Wheelchair Foundation

Serving the World

hope
Our Mission The Wheelchair Foundation is a nonprofit organization leading an international effort to create awareness of the needs and abilities of people with physical disabilities, to promote the joy of giving, create global friendship, and to deliver a wheelchair to every child, teen and adult in the world who needs one, but cannot afford one. For these people, the Wheelchair Foundation delivers Hope, Mobility and Freedom.

Our Goal Over the next five years, the Wheelchair Foundation aims to deliver 1 million wheelchairs to people who cannot afford to buy one, and to further the awareness that a wheelchair is no longer an unaffordable relief option for delivery to developing countries around the world.

Mobility In the first 2 1/2 years of delivering wheelchairs, the Wheelchair Foundation has witnessed thousands of examples of how mobility creates new possibilities for recipients and entire families. A mobile child is able to attend school. A mobile adult is able to get a job and provide for their family, or care for the children at home. An elderly person can rejoin society or family activities after years of staying in a bed. The joy and hope that a simple mobility device can deliver is what gives people a new outlook on life.

It is estimated that 100 million of the world’s citizens are deprived of mobility because of warfare, disease, disaster or advanced age.
Year in Review

We have made so much progress in the first 2 1/2 years of the Wheelchair Foundation that I truly believe our efforts will lead to the eradication of immobility worldwide.

Our friends and supporters around the world have made it possible to do the impossible! For each $75 donation, which we match with specifically gifted funds, we deliver a basic mobility wheelchair to a person in need. We do it by 280-wheelchair containers through our global distribution partners.

I have been embraced and thanked by people throughout the world who would never have had much of a life without a wheelchair. This is the most wonderful feeling to me, and I encourage everyone to participate in this humanitarian effort of delivering a tangible, life-changing wheelchair.

We have heard so many stories about children who are now going to school, adults having jobs and being able to take care of their families, and the elderly who can rejoin society or just be able to go outside with their families for the first time in years.

I must take this opportunity to thank the thousands of individuals, groups and organizations that are helping us get our message out, that a wheelchair immediately changes the life of a person who might otherwise be discarded by society. Their efforts have contributed to a global awareness about the abilities and needs of people with physical disabilities, and the wonderful experience of actually lifting a person into a new wheelchair. The immediate change in their lives brings hope for the future and a new life.

One of the most touching experiences in the course of personally delivering wheelchairs is having a person realize that someone does care about them and wants to give them mobility. I look forward to shaking the hands of every recipient when I attend a wheelchair distribution because I receive a gift of joy equal to theirs. I feel the barriers of language and culture disappear when I look into their eyes and see their lives changed, and their dreams becoming reality. I sincerely believe that this type of connection between people creates the kind of trust and friendship that can eliminate conflicts between cultures and societies.

We are so blessed to live in the greatest country in the world and to be able to help those who cannot help themselves.

Thank you for joining me in our mission of peace and friendship.

Kenneth E. Behring
Founder & Chairman of the Board
mobility
freedom
“When I see the happiness on their faces, I feel that this is the best thing I have ever done.”

—Ken Behring
“Peace between countries must rest on the solid foundation of love between individuals.”

—Gandhi
Taking Action and Creating Awareness

It was May 2000, almost a month before the official launch of the Wheelchair Foundation, when Ken Behring was seated at a conference table with six other people. They admired his dream, good intentions and ambitious goals—but had no way of knowing the tremendous impact they would soon have on many of the world’s neediest people with physical disabilities.

Jump to late 2002, just 2 1/2 years later. The Wheelchair Foundation is in the process of delivering over 10,000 wheelchairs per month. This alone is an incredible feat, considering that in most countries wheelchairs are prohibitively expensive and rarely available to people whose lives are often mired in poverty and strife.

But something even more remarkable has occurred as a result of the Wheelchair Foundation’s accomplishments. There’s a new awareness in the humanitarian relief community that wheelchairs are now affordable to sponsor and easy to deliver, even to people living in some of the most remote corners of the world. Most of these people have great abilities and dreams just waiting to emerge.

