

OCRS
CATHOLIC RELIEF SERVICES

2001
annual report



One Human *family...*

Last year we came together as an agency to take stock of where we were and to chart a course for the future. Staff at every level in the organization and in every country and region where we work were asked to contribute to this process – no small feat with 4,000 people working in more than 87 countries and territories.

The resulting vision of a world transformed by solidarity provides us with a goal to reach for. We seek a world drawn closer together through the bonds of our common humanity. For many, the term solidarity is an unfamiliar one, invoking – if anything – images of labor strikes in Poland during the cold war. Solidarity, however, is much more than a historical footnote; it comes from Catholic social teaching and reminds us that we are all part of one human family.

We are not blind to the world as it exists; but as an American and Catholic agency, we are called to imagine the world as it could be. If the events of September 11 served to remind us of the deep hatred in the world, they also underscored the urgency with which we must undertake the building of solidarity.

Accordingly, we have reaffirmed our commitment to the work we do overseas in the areas of agriculture and education, through HIV/AIDS care, through health and clean water projects, with microcredit programming to help rural women start small businesses and in fostering peace and reconciliation among people.

All of this we have done and will continue to do: a commitment to caring for the physical, emotional and spiritual needs of those we serve around the world.

In line with this commitment is our desire to help Catholics in the United States forge real connections with the poor and marginalized overseas. Linking those we represent with those we serve is an important step in building a world where peace and security, access to clean water, food and education are not accidents of geography but rights enjoyed by all.

We invite you to join us on this journey, to work with us and to pray for us; and we hope you can recognize in the pages that follow, the faces of your brothers and sisters.

... across the globe



Latin America & Caribbean Africa Middle East & North Africa Eastern Europe Asia

- | | | | | | | |
|-----------------------|---------------------------------|-----------------------------------|----------------------------------|---------------------|----------------------|-----------------|
| 1 Afghanistan | 14 Burundi | 25 Djibouti | 37 Ghana | 50 Kosovo | 63 Nicaragua | 76 Somalia |
| 2 Albania | 15 Cambodia | 26 Dominican Republic | 38 Guatemala | 51 Laos | 64 Niger | 77 South Africa |
| 3 Angola | 16 Cameroon | 27 East Timor | 39 Guinea | 52 Lebanon | 65 Nigeria | 78 Sri Lanka |
| 4 Armenia | 17 Central African Republic | 28 Ecuador | 40 Guinea-Bissau | 53 Lesotho | 66 North Korea | 79 Sudan |
| 5 Azerbaijan | 18 Chad | 29 Egypt | 41 Haiti | 54 Liberia | 67 Pakistan | 80 Taiwan |
| 6 Bangladesh | 19 Colombia | 30 El Salvador | 42 Honduras | 55 Macedonia | 68 Papua New Guinea | 81 Tanzania |
| 7 Belize | 20 Congo-Brazzaville | 31 Equatorial Guinea | 43 India | 56 Madagascar | 69 Peru | 82 Thailand |
| 8 Benin | 21 Côte d'Ivoire | 32 Eritrea | 44 Indonesia | 57 Malawi | 70 Philippines | 83 Togo |
| 9 Bolivia | 22 Croatia | 33 Ethiopia | 45 Iran | 58 Mali | 71 Romania | 84 Turkey |
| 10 Bosnia-Herzegovina | 23 Cuba | 34 Federal Republic of Yugoslavia | 46 Iraq | 59 Mexico | 72 Russia (far east) | 85 Uganda |
| 11 Brazil | 24 Democratic Republic of Congo | 35 The Gambia | 47 Jerusalem, West Bank and Gaza | 60 Morocco | 73 Rwanda | 86 Venezuela |
| 12 Bulgaria | | 36 Georgia | 48 Jordan | 61 Myanmar (Burma) | 74 Senegal | 87 Vietnam |
| 13 Burkina Faso | | | 49 Kenya | 62 Nagorno-Karabakh | 75 Sierra Leone | 88 Zambia |
| | | | | | | 89 Zimbabwe |

After September 11: A Conversation with Ken Hackett,
Executive Director of Catholic Relief Services • 2-3

Caring for Those in Need • 4-5

Providing for the Future • 6-7

Small Loans and Great Expectations • 8-9

A Commitment to Peace • 10-11

Hope for Tomorrow • 12-13

CRS Leadership • 14-15

Diocesan Directors • 16-17

Donor Acknowledgement • 18-19

Financial Report • 20-38

Regional Directors and Country Representation • 40

Special Thanks • 41

contents
contents

After September 11: a Conversation with **Ken Hackett** *Executive Director of Catholic Relief Services*



How has CRS adjusted to operating in a post-September 11 world?



In October, Ken Hackett visited with Afghan refugees in the Jalozai refugee camp in Pakistan.

Staff security is always a concern, and the events of September and after put us on a heightened state of alert. At the same time, however, programming has proceeded with a heightened sense of mission. Each day around the world, our staff and partners are working to help those in need. It is this kind of work that can help build bridges between people of different faiths and nationalities – this is the kind of work that is crucial to building solidarity.

Has your identity as a U.S.-based Catholic agency caused any difficulties?

No. We have never disguised ourselves or tried to downplay our identity, and in a sense, I think that has helped us – there is no question as to who we are and why we do what we do. And our partners overseas have been overwhelmingly supportive. I can't even count the number of condolence letters and e-mails we received in the days following September 11, and this support has continued. In any country where we work, the majority of our staff are from the local population – people of all faiths who share our commitment and our goals. Our presence and our programs can do more than deliver material assistance. I think it's important that people around the world, particularly in areas where there is tension concerning the United States, see in us the face of U.S. Catholics – whose concern for the poor is not measured by borders.

What can people do now to help?

They can pray for an end to injustice in the world; prayers for peace are needed now more than ever. We are also asking U.S. Catholics and others of good will to help us as we strive to raise additional funds to help the Afghan people in their post-war recovery, and to support the poor in countries throughout the world affected by the current instability. We have before us the opportunity – not just in South Asia – but in Africa, Eastern Europe, Latin America and the Middle East, to work to promote just and peaceful communities based on interfaith and interethnic dialogue, tolerance and understanding. Our identity tells us we must work for this; our history tells us it is possible.



CRS' emergency relief in the Democratic Republic of Congo means villagers can rebuild their lives as well as their homes.

How will CRS handle the ongoing situation in Afghanistan?

In-country, our activities are typically carried out in partnership with the local church. In Afghanistan, however, there is a very limited history of church institutions. But we have opened an office in Kabul and are working with other Caritas organizations and local groups to help set up programs in agriculture, education and health. We are also working to help begin the reconciliation process, to assist the Afghan people in rebuilding their country and their lives. Additionally, we are still caring for thousands of Afghan refugees in camps on the Pakistan border. Many of them left their homes years ago, fleeing drought and civil war, and we will continue to care for them.





Caring for those in need

South Africa

To look at the numbers in South Africa is to be given a quick lesson in the grim calculus of HIV/AIDS. With an estimated 4.7 million people infected, more than 400,000 orphans – and 2,000 new infections occurring every day – the numbers can be overwhelming. But the numbers do not tell the whole story. We see the faces and lives behind these numbers.

The AIDS Pandemic: A Catholic Response

In sub-Saharan Africa, the Catholic Church is a major provider of essential care and support for people living with HIV/AIDS; our work in South Africa exemplifies that commitment. Our commitment to fighting HIV/AIDS in South Africa means we work with the local church and other partners, caring for the sick and for the orphans left behind, raising awareness, helping to reduce the stigma against those infected and helping local communities to build the capacity to respond more effectively.

- Youth education – in a country where half of all 15-year-olds are expected to die from the disease, education is essential to preserving the future of South Africa. Raising awareness can save lives. HIV/AIDS is as much a development problem as a health one – it threatens to rob South Africa of the many gains made since the end of apartheid. We

work with the Catholic Institute of Education, which is responsible for overseeing educational services provided at local Catholic schools, and have implemented a Life Skills Education program. This program will reach more than 120,000 children in over 300 schools, educating them about HIV/AIDS, giving them the tools to make sound decisions and helping schools to better cope with the impact of this disease.

- Comforting the sick and caring for those in need – it is no secret that AIDS drugs are unaffordable in most of the world. This lack of medical hope is often compounded by the

In South Africa, CRS cares for those living with HIV/AIDS and also for those left behind, like these children.



Usually the family is so afraid of AIDS they are terrified to care for their family members. When they see me caring for the sick, they become less afraid.

– Mavis Nkala Khanyisile, Volunteer Community Caregiver, St. Mary's Hospital Outreach



CRS supports nutrition and day care programs for the children of Freedom Park Squatter Camp (Rustenburg, South Africa), many of whom are HIV-positive.

stigma and fear attached to those with HIV/AIDS, leaving many to die alone. Projects like the one at St. Mary's Hospital in KwaZulu Natal Province help to train family and community volunteers to care for those who are infected. This eases the strain on an already overburdened health system and allows patients to die with dignity, surrounded by those who love them. And for those children left behind or abandoned, we work to provide care for them while keeping them connected to their communities.

Africa Rising, Hope and Healing

We are working to raise awareness of the issues facing Africa and the ways that Africans themselves are rising to the challenge. With its focus on HIV/AIDS and building peace, the Africa campaign is helping U.S. Catholics to better understand the needs of a continent that is still a mystery to many.

Through educational forums, like the “National Gathering on Africa” held in Washington, DC in June 2001, and cosponsored by CRS, we are also helping U.S. Catholics to lend their voice and power as citizens to speak up for those whose stories have not been heard.

Pamela Gilardi

Pamela Gilardi and her husband, Michael, began supporting CRS' work for the poor overseas in the early 1990s. “I had been struggling with the question of how I could help, and I was delighted to find an agency that was not only very good at what they were doing but also using their funding quite wisely,” Pamela says.

Born in Russia, Ohio, Pamela now resides in Longwood, Florida, where she and her husband belong to the parish of The Annunciation, along with their three children and one grandchild.

Prior to her involvement with CRS, Pamela and her husband had set up a family foundation, known as the Father's Table Foundation, with the aim of helping women and children in need around the world. “Needless to say, CRS fit our mission like a glove; there were a few projects that my husband and I immediately got involved with: a village banking program and also a water project, both in Africa.”



Over the years, the Gilardis have become strong supporters of the agency's work, providing emergency assistance in times of natural disasters and war, visiting projects in El Salvador, and also becoming active in special initiatives, like the recently launched Africa Rising, Hope and Healing campaign.

Having met many of the staff and leadership of CRS, I have only praise for their dedication and commitment.

– Pamela Gilardi

Providing *for the future*

India

India, the second most populous country in the world, is also one of the poorest. And while the past 50 years have seen significant improvements – with life expectancies and literacy rates rising and infant mortality rates declining – there is still much work to be done. Right now, the number of people living on less than \$1 a day in India is equal to the entire population of the United States. It's estimated that almost 100 million of the 230 million Indian children between the ages of 6 and 14 are not in school. These children are working, often in dangerous and unsanitary conditions.

