compassion
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, to 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 Impact Over the next five years, the Wheelchair Foundation aims to deliver one 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 four years of delivering wheelchairs around the world, the Wheelchair Foundation, our network of Global Partners and in-country representatives have witnessed a greatly improved quality of life for people with physical disabilities and every member of their family, once they have received the gift of a free wheelchair. Children with physical disabilities are going to school and planning their futures, adults are working and can provide better food and clothing for their loved ones, and the elderly are once again enjoying a social life and the ability to attend worship services.

We have also been asked by governments and heads of state to teach them how to inspire people to give back to those in need. In many cultures around the world, it is not routine to help people outside of one’s immediate family. The tangible and visible message of peace and friendship that is evident in communities where we have delivered hundreds of wheelchairs with no political agenda or strings attached has caused locals and visitors alike to want to do more to help people that can benefit from the gift of mobility. This simple act of improving lives strikes a chord within the hearts of those that care deeply for the welfare of their fellow human beings.

It is estimated that up to 150 million people worldwide are in need of a wheelchair but cannot afford one.
My Dear Friends,

Over the past four years, thousands of incredibly dedicated people have made the Wheelchair Foundation an international success story. Team members and volunteers from around the world have made our mission a beacon of hope that warms the hearts of people with physical disabilities in more than 130 countries. As we hold the hands of the wheelchair recipients and their families, language and culture are no longer a barrier. They know that we are there only to help them, and our simple agenda is to improve the quality of their lives in a tangible and long-lasting way.

As we listen to recipients’ stories of how a wheelchair will dramatically improve their lives, we often experience an incredible series of gifts that unfold for us to enjoy. First comes the person’s realization that someone actually cares enough to help them. Then we see disbelief that this free wheelchair is really theirs to keep. The dreams of an independent life are suddenly being considered as possible. Next, the need to express their gratitude wells up inside to the point of bursting, and every blessing or expression of thanks that they have ever learned is lavished upon us. Our happiness instantly mirrors their own, and our mutual intentions are exchanged with hands clasped in a bond of peace and friendship.

This is a story that we are repeating around the world at a rate of 10,000 wheelchairs per month! Mobility is being delivered to children and teens that can finally attend school, adults that now have the ability to get a job and help provide for their families, or the elderly that have been bedridden for years can now once again attend worship services or just go outside to be with their family. We estimate that with every wheelchair delivered, the quality of life for at least ten people is greatly improved. Think of the happiness that this basic mobility device can bring to so many people, and then think about how you can be a hero to a person with dreams just waiting to become reality. $75 is all it takes to deliver a wheelchair, independence and new lives.

Thank you for helping us make so many dreams come true.

Kenneth E. Behring
Founder & Chairman of the Board
dedication
THE WHEELCHAIRS WE PURCHASE are designed to be the best possible solution to mobility needs throughout the world. They are built of bright red, standard bicycle-type steel tubing, solid rubber tires and large front casters, nylon mag or spoked wheels, sealed bearings, padded nylon seating, removable arm rests and foot rests, adjustment tools, seatback carry pouch and folding design. We provide two children’s sizes of 12 and 14-inch seat widths and three adult sizes of 16, 18 and 20-inch seat widths. These wheelchairs are easily maintainable in developing countries and can be expected to last many years with simple care.

THE WHEELCHAIR FOUNDATION distributes wheelchairs worldwide through a network of Non-Governmental Organizations (NGOs) or other organizations that have ongoing humanitarian relief missions in the countries of wheelchair destination. These distribution partners handle all aspects of the importation and distribution of the wheelchairs. They often are able to maintain contact with wheelchair recipients, provide future assistance when needed, and return feedback to us.

“IF WHAT YOU HAVE DONE YESTERDAY STILL LOOKS BIG TO YOU, YOU HAVEN’T DONE MUCH TODAY.” — Mikhail Gorbachev

Member, Wheelchair Foundation International Board of Advisors

IT IS ESTIMATED THAT between 100 and 150 million people around the world are deprived of mobility because of warfare and the products of war, disease, accidents, natural disasters and advanced age.

ESTABLISHED IN JUNE OF 2000, the Wheelchair Foundation is the world’s largest wheelchair relief organization, currently delivering over 10,000 wheelchairs per month. (For current delivery totals and videos of wheelchair distributions, please visit our website at www.wheelchairfoundation.org).