One of the first concerns that Mr. Behring and those six other Wheelchair Foundation team members had to address was their ability to purchase and then distribute large numbers of wheelchairs worldwide. Was such a goal even practical? There were issues of quality, design, price and production capabilities. A photograph would be needed of each person who received a wheelchair, so that a personalized certificate of thanks with the recipient’s name, age and country could be sent to individual donors. There was the cost of shipping to consider, and the reliability of Non-Governmental Organizations (NGOs) or other groups as volunteer distribution partners.

The problems may have seemed insurmountable, but Mr. Behring led the charge. Manufacturers were chosen to supply the wheelchairs, and initial orders were placed in increments of 10,000. No manufacturer had ever received an order like this before, so Mr. Behring got the price that he sought. Word was circulated among the NGOs providing humanitarian assistance worldwide that wheelchairs were now available for relief missions. A freight forwarding company was contracted to handle the logistics of shipping 40-foot sea containers, each holding 240 to 280 wheelchairs.

Wheelchairs are changing the way the world looks at people with physical disabilities.
If all of the planning and calculations were correct, the Wheelchair Foundation would be able to provide a quality wheelchair anywhere in the world for the unheard-of price of $150! This is a wheelchair that is designed specifically for use and maintainability in developing countries, and will allow people who have spent many years (or their entire lives) on the floor of a room or in a bed to be an active member of their family and/or community. Children can go to school, adults can go to work or worship, and the elderly can once again participate in family activities.

Two weeks after the official launch of the Wheelchair Foundation at a ceremony on Capitol Hill in Washington, D.C., there were requests from NGOs for 160,000 wheelchairs. While in Washington, the Wheelchair Foundation team met with representatives from the U.S. government, U.S.-based NGOs, international organizations and lawmakers from the United States and other nations. The statistical information that was provided was numbing.

It appeared that the World Health Organization and the United Nations were using official estimates of immobile people worldwide that represented only 20 to 25 percent of the actual need. NGOs operating in India told us that the number of physically disabled people approaches 6 percent of the total population. The same numbers can be used for much of China, Africa, Southern Asia and South America. We were told that of the estimated four million disabled people below the poverty line in Mexico, up to 50 percent might be children. In countries that are littered with landmines, the percentages of disabled go as high as Angola’s 20 percent. Up to half of these people need wheelchairs. Undaunted by an estimate of over 100 million people needing wheelchairs worldwide, the Wheelchair Foundation began delivering tens of thousands of wheelchairs.

The Church of Jesus Christ of Latter-day Saints began a relationship with the Wheelchair Foundation that would blossom into one of the most substantial, life-changing relief missions of the disabled poor in the history of mankind. Having sponsored tens of thousands of wheelchairs per year since 2000, LDS Charities helps children and families of all nationalities and religions by relieving suffering, helping people to help themselves and providing opportunities for service. LDS Charities involves thousands of people worldwide in the delivery of humanitarian aid, and must be commended for its dedicated efforts in helping the less fortunate.

A working relationship was established between Rotary Clubs worldwide and the Wheelchair Foundation. There are approximately 1.2 million members in some 32,000 Rotary Clubs in more than 200 countries and geographical areas. By late 2002, Rotarians had sponsored more than 35,000 wheelchairs to some 45 countries. Rotary Clubs actively support a global polio vaccination campaign (PolioPlus) that will eradicate the disease from our planet by 2005. The original concept that brought Rotary Clubs and the Wheelchair Foundation together was
“Charity literally means love, the love that understands, that does not merely share the wealth of the giver, but in true sympathy and wisdom helps people to help themselves.”

—Franklin Delano Roosevelt
“My humanity is bound up in yours, for we can only be human together.”

—Nelson Mandela
to deliver wheelchairs to victims of polio. Many thousands of wheelchairs have gone to polio victims, and Rotarians have worked diligently to help in the hands-on distribution in many countries.