Providing an Education, Providing for the Future

Our work is founded on the idea that *all* children, regardless of caste or religion, deserve an education. When a child must work, she not only loses the chance to be a child but she may also miss out on an education and the chance to better her future. We are working with families, local communities and partners to help break the cycle of child labor.

- Building community support – combating child labor requires the support of the communities where children live and work. From urban centers to rural villages, our partners raise awareness about the importance of education. The main message is that children who are in school are less susceptible to exploitation and can improve their career potential. Literacy alone can be an invaluable tool in helping to better a child's life and future prospects. Equally important, especially for those parents whose children work, is the idea that adults can earn higher wages when the employee pool shrinks.



Girls at St. Agnes boarding school in Bajapali, India, are being given a chance at a better future.

If I need to go to another place [by bus], I can find out for myself by reading [the signs]; I don't need to get directions.

— Bhagya Lakmi, age 14, bridge school student

- Making up for lost time – children who stop working and attend school are often years behind their peers. “Bridge” schools are designed to help students catch up through intensive curricula and student support. Students are then able to matriculate in the grade appropriate to their age. Working with partners like M. Venkatarangaiya Foundation, we help to train and support teaching assistants and assist with school facility rehabilitation – initiatives the local communities also contribute to.

Food Fast: Reaching U.S. Teens

Teenagers in the United States may be among the most “wired” on the planet, but they are often unaware of the realities that many their own age face in other parts of the world. Food Fast is a program for youth in grades 8-12 that combines a 24-hour fast with activities and exercises to help raise teens’ awareness of global issues and engage them in action on behalf of their peers overseas. This year’s program video, *To Earn or Learn*, discusses child labor in India and the struggle many there face to get an education. Food Fast offers teens a day that can change their outlook for life.



CRS is committed to education programming that helps break the cycle of child labor.



Small Loans and Great expectations

Bosnia



The memory of the trip to Bosnia will help me be more understanding and sensitive to the needs, the sufferings and the longings of the people whom we serve.

— Tung Tran, Diocese of Corpus Christi

Post-war Bosnia faces a daily struggle to overcome its past. The shells of buildings serve as reminders of the years of struggle and ethnic violence that nearly consumed the country. As people continue to return to their pre-war communities, they must not only rebuild their homes but also their lives. Yet unemployment remains high, posing a significant obstacle as the people of Bosnia try to build a productive and peaceful future.

We began our work in Bosnia in 1993, providing food during the war. With the signing of the Dayton Peace Agreement in 1995, we renewed our commitment to the people of Bosnia with projects to support families returning to their pre-war homes. This support comes in various forms, like home reconstruction and education assistance, and is targeted to all groups – Bosniaks, Serbs and Croats alike – regardless of ethnicity or religion.

Small Loans and Great Expectations

In a post-war society like Bosnia, women often have the fewest resources and are among the poorest. We are working to give the women of Bosnia more economic opportunities and the chance to build economic self-sufficiency. This is accomplished through Mikra, a microcredit institution designed to give low-income women loans and training to help start up or expand their small businesses.

- Standing together – to borrow from Mikra, women form community banks, called *zadrugas*, which are made up of 25 to 30 members. Each *zadruga* in turn consists of solidarity groups of three to five women. Loans are provided collateral-free, with the understanding that solidarity group members guarantee each other's loans; likewise, if a solidarity group cannot repay its loan, the entire *zadruga* helps to make up the payment. This kind of group guarantee has proven effective in bringing together women from different backgrounds to work toward common goals. It has also proven financially sound, with less than one percent of Mikra's outstanding loan balance currently in arrears.

- Making a difference – interest generated goes to support Mikra and provide future loans for more small businesswomen. And the additional income women earn through their businesses helps their families to meet



Radmilla, who is now able to provide support for her family after help from CRS.



Luke Sweeney, a seminarian from the Archdiocese of New York, saw firsthand the war's destruction and the efforts to rebuild.

household needs and strengthens the local economy.

- Moving ahead – this year Mikra officially registered as a Microcredit Organization, licensed and supervised by the Ministry of Social Affairs. This means that Mikra is on its way to becoming an independent and self-sustaining microcredit institution. Future plans include doubling the number of clients served over the next two years; Mikra is currently serving over 4,000 women throughout Bosnia.

Global Fellows

Over the past decade, the Global Fellows program has helped to further global awareness among U.S. seminarians through visits overseas. In Bosnia this year, participants spent time with project beneficiaries, staff, church officials and their Bosnian seminary counterparts, taking part in the daily life of the people. They visited Banja Luka and met Radmilla Pavlovic, who purchased her first sewing machine with a small loan backed by CRS. Since then, she has worked to improve her business, using subsequent loans to purchase new and better machines and sewing clothes to order for her clients.



a Commitment to Peace

Colombia

Decades of conflict in Colombia – fueled by politics and economic inequities and complicated by the impact of drug-trafficking – have created a human rights crisis, with over 4,000 conflict-related civilian deaths this year, and one in four families having lost someone to violence. Entire communities have fled in fear for their lives, creating a population of refugees displaced within their own country's borders. Paramilitaries, guerilla groups, the military and criminal organizations are at war, leaving the people of Colombia caught in the crossfire.

A Commitment to Peace

We are working with the National Secretariat of Social Ministry of the Colombian Episcopal Conference (the Catholic bishops' conference in Colombia) and in conjunction with local dioceses to serve the most vulnerable Colombians.

- Assisting the displaced – families and communities who have been displaced face numerous challenges as they try to begin their lives again. Through projects such as *Integrated Response to the Displaced*, in the Diocese of Quibdó, we are assisting individuals who are currently displaced and at-risk, as well as those seeking to return home. The approach is an integrated one: offering support in health care, housing, legal training and agriculture assistance for returning individuals. By strengthening local communities, supporting local peace and reconciliation efforts and documenting human rights violations, we are helping ordinary Colombians rebuild their lives and work toward peace.

- RUTH: the lives behind the numbers – statistics are vital to creating sound programs but they only tell part of the story. Behind the numbers of the displaced are life stories, hopes



Our intention is to serve people as such and not only Catholics; to defend above all and everywhere the rights of the human person. . .

– Pope John XXIII

Care for displaced families is a major part of the work of CRS and church partners in Colombia.

and dreams. With data gathered through surveys conducted by trained volunteers, the *RUTH Database for the Displaced* project – named after the biblical figure Ruth – provides detailed information that is used to design pastoral intervention programs for the displaced, which help with emergency programming and economic assistance. This information is also used for further research and advocacy on behalf of the displaced.

In Solidarity with Colombia

Designed in collaboration with the church in Colombia, CRS' *In Solidarity with Colombia* program has developed on the foundation of increased cooperation between the Catholic Church in Colombia and the church in the United States. At the local level, we have increased programming with church partners for human rights training, peace building and humanitarian response. On a national scale, we are supporting initiatives that aim to support

peace through active citizen participation. In the United States, we are working to raise awareness of the issues facing Colombia and help concerned Catholics take action. Through advocacy and prayer, Catholics in the United States can play an important role in helping combat violence and injustice in Colombia.



These girls were able to return home to their village with help from CRS.

Hope for tomorrow

Jerusalem/West Bank/Gaza

*One against the other,
neither Israelis nor
Palestinians can win
the war; but together
they can win the peace.*

— Pope John Paul II



Violence in the Holy Land has become a staple of the evening news, a nightly and often graphic reminder of the hate that seethes in the region. For the people who live in Jerusalem, the West Bank, Gaza and Israel, there is no way to simply turn off the television and escape. As a Catholic and American organization, we can no more ignore the violence and injustice than those we serve.

Meeting the Needs

We have been working in the region for more than 50 years, initially serving Polish and Hungarian refugees fleeing the war in Europe. We continue to serve those most in need. Our

work addresses the current situation through a broad range of programming that focuses on emergency needs, long-term development and the ways in which both can help lead to a more just and peaceful society.

- Help for today – roadblocks and checkpoints keep people in as well as out. For many Palestinians living in the West Bank and Gaza, this means they are unable to reach work in the morning or return home safely at the end of the day. The violence has ended thousands of jobs for those lucky enough to have had one. We are working with ecumenical and interfaith coalitions to provide emergency grants that help families meet basic needs like food, medicine and utilities. We help feed some of the poorest and most vulnerable, including orphans, the handicapped and the elderly. We support employment programs to help families provide much needed income.
- Hope for tomorrow – community-led village services provide an opportunity for people in rural areas of the West Bank to work toward improving their communities. Building a school not only brings people together – it offers the next generation education and a chance at a better life. Likewise, rehabilitating a water system is a project the whole community can benefit from and take pride in, and one that future community members will benefit from as well.
- Healing – children in the region are often psychologically scarred by the world around them, particularly when violence is a daily occurrence. We provide counseling for these children and training for their parents and teachers on how to care for traumatized children.



A Call for Action

The situation in the Holy Land is one with spiritual as well as political dimensions: loss of hope and a sense of desperation have led many to believe that violence is the only answer. Yet hope and peace can be restored only if they are built on justice. Helping us meet this challenge and answer the call of Palestinians and Israelis is the Conference of Major Superiors of Men (CMSM) and the Leadership Council of Women Religious (LCWR), which represent more than 100,000 Catholic religious through orders and congregations. Working with CMSM and LCWR, we hope to engage Americans in the work of building a lasting peace and creating bridges of understanding between people based on nonviolent solutions. We look to be advocates on behalf of those who are suffering, not as one more voice taking sides in the conflict but as a voice of justice and peace for all whom we serve.



For many Palestinian families, safe water is a precious commodity – CRS is working to provide communities with access to clean water.

CRS supported a humanitarian convoy to bring much-needed relief to villages in the West Bank like Qalqilya, where these boys live.



CRS leadership

EXECUTIVE MANAGEMENT TEAM

Kenneth F. Hackett
Executive Director

Albert Brill
Director, Domestic Outreach

Dorrett E. Lyttle Byrd
Director, Overseas Operations

Francis X. Carlin
Director, Special Projects

Rev. William Headley
Director, Policy and Strategic Issues

Mark Palmer
Chief Financial Officer

David Piraino
Director, Human Resources

BOARD OF DIRECTORS

Bishop John H. Ricard, SSJ
President and Chair
Diocese of Pensacola-Tallahassee

Bishop Michael A. Saltarelli
Treasurer
Diocese of Wilmington

Rev. Msgr. William P. Fay
Secretary
United States Conference of Catholic Bishops

Cardinal Theodore McCarrick
Archdiocese of Washington

Archbishop Roger L. Schwietz, OMI
Archdiocese of Anchorage

Bishop Joseph L. Charron, CPPS
Diocese of Des Moines

Bishop Joseph L. Imesch
Diocese of Joliet

Bishop John B. McCormack
Diocese of Manchester

Bishop Dale J. Melczek
Diocese of Gary

Bishop William C. Newman
Archdiocese of Baltimore

Bishop Donald E. Pelotte, SSS
Diocese of Gallup

Bishop J. Terry Steib, SVD
Diocese of Memphis

Bishop John W. Yanta
Diocese of Amarillo



CRS helps indigenous women in Ecuador with programs in health care and microfinance.

