Annual Report
2002
American Friends Service Committee
“The pursuit of peace and progress... can never be relaxed and never abandoned.”

Dag Hammarskjold
Dear Friend,

The American Friends Service Committee’s work in 2002 continued to be affected by the tragic events of September 11, 2001. An overarching campaign called “No More Victims” directly linked our domestic and international programs and renewed our historic emphasis on U.S. peacebuilding by promoting citizen action.

At AFSC, we firmly believe that the might of soldiers, bombs and terror is not the right path. We know that there are never “winners” in war and that our organization is part of the human community that fervently desires peaceful ways of resolving conflict. We exposed the painful fact that billions of dollars are diverted from human progress—from economic justice, equality, education—to armaments and bomb-laden airplanes.

Throughout 2002, AFSC pushed, prompted, persuaded, and acted on our core Quaker beliefs. We held fast to the possibilities of building a global community and strengthening international institutions and organizations for peace.

Our gratitude goes to our donor partners and our appreciation to the diverse communities who allow us to join them in witness to the best that humankind offers. I hope you will find the following Highlights of 2002 informative, stimulating, and satisfying.

With hopes for peace,

Mary Ellen McNish
General Secretary
Even in the midst of the growing gap between rich and poor and the violence that wracked too many communities, AFSC’s international programs prospered. We stood with our brothers and sisters around the world providing training, material supplies, and relief for emergencies. We promoted conflict-resolution and local movements for peace. The accomplishments cited are just a few examples of the significant impact of AFSC’s work in 2002.

“Peace is not a passive but an active condition, not a negation but an affirmation. It is a gesture as strong as war.”

Mary Roberts Rinehart
Following the events of September 11 and the subsequent war in Afghanistan, we conducted a blanket campaign which resulted in more than 75,000 donated items being sent to the region for refugees. Five Afghan-Americans from Northern California accompanied the shipment and participated in the distribution of comforters, quilts, sleeping bags, handmade afghans and blankets. AFSC established an office in Kabul in the spring of 2002 and staff quickly assessed the role we could play in long-term reconstruction efforts. Funds were allotted for schools and educational supplies and to pay stipends to widows taking basic literacy and learning tailoring so that they have a permanent means of taking care of their families.

In North Korea, four large farms with a total population of 20,400 continued to receive extensive agricultural support and training. AFSC provided portable irrigation pumps, mobile rice thresher and woven plastic windbreaks, which greatly increased per hectare production. The program donated books and relevant computer software to the Korean Academy of Agriculture Science.

While stepping up political action in the U.S. to drop economic sanctions against Iraq, AFSC helped provide water purification equipment to restore damaged systems and once again make potable water available. Institutions such as orphanages benefited as well as villages such as Bodeja where the refurbished water system produced more than 250,000 gallons per day for the town and surrounding area.
For more than a decade, AFSC has worked in the remote Grand’Anse region of Haiti. The integrated community development program offered adult literacy, ran the only health clinic in the area, and distributed more than 45,000 tree saplings in communities where deforestation is a significant problem.

In addition to food security programs at the village level in Cambodia, AFSC provided technical and financial support to Local Capacities for Nonviolence (renamed Khmer Ahimsa) and Community Work with Disabled People. These important efforts to enhance civil society eventually will be turned over to Cambodian control. Staff also assisted in the reintegration of some of the hundreds of Cambodians deported from the U.S. by the Immigration and Naturalization Service.

In addition to coordinating a rural development program in Mozambique, AFSC provided emergency grants to aid communities affected by volcano eruptions in Congo and to internally displaced people in Kenya. Quaker International Affairs Representatives in Central and Southern Africa continued to work on conflict resolution and inter-ethnic reconciliation.
As noted in this report’s introduction, much of 2002 programming revolved around responses to September 11 through the “No More Victims” campaign. Staff in every AFSC region and in Philadelphia worked at the local and the national policy level to affect the U.S. government’s rising tide of militarism and the erosion of civil rights. Following are some of the important endeavors in 2002.

“The way of the truth requires us to recognize our own complicity in the policies carried in our name if we do not speak and act boldly to oppose them.”

AFSC Delegation to Iraq
The Middle East program sponsored a speaking tour by noted Palestinian Quaker Jean Zaru, and encouraged U.S. citizens to sign a “Peace Pledge” to express their desire for peaceful solutions with Iraq. Nearly 16,000 signed the pledge September 30, 2002.