As a result of the relationship with Rotary Clubs and Rotarians, the Wheelchair Foundation began matching each new $75 donation with funds gifted specifically for that purpose, to deliver a wheelchair. This enabled Rotarians to sponsor the delivery of a wheelchair that would sell in the United States for $375 to $500 for a donation of only $75. The new matching program became so popular that additional funds were provided and it was made available to everyone. In early 2002, the United States Department of State provided an additional $5 million for the matching program. The United States Department of Defense then provided a $5 million transportation grant to finance the delivery of the wheelchairs. Our ambitious goal of efficiently delivering wheelchairs to the disabled poor of the world had been recognized as a beacon of peace and friendship that reflects the spirit of America’s concern for our neighbors.

In just over two years, wheelchairs went from an expensive, hard-to-acquire luxury to an affordable, everyday mobility tool that is dramatically improving the lives of tens of thousands of immobile people worldwide.

The delivery of wheelchairs to children, teens and adults provides the gifts of hope, mobility and freedom and is changing the way the world looks at people with physical disabilities. These people can now contribute to the economy of a family, town or village; they can go to school and learn a trade; and oftentimes they help teach the younger generations the valuable lessons of life. Relief organizations are now including wheelchairs in their budgets, and corporations in developing countries are donating wheelchairs to expand the workforce and increase productivity.

The dream that was envisioned by Ken Behring in 2000 first made a transition from an ambitious project to a commendable program. But now, with the involvement of hundreds of thousands of people worldwide, the Wheelchair Foundation has become a movement of people, organizations, governments and world leaders who have collectively witnessed the immediate benefits and long-lasting impact a wheelchair can have on disabled members of our global community. Together, we are creating awareness of the needs and abilities of people with physical disabilities—changing lives, giving hope and providing independence. In the process, we are told of dreams coming true and being embraced as messengers of friendship and peace.

The Wheelchair Foundation team’s experience to date inspires the thought that those who give of themselves to help others just might be sowing the seeds to a more peaceful world for our children.
China Disabled Person’s Federation
On September 7, 2001, a “Memorandum of Understanding” was signed in Beijing between the China Disabled Person’s Federation and the Wheelchair Foundation. Deng Pufeng is the son of China’s late leader Deng Xiaoping. He lost his mobility in an accident and spends each day in a wheelchair. As the very vocal and visible president of the CDPF, Deng Pufeng is a great supporter of getting wheelchairs into the hands of China’s citizens with physical disabilities. The CDPF coordinates and participates in all of the Wheelchair Foundation’s efforts in China, and has become one of the most efficient and dedicated partners in our global mission.

LDS Charities
The Church of Jesus Christ of Latter-day Saints (LDS) has ongoing humanitarian missions throughout the world, and is participating with the Wheelchair Foundation on a global scale to deliver wheelchairs to the disabled poor in dozens of countries on several continents. The LDS example of compassion for the less fortunate worldwide is a substantial step toward world peace and the foundation for more friendship and trust between people.

Rotary Clubs and Rotarians
Rotarians belong to an organization of men and women who provide humanitarian service, encourage high ethical standards in all aspects of life, and help build goodwill and peace throughout the world. Since 1984 Rotary Clubs have actively supported and participated in a global polio vaccination campaign that will eradicate polio from our planet by 2005. The original concept that brought Rotary Clubs and the Wheelchair Foundation together was to deliver wheelchairs to victims of polio. Many thousands of polio victims have received wheelchairs since the establishment of the Wheelchair Foundation.

Global allies with a goal to provide independence.
The Oakland Athletics

The Oakland Athletics Community Fund has sponsored the delivery of 4,200 wheelchairs to residents with physical disabilities in the Dominican Republic. Because of their commitment to the people of the Dominican Republic, the Oakland Athletics have initiated a major effort toward the eradication of immobility throughout the country. As a result of the Oakland Athletics efforts, Major League Baseball has also sponsored wheelchairs and is very supportive of our mission.

ChevronTexaco

ChevronTexaco has sponsored thousands of wheelchairs to Angola, the country with the highest ratio of physically disabled people in the world. Nearly 20 percent of its 12 million citizens are immobile because of landmines or other causes. We thank ChevronTexaco for using its influence and resources to help some of the neediest people in the world in this continuing relief effort. By receiving a wheelchair, children with physical disabilities are now able to go to school, adults can go to work and provide for their families and the elderly can once again be active members of their communities. The addition of mobility to their lives has enabled a much higher level of education and economic self-sufficiency.