DIRECTORS OF THE CRS LEADERSHIP COUNCIL

Ellen L. Barrosse

Jack Bush

Don Carcieri

Thomas Driscoll

John Flaherty

Darcy Flynn

George Garvey

Paul Gergen

Michael M. Gilardi

Donald Houston

Scott Kennedy

Daniel Lundy

Patrick Mandracchia

Catherine Martineau

Patrice O'Malley

Gregory Pulles

Dana P. Robinson

Boyd E. Sharp, Jr.

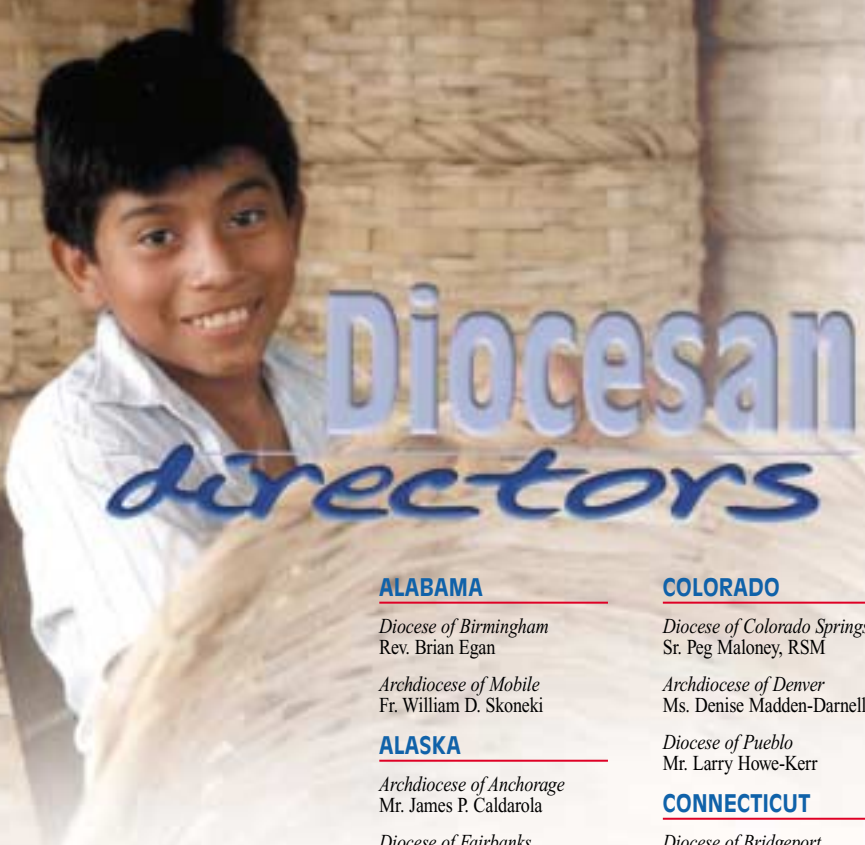
Dennis Shoener

Dennis Tippmann

Jack Yurish

Farmers in Cambodia are learning how to increase their crop yield and sustain the land with help from CRS.