AFSC’s Democratizing the Global Economy project was instrumental in organizing a conference sponsored by The Interfaith Working Group on Trade and Investment, bringing together diverse faith institutions to consider the ethical challenges of trade and investment and to network as a faith community. In addition to an interfaith panel, fourteen workshops focused on issues such as human rights and trade; trade policy alternatives; health and trade; democracy, governance, and trade; and global trade and communities in the United States. There were 140 participants—more than double expectations.

Strengthening peace efforts in Colombia was the focus of the Latin America/Caribbean Program. Our staff drafted the statement presented by U.S. groups at the Congress for Peace and Country in Bogota in April 2002. More than two thousand activists from Colombia and around the world attended this first conference to support negotiated settlement to conflict between the Colombian government and rebels. The Congress sent a strong message to the Colombian government about peace and voiced support for Colombian human rights and peace organizations.
Fallout from September 11 affected many groups in the United States with whom we work. Around the country, AFSC staff responded with outreach to immigrants. In New York City, we directly served residents of the World Trade Center neighborhood, where our office also is located, by providing hot meals and volunteering at information centers. Here are some of the other programs we operated in 2002.

The Newark, New Jersey, office expanded its ongoing legal assistance for immigrants and provided more than 40 “Know Your Rights” presentations in county jails. Hundreds of detainees (many of them Arabs and Muslims) attended the sessions. The new Long Island Immigration Resource Center opened and is actively engaged with cross-cultural communication and education of the broader community about the contributions of immigrants to our society.

In Visalia, California, AFSC’s Proyecto Campesino used techniques ranging from English as a Second Language to basic civics classes for its citizenship training. Expanding to include “teaching teachers to teach,” college students participated in demonstration classes so they can carry the details of becoming citizens to the broader community. A long-term goal is tying good citizenship to neighborhood activism and bringing the needs of immigrants and their communities to the attention of local policymakers.

Along the Mexico/US Border, AFSC has long been involved in worker rights and health education. With our partner Comité Fronterizo de Obreras (CFO), we publicized the significant domestic violence of women and a string of unsolved murders of girls and women. Through workshops and in-home meetings, CFO taught workers to raise demands for more humane factory conditions to management and government authorities.
Domestic Community Relations

Youth programs brought together Native Americans from across the country, hundreds of students in Help Increase the Peace workshops, and Asian/Pacific Islanders to meetings in Northern California. In Boston, young activists of diverse backgrounds enthusiastically participated in the “Inspiring, Educating and Mobilizing the Hip-Hop Generation” conference.

The Ann Arbor, Michigan, Lesbian, Gay, Bisexual and Transgendered (LGBT) Issues Program was instrumental in starting the Faith Action Network. It mobilizes faith communities to take action on public policy issues that affect LGBT people, lifting up a spiritually-led vision of social and economic justice.

Along with long-standing economic and racial justice programs, Logan, West Virginia, staff provided essential home repairs for low-income and elderly residents who couldn’t do them themselves. Volunteers, many from local churches, painted more than 30 houses and fixed roofs, windows, steps and walls.

Special Programs

AFSC’s Washington Office staff worked on a wide range of significant issues such as a fair minimum wage, improving the food stamp program, legalizing status for long-time immigrants, the Israeli/Palestinian conflict, and the Bush Administration’s increasingly unilateral foreign policy. In addition, the office provided information on legislation to the whole organization and actively participated in a network of religious-based organizations in the capital.

The Nationwide Women's Program and the Third World Coalition continued to lift up the voices of women and people of color throughout AFSC’s programs.

AFSC is grateful to the many compassionate individuals and groups who make our worldwide programs for peace and justice possible.
### OPERATING REVENUES