Distribution Partners

The Wheelchair Foundation distributes wheelchairs through an established network of non-governmental or other organizations that have ongoing missions in the country of destination. They must be qualified to identify recipients, and certified to import humanitarian aid duty-free. They take full responsibility for the importation, transportation and proper distribution of the wheelchairs, and then return photographs to us of each wheelchair recipient, using the numbered placards and single-use cameras that we supply. The photographs are then used to create the presentation folders that are sent to Wheelchair Foundation donors.

If all of the criteria listed above are met by an organization in a specific country, then the country is considered by the Wheelchair Foundation to be one with an established and successful distribution relationship. Absolutely no political, ethnic or religious affiliations are considered when evaluating any region of the world for the distribution of wheelchairs.

Since the establishment of the Wheelchair Foundation on June 13, 2000, we have continually worked to develop successful distribution relationships in as many countries as possible. During this learning process, we have been forced to remove some countries from the list, but continue to work for new or better relationships that will allow us to serve more parts of the world under our established program. For a current list of countries of destination, please visit our web site at wheelchairfoundation.org.
compassion
Members of the International Board of Advisors of the Wheelchair Foundation are individuals committed to providing wheelchairs to children, teens and adults around the world who cannot afford one for themselves. The Advisors bring their expertise and experience to bear in providing valuable counsel on the direction of the Foundation’s efforts, support in accomplishing its goals and fulfilling its mission.

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THIS BEAUTIFUL PRESENTATION FOLDER IS DELIVERED FOR EACH $75 DONATION. PLEASE VISIT WHEELCHAIR FOUNDATION.ORG FOR DETAILS.
friendship

Stories of Hope, Mobility and Freedom
Lives are touched in so many ways by the gift of a wheelchair.

Angel

There is a woman named Maria who has worked for our family for 12 years. She heard that we were going to Mexico City to deliver wheelchairs, and told me that she had a nephew there named Angel who had lost his eyesight and mobility because of a terminal disease. She asked if we could give him a wheelchair so he could be mobile during the time he had left. I said, “Of course,” and asked her to arrange getting him to our distribution. His parents found us on the day of the event, and through tears of gratitude they said Angel had received his wheelchair and wanted to thank me. They brought him over and I took his hands and spoke to him so he would know where I was. I said, “Of course,” and asked her to arrange getting him to our distribution. His parents found us on the day of the event, and through tears of gratitude they said Angel had received his wheelchair and wanted to thank me. They brought him over and I took his hands and spoke to him so he would know where I was. He then took my hands, thanked me and looked up with his blind eyes into my eyes and said, “I will see you in heaven!” He touched me so deeply that I was not even able to answer him. —Ken Behring

A Birthday Miracle

On a Sunday afternoon in the capital of Brazil, we stopped at a local church and asked the padre if he knew of any people with physical disabilities in the area who needed a wheelchair. He said yes, got into a car and led us into the countryside. We arrived at a small shack at the end of the road. Here we were introduced to a family of eight. We were led into their house, a single room with one bed and some mats on the floor. In one corner was a large chair covered with rags. In it was a girl with arms and legs like fragile twigs. She had beautiful brown eyes and a very charming smile, but she was unable to speak. Her mother told us she was 18 years old and had been like this since birth. She lived in the chair and was unable to take care of herself at all. We set her in the wheelchair, and adjusted the leg rests to accommodate her withered limbs. Soon her sisters began wheeling her around the yard. The girls laughed and smiled. Her sisters told me that they like the wheelchair because it meant that they didn’t have to carry her everywhere now. They were also excited that they could take her to more places with them. Her father, who had been talking with the padre, knelt down with him and they prayed. When they finished their prayer, the father came and thanked us. He said “Today is my birthday. This very morning I got up and asked God for one gift for my birthday, for someone to help my daughter. This Sunday, God sent you to me for my birthday. I thanked the Lord and I thank you.” It was a very touching experience to be considered an answer to a prayer, delivering a wheelchair to a girl and a miracle to her father. —Joel Hodge

Revelation

During our first visit to Hanoi in March of 2000, a 90-year-old woman who had just received a wheelchair wanted to speak to me. Through an interpreter she said that because life was so hard, she had wanted to die for a long time. Then she pulled closer to me, took my hand with a great big smile and said, ‘But now I don’t want to.’ At that point I realized that a wheelchair could mean the difference between a person wanting to live and wanting to die. —Ken Behring
“Thousands of candles can be lighted from a single candle, and the life of the candle will not be shortened. Happiness never decreases by being shared.”