ALABAMA

Diocese of Birmingham
Rev. Brian Egan

Archdiocese of Mobile
Fr. William D. Skoneki

ALASKA

Archdiocese of Anchorage
Mr. James P. Caldarola

Diocese of Fairbanks
Mr. Tom Buzek

Diocese of Juneau
Mr. Pete Hokky

ARIZONA

Diocese of Phoenix
Ms. Kathy Saile

Diocese of Tucson
Ms. Joanne Welter

ARKANSAS

Diocese of Little Rock
Mrs. Sheila Gomez

CALIFORNIA

Diocese of Fresno
Mr. Ernest E. Velasquez

Archdiocese of Los Angeles
Mr. Thomas A. Chabolla

Diocese of Monterey
Ms. Martina O'Sullivan

Diocese of Oakland
Sr. Barbara Dawson

Diocese of Orange
Rev. Msgr. John Urell

Diocese of Sacramento
Rev. Michael F. Kiernan

Diocese of San Bernardino
Rev. Reno Aiardi, IMC

Diocese of San Diego
Mr. Rodrigo Valdivia

Archdiocese of San Francisco
Rev. Msgr. Harry G. Schlitt

Diocese of San Jose
Mr. Jim Herning

Diocese of Santa Rosa
Ms. Maureen E. Shaw

Diocese of Stockton
Mr. Rich Fowler

COLORADO

Diocese of Colorado Springs
Sr. Peg Maloney, RSM

Archdiocese of Denver
Ms. Denise Madden-Darnell

Diocese of Pueblo
Mr. Larry Howe-Kerr

CONNECTICUT

Diocese of Bridgeport
Mr. Brian A. Cronin

Archdiocese of Hartford
Sr. Dorothy Strelchun

Diocese of Norwich
Rev. Msgr. Robert L. Brown

Diocese of Stamford
Rev. Jonathan Morse, PhD

DELAWARE

Diocese of Wilmington
Rev. George Brubaker

DISTRICT OF COLUMBIA

Archdiocese of Military Services
Mr. David Levite

Archdiocese of Washington
Mr. Edward J. Orzechowski

FLORIDA

Archdiocese of Miami
Most Rev. Thomas Wenski

Diocese of Orlando
Ms. Deborah Stafford Shearer

Diocese of Palm Beach
Ms. Rosa Maria Montenegro

Diocese of Pensacola-Tallahassee
Msgr. Michael V. Reed

Diocese of St. Augustine
Mr. Bill J. Tierney

Diocese of St. Petersburg
Mr. Arnold Andrews

Diocese of Venice
Ms. Bridget Sheehan

GEORGIA

Archdiocese of Atlanta
Mr. Jim Kantner

Diocese of Savannah
Sr. Mary Faith McKean

HAWAII

Diocese of Honolulu
Ms. Carol Ignacio

IDAHO

Diocese of Boise
Rev. Msgr. Dennis Falk, VG

ILLINOIS

Diocese of Belleville
Fr. Kenneth York

Archdiocese of Chicago
Ms. Elena Segura

Diocese of Evansville
Mr. James F. Collins

Diocese of Joliet
Mr. Thomas Garlitz

Diocese of Peoria
Rev. John C. Anderson

Diocese of Rockford
Mr. Thomas McKenna

Diocese of Springfield
Rev. Tom Gardner, OFM

INDIANA

Diocese of Fort Wayne-South Bend
Mr. Sean Wendlinder

Diocese of Gary
Dr. Kenneth M. Flanagan, MSW

Archdiocese of Indianapolis
Msgr. Joseph F. Schaedel

Diocese of Lafayette
Mr. David Wilson

IOWA

Diocese of Davenport
Mr. Dan Ebener

Diocese of Des Moines
Mr. Pat Finan

Archdiocese of Dubuque
Mr. James Yeast, LMSW

Diocese of Sioux City
Msgr. Michael B. Sernett

KANSAS

Diocese of Dodge City
Sr. Patricia McGreevy, OSB, JCL

Archdiocese of Kansas City
Sr. Barbara McCracken, OSB

Diocese of Salina
Rev. James E. Hake

Diocese of Wichita
Sr. Ursula Fotovich, CSJ

KENTUCKY

Diocese of Covington
Ms. Sue Grethel

Diocese of Lexington
Sr. Michael Leo Mullaney

Archdiocese of Louisville
Mr. Steven E. Bogus

Diocese of Owensboro
Sr. Leeta Shuecraft

LOUISIANA

Diocese of Alexandria
Sr. Mary Bordelon

Diocese of Baton Rouge
Ms. Peggy Stuart

Diocese of Houma-Thibodaux
Sr. Celeste Cotter, CSJ

Diocese of Lafayette
Ms. Una Hargrave

Diocese of Lake Charles
Rev. V. Wayne LeBleu

Archdiocese of New Orleans
Rev. Msgr. Roger P. Morin

Diocese of Shreveport
Rev. Msgr. J. Carson LaCaze, VG

MAINE

Diocese of Portland
Mrs. Carleen Cook

MARYLAND

Archdiocese of Baltimore
Mrs. Mary D'Ambrogio

MASSACHUSETTS

Archdiocese of Boston
Dr. Joseph Doolin

Diocese of Fall River
Rev. Msgr. George W. Coleman, VG

Diocese of Springfield
Sr. Annette McDermott, SSJ

Diocese of Worcester
Rev. Msgr. Edmond T. Tinsley

MICHIGAN

Archdiocese of Detroit
Sr. Barbara Celeskey, SJ

Diocese of Gaylord
Most Rev. Patrick R. Cooney, STD, STL

Diocese of Grand Rapids
Mr. James E. Rademaker

Diocese of Kalamazoo
Sr. Susan Ridley, OP

Diocese of Lansing
Ms. Barbara Pott

Diocese of Marquette
Rev. Lawrence T. Gauthier

Diocese of Saginaw
Ms. Terri Grierson

MINNESOTA

Diocese of Crookston
Ms. Bernadette Dunn

Diocese of Duluth
Rev. Lawrence O'Shea

Diocese of New Ulm
Rev. Bill Bowles

Diocese of St. Cloud
Rev. Richard Leisen

Archdiocese of St. Paul and Minneapolis
Mr. William Fallon

Diocese of Winona
Ms. Suzanne Belongia

MISSISSIPPI

Diocese of Biloxi
Sr. Rebecca Rutkowski, ACSW

Diocese of Jackson
Mr. William P. Dunning

MISSOURI

Diocese of Jefferson City
Ms. Alice J. Wolters

Diocese of Kansas City-St. Joseph
Sr. Jeanne Christensen

Diocese of Springfield-Cape Girardeau
Rev. Thomas E. Reidy

Archdiocese of St. Louis
Rev. Msgr. Bernard Sandheinreich

MONTANA

Diocese of Great Falls-Billings
Mr. Bruce Day

Diocese of Helena
Rev. Mr. Tony Duvernay

NEBRASKA

Diocese of Grand Island
Most Rev. Lawrence J. McNamara, DD, STL

Diocese of Lincoln
Rev. Mark Huber

Archdiocese of Omaha
Rev. Gregory Baxter

NEVADA

Diocese of Las Vegas
Very Rev. Robert Stoeckig

Diocese of Reno
Br. Matthew Cunningham

NEW HAMPSHIRE

Diocese of Manchester
Rev. Msgr. John P. Quinn

NEW JERSEY

Diocese of Camden
Rev. John Muscat

Diocese of Metuchen
Mr. Neil Granstrand

Archdiocese of Newark
Rev. Tom Nydegger

Diocese of Paterson
Mr. Joe F. Duffy

Diocese of Trenton
Rev. Brian T. Butch

NEW MEXICO

Diocese of Gallup
Rev. Mr. James P. Hoy

Diocese of Las Cruces
Rev. Msgr. John E. Anderson, VG

Archdiocese of Santa Fe
Rev. Arkad Biczak

NEW YORK

Diocese of Albany
Mr. Joseph Buttigieg

Diocese of Brooklyn
Rev. Michael C. Gribbon

Diocese of Buffalo
Rev. Msgr. Henry J. Gugino

Archdiocese of New York
Mr. George Horton

Diocese of Ogdensburg
Sr. Donna Franklin, DC

Diocese of Rochester
Ms. Judy A. Taylor

Diocese of Rockville Centre
Sr. Catherine G. Kelly, SSJ

NORTH CAROLINA

Diocese of Charlotte
Mr. Joseph Purello

Diocese of Raleigh
Rev. Thomas S. Tully

NORTH DAKOTA

Diocese of Bismarck
Sr. Joanne Graham, OSB

Diocese of Fargo
Rev. Robert Irwin

OHIO

Archdiocese of Cincinnati
Ms. Cori Thibodeau

Diocese of Cleveland
Mr. Rocky Ortiz

Diocese of Columbus
Ms. Erin Cordle

Diocese of Steubenville
Rev. Msgr. Gerald Calovini

Diocese of Toledo
Rev. Mr. Richard Mishler

Diocese of Youngstown
Mr. Brian R. Corbin

OKLAHOMA

Archdiocese of Oklahoma City
Rev. John A. Steichen

Diocese of Tulsa
Rev. Edward L. Maillet

OREGON

Archdiocese of Portland
Rev. Dennis O'Donovan, VG

Diocese of Baker
Pastoral Office

PENNSYLVANIA

Diocese of Allentown
Rev. Richard J. Ford

Diocese of Altoona-Johnstown
Rev. Bob Kelly

Diocese of Erie
Mr. Brad Fairfield

Diocese of Greensburg
Rev. Msgr. David L. Fisher

Diocese of Harrisburg
Rev. Msgr. Francis M. Kumontis

Archdiocese of Philadelphia
Rev. Msgr. William J. Paul

Diocese of Pittsburgh
Rev. Ronald P. Lengwin

Diocese of Scranton
Mr. James B. Earley

RHODE ISLAND

Diocese of Providence
Rev. Msgr. William Varsanyi, JCD, PA

SOUTH CAROLINA

Diocese of Charleston
Ms. Dorothy Grillo, ASCW, LISW

SOUTH DAKOTA

Diocese of Rapid City
Rev. Paul G. Dahms

Diocese of Sioux Falls
Mr. Jerome Klein

TENNESSEE

Diocese of Knoxville
Fr. J. Vann Johnston, JCL

Diocese of Memphis
Mr. Kevin Hickey

Diocese of Nashville
Rev. Mr. Hans Toecker

TEXAS

Diocese of Amarillo
Rev. Michael Colwell, JCL

Diocese of Austin
Ms. Anna Huth

Diocese of Beaumont
Msgr. Richard DeStefano

Diocese of Brownsville
Rev. Bert Diaz

Diocese of Corpus Christi
Rev. Msgr. Robert Freeman

Diocese of Dallas
Sr. Nancy Sullivan

Diocese of El Paso
Sr. Helen Santamaria, SL

Diocese of Fort Worth
Mr. Ralph McCloud

Diocese of Galveston-Houston
Mrs. Hilda O. Hernandez

Diocese of Lubbock
Rev. Msgr. Antonio Gonzalez

Diocese of San Angelo
Msgr. Larry J. Droll

Archdiocese of San Antonio
Very Rev. Lawrence J. Stuebben, VG

Diocese of Tyler
Ms. Kathy Ódorísio

Diocese of Victoria
Rev. Dan Morales

UTAH

Diocese of Salt Lake City
Rev. Mr. Silvio Mayo

VERMONT

Diocese of Burlington
Sr. Mary McNamara

VIRGINIA

Diocese of Arlington
Rev. Charles C. McCourt

Diocese of Richmond
Dr. Kathleen T. Kenney

WASHINGTON

Archdiocese of Seattle
Mr. J.L. Drouhard

Diocese of Spokane
Ms. Donna M. Hanson

Diocese of Yakima
Mr. John L. Young

WEST VIRGINIA

Diocese of Wheeling-Charleston
Mr. George Smoulder

WISCONSIN

Diocese of Green Bay
Ms. Claire Thomas

Diocese of La Crosse
Mr. Arthur Hippler

Diocese of Madison
Mr. J. Mark Brinkmoeller

Archdiocese of Milwaukee
Ms. Celia Jackson

Diocese of Superior
Mr. Steve Tarnowski

WYOMING

Diocese of Cheyenne
Ms. Elizabeth E. Groom, MSW



Children of Sabaleta village, Colombia. CRS is helping families displaced by violence to return home.



CRS helps Sudanese refugees in Egypt with vocational and computer training.



Donor acknowledgement

We gratefully acknowledge the following private individuals, organizations, foundations and corporations who supported our work with \$10,000 or more in the year 2001.

We also extend our deepest thanks to thousands of others for their steadfast and continuous support of our work. Their concern for those less fortunate is demonstrated every year by their gifts to the Annual Bishops Overseas Appeal and to Operation Rice Bowl, and by their continuing support of all our programs. Their generosity helps make it possible for us to alleviate human suffering and provide assistance to the world's poor.

INDIVIDUALS

Mrs. Patricia Abell	Thomas J. Crawford, Ph.D.	Raymond P. and Marie M. Ginther	Mr. Kevin Kreuz	Amy Newell Pauly	Boyd and Mikki Sharp
Mr. and Mrs. Emmet J. Agoglia	Cymaron Foundation	Marty and Lenore Gleason	Mr. Thomas Kroetch	Mrs. Joel Ann Pehanick	Mr. George H. Smith
Robert and Margarita Bartels	Mr. Thomas Davey	Mr. John Paul Godich	Michael T. Kunesch, M.D.	Philip Pennance	Mr. and Mrs. M. J. Southard
The Kenneth S. Battye Charitable Trust	Mr. and Mrs. Christopher F. Dearie	Mrs. Paul T. Golden	Ronni and Bernard Lacroute	Hien and Tien Pham	St. Sabina Outreach Ministry
Michael J. Batza, Jr.	John and Lennie deCsepel	Mr. Frank H. and Mrs. Dolores Grundman	Gloria and Don La Torre	William and Carol Powell	Eugene Steuerle
Ms. Maribeth Benham	Richard K. DeSomber	Mr. Raymond Grzybowski	Robert M. Lesmerises	Dr. Francis W. Price, Jr.	Mr. and Mrs. John Stiefel
Mr. and Mrs. Norman E. Benz	Mr. and Mrs. Joseph Diehl	Mr. and Mrs. Terrance P. Haas	Thomas Maguire	Mr. Patrick E. Roche	Donald and Mary Stirling
Mr. Dennis M. Berryman	Ronald and Donna Dieter	Mr. Donald Heinzen	Mr. Henry Maloney	Mr. David Rolfes	The Strelchun Family Trust
Mr. and Mrs. George R. Blaha	Mary and Ralph Dwan	Mr. Gordy Hellenbrand	Mr. and Mrs. Patrick Mandracchia	Dr. and Mrs. Ralph G. Ryan	Mr. Donald J. Toumey
Mr. and Mrs. Thomas Boehling	Mr. John Dwyer	Mr. and Mrs. Wayne Helsel	Anthony and Nancy Manfre	Mr. and Mrs. John Sachs	Felix and Bibiana Tristani
Hilary and Maureen Boehme	Mr. and Mrs. Stephen Elias	Mrs. Odette Henican	Ms. Annabel McCarry	Ervin and Kathleen Sauer	Mr. and Mrs. Richard Urban
Marylane T. Burry	Mr. Charles J. (Tim) Engel and Ms. Ivy Main	Mr. Raymond Hill	James McGowan	Mr. and Mrs. F. Peter Scheuermann	Mary Willard
J.M. Byrd	Paul and Clare Faherty	Mr. and Mrs. Donald Hurley	Kevin McGuirk and Susan Rogers	Mr. Richard Schmeelk	Mrs. Agnes Williams
Mr. William Clemens	The Father's Table Foundation	Pidge James	Michel Family Trust	Arthur J. and Gladys Schmidt	Mr. Richard L. and Mrs. Janet Wolfe
Mrs. Robert Clements	Mrs. Charles Finn	Michael and Delores Kara	Ms. Amy Morgall	John and Barbara Schubert	Barbara K. Wood
Martha Sellemeyer Cole	George and Mary Garvey	Dr. Phillip Kohler	Mr. Dennis Murphy	Roy and Ruby Schnebelen	Mr. and Mrs. Paul Zecchi
David H. Corser		Bernard and Francine Kohout	Dr. and Mrs. Cornelius J. O'Connor	Jim and Yvonne Sexton Foundation	
J and E Costigan Charitable Gift Fund				Mr. and Mrs. Robert Shanley	

CRS provides assistance on the basis of need, not race, creed or nationality.

The compilers have carefully reviewed the names that are listed. Donors are recognized for gifts made during Fiscal Year 2001, October 1, 2000 – September 30, 2001. If a name has been listed incorrectly or has been omitted, please accept our apologies and bring the mistake to the attention of:

*Director of Development
Catholic Relief Services
209 West Fayette St.
Baltimore, MD 21201-3443
(410) 625-2220, ext. 3223 or
(800) 235-2772, ext. 3223*



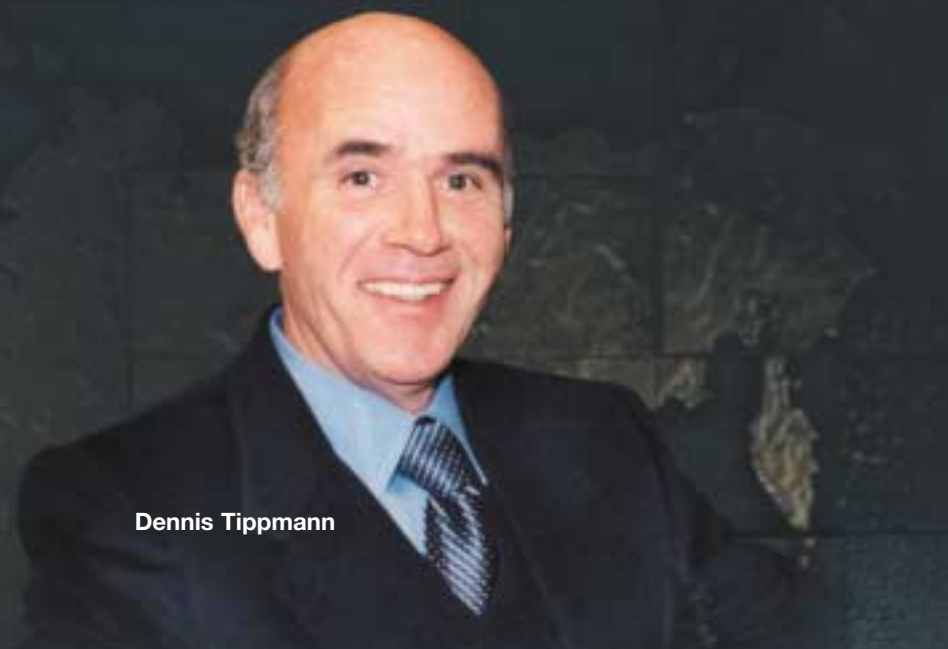
continued, next two pages

CORPORATIONS,
FOUNDATIONS AND
ORGANIZATIONS

Achelis and Bodman Foundations	Leo & Jacqueline McCarthy Foundation
Alsam Foundation	National Council of Catholic Women
Alternative Gifts International	The W. O'Neil Foundation
The Arguild Foundation	Paul Newman
The Bravo Foundation	P.K. Tool and Manufacturing Company
The Capital Group Companies Charitable Foundation	Pfizer, Inc.
Citigroup Foundation	Raskob Foundation for Catholic Activities, Inc.
Liz Claiborne Inc.	Rosenlund Family Foundation
Computer Associates International, Inc.	Runnebohm Construction, Inc.
The Cottrell Foundation	St. Joseph Health System Foundation
Diamantine Family Foundation, Inc.	The Seattle Foundation
The Ford Foundation	H. Susanne & Robert L. Sirotek Foundation
Robert J. Frisby Foundation	Steinmetz Foundation
Gap Inc.	Stop World Hunger
Heimerman Family Foundation	Verizon Foundation
The International Foundation	WaterPartners International
Kirk Williams Co., Inc.	Weingartz Supply Co.
The Laffey-McHugh Foundation	The Adele A. and Harold J. Westbrook Foundation, Inc.
The Love of Christ Foundation, Inc.	
Mathis Pfohl Foundation	
The John D. and Catherine T. MacArthur Foundation	