WE CAN DELIVER high-quality wheelchairs that would sell for over $500 in the U.S. with each tax-deductible donation of $75.

A 280-WHEELCHAIR CONTAINER can be delivered to the country of your choice* with a donation of $21,000.

*From a list of approved destination countries.

WE PURCHASE WHEELCHAIRS DIRECTLY FROM manufacturers in China and ship them throughout the world by 40-foot sea containers of 280 wheelchairs each. Spare parts are included in each shipment.
FOR EVERY $75 DONATION, you will receive a beautiful certificate of thanks with a photograph of a wheelchair recipient — a person that has received the gift of a new life, in the form of a basic mobility wheelchair.

WHEELCHAIR FOUNDATION CANADA, WHEELCHAIR FOUNDATION AUSTRALIA, AND WHEELCHAIR FOUNDATION CHINA exist as independent organizations working in collaboration with the Wheelchair Foundation to further our mission and sponsor the distribution of wheelchairs worldwide.

“When I look into the eyes of people who have received one of our wheelchairs, I know that we are making a difference in the world.” — Ken Behring
Landmines and unexploded ordnance challenge the collaboration to improve lives.

The Wheelchair Foundation, in conjunction with the U.S. Department of State and the U.S. Department of Defense, has initiated a global outreach to deliver wheelchairs to the victims of landmines and unexploded ordnance (UXO) who have lost their mobility due to the remnants of armed conflicts. Wheelchair deliveries to the most landmine and UXO-infested countries of the world, including Colombia, Angola, Sierra Leone, Eritrea, Bosnia, Croatia, Iraq, Afghanistan, Laos, Cambodia, and Vietnam, among others, have allowed victims to regain mobility and hope for a productive future. The U.S. Department of State has provided funds to be combined with new donations to provide wheelchairs, and the U.S. Department of Defense has provided the transportation funding necessary for the delivery of 280-wheelchair containers.

The global humanitarian relief needs cannot possibly be addressed by any single organization, government or community, but the combined efforts of like-minded citizens with a common goal of improving the quality of life for individuals and their families around the world can achieve great things. We have experienced that each wheelchair delivered improves the quality of life for the recipient and an average of ten family members or friends.

It is estimated that over 60 to 70 million landmines are planted in nearly 60 countries. And that number does not include the UXO leftover from the World Wars and thousands of regional conflicts since the early 20th century.

Colombia is currently the only country in the Americas that has landmines being laid on a continuing basis. The government stopped using mines in 1999 and began destroying their stockpiles, but serious armed conflicts have been going on for years between the government and insurgent forces throughout the country. The products of war have taken a heavy toll on many innocent civilians.

Angola is one of the world’s most poverty-stricken countries after many years of civil war, and has the dubious honor of having the most physically disabled population on earth. Unemployment runs 50 percent or higher and mobility can mean more than being able to go outside or advance in society. It can mean the difference between life and death. It is estimated that nearly 20 percent of the population of 12 million people are physically disabled. The number of landmines or UXO cannot be accurately counted, but the estimates are always in the millions.
Afghanistan is a country in the process of starting over. The decades of civil war and oppressive occupation have left many Afghan people with little dignity and even less hope. Reconstruction efforts are progressing, but slowly. Landmine and UXO accidents are still an every day occurrence with 200-300 people being injured per month. It is estimated that there are 700,000 to 800,000 physically disabled people in the country. Of those that are in need of wheelchairs, half are disabled due to landmines or UXO, the other half from diseases like polio and other causes.

Cambodia has an estimated one in 286 amputees per capita—the highest in the world. Most of the explosive injuries or deaths have happened in the villages close to the now abandoned former military posts. These clusters of “front line” villages were abandoned during the armed conflicts, but with the cessation of hostilities in 1991 over 400,000 refugees and displaced families headed back to their former homes. The most contested areas during the fighting (and therefore the most mined) were the Northwestern provinces bordering Thailand, which had previously been the most populated and agriculturally productive.

Through the combined efforts of organizations like the Wheelchair Foundation, our Global Partners and numerous humanitarian relief missions, landmines and UXO are being removed and wheelchairs are being delivered to victims as well as other needy recipients in the same geographical regions. Also, clean drinking water is being provided, polio and other immunizations are delivered, corrective surgeries are performed, food, clothing, medical and educational supplies, prosthetics and job training are made available, and literally thousands of other worthwhile projects are happening on a daily basis in hundreds of countries worldwide. Ongoing contact within communities allows relief organizations to further assist the recipients.