—Buddha
Independent Auditors’ Report

The Board of Directors
Wheelchair Foundation:

We have audited the accompanying balance sheets of Wheelchair Foundation as of December 31, 2002 and 2001, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wheelchair Foundation as of December 31, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

April 18, 2003

KPMG LLP
### WHEELCHAIR FOUNDATION

#### Balance Sheets

**December 31, 2002 and 2001**

<table>
<thead>
<tr>
<th>Assets</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$2,826,387</td>
<td>727,348</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>51,879</td>
<td>—</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>117,268</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>2,995,534</strong></td>
<td><strong>727,348</strong></td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>123,978</td>
<td>—</td>
</tr>
<tr>
<td>Other assets</td>
<td>2,310</td>
<td>—</td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$3,121,822</strong></td>
<td><strong>727,348</strong></td>
</tr>
</tbody>
</table>

#### Liabilities and Net Assets

<table>
<thead>
<tr>
<th>Current liabilities:</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>572,602</td>
<td>93,407</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>564,138</td>
<td>—</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,136,740</strong></td>
<td><strong>93,407</strong></td>
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<tr>
<td>Related party advances</td>
<td>1,338,236</td>
<td>—</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>2,474,976</strong></td>
<td><strong>93,407</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Net assets:</th>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>(1,305,113)</td>
<td>260,311</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>1,951,959</td>
<td>373,630</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>646,846</strong></td>
<td><strong>633,941</strong></td>
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</tbody>
</table>

**Total liabilities and net assets**

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$3,121,822</strong></td>
<td><strong>727,348</strong></td>
</tr>
</tbody>
</table>

See accompanying notes to financial statements.

### WHEELCHAIR FOUNDATION

#### Statements of Cash Flows

**Years ended December 31, 2002 and 2001**

#### Cash flows from operating activities:

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net assets</td>
<td>$12,905</td>
</tr>
</tbody>
</table>

#### Adjustments to reconcile change in net assets to net cash provided by operating activities:

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheelchair Foundation net liability assumed, net of cash</td>
<td>753,517</td>
</tr>
<tr>
<td>Noncash expense—Wheelchair Operations Foundation</td>
<td>394,888</td>
</tr>
<tr>
<td>Depreciation Expense</td>
<td>18,555</td>
</tr>
</tbody>
</table>

#### Changes in operating assets and liabilities:

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued expense</td>
<td>—</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>564,138</td>
</tr>
<tr>
<td>Accounts receivable—related party</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(33,413)</td>
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<tr>
<td>Prepaid expense</td>
<td>—</td>
</tr>
<tr>
<td>Other assets</td>
<td>22,805</td>
</tr>
</tbody>
</table>

**Net cash provided by operating activities** | $3,479,073 | 479,093 |

#### Cash flows used in investing activities:

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases of property and equipment</td>
<td>—</td>
</tr>
</tbody>
</table>

#### Cash flows provided by financing activities:

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Related party advances repayments</td>
<td>(1,357,366)</td>
</tr>
</tbody>
</table>

**Net increase in cash and cash equivalents** | $2,099,039 | 479,093 |

**Cash and cash equivalents at beginning of period** | 727,348 | 248,255 |

**Cash and cash equivalents at end of period** | $2,826,387 | 727,348 |

See accompanying notes to financial statements.