BEQUESTS

Louis J. Beccaria	Robert J. Huefner	Adelbert G. Neese
Norbert F. Behr	Mary Hyde	Ruth E. Neese
Sr. Matilda Bernard	Pia Marie Joerger	Leona K. Preston
Edna A. Blersch	Charlie Johnson	Betty Reis
Rose V. and Theresa Bonistalli	Mary Burd Jones	Evelyn Reisman
Edwina Boyd	Mary R. Jozwiak	Teresa Welch Richards
David T. Breault	Florence E. Jungerman	Nora Rothschild
Fr. John F. Breen	Margaret J. Kaczmarek	Marie L. Rovere
Patricia S. Buchanan	Nona Jean Kartholl	Mary Anna Scharres
Eugene M. Bucklew	Mary C. Kearney	Charles Schneider
Helen T. Carpenter	Richard J. Keep	Marianna Schneider
Dolores M. Chmela	Catherine F. Kehew	Dorothy A. Schulte
Peter R. Collorafí	Mary Virginia Kelly	Peter and Dorothy Schwinghammer
Mary Commisso	Mabel Rosalie Kempe	Msgr. Robert J. Sennott
M. Alice Copson	John Kizewich	Lucille E. and Bernard M. Smith
Marion C. Cronin	Fr. Edward F. Klein	Mary C. Smith
William J. Dailey	Jeanette M. Kloke	Anthony G. Sporer
Edward R. Dalglish	Anna E. Koterba	Ann M. Stahl
Margaret D'Ecclesiis	Dorothy Kuligowski	Wanda T. Stanul
Mary Degnan	Marie L. Kutcher	Helen M. Staunton
Louis A. Delisio	Bernard Labreche	Charlotte H. Stenger
Celestina Deppe	Frank Laethem	Richard H. Stoltman
Cecilia P. Dillon	LaVerne W. Lang	Fr. Joseph N. Streff
Dorothy L. Duval	Barbara T. Lanigan	Fr. Herman Strub
Julius Benedict Ellerman	Frances C. Larson	Gerald A. Sullivan
Mary Christine Feeney	Irene C. LeGrand	Marie B. Swanton
Hamilton Y. Ferris	Regina C. and Robert E. Lent	Mary Charlotte Taylor
Anne G. Finigan	Ernest J. Lonergan	Bernice Tetrault
Gordon P. Frederick	Anne S. Loussaert	Catherine H. Tilghman
Walter J. Gango	Erwin J. Lovas	Josephine V. Vlahovich
Rose J. Gardner	James Lusk	Marie C. Vlahovich
Margaret Gercke	Mary Jane Madden	M. Denise Weber
Hazel M. Gleason	Janet E. Maguire	Rose C. Weber
Joseph M. Gleeson, Jr.	John Makelke	Mary Weiland
Catherine Irene Hagan	Josephine McCaffery	Loretta Welsh
Dolores Harrington	Mary E.C. McGowan	James L. Wharton
Elizabeth A. Harth	Annemarie M. Mewhorter	Fr. Leland P. Wilson
Russell Hawk	Marghret Miller	Madeleine C. Wood
Frances A. Hayes	Richard B. Mitchell	George W. Zeller
Douglas J. Hennessy, Sr.	Msgr. Joseph T. Moriarty	
Joyce Homsey	Mary R. Mulcahy	
William M. Huebsch		



Dennis Tippmann

As members of our Leadership Council, Dennis and Mary Tippmann of Fort Wayne, Indiana, give generously to help CRS meet the needs of those we serve. They not only support fundraising efforts but also donate their time to help raise awareness about the developing world. Indeed, their involvement is something of a family affair.

Some years ago, Dennis, the owner of Tippmann Pneumatics as well as an inventor and holder of several U.S. patents, was looking for a way to help the poor overseas. “We always gave through our church, but then we decided that we needed to do more.” Enter Fr. Larry Tippmann, Dennis’ older brother, who recommended CRS, saying “they do good for the poor all over the world – there are no boundaries.”

Another brother, John (there are 9 in all), and his wife Jackie have also become involved, moved in part by Dennis’ enthusiasm for CRS’ mission and for the efficiency with which it is carried out. And last summer, the next generation took up the Tippmanns’ legacy of generosity: Dennis and Mary’s son Stanley and his new wife Sarah donated some of the money they received as gifts for their wedding.

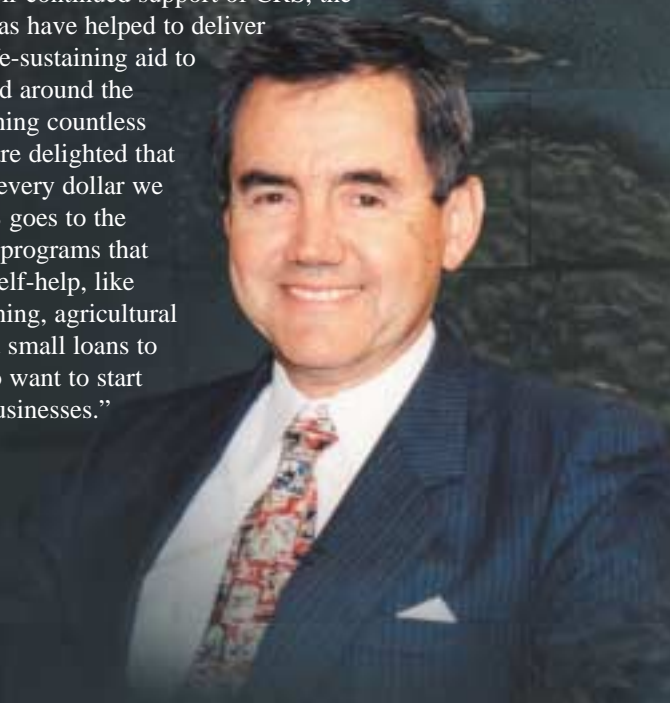
On a recent trip to Honduras to visit Hurricane Mitch recovery projects, Dennis and Mary saw the hope the Honduran people had despite the adversity they faced. They saw projects that provided clean water and programs designed to teach farmers new ways of planting. And they saw firsthand the difference that one family can make.

“Few people care for the poor overseas, who seem so far away and for whom there are few or no safety nets,” says Patrick Mandracchia. For Pat and his wife, Giovanna, who were both CRS donors before they met, helping the poor overseas is part of a commitment to living out their faith.

The Mandracchias live in Norristown, Pennsylvania, and Pat works in nearby Philadelphia as a public defender. Giovanna stays at home with their two school-aged children, Christen and Thomas.

“Giving 10 percent off the top of our income was a challenging decision, since we are not financially wealthy. Like most folks, we have the monthly mortgage, utility bills and those unexpected car and house repairs. And, we are trying to save for the children’s college and for our own retirement. In the face of these concerns, however, we felt we could not, in good conscience, continue to partake of the material blessings so abundant here in the United States unless we did something to help those most in need.”

Through their continued support of CRS, the Mandracchias have helped to deliver hope and life-sustaining aid to those in need around the world, touching countless lives. “We are delighted that 90 cents of every dollar we give to CRS goes to the poor and to programs that encourage self-help, like literacy training, agricultural projects and small loans to women who want to start their own businesses.”