A sustained collaboration of tangible humanitarian assistance is breaking down barriers that have often existed between cultures and societies. The sponsorship of ongoing wheelchair deliveries without political agenda or restrictions is allowing us to open the doors to a new life for people with physical disabilities over 10,000 times each month. The humanitarian assistance that is provided by our relief and distribution partners in harmony with wheelchair deliveries is having an incredible impact on the ability of these people to live happier, more productive and independent lives. Most are people with great abilities that simply lack mobility, and, often, these wheelchair recipients then work diligently to help others in need.

We have witnessed the gestures of happiness and gratitude that increases the level of satisfaction and fulfillment for the sponsors of humanitarian projects. In turn, we see the seeds of peace and friendship being planted and continuing to multiply throughout our world.
friendship
The needs, dreams and prayers of people with physical disabilities are

To watch the five-minute video “A Journey on Common Ground” please visit
the same in every country around the world.

a journey common ground

“There can be no keener revelation of a society’s soul than the way in which it treats its children.”

— Nelson Mandela

Member, Wheelchair Foundation International Board of Advisors
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 and support in accomplishing its goals and fulfilling its mission.

KING JUAN CARLOS AND QUEEN SOFIA OF SPAIN
Co-Chairmen
PRINCE ALEXANDER & PRINCESS KATHERINE OF YUGOSLAVIA
ROBERT M. BERDAHL
Chancellor, University of California at Berkeley
RUTH CORREA LEITE CARDOSO, PH.D.
Former First Lady of Brazil
JOEL EHERNKRANZ
Ehrenkranz & Ehrenkranz, New York
PROFESSOR SIR HARRY FANG, M.D.
Chairman for Physically & Mentally Disabled, Hong Kong
MARY FLAKE DE FLORES
First Lady of Honduras
LOURDES RODRIGUEZ DE FLORES
First Lady of El Salvador
WHITEY FORD
Baseball Hall of Fame
MARSHA SAHAGUN FOX
First Lady of Mexico
IMANTS FREIBERGS
Former President of Latvia
VALERY GISCARD D’ESTAING
Former President of France
SUSANA GALLI DE GONZALEZ MACCHI
First Lady of Paraguay
MIKHAIL GORBACHEV
Former President of the USSR
DOUG HEIR
President of the National Spinal Cord Injury Association
KENNETH HOFMANN
Oakland Athletics Baseball Team
TIM HONEY
Executive Director, Sister Cities International
MICHAELE A. JACOBS
Chairman, Discovery International Associates, Inc.
JACK KEMP
Former U.S. Representative & Secretary of Housing and Urban Development
MRS. ANDREE LAHOUD
First Lady of Lebanon
JERRY LEWIS
Entertainer/Humanitarian
GRAÇA MACHEL
Former First Lady of Mozambique/
Mrs.Nelson Mandela
NELSON MANDELA
Former President of South Africa
ED MCMAHON
Radio & Television Personality
ANNA MKAPA
First Lady of Tanzania
VIVIAN DE TORRIJOS
First Lady of Panama
WAYNE NEWTON
Entertainer, Las Vegas, NV
XIMENA BOHÓRQUEZ, M.D.
First Lady of Ecuador
SAMUEL NUJOMA
President of Namibia
STELLA OBASANJO
First Lady of Nigeria
DEAN ORNISH, M.D.
President & Director, Preventive Medicine Research Institute, UCSF
JACK PALLADINO
Palladino & Sutherland, San Francisco
ARNOLD PALMER
Professional Golfer/Business Executive
LIBBY PATAKI
First Lady of New York
EVELYN DE PORTILLO
First Lady of Guatemala
DENG PUFANG
Chairman, China Disabled Persons’ Federation
VIRGINIA GILLUM DE QUIROGA
Former First Lady of Bolivia
PRINCE RAAD & PRINCESS MAJDA RAAD OF JORDAN
GENERAL JOSEPH W. RALSTON
United States Air Force-Ret.
FIDEL RAMOS
Former President of the Philippines
CATHERINE B. REYNOLDS
American Academy of Achievement/
CEO of Educap Inc.
STEFANO RICCI
Clothing Designer
NANCY RIVARD
Executive Director, Airline Ambassadors
LORENA CLARE FACIO
De Rodriguez Echeverria
Former First Lady of Costa Rica
ANNA ELEANOR ROOSEVELT
Co-Chair, Franklin & Eleanor Roosevelt Institute, New York
CHRISTOPHER J. ROSA, PH.D.
Director, Services for Students with Disabilities, Queens College, Flushing, NY
YOSHIAKI SAKURA
Chairman, Kocate, Japan
ANA PAULA DOS SANTOS
First Lady of Angola
DON SHULA
NFL Coach/Entrepreneur
LAWRENCE SMALL
Secretary, Smithsonian Institute
RT. HON. SIR MICHAEL SOMARE
Prime Minister, Papua New Guinea
CATHERINE STEVENS
ASi Agricultural Services & Investments
JACK KEMP
Former U.S. Representative & Secretary of Housing and Urban Development
MRS. ANDREE LAHOUD
First Lady of Lebanon
JOE BACA
U.S. Representative, D-California
MAX CLELAND
Former U.S. Senator, D-Georgia
ANNA G. ESHOO
U.S. Representative, D-California
DIANNE FEINSTEIN
U.S. Senator, D-California
WILLIAM H. FRIST
U.S. Senator, R-Tennessee
BENJAMIN A. GILMAN
U.S. Representative, R-New York
DANIEL INOUYE
U.S. Senator, D-Hawaii
KEN LANCASTER
State Representative, R-Alaska
JAMES R. LANGEVIN
U.S. Representative, D-Rhode Island
STEVE LARGENT
Former U.S. Representative, R-Oklahoma
NANCY PELOSI
U.S. Representative, D-California
TED STEVENS
U.S. Senator, R-Alaska
ELLEN TAUSCHER
U.S. Representative, D-California
TOM TORLAKSON
State Representative, D-California
Global Partners of the Wheelchair Foundation have contributed more than $5 million and/or provided priceless human resources to the advancement of our mission, in the delivery of hundreds of thousands of wheelchairs.