### WHEELCHAIR FOUNDATION

#### Statements of Activities

**Years ended December 31, 2002 and 2001**

#### Operations:

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues and gains:</td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$3,019,934</td>
</tr>
<tr>
<td>Government grants</td>
<td>1,984,238</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>21,344</td>
</tr>
<tr>
<td>Special events (net of expenses of $46,933)</td>
<td>355,446</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>373,630</td>
</tr>
<tr>
<td><strong>Total operating revenues and gains</strong></td>
<td><strong>5,754,592</strong></td>
</tr>
</tbody>
</table>

**Program expenses:**

<table>
<thead>
<tr>
<th>2002</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheelchair costs</td>
<td>2,667,499</td>
</tr>
<tr>
<td>Wheelchair delivery</td>
<td>687,870</td>
</tr>
<tr>
<td>Other</td>
<td>1,813,215</td>
</tr>
<tr>
<td><strong>Total program expenses</strong></td>
<td><strong>5,168,584</strong></td>
</tr>
</tbody>
</table>

**Change in net assets from operations** | 586,008 | 1,578,329 |

**Net assets as of beginning of period** | 260,311 | 373,630 |

**Net assets as of end of period** | $(1,305,113) | 1,951,959 |

See accompanying notes to financial statements.
A letter from China
Respectful Mr. Behring:
I am a disabled girl that received a wheelchair from you. My name is Han Wei. I really appreciate your help. Your care and concern from all the way in America helps me and many other disabled people who live in poverty solve our biggest problem in life. Ten years ago, a traffic accident made me a paraplegic, and I had great problems with this cruel reality. My parents had to carry me on their backs to the doctor. I was very sad because it was so hard for them, both physically and financially. We were almost penniless, so we could not buy a wheelchair. When I received a wheelchair from you in Dalian, my life was changed. Your giving reflects the true feelings between the people of the U.S. and China. Compassion cuts across all borders and politics. This friendship and love is what all people should enjoy. You make us want to be better people and do our part to help others. Your friend, Han Wei

The Red Throne
In Cape Town, South Africa, we traveled into a township to observe daily life and to find a person in need of a wheelchair. The men in charge of the community greeted us, gave us a tour of the new school they were building and showed us their brick factory. We asked them if there were any children or adults that needed a wheelchair because we had one to give away. They told us that they knew the woman we must help and led us to her home. We were told to wait outside as the men entered the house and closed the door for a moment. When the door opened, an elderly lady emerged moving with a walker that was missing one leg. She slowly made her way to us, plopped herself into the wheelchair and smiled. The men told us that she was the oldest person in the area. “She resolves disputes, approves

Notes to Financial Statements
December 31, 2002 and 2001

(1) Description of Organization
The Wheelchair Foundation (the Foundation) was incorporated on February 15, 2000. The Foundation is a not-for-profit 501(c)(3) corporation dedicated to provide wheelchairs to needy people throughout the world, and to carry on other charitable and educational activities.

The Foundation is located in Danville, Contra Costa County, California.

(2) Summary of Significant Accounting Policies
The accompanying financial statements have been prepared on the accrual basis of accounting under accounting principles generally accepted in the United States of America to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into the following classes of net assets:

- **Permanently Restricted Net Assets**—Net assets subject to donor-imposed stipulations that they be maintained permanently. The Foundation has no permanently restricted net assets.
- **Temporarily Restricted Net Assets**—Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation and/or the passage of time.
- **Unrestricted Net Assets**—Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management’s judgement including such factors as prior collection history, type of contribution, and nature of fund-raising activity.

(a) **Temporarily Restricted Net Assets**

Contributions received with donor-imposed restrictions which are met in the same year as received are reported as unrestricted revenue.

Contributions of property, plant, and equipment without donor restrictions concerning use of such long-lived assets are reported as unrestricted revenues. Contributions of cash or other assets to be used to acquire property, plant, and equipment are reported as temporarily restricted revenues. The restrictions are considered to be released at the time of acquisition of such long-lived assets.

(b) **Cash and Cash Equivalents**

Cash and cash equivalents include cash balances due from banks and money market funds. The cash equivalents are readily convertible to known amounts of cash and present insignificant risk of changes in value due to maturity dates of 90 days or less.

(c) **Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded on a straight-line method over the estimated useful lives of the related assets. The estimated useful lives are three to seven years for equipment and furniture.

(d) **Government Grant Revenue**

The Foundation has received a grant from the United States Department of State to fund a $10 million project. The United States Department of State’s share of costs is $5 million.