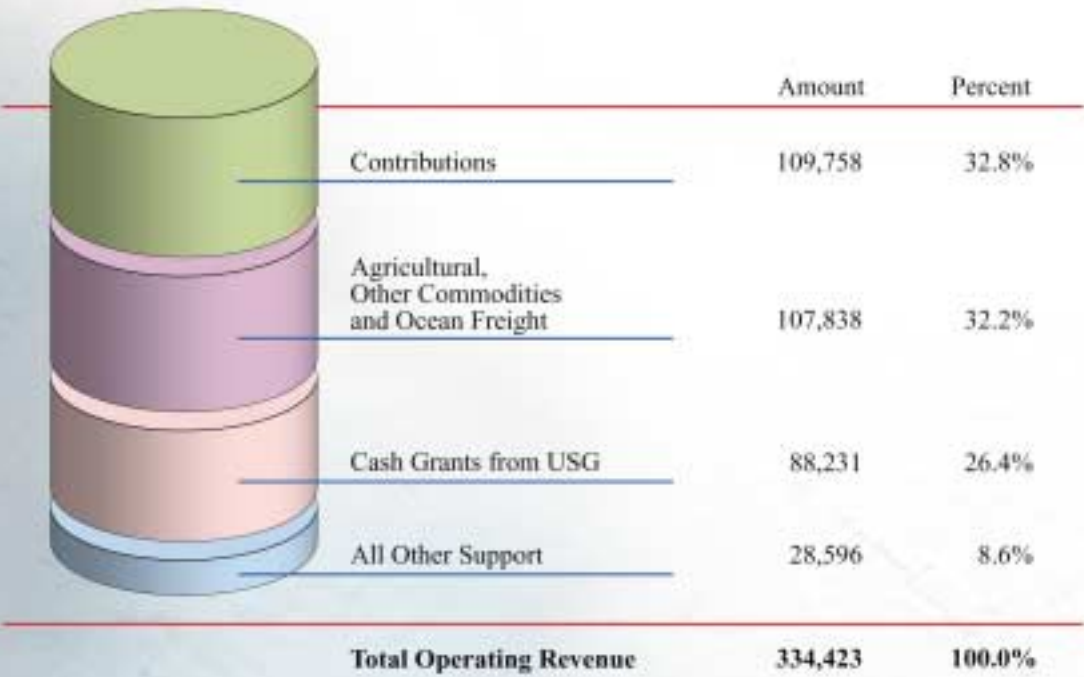


Patrick Mandracchia

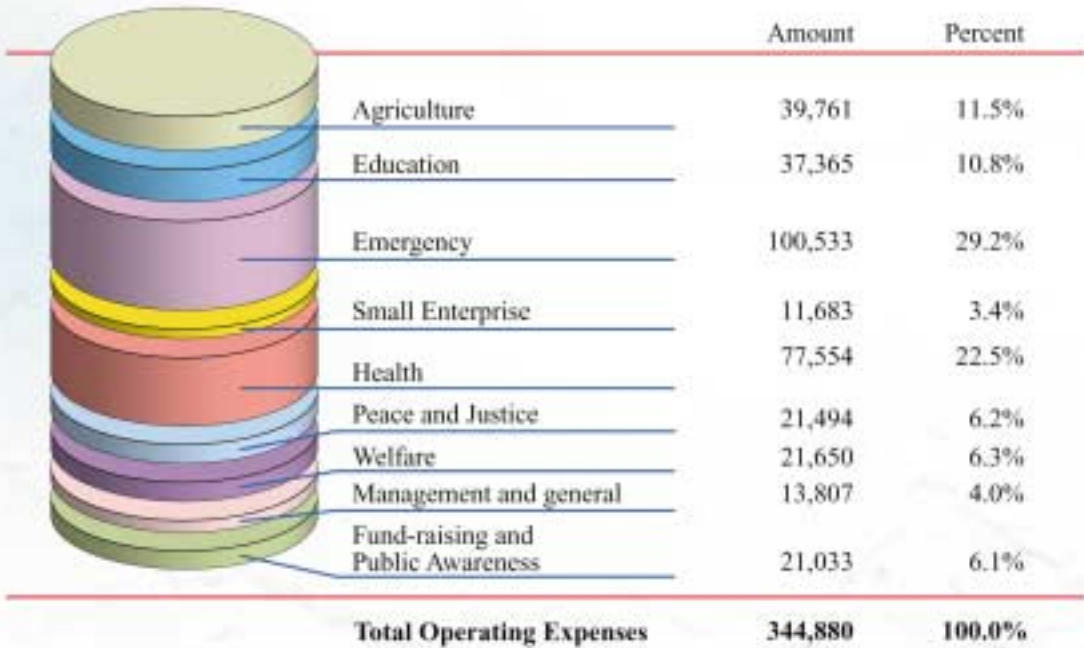
Financial Summary

For the year ended September 30, 2001 (in thousands)

Operating revenue



Operating expenses



Financial report



Small loans to women in Egypt have helped many to achieve economic self-sufficiency, improving their lives and the lives of their families.

Independent Auditors’ Report

September 30, 2001

Statements of Financial Position

September 30, 2001 and 2000
(in thousands)

	2001	2000
Assets		
Cash and cash equivalents	\$ 35,173	62,297
Accounts receivable and other assets	20,680	15,248
Bishops’ Committee allocation receivable	4,141	4,312
Charitable trust receivables	10,713	9,365
Segregated investments	34,277	29,461
Investments	113,309	109,564
Undistributed commodity contributions	13,947	—
Land, building and equipment, net	22,673	15,743
Total assets	\$ 254,913	245,990
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$ 18,646	20,519
Advances received for programs	13,120	2,410
Deferred revenue	15,219	1,156
Annuities payable	27,157	21,837
Other liabilities	8,487	7,676
Total liabilities	82,629	53,598
Net assets:		
Unrestricted	92,406	108,925
Temporarily restricted	78,572	81,884
Permanently restricted	1,306	1,583
Total net assets	172,284	192,392
Total liabilities and net assets	\$ 254,913	245,990

See accompanying notes to financial statements.



Report of independent public accountants

To the Board of Directors
Catholic Relief Services —
United States Catholic Conference, Incorporated:

We have audited the accompanying statement of financial position of Catholic Relief Services — United States Catholic Conference, Incorporated (CRS) as of September 30, 2001, and the related statements of activities, cash flows and schedule of functional expenses for the year then ended. These financial statements and schedule are the responsibility of CRS’ management. Our responsibility is to express an opinion on these financial statements and schedule based on our audit. The comparative financial totals as of and for the year ended September 30, 2000, were derived from the financial statements and supplemental schedules of CRS for the year ended September 30, 2000, which were audited by other auditors whose report dated March 26, 2001, expressed an unqualified opinion on those statements.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 audit provides 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 Catholic Relief Services — United States Catholic Conference, Incorporated as of September 30, 2001, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

As explained in Note 2 to the financial statements, effective October 1, 2000, CRS changed its method of accounting for undistributed commodity contributions to recognize the revenue and expense when the commodities are distributed and to record the undistributed commodities as an asset.

Arthur Andersen LLP

Baltimore, Maryland
April 1, 2002

Statement of Activities

For the year ended September 30, 2001
(with summarized comparative totals for the year ended September 30, 2000)
(in thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total	
				2001	2000
Operating Revenues					
U.S. private donor, foundation and corporate contributions:					
Bishops' Committee allocation	\$ 12,253	—	—	12,253	12,619
Operation Rice Bowl appeal	—	6,808	—	6,808	6,164
Contributions	53,085	28,575	—	81,660	82,812
Charitable trusts	—	307	—	307	81
Change in value of charitable trusts	—	1,076	—	1,076	1,265
In-kind contributions	7,654	—	—	7,654	14,812
Total contributions	72,992	36,766	—	109,758	117,753
Government, international organizations and other exchange transactions:					
Donated agricultural, other commodities and ocean freight	107,838	—	—	107,838	133,116
Grants and agreements:					
United States government	88,231	—	—	88,231	81,043
Other	15,615	—	—	15,615	26,688
Investment and other income	11,539	1,442	—	12,981	14,568
Net assets released from program restrictions	41,481	(41,481)	—	—	—
Total operating revenues	337,696	(3,273)	—	334,423	373,168

(continued)



CRS is working in Angola to care for children who have never known a country at peace.

Statement of Activities (continued)

For the year ended September 30, 2001
(with summarized comparative totals for the year ended September 30, 2000)
(in thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total	
				2001	2000
Operating Expenses					
Program services:					
Agriculture	\$ 39,761	—	—	39,761	43,134
Education	37,365	—	—	37,365	13,532
Emergency	100,533	—	—	100,533	151,994
Small enterprise	11,683	—	—	11,683	20,069
Health	77,554	—	—	77,554	75,895
Peace and justice	21,494	—	—	21,494	16,410
Welfare	21,650	—	—	21,650	19,471
Total program services	310,040	—	—	310,040	340,505
Support services:					
Management and general	13,807	—	—	13,807	12,846
Public awareness	3,036	—	—	3,036	3,553
Fund raising	17,997	—	—	17,997	14,647
Total support services	34,840	—	—	34,840	31,046
Total operating expenses	344,880	—	—	344,880	371,551
Change in net assets from operations	(7,184)	(3,273)	—	(10,457)	1,617
Non-Operating Revenues and Expenses					
Contributions	4,131	—	8	4,139	6,383
Net change in annuities and pooled income fund	(3,360)	(39)	—	(3,399)	266
Unrealized (loss) gain on investments	(14,779)	—	(285)	(15,064)	3,048
Total non-operating revenues and expenses, net	(14,008)	(39)	(277)	(14,324)	9,697
Changes in net assets	(21,192)	(3,312)	(277)	(24,781)	11,314
Net assets, beginning of year, as reported	108,925	81,884	1,583	192,392	181,078
Adjustment to beginning of year net assets	4,673	—	—	4,673	—
Net assets, beginning of year, as restated	113,598	81,884	1,583	197,065	181,078
Net assets, end of year	\$ 92,406	78,572	1,306	172,284	192,392

See accompanying notes to financial statements.

Statements of Cash Flows

For the years ended September 30, 2001 and 2000
(in thousands)

	2001	2000
Operating activities:		
Changes in net assets	\$ (24,781)	11,314
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	4,882	4,466
Loss (gain) on disposal of land, building and equipment	28	(183)
Realized gains on sales of investments	(1,281)	(3,516)
Unrealized loss (gain) on investments	17,387	(3,048)
Permanently restricted contributions	(8)	(11)
Effect of change on operating accounts:		
Increase in accounts receivable and other assets	(5,432)	(1,387)
Decrease (increase) in Bishops' Committee allocation receivable	171	(522)
Increase in charitable trust receivables	(1,348)	(1,268)
Decrease in undistributed in-kind contributions	9,484	—
(Decrease) increase in accounts payable and accrued expenses	(1,873)	861
Increase (decrease) in advances received for programs	10,710	(9,544)
(Decrease) increase in deferred revenue	(9,368)	142
Increase (decrease) in other liabilities	920	(22,840)
Net cash used in operating activities	(509)	(25,536)
Investing activities:		
Proceeds from sale of land, building and equipment	43	183
Purchase of land, building and equipment	(7,209)	(4,306)
Proceeds from sales and maturities of investments	223,590	108,924
Purchase of investments	(248,257)	(147,189)
Net cash used in investing activities	(31,833)	(42,388)
Financing activities:		
Loan proceeds	46	—
Principal payments on long-term debt	(156)	(148)
Permanently restricted contributions	8	11
Increase in annuities payable, net	5,320	2,387
Net cash provided by financing activities	5,218	2,250
Net decrease in cash and cash equivalents	(27,124)	(65,674)
Cash and cash equivalents, beginning of year	62,297	127,971
Cash and cash equivalents, end of year	\$ 35,173	62,297
Supplemental cash flow disclosures:		
Cash paid for interest	\$ 48	59

See accompanying notes to financial statements.

Schedule of Functional Expenses

Year ended September 30, 2001
(in thousands)

Program Services								
Description	Agriculture	Education	Emergency	Small enterprise	Health	Peace and justice	Welfare	Total program services
Salaries and related benefits	\$ 6,521	6,495	22,802	5,026	7,969	3,706	4,504	57,023
Professional fees	720	1,384	1,306	869	1,041	257	381	5,958
Communication	165	405	872	192	360	152	142	2,288
Supplies, office expenses and other	940	824	2,112	870	768	347	652	6,513
Occupancy	408	615	1,544	361	664	137	238	3,967
Equipment	1,628	675	2,527	176	1,533	574	374	7,487
Travel	904	2,211	3,512	1,161	1,536	1,525	619	11,468
Freight	10,453	7,062	27,345	22	5,338	5,970	824	57,014
Publicity	—	—	39	—	—	—	—	39
Advances to implementing partners	14,526	8,437	34,152	2,136	11,451	8,262	5,813	84,777
Food, other commodities and in-kind contributions	3,027	8,755	3,830	13	45,693	—	7,747	69,065
Depreciation	469	502	492	857	1,201	564	356	4,441
Total expenses	\$ 39,761	37,365	100,533	11,683	77,554	21,494	21,650	310,040

Support Services					
Description	Management and general	Public awareness	Fund-raising	Total support services	Total operating expenses
Salaries and related benefits	\$ 6,680	628	3,419	10,727	67,750
Professional fees	3,363	241	4,048	7,652	13,610
Communication	563	26	4,406	4,995	7,283
Supplies, office expenses and other	485	55	5,576	6,116	12,629
Occupancy	464	32	110	606	4,573
Equipment	214	2	60	276	7,763
Travel	1,612	120	236	1,968	13,436
Freight	15	—	30	45	57,059
Publicity	—	1,870	55	1,925	1,964
Advances to implementing partners	36	35	3	74	84,851
Food, other commodities and in-kind contributions	—	15	—	15	69,080
Depreciation	375	12	54	441	4,882
Total expenses	\$ 13,807	3,036	17,997	34,840	344,880

See accompanying notes to financial statements.