The Kenneth E. Behring Foundation
The Church of Jesus Christ of Latter-day Saints
Rotary Clubs and Rotarians
The United States Department of State
The United States Department of Defense

Extraordinary Allies of the Wheelchair Foundation include organizations and individuals that have contributed greatly to the global success and exposure of our humanitarian mission.

China Disabled Person’s Federation
Crystal Cathedral Ministries
Knights of Columbus
The Oakland Athletics
Smithsonian Magazine

Visionary Supporters of the Wheelchair Foundation include organizations and individuals that have led by example in focusing their considerable resources on specific regions of the world, or to help further expand the reach of our mission.

Altria Group, Inc.
Catherine B. Reynolds Foundation
ChevronTexaco
Christopher Reeve Paralysis Foundation
The Hofmann Foundation
Hyundai
Major League Baseball
The Million Dollar Round Table Foundation
Ralph and Betty Englestad
Ronald McDonald House Charities
Samaritan’s Purse
Samsung
Seaton Institute
Wells Fargo Foundation

A list of contributors and sponsors can be found at www.wheelchairfoundation.org.
caring
Independent Auditors’ Report

The Board of Directors
Wheelchair Foundation:

We have audited the accompanying balance sheet of Wheelchair Foundation as of December 31, 2003 and 2002, 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, 2003 and 2002, 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 23, 2004

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.
WHEELCHAIR FOUNDATION
Balance Sheets
December 31, 2003 and 2002

<table>
<thead>
<tr>
<th>Assets</th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$3,484,286</td>
<td>$2,826,387</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>1,215,056</td>
<td>51,879</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>154,476</td>
<td>117,268</td>
</tr>
<tr>
<td>Total current assets</td>
<td>4,853,818</td>
<td>2,995,534</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>249,356</td>
<td>123,978</td>
</tr>
<tr>
<td>Other assets</td>
<td>168,976</td>
<td>2,310</td>
</tr>
<tr>
<td>Total assets</td>
<td>$5,272,150</td>
<td>3,121,822</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and Net Assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>$786,333</td>
<td>572,602</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>112,700</td>
<td>564,138</td>
</tr>
<tr>
<td>Related party advances</td>
<td>—</td>
<td>1,338,236</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>899,033</td>
<td>2,474,976</td>
</tr>
</tbody>
</table>