Revenues related to the government grant are recognized based upon 50% of the dollars expended by the Foundation. Cash received in advance of revenue recognized is accounted for as deferred revenue.
(e) Use of Estimates

Management of the Foundation has made a number of estimates and assumptions related to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(3) Related Party Transactions

The founder of the Foundation owns the facility occupied by the Foundation. During the years ended December 31, 2002 and 2001, the Foundation received in-kind contributions of $0 and $37,500, respectively, from an affiliated company of the founder. These in-kind contributions have been recorded as income and expense in the accompanying statement of activities.

During the year ended December 31, 2001, the Foundation received in-kind contributions of $304,654 from the Wheelchair Operations Foundation, an affiliated organization. This in-kind contribution was recorded as income and expense in the statement of activities. During the year ended December 31, 2002, the Foundation paid the Wheelchair Operations Foundation $395,000 for certain general and administrative expenses provided to the Foundation. These were recorded as management and general expenses in the accompanying statements of activities.

On June 30, 2002, the Wheelchair Operation Foundation elected to wind up and dissolve operations. As of July 1, 2002 its assets were transferred to the Foundation; its debts and liabilities were assumed by the Foundation, resulting in a net liability assumed of $734,285. Additionally, $1.5 million of the assets transferred included a receivable due from a related party. Such amounts were collected in August 2002.

During the years ended December 31, 2002 and 2001, various family members of the founder contributed $1,715 and $2,325, respectively, to the Foundation.

During the years ended December 31, 2002 and 2001, the Foundation delivered 52,618 and 17,361 wheelchairs, respectively. During 2001, the deliveries were funded in conjunction with an affiliated not-for-profit foundation of the founder. During the years ended December 31, 2002 and 2001, the affiliated foundation paid $0 and $490,467, respectively, for purchasing and shipping wheelchairs. The affiliated foundation is currently working as a co-partner to the Foundation by directly paying for wheelchair purchases to help accomplish the goals of the Foundation.

(4) Property and Equipment

Property and equipment as of December 31, 2002 consist of the following:

| Equipment and computers | $ 131,174 |
| Furniture               | $ 60,578  |
| Less accumulated depreciation | $ 191,752 |
| Property and equipment, net | $ 123,978 |

(5) Income Taxes

The Foundation is a tax-exempted organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the Franchise Tax Board. Accordingly, no provision for federal or state income taxes is required.

(6) Temporarily Restricted Net Assets

Temporarily restricted net assets are restricted for wheelchair delivery to specific countries throughout the world.

(7) Delivery Costs

The program delivery costs for wheelchairs do not reflect the costs incurred by unrelated organizations and individuals that may assist in the delivery of chairs. Such costs cannot be readily quantified and are not included on these financial statements. However, management believes the amounts are immaterial to the overall financial statements.

(8) Operating Leases

During the years ended December 31, 2002 and 2001, the Foundation paid rent expense of $5,451 and $0, respectively, on a noncancelable operating lease for office space.

A Wheelchair Story in Sierra Leone

An intriguing story that I experienced at a wheelchair distribution involved a gentleman named Abass. In 1997, he was shot by rebels in both legs, and since has not been able to walk. He moved around the village by crawling on the rugged ground on his hands and knees. Abass and his older brother slowly made their way down the dusty road to the site of the wheelchair distribution. I offered to bring the wheelchair that we brought for him so he would not have to make the whole journey from his house, but his brother said no. Awhile into the distribution, a messenger informed us that Abass was extremely tired, and asked if we could go to meet him with the wheelchair. We agreed and followed the messenger back to where Abass was waiting. Exhausted and drained, Abass climbed into the wheelchair. Using his strong arms, which had been his legs for four years, he effortlessly rolled the wheelchair through the sand for a test drive. The crowd that Abass had attracted applauded spontaneously. As we started to leave, several old ladies took my hands in theirs as a sign of their appreciation. It was as if they had received a precious gift themselves. They prayed a blessing from God over us. I appreciated their kind gesture, but I felt that I had already been blessed by witnessing firsthand how the red wheelchair instantly changed a life. —Anika Olen
being

www.wheelchairfoundation.org