Schedule of Functional Expenses

Year ended September 30, 2000
(in thousands)

Description	Program Services							
	Agriculture	Education	Emergency	Small enterprise	Health	Peace and justice	Welfare	Total program services
Salaries and related benefits	\$ 6,363	2,577	18,643	7,012	3,772	4,413	5,461	48,241
Professional fees	500	523	1,504	1,146	681	601	441	5,396
Communication	326	164	1,284	331	225	208	245	2,783
Supplies, office expenses and other	1,608	647	2,216	1,700	777	1,175	1,600	9,723
Occupancy	422	796	2,117	610	312	306	201	4,764
Equipment	1,491	1,230	6,396	1,159	1,165	834	790	13,065
Travel	865	902	3,054	1,472	811	1,107	1,036	9,247
Freight	14,514	470	54,716	61	1,389	2,032	210	73,392
Publicity	—	—	16	—	—	—	—	16
Advances to implementing partners	14,075	5,628	39,488	5,713	7,528	4,134	7,676	84,242
Food, other commodities and in-kind contributions	2,712	19	22,557	—	58,722	2	1,391	85,403
Depreciation	258	576	3	865	513	1,598	420	4,233
Total expenses	\$ 43,134	13,532	151,994	20,069	75,895	16,410	19,471	340,505

Description	Support Services				
	Management and general	Public awareness	Fund-raising	Total support services	Total operating expenses
Salaries and related benefits	\$ 5,224	914	3,167	9,305	57,546
Professional fees	3,760	89	3,599	7,448	12,844
Communication	158	25	2,786	2,969	5,752
Supplies, office expenses and other	1,070	101	4,431	5,602	15,325
Occupancy	465	2	2	469	5,233
Equipment	196	36	57	289	13,354
Travel	1,710	198	433	2,341	11,588
Freight	3	—	60	63	73,455
Publicity	7	1,944	55	2,006	2,022
Advances to implementing partners	38	11	45	94	84,336
Food, other commodities and in-kind contributions	—	227	—	227	85,630
Depreciation	215	6	12	233	4,466
Total expenses	\$ 12,846	3,553	14,647	31,046	371,551

See accompanying notes to financial statements.

Notes to Financial Statements

September 30, 2001 and 2000

(1) Organization

Catholic Relief Services — United States Catholic Conference, Incorporated (CRS) was founded in 1943 and is the international humanitarian aid and development agency of the United States Conference of Catholic Bishops (USCCB). CRS is governed by a board elected from the USCCB and is staffed by men and women committed to the Catholic Church’s apostolate of helping those in need. Headquartered in Baltimore, Maryland, CRS provides its services in approximately 80 countries through approximately 50 offices around the world.

CRS is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is an organization listed in the 2001 edition of the Official Catholic Directory.

(2) Summary of Significant Accounting Policies

(a) Presentation

The financial statements include the results of CRS’ worldwide operations. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities reported at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenues and expenses related to unrestricted bequests, annuities and other planned giving contributions, changes in unrealized gains and losses on investments and permanently restricted contributions are considered non-operating activities.

The financial statements include certain prior-year summarized comparative totals for the year ended September 30, 2000. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the financial statements for the period ended September 30, 2000 from which the summarized information was derived.

(b) Program Services

The program categories that CRS uses to classify its program service operating expenses include:

Agriculture — programs covering a wide range of agricultural and natural resource activities, including crop, tree and livestock production; soil and water conservation; irrigation; weed, disease and pest control; crop processing and storage; crop and livestock marketing, etc.

Education — programs intended to improve access to and delivery of basic literacy, numerary and other life skills through both formal and non-formal education systems, and to enhance educational achievement.

Emergency — programs seeking to prevent loss of life, minimize suffering, reduce property damage, speed recovery, reduce vulnerability, and otherwise better cope with natural or man-made disasters, while fostering a culture of peace, dignity and respect.

Notes to Financial Statements

September 30, 2001 and 2000

Small Enterprise — programs to develop lending and savings services for the self-employed poor who have no access to capital in the formal financial markets.

Health — programs targeted toward problem recognition, evaluation and intervention in the prevention of somatic illness, disease and death among populations living in poverty.

Peace and Justice — programs to prevent, mitigate or resolve conflict and promote responsibility and right relationships between parties at the individual, community, regional or national levels, including focus upon the strengthening of the institutions of civil society.

Welfare — programs to respond to the urgent and unmet needs of the poorest of society, including the provision of food and complementary assistance, acting as a “bridge” until the local institutions can provide appropriate support structures for self-sufficiency.

(c) *Classification of Net Assets*

Net assets, revenue and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CRS and changes therein are classified and recorded as follows:

Unrestricted net assets — Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets — Net assets whose use has been limited by donors to a specific time period and/or purpose. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets — The historical dollar amounts of gifts which are required by donors to be permanently retained.

(d) *Cash and Cash Equivalents*

Cash includes demand and time deposits. Cash equivalents include highly liquid investments purchased with a maturity of three months or less at date of purchase.

(e) *Concentration of Credit Risk*

Cash and cash equivalents include demand deposits which are maintained at various financial institutions in the United States and foreign countries. The total deposits at institutions in the United States at times exceed FDIC insurance limits. Deposits held at institutions outside of the United States are not subject to insurance. At September 30, 2001 and 2000, \$19,590,000 and \$19,823,000, respectively, of deposits were in excess of FDIC insurance including \$18,023,000 and \$14,864,000, respectively, held in numerous financial institutions outside of the United States. Short-term operating investments of \$11,980,000 and \$13,851,000, respectively, were also held in numerous financial institutions outside of the United States at September 30, 2001 and 2000.

(f) *Investments*

Investments and segregated investments are carried at fair value. Investments received as contributions are recorded at fair value on the date of receipt. Investment income is recognized when earned.

Notes to Financial Statements

September 30, 2001 and 2000

(g) *Land, Building and Equipment*

Land, building and equipment are capitalized and depreciated on a straight-line basis over the estimated useful lives of the respective assets, which are 10 to 40 years for building and improvements and 3 to 10 years for furniture and equipment.

Prior to October 1, 2000, CRS expensed all fixed assets purchased with Federal and restricted donor funds in the year of acquisition. Effective October 1, 2000, CRS changed its accounting policy to capitalize all assets purchased with Federal and restricted donor funds, and to depreciate these assets over their useful lives. CRS has restated its net asset balance by \$4,673,000 as of October 1, 2000, for the cumulative effect of this change in accounting policy.

(h) *Annuity Contracts*

Annuities payable represent the actuarial present value of amounts due under annuity agreements paid over various periods, generally the life of the donor. Present value was calculated using the Annuity 2000 Mortality table with no adjustments, assuming a 6 percent interest rate, compounded annually, and no provision for a surplus or contingency reserve. Annuities payable are estimates, and actual results could differ from those estimates.

(i) *Donated Agricultural Commodities and Supplies*

CRS receives agricultural and other commodities at no cost from the United States Agency for International Development (USAID) and the United States Department of Agriculture (USDA) for distribution under contracts related to specific relief programs. Prior to October 1, 2000, these contributions were recorded as program support and program expense when shipped to overseas destinations. Effective October 1, 2000, CRS changed its accounting policy to include these contributions as program support and program expense when distributed to partners or beneficiaries. Commodity balances that have not been distributed at September 30, 2001 are carried as undistributed commodity contributions and deferred revenue. CRS did not adjust its assets and deferred revenue at September 30, 2000 to reflect this change. The undistributed commodity balance at September 30, 2000 was \$23,431,000.

Undistributed commodity contributions are valued using guidelines published by the Commodity Credit Corporation (an agency of the United States government). European Union commodity donations are recorded at their insurable value, which approximates market value. In-kind contributions of medical supplies from the Catholic Medical Mission Board are recorded at the Pharmacies Fundamental Reference book (Red-Book) value. Other in-kind contributions are recorded at fair value.

(j) *Other Government Funding and Exchange Transactions*

Revenue related to these transactions is recognized when funds are utilized by CRS to carry out the activity stipulated by the grant or contract since such contracts can be terminated by the grantor or funds forwarded to CRS can be required to be refunded under certain circumstances. Accordingly, amounts received, but not recognized as revenue, are classified in the statement of financial position as advances received for programs.



In Cambodia, women like Sieng Rachana are able to improve their small businesses with help from CRS microcredit programs.

Notes to Financial Statements

September 30, 2001 and 2000

(k) Functional Allocation of Expenses

The costs of providing CRS’ various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services primarily based upon direct costs.

(l) Reclassifications

Certain reclassifications have been made to the 2000 amounts to conform to the 2001 presentation.

(3) Accounts Receivable and Other Assets

Accounts receivable include loans made by CRS for microfinance programming, which provides credit to the working poor and encompasses both loans direct to the final borrower as well as loans to local partners who operate these programs. In some instances, CRS may contribute loan balances to local partners. At September 30, 2001 and 2000, microfinance loans receivable totaled \$10,709,000 and \$7,811,000. As of September 30, 2001 and 2000, the allowance for doubtful accounts on accounts receivable and microfinance loans was \$2,766,000 and \$472,000, respectively.

(4) Segregated Investments

CRS is required under various statutory regulations to segregate a certain level of acceptable investments to support its charitable gift annuity giving program. In addition, CRS sponsors a pooled income fund wherein the fund’s earnings are distributed to participants until their death, at which time the assets become available to CRS. Such investments, at fair value, at September 30, 2001 and 2000 consist of the following (in thousands):

		2001			2000		
		Gift annuities	Pooled income	Total	Gift annuities	Pooled income	Total
Cash and cash equivalents	\$	1,776	91	1,867	695	47	742
U.S. treasury securities		28,502	1,759	30,261	24,738	1,714	26,452
Equity securities		2,046	103	2,149	2,175	92	2,267
Totals	\$	32,324	1,953	34,277	27,608	1,853	29,461

During the years ended September 30, 2001 and 2000, CRS received \$4,900,000 and \$4,500,000, respectively, of new charitable gift annuities net of contributions, earned net investment income of \$1,800,000 and \$1,600,000, respectively, on the segregated investments and made contractual annuity payments of \$2,200,000 and \$2,500,000, respectively.

During the years ended September 30, 2001 and 2000, the pooled income fund made earnings distributions of \$123,000 and \$134,000, respectively, to participants.

Revenues from annuity contracts, irrevocable charitable trusts, and the pooled income fund (planned giving agreements) are recognized based on the present value of CRS’ interest in the planned giving agreements.

Notes to Financial Statements

September 30, 2001 and 2000

(5) Charitable Trust Receivable

Charitable trust receivables represent the present value of CRS’ interest in the donor’s trust, as well as the cash surrender value of the life insurance policies.