Cash flows from operating activities:
Change in net assets $3,726,271 $12,905

Adjustments to reconcile change in net assets to net cash provided by operating activities:
Wheelchair Foundation net liability assumed, net of cash — 753,517
Noncash expense- Wheelchair Operations Foundation — 394,888
Depreciation expense 44,432 18,555
Changes in operating assets and liabilities:
Accounts payable and accrued expense 213,731 339,135
Deferred revenue (451,438) 564,138
Accounts receivable-related party — 1,300,000
Prepaid expense (37,208) (93,413)
Other assets (166,666) 22,805
Net cash provided by operating activities 2,165,945 3,479,073

Cash flows used in investing activities:
Purchases of property and equipment (169,810) (22,668)

Cash flows used in financing activities:
Related party repayments (1,338,236) (1,357,366)
Net increase in cash and cash equivalent 627,899 2,069,039

Net cash and cash equivalent at beginning of year 2,826,387 727,348
Net cash and cash equivalent at end of year 3,484,286 2,826,387

See accompanying notes to financial statements.

WHEELCHAIR FOUNDATION
Statements of Cash Flows
Years ended December 31, 2003 and 2002

WHEELCHAIR FOUNDATION
Statements of Activities
Years ended December 31, 2003 and 2002

<table>
<thead>
<tr>
<th>Operations:</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues and gains:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions</td>
<td>$4,534,654</td>
<td>1,028,765</td>
<td>5,563,419</td>
<td>2,178,584</td>
<td>1,951,959</td>
<td>4,130,543</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>2,729,186</td>
<td>—</td>
<td>2,729,186</td>
<td>686,350</td>
<td>—</td>
<td>686,350</td>
</tr>
<tr>
<td>Government grants</td>
<td>7,230,563</td>
<td>—</td>
<td>7,230,563</td>
<td>1,984,238</td>
<td>—</td>
<td>1,984,238</td>
</tr>
<tr>
<td>Contract revenue</td>
<td>518,425</td>
<td>—</td>
<td>518,425</td>
<td>155,000</td>
<td>—</td>
<td>155,000</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>30,348</td>
<td>—</td>
<td>30,348</td>
<td>21,344</td>
<td>—</td>
<td>21,344</td>
</tr>
<tr>
<td>Special events (net of expenses of $179,984 in 2003 and $46,933 in 2002)</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>1,170,273</td>
<td>—</td>
<td>1,170,273</td>
<td>355,446</td>
<td>—</td>
<td>355,446</td>
</tr>
<tr>
<td>Total operating revenues and gains</td>
<td>17,977,408</td>
<td>254,806</td>
<td>18,232,214</td>
<td>5,754,592</td>
<td>1,578,329</td>
<td>7,332,921</td>
</tr>
</tbody>
</table>

Program expenses:
Wheelchair costs $5,783,150 — 5,783,150 2,667,499 — 2,667,499
Wheelchair delivery 3,380,895 — 3,380,895 687,870 — 687,870
Supplies and materials 1,814,415 — 1,814,415 1,813,215 — 1,813,215
Net operating expenses 10,987,460 — 10,987,460 5,168,584 — 5,168,584

Net nonoperating expenses:
Management and general expenses 1,516,383 — 1,516,383 772,870 — 772,870
Fund raising expenses 1,921,100 — 1,921,100 644,277 — 644,277
Net nonoperating expenses 3,437,483 — 3,437,483 1,417,147 — 1,417,147

Wheelchair Operations Foundation net liability assumed — — — (734,285) — (734,285)
Change in net assets (1,305,113) 264,806 3,726,271 (1,565,424) 1,578,329 12,905
Net assets as of beginning of year 646,846
Net assets as of end of year $2,216,785 4,373,117 (1,305,113) 1,951,959 646,846

See accompanying notes to financial statements.

WHEELCHAIR FOUNDATION
Annual Report
19
Tran Thi Nghua is a 17-year-old girl who has been unable to walk since birth, and was the top student in her high school class. She has always dreamed of someday becoming a doctor, but was afraid that she wouldn’t be able to go to college because of her inability to move herself around. Up to this point in her life, she had to be carried by family or friends wherever she needed to go. Now that she has received a new wheelchair, she is able to fulfill her dream, and is going to attend college next year on her way to medical school.

A 35-year-old man became physically disabled by stepping on a landmine. He has five children and is the sole provider for his family. He lives outside of the city where there is no opportunity for work. Each day he begs for a ride to the city from passing travelers so he can sit in an auto mechanic workshop to guard the tools. At the end of the day the auto mechanic gives him some money, and this is how he earns nothing. By receiving a wheelchair, he is now independent and does not need a ride to the city. He arrives early and spends the day earning money for his family. He is eternally grateful for this great improvement in all of their lives.
Revenues related to the government grant are recognized at $75 for each chair delivered to a qualified country. Cash received in advance of revenue recognized is accounted for as deferred revenue.

