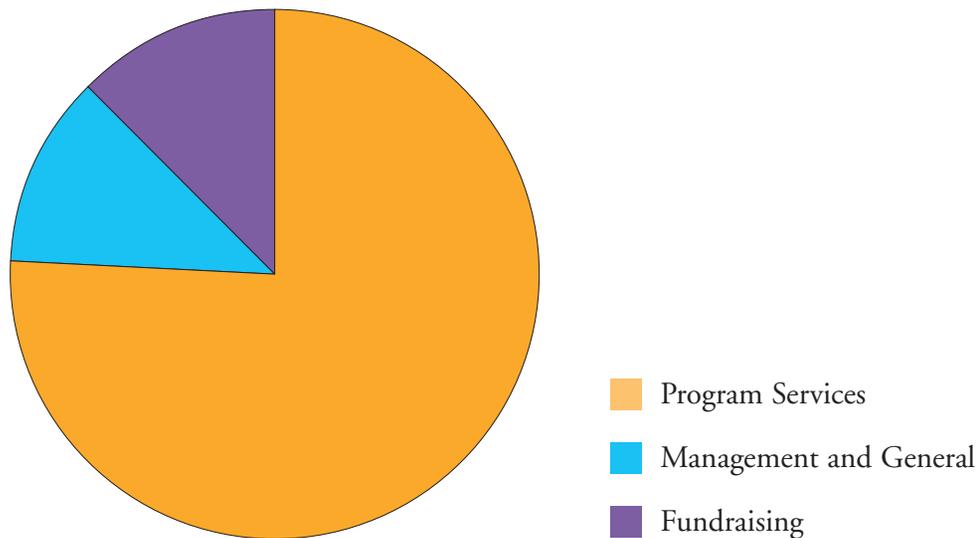
“As a relatively new organization, we are proud to have met the best practice standards of key “charity watchdogs” and hope that this will give you the ability to continue to support us with the confidence that your donations will be used effectively.”

– Kate Grant, Executive Director

Revenue and Support



Expenses



“We are proud to announce The Fistula Foundation has earned our 4-star rating for its ability to efficiently manage and grow its finances. Less than a quarter of the charities we evaluate have received our highest rating, indicating that the Fistula Foundation outperforms the majority of nonprofits in America with respect to fiscal responsibility.”

*– Trent Stamp,
Executive Director,
Charity Navigator*

Meeting Best Practice Standards and Accountability to Donors



Better Business Bureau

The Fistula Foundation is proud to have qualified to use the Better Business Bureau's seal for meeting all twenty of the BBB Standards for Charity Accountability.

Charity Navigator

The Fistula Foundation is designated a 4-Star Charity by the charity rating organization Charity Navigator. Fewer than 25% of charities evaluated by Charity Navigator earn the 4-Star designation.

Charity Navigator strives to help donors make better giving decisions, so that people can give with confidence that their donations are used well. Charity Navigator's aim is to help charities and donors alike by “shining lights on truly effective organizations”. Their approach to rating charities is guided by two primary objectives: “helping givers and celebrating the work of charities”.

Accountability:

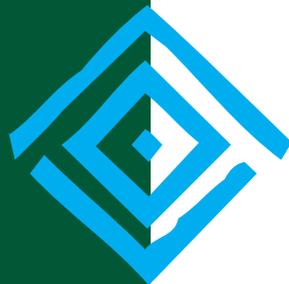
The Foundation Staff and Board work together to ensure that the organization's operations are conducted efficiently and ethically. In order to do so, the Foundation uses the following practices to ensure accountability:

Independent Audit: The Foundation Board has an audit committee, that contains Director Members and a non-Director who is an accounting expert. The Committee retains and meets with an independent public accounting firm who undertake the Foundation's annual audit. The Board's Finance Committee review's the Foundation's performance against its goals quarterly.