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total FY02</th>
<th>Total FY01</th>
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<tbody>
<tr>
<td><strong>Public Support</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Contributions for current program work</td>
<td>$8,089,476</td>
<td>12,367,792</td>
<td>—</td>
<td>20,457,268</td>
<td>18,422,416</td>
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<td>Contributions of Materials for current program work</td>
<td>$3,178,247</td>
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<td>3,178,247</td>
<td>1,243,372</td>
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<td>Bequests (Note 1)</td>
<td>$11,035,309</td>
<td>768,856</td>
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<td>11,804,165</td>
<td>8,126,839</td>
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<td>Contributions to Endowment Funds</td>
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<td>—</td>
<td>95,304</td>
<td>95,304</td>
<td>1,473,345</td>
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<td><strong>Total Public Support</strong></td>
<td>$22,303,032</td>
<td>13,136,648</td>
<td>95,304</td>
<td>35,534,984</td>
<td>29,265,972</td>
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<td><strong>Government Grants</strong></td>
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<td>253,633</td>
<td>253,633</td>
<td>168,077</td>
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<td>Investment income, net of related fees, appropriated</td>
<td>$3,301,965</td>
<td>176,176</td>
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<td>3,478,141</td>
<td>4,573,942</td>
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<td>Program Service Income</td>
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<td>868,173</td>
<td>912,468</td>
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<td>Other income</td>
<td>$117,301</td>
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<td>117,301</td>
<td>126,843</td>
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<td>Net assets released from restrictions</td>
<td>$14,058,856</td>
<td>(14,087,261)</td>
<td>(28,405)</td>
<td>—</td>
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<td><strong>TOTAL REVENUE</strong></td>
<td>$40,649,327</td>
<td>(520,804)</td>
<td>95,304</td>
<td>40,223,827</td>
<td>35,047,302</td>
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### OPERATING EXPENSES

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<tr>
<th></th>
<th>Unrestricted</th>
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<th>Total FY01</th>
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<tbody>
<tr>
<td><strong>Program Services</strong></td>
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<td>International Programs</td>
<td>$13,476,855</td>
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<td>13,476,855</td>
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<td>Domestic Programs:</td>
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<td>Peace Education</td>
<td>$7,226,587</td>
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<td>7,226,587</td>
<td>6,182,655</td>
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<td>Community Relations</td>
<td>$10,653,939</td>
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<td>Special Programs</td>
<td>$2,183,742</td>
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<td>2,183,742</td>
<td>2,121,551</td>
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<td><strong>Total Program Services</strong></td>
<td>$33,541,123</td>
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<td>33,541,123</td>
<td>29,705,754</td>
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<td><strong>Program Support</strong></td>
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<td>Management and general</td>
<td>$3,449,077</td>
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<td>3,449,077</td>
<td>3,149,957</td>
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<td>Fundraising</td>
<td>$4,264,950</td>
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<td><strong>Total Program Support</strong></td>
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<td><strong>TOTAL EXPENSES</strong></td>
<td>$41,255,150</td>
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<td>41,255,150</td>
<td>37,705,658</td>
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### CHANGE IN NET ASSETS

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<tr>
<th></th>
<th>Unrestricted</th>
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<th>Total FY02</th>
<th>Total FY01</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Operations</td>
<td>$(605,823)</td>
<td>(520,804)</td>
<td>95,304</td>
<td>(1,031,323)</td>
<td>(2,658,356)</td>
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<tr>
<td>Investment income not appropriated</td>
<td>$(8,410,550)</td>
<td>(5,514,364)</td>
<td>—</td>
<td>(13,924,914)</td>
<td>(13,852,683)</td>
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<tr>
<td>Contributions to Planned Giving for future program work</td>
<td>—</td>
<td>4,427,791</td>
<td></td>
<td>4,427,791</td>
<td>5,041,930</td>
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<tr>
<td>Adjustments for Changes in Planned Giving Assets</td>
<td>(2,215,414)</td>
<td></td>
<td></td>
<td>(2,215,414)</td>
<td>1,252,350</td>
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<tr>
<td><strong>Total Change in Net Assets</strong></td>
<td>$(9,016,373)</td>
<td>(3,822,791)</td>
<td>95,304</td>
<td>(12,743,860)</td>
<td>(10,216,759)</td>
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<tr>
<td><strong>Net Assets Beginning of Year</strong></td>
<td>$67,523,919</td>
<td>46,497,012</td>
<td>4,612,253</td>
<td>118,633,184</td>
<td>128,849,943</td>
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<td><strong>Net Assets End of Year</strong></td>
<td>$58,507,546</td>
<td>42,674,221</td>
<td>4,707,557</td>
<td>105,889,324</td>
<td>118,633,184</td>
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</tbody>
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**Note 1:** Bequest income fluctuates unpredictably. To balance this flow of funds, AFSC allocates a three-year average for program work. The policy assures program stability from year to year.
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For the year ending September 30, 2002

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