(a) Contributed Services
Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation. The Foundation received contributed services consisting of air travel and wheelchair transportation of $2,729,186 and $686,350 during the years ended December 31, 2003 and 2002, respectively (note 3). These contributions have been recorded as in-kind contributions in the accompanying statements of activities.

(ii) Fundraising Expenses
Fundraising expenses include costs related to public education and partnership outreach. The Foundation seeks partnerships with individuals and organizations willing to participate in their global mission. The Foundation relies on numerous qualified partners to voluntarily import and distribute shipments of wheelchairs worldwide.

(g) 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.

(h) Reclassifications
Certain reclassifications have been made to the 2002 financial data to conform with the 2003 presentation.

(3) Related Party Transactions
The founder of the Foundation contributed air travel to the Foundation. During the years ended December 31, 2003 and 2002, the Foundation received in-kind air travel contributions of $1,116,500 and $868,350, respectively. These in-kind contributions have been recorded as income and expense in the accompanying statement of activities.

On June 30, 2002, the Wheelchair Operation Foundation, a support organization, 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 year ended December 31, 2002, the Foundation paid the Wheelchair Operations Foundation $395,000 for work performed before the dissolution of the Wheelchair Operations Foundation. The amounts represent costs related to public education and partnership outreach.

During the years ended December 31, 2003 and 2002, the Foundation paid rent expense of $10,902 and $5,451, respectively, on these noncancelable operating leases for office space.

(4) Property and Equipment
Property and equipment as of December 31, 2003 and 2002 consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>2003</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment and computers</td>
<td>$230,814</td>
<td>$131,174</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>82,162</td>
<td>60,578</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>48,207</td>
<td></td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>361,183</td>
<td>191,752</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>$248,356</td>
<td>$123,978</td>
</tr>
</tbody>
</table>

(5) Income Taxes
The Foundation is a tax-exempt 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 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, 2003 and 2002, the Foundation paid rent expense of $10,902 and $5,451, respectively, on a noncancelable operating lease for office space.

(9) Concentrations of Revenues
For the years ended December 31, 2003 and 2002, the Foundation received 40% and 27%, respectively, of its operating revenues from a grant funded by the United States Department of State. The operations of the Foundation could be adversely affected in the event that this grant funding is discontinued.
Momentous Reality — From "Hope Through Heartsongs," by Mattie J. T. Stepanek

The next century, the next millennium
Is being made, now, today, each second.
We could be working towards
World peace, living as one spirit.
Or, we could be working towards
Disaster, chemical and nuclear wars.
The harmony, and existence of the future
Depends on the harmony and existence
Of each individual here, today.
We must be brave going into the future.
We must remember to play after each storm.
We must not live in fear of bad things
Blocking our way or overcoming our optimism.
If we can work together to face the future,
If we can unite as one,
Then our future will look, and be, very bright.

Even though the future seems far away,
It is actually beginning right now.
And while we are living in the present,
We must celebrate life everyday,
Knowing that we are becoming history
With every word, every action, every moment.
Because we, today, are the history of tomorrow,
We must ask ourselves each day
What we are doing that may have
An influence on the future.
It really won’t be for many years that
The future will indicate if something we said,
Or if something we did or did not do,
Had an impact on a single individual,
Or if it trickled out to touch the whole world.

February 2000

Mattie J. T. Stepanek was just 13 years old when he died in June 2004 from a rare form of muscular dystrophy. Mattie was a poet, a peacemaker, an inspiration and a gift to our world. Former President Jimmy Carter delivered Mattie’s eulogy and stated that he was “the most extraordinary person I ever met.”

I have read this poem to thousands of people in the course of creating awareness about the purpose and mission of the Wheelchair Foundation, and it speaks volumes to me about the effort we need to put into changing our own world for the better. I feel that we as compassionate people are blessed to have Mattie’s messages of peace inspiring our work, and helping our gesture of friendship to touch the whole world.

— Chris Lewis - DIRECTOR, PUBLIC EDUCATION - THE WHEELCHAIR FOUNDATION
peace

* www.wheelchairfoundation.org