Board Oversight and Governance: The Foundation's annual operating budget is reviewed in detail by the Board's Finance and Investment Committee. Then the budget is reviewed and approved by its 12-member Board. The Board contains a group of talented individuals who are leaders in their chosen fields. The Board contains three physicians, one attorney, five existing or former non-profit leaders, and three experts in investment and finance.

Employee Compensation: Fistula Foundation staff compensation is determined each year after a rigorous review of a major nonprofit survey conducted amongst more than 15,000 nonprofit employees in nine counties in northern California. The Executive Director's performance is reviewed twice a year by the Board of Director's Executive Committee.

Transparency: The Foundation makes its audited financial statements and annual tax returns, the so-called 990, available on our website. For those without internet access, the Foundation will send copies of these documents to anyone requesting them.



Board of Directors



Kassahun Kebede
PANTON Capital Group
New York, New York



Abaynesh Asrat
Nation to Nation
Networking Ltd.
New York, New York



Linda Levee Samuels
Mesa United Way
Scottsdale, Arizona



Robert Tessler, Esq.
Toberoff, Tessler &
Schochet LLP
New York, New York

Staff



Kate Grant
Executive Director, Ex-
Officio Board Member



Ato Tekalign Gedamu
Director, (Honorary)
Board Chair, Trustees
Hamlin Fistula Hospitals
Addis Ababa, Ethiopia



Allan Rosenfield, MD
Mailman School of
Public Health
Columbia University,
New York, New York



Whitney Tilson
T2 Partners LLC
New York, New York



Anne Ferguson
Operations Director



Deborah Harris
World Vision U.S.
(Board Member)
Charlotte, North Carolina



Gerald Shefren, MD
Stanford University
School of Medicine and
Stanford Hospital
Stanford, California



Linda Tripp
World Vision, Canada
Mississauga, Ontario



Terry Rodriguez
Donor Relations Manager



Cleopatra Kiros
Secretary/Treasurer
Woodside, California



Mary Tadesse
Former Ethiopian Vice-
Minister of Education and
Culture
Fairfax, Virginia



Larry William, MD
Pacific Partners
Management Services, Inc.
Foster City, California



Betsy Lydster
Administrative Assistant



"Imbalances of power between men and women, deeply entrenched within the social, economic, and cultural structures of most societies, lie at the heart of the many threats to women's health and well being."

- Dr. Allan Rosenfield, Fistula Foundation Board Member, Dean, Mailman School of Public Health, Columbia University



Supporters

The Fistula Foundation could not do the work of supporting fistula treatment and prevention without the participation and support of our Congressional, Corporate, Nonprofit and Media partners. These organizations have joined in the effort to treat and prevent fistula in Ethiopia by donating necessary medical supplies, sharing knowledge and heightening awareness. We are honored to collaborate with the following organizations:



“Just about the worst thing that can happen to a teenage girl in this world is to develop an obstetric fistula that leaves her trickling bodily wastes, stinking and shunned by everyone around her.”

– Nicholas D. Kristof, Pulitzer Prize Winner, New York Times Columnist

Congressional Friends



Mike Honda
Congressman



Carolyn Maloney
Congresswoman



Chris Smith
Congressman



Our Mission

The Fistula Foundation
is dedicated to the
prevention and treatment
of obstetric fistula
through support of the
Hamlin Fistula Hospitals
in Ethiopia.



A Special Thank You to the Charles & Betti Saunders Foundation, Pat, Steve, Kate and Ian Saunders, whose generous grant support enabled the printing of this report.

 The FISTULA
FOUNDATION

1171 Homestead Road, Suite 265
Santa Clara, CA 95050
Tel: 408.249.9596
Toll-free: 866.756.3700
Fax: 408.244.7328
www.fistulafoundation.org



HAMLIN
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Layout and Design by: Kathy Noverr, Kate Grant and Terry Rodriguez

Written and edited by: Kate Grant

Thank you to Dr. Larry William whose photographs are featured throughout the report