



June 2004

Dear Friends of The Box Project,

We are pleased to provide you with our annual report for the 2003 fiscal year. In today's world, we recognize and embrace the need for accountability in the non-profit sector. On the following pages, you will find a description of our programs and our audited financial statement. The full audit can be found on our Website at www.boxproject.org/2003audit.pdf. We are proud of our fiscal record and welcome your scrutiny. The following items are of particular interest:

- (1) The National Charities Information Bureau (NCIB) recommends that organizations spend at least 60% of annual expenses for program activities. In 2003, The Box Project spent **over 72%** of annual expenses on our various programs.
- (2) Give.org, which is the Better Business Bureau's Wise Giving Alliance, recommends that no more than 35% of related contributions be spent on fund raising. The Box Project spent **less than 4%** of related contributions on fund raising in 2003.

In the last 18 months, The Box Project has undergone significant positive change. We have maintained our commitment to our core **Family Match** program and developed our new **ClassMatch** program focused on increasing our work in education. With a generous contribution from the Smithsonian American Art Museum, the 2003-2004 school year marked the successful launch of our ClassMatch pilot program. This program pairs classrooms in grades 2-8 from across the country, allowing teachers and their students to learn about each other's lives, interests, and local culture. We plan to expand this program to even more classrooms for the 2004-2005 school year.

Perhaps the most significant change was our decision to move the organization's offices to Florida. This move, scheduled in Spring of 2004, provides us greater opportunities for expanding our programs and more effective use of our resources. Three key factors impacting our decision included: 1) cost of doing business in Connecticut vs. Florida; 2) our desire to be closer to Mississippi and Appalachia where the largest number people that we serve are living; and 3) access to a large community of talented volunteers with considerable resources.

Early in 2004, we also welcomed a new Executive Director, Susan Patneaude. Susan is an experienced and dynamic person with an incredible passion for The Box Project. Her tremendous leadership strengths come from a rich background that includes over 25 years of successful executive management and growth experience in non-profit organizations. We are excited about the fresh and creative attitude Susan brings to us, and we are embracing the opportunities to explore new and innovative ways to fulfill our mission.

We want to thank our donors, members, sponsors, and referring agencies who partner with us to make a difference in the lives of those we serve. We look forward to a new beginning and to new opportunities to make a difference in the lives of families living in rural poverty in America.

Respectfully Submitted,

Pat Schneider

2003 President, Board of Directors

100 Business Center Drive, Ste. 26 ~ Ormond Beach, FL 32174 ~ Phone: 386.677.8094 ~ Fax: 386.677.8617 ~ Web: www.boxproject.org

Our Mission: Encouraging families and individuals living in rural poverty in America to become self-sufficient and overcome the cycle of poverty by offering them friendship, education, and material aid.



About The Box Project

The Box ProjectSM matches caring individuals and families with those in need; encouraging communication, guidance and giving; and teaching the fundamentals of self-sufficiency. Whether Sponsorship comes from an individual, family, school, or business, one Sponsor can make a difference in the lives of others. While our Sponsors are located around the United States, our recipients are primarily located in areas of rural poverty, including Mississippi, Maine, Appalachia (including West Virginia, Virginia, Kentucky), and the Native American reservations of South Dakota.

The Box Project, Inc. is a national, not-for-profit 501(c)(3) organization. Founded in 1962, The Box Project has been working to help people living in America's worst areas of rural poverty. We seek to ease the effects of poverty and increase mutual understanding through direct, people-to-people assistance. Through our first and most successful program, Family Match, we match volunteer Sponsors with individuals and families living in rural poverty in America. Sponsors develop long-term friendships, providing encouragement, advice, and boxes of needed supplies on a monthly basis. They communicate and send letters and boxes directly to the families they are matched with, thus eliminating the need for an intermediary and enhancing the one-to-one experience. As the families come to know each other, trust and friendships grow—providing a positive and valuable experience for both the recipient and the sponsor.

With the success of the Family Match program, we have expanded our programs to include additional sponsor opportunities. Other ways to help include becoming a Holiday Sponsor, a match only through the winter holidays; Community Center Match, which matches a sponsor or sponsor group (such as a church group or employee group) with a rural community center; and ClassMatchSM which matches students and teachers in classrooms across America for the purpose of sharing their lives, interests, and local culture.

Additional programs funded through donations include our Emergency Fund, providing emergency assistance to rural members of our programs, and a Education Fund, providing financial assistance to encourage students to pursue higher education as a means to break the cycle of poverty.

The Box Project staff, referring agencies, and even online member communities assist members in all programs, providing support, information, ideas, and professional administrative services all along the way.

We rely on generous contributions, grants, and membership fees to support our programs. While one person may not be able to change the world, one person can change a life, right here in our own country. We welcome you to become a sponsor in support of one of our match programs, or by donating funds to support our activities, provide for emergency needs, or offer educational opportunities.

For current news and in depth information about our programs and services, or more creative ideas of ways that you can help, please visit us online at www.boxproject.org.

100 Business Center Drive, Ste. 26 ~ Ormond Beach, FL 32174 ~ Phone: 386.677.8094 ~ Fax: 386.677.8617 ~ Web: www.boxproject.org

Our Mission: Encouraging families and individuals living in rural poverty in America to become self-sufficient and overcome the cycle of poverty by offering them friendship, education, and material aid.



Board of Directors

Year Ending 2003

Officers

President:	Pat Schneider, Ridgefield, CT
Vice President:	Cindy Shearer, Bozeman, MT
Secretary:	Eva Scholfield, Toms River, NJ
Treasurer:	Anne Blake, Detroit, MI

Members At Large

Ruby Blackmon, New Britain, CT
Mohammed Hoque, Itta Bena, MS
Adell Moore, Augusta, GA
Susan Patneaude, Jay, ME
George "Chick" Scheiderman, Marks, MS
Sue Taylor, Sherman Oaks, CA
Raymond Uses The Knife, Eagle Butte, SD
Sharon Workman, Buckfield, ME

THE BOX PROJECT, INC.

STATEMENT OF ACTIVITY

FOR THE YEAR ENDED DECEMBER 31, 2003

Unrestricted net assets:

Support

Dues	\$ 65,845
Contributions	101,001
Direct aid fee	3,773
Miscellaneous income	1,000
Interest income from unrestricted assets	<u>281</u>

Total unrestricted support 171,900

Expenses

Program services	155,453
Supporting services	<u>59,747</u>

Total expenses 215,200

Decrease in unrestricted net assets (43,300)

Temporarily restricted net assets:

Interest income from temporarily restricted assets	90
Restrictions satisfied by payments	<u>(11,189)</u>

Decrease in temporarily restricted net assets (11,099)

Decrease in net assets (54,399)

Net assets at beginning of year 240,265

Net assets at end of year \$ 185,866