(6) Investments

The approximate fair value by type of investment at September 30, 2001 and 2000 is as follows (in thousands):

	2001	2000
Certificates of deposit	\$ 12,257	14,123
U.S. treasury securities	14,268	11,303
Corporate debt securities	33,917	15,733
Equity securities	52,867	68,405
	\$ 113,309	109,564

Equity securities at September 30, 2001 and 2000 include \$7,272,000 and \$9,999,000, respectively, invested in DEVCAP Shared Return Fund, a socially responsible mutual fund which is affiliated with CRS.

The components of investment return on the investments described above and segregated investments for the years ended September 30, 2001 and 2000 are as follows (in thousands):

	2001	2000
Dividends and interest	\$ 10,286	9,513
Realized gains on investments	1,281	3,516
Unrealized gain (loss) on investments	(17,387)	4,579
Investment management fees	(522)	(282)
	\$ (6,342)	17,326

Realized gains represent the difference between the historical cost of investments when purchased and their proceeds upon sale or maturity.

(7) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into U.S. dollars at exchange rates in effect on reporting dates, and revenue and expenses are translated at rates which approximate those in effect on transaction dates. Transaction and translation gains and losses are included in current results. The resulting losses on foreign currency transactions were \$1,068,000 and \$3,759,000 for the years ended September 30, 2001 and 2000, respectively, and are included in Supplies, office expenses and other on the Schedule of Functional Expenses.

Notes to Financial Statements

September 30, 2001 and 2000

At September 30, 2001 and 2000, assets of approximately \$61,473,000 and \$53,784,000, respectively, which consist primarily of cash, short term investments and equipment, and \$24,754,000 and \$15,231,000, respectively, of liabilities are associated with activities in countries outside the United States.

(8) Land, Building and Equipment

Land, building and equipment, at cost, at September 30, 2001 and 2000 are summarized as follows (in thousands):

	2001	2000
Land	\$ 3,253	2,972
Building and improvements	15,951	7,527
Furniture and equipment	22,361	18,969
	41,565	29,468
Less accumulated depreciation	(18,892)	(13,725)
	\$ 22,673	15,743

CRS has operating lease commitments for its offices maintained throughout the world. These leases are generally renewable on an annual basis. Rental expense for the years ended September 30, 2001 and 2000 was \$2,197,000 and \$2,081,000, respectively.

(9) Other Liabilities

In October 1999, CRS entered into an equipment lease agreement with a 36-month term in the amount of \$412,000. The lease has an interest rate of 10.22 percent and requires monthly principal and interest payments of \$11,671. Per the agreement, CRS has a bargain purchase option to purchase all of the equipment at the expiration of the initial term for a purchase price equal to 17 percent of the original equipment cost, or \$70,000.

Future minimum lease payments, including the purchase option payment under this lease agreement for the fiscal years ending September 30, are as follows:

2002	\$ 126,000
2003	70,000
	\$ 196,000

CRS country programs in Ethiopia and Cambodia each have \$250,000 loans from a private investment group. The interest rates on the loans are 4 and 4.5 percent, payable semi-annually. No collateral is provided for either loan.

Notes to Financial Statements

September 30, 2001 and 2000

Additionally, CRS maintains a 15-year mortgage, secured by a building, with a face value of \$500,000. Interest is calculated based on an effective rate of 2 percent per annum, payable monthly.

Future annual maturities on notes payable are as follows for the fiscal years ended September 30:

2002	\$ 42,000
2003	542,000
2004	\$ 43,000
	\$ 627,000

For the fiscal year ended September 30, 2001, interest paid related to the loans payable was \$48,000.

(10) Commodities Received and Other In-Kind Contributions

Commodities received and other in-kind contributions for the years ended September 30, 2001 and 2000 consist of the following (in thousands):

	2001	2000
Agricultural commodities received from USAID and USDA, excluding ocean freight	\$ 61,510	67,350
Commodities donated by European Union	990	197
	62,500	67,547
Other, principally medical supplies	6,664	14,615
	\$ 69,164	82,162

(11) Retirement Plans

CRS has a noncontributory defined benefit retirement plan covering all lay employees who have completed three months of service and attained the age of 21. The benefits are based on years of service and the employee’s highest average compensation during five consecutive years of the last ten years of service.

CRS also sponsors a noncontributory post-retirement health plan for employees who retire after the age of 65 with at least 20 years of service. CRS funds retiree healthcare premiums on a cash basis and for the years ended September 30, 2001 and 2000, paid \$65,000 and \$70,000, respectively, for retirees’ healthcare coverage.

CRS has responded to the needs of the poor in Burundi since 1963.



Notes to Financial Statements

September 30, 2001 and 2000

The following schedule sets forth the funded status, components of net periodic benefit cost and weighted-average assumptions of the plans for the years ended September 30, 2001 and 2000 (in thousands):

	Pension Benefits		Post-retirement	
	2001	2000	2001	2000
Change in benefit obligation:				
Benefit obligation at beginning of period	\$ 12,586	11,676	2,236	1,834
Service cost	1,245	1,059	118	122
Interest cost	1,014	880	144	161
Actuarial (gain) loss	559	281	(239)	173
Benefits paid	(874)	(1,310)	(41)	(54)
Benefit obligation at end of period	\$ 14,530	12,586	2,218	2,236
Change in plan assets:				
Fair value of plan assets at beginning of period	\$ 8,811	7,170	—	—
Actual return on plan assets	(1,847)	1,927	—	—
Employer contributions	1,234	1,024	41	54
Benefits paid	(873)	(1,310)	(41)	(54)
Fair value of plan assets at end of period	7,325	8,811	—	—
Funded status	(7,204)	(3,774)	(2,218)	(2,236)
Unrecognized net (gain) loss	237	310	(1,627)	(1,474)
Unrecognized prior service cost	(9)	(59)	—	—
Unrecognized net actuarial loss	3,462	256	1,907	2,051
Accrued benefit cost	\$ (3,514)	(3,267)	(1,938)	(1,659)
Components of net periodic benefit cost:				
Service cost	\$ 1,245	1,059	118	122
Interest cost	1,014	880	144	161
Expected return on plan assets	(800)	(648)	—	—
Net amortization and deferral	23	77	58	48
Total net periodic benefit cost	\$ 1,482	1,368	320	331
Weighted-average assumptions:				
Discount rate	7.75%	7.75%	8.00%	8.00%
Expected return on plan assets	8.50%	8.50%	N/A	N/A
Rate of compensation increase	5.50%	5.50%	N/A	N/A

Notes to Financial Statements

September 30, 2001 and 2000

The healthcare inflation rates for 2001 and 2000 are assumed to be 10% and 11%, respectively. This rate is projected to gradually decrease to an ultimate rate of 5.5% by the year 2006. A one-percentage point increase in the healthcare inflation rate from the assumed rate could increase the accumulated post-retirement benefit obligation by approximately \$446,000 as of September 30, 2001 and would have increased the aggregate of the service cost and interest cost components of net periodic post-retirement benefit cost for 2001 by approximately \$63,000. A one-percentage point decrease in the healthcare inflation rate from the assumed rate could decrease the accumulated post-retirement benefit obligation by approximately \$350,000 as of September 30, 2001 and would have decreased the aggregate of the service cost and interest components of net periodic post-retirement benefit cost for 2001 by approximately \$48,000.

CRS also provides eligible employees a defined contribution plan, which qualifies under Section 403(b) of the Internal Revenue Code. Under the plan, CRS contributes to a participant’s account an amount equal to 50% of the participant’s contribution, not to exceed 3% of the participant’s eligible earnings. The contributions are invested in various mutual funds chosen by the participant. CRS contributed \$451,000 and \$398,000, respectively, for the years ended September 30, 2001 and 2000.

Accrued benefit cost for pension benefits and post-retirement benefits are included in other liabilities and accounts payable and accrued expenses, respectively, in the accompanying financial statements.



The Mashrou Microfinance Project, established by CRS in 1985, now boasts 603 clients – all of them women.

(12) Temporarily Restricted Net Assets

Temporarily restricted net assets at September 30, 2001 and 2000 are comprised of the following (in thousands):

	2001	2000
Time restricted:		
Charitable trusts	\$ 10,553	9,170
Pooled income fund	658	697
Total	11,211	9,867
Program restricted:		
Development projects	718	781
Emergency relief efforts	52,617	53,860
Specific donor restricted projects	14,026	17,376
Total	67,361	72,017
Total temporarily restricted net assets	\$ 78,572	81,884

Notes to Financial Statements

September 30, 2001 and 2000



Disasters, whether natural, like earthquakes, or man-made, like war, disproportionately affect women and children. CRS is committed to caring for these most vulnerable members of our human family.

(13) Contingencies

CRS receives significant financial and non-financial assistance from the U.S. government. Entitlement to such resources is generally conditioned upon compliance with terms and conditions of the related agreements and applicable federal regulations. The use of such resources is subject to audit by governmental agencies and CRS is contingently liable to refund amounts received in excess of allowable expenditures. As of September 30, 2001 and 2000, CRS has recorded a liability for its estimate of questionable costs that may have to be refunded to the government.

In the normal course of business CRS is party to various claims and assessments. In the opinion of management, these matters will not have a material effect on the organization's financial position, change in net assets or cash flow.

DEVCAP

The Development capital (DEVCAP) fund provides people in the United States with an opportunity to invest in a socially responsible way while helping empower the poor overseas. DEVCAP is a socially screened mutual fund that reflects the core values and goals of investors. Built on the tenets of the Catholic Church and its guidelines on investing, DEVCAP allows investors to share a portion of their total return in support of CRS' microfinance programs around the world.

The fund, managed by Christian Brother Investments Services, Inc. (CBIS), is run with the objective of matching the total returns of the Standard & Poor's (S&P) 500® Index. DEVCAP's portfolio comprises a diversified mix of companies listed on the S&P 500, and CBIS provides an "Active Ownership" strategy – which works to enhance corporate ethics in the marketplace.

Over the past five years, DEVCAP investors have contributed \$960,000 to CRS' microfinance programs, which serve more than 307,000 clients in 33 countries.



In Haiti, CRS helped Tamara's family to build a clean water catchment system.



Alternative Gifts International

Catalog shopping and helping the poor are not usually concepts that go together. With help from CRS donor Alternative Gifts International (AGI), however, people looking for presents can put their power as consumers to use helping those in need around the world. The idea is simple: AGI publishes a yearly catalog of humanitarian projects in which people can purchase "shares" to give as gifts.

Since its beginnings in California, AGI has grown to include nonprofit markets in schools, community organizations and churches of all faiths across the United States and in several countries overseas.

Today, through both the catalog and Alternative Gift Markets, AGI gives shoppers a chance to make a difference in the lives of the poor worldwide, and to help restore and renew the planet's threatened environment.

CRS has been proud to be listed since 1996 in AGI's catalog and has received tens of thousands of dollars for both relief and development projects. This past year, CRS received generous donations to help with school reconstruction in Kosovo and a clean water project in Burundi.

Regional Directors and Country Representation



ASIA

South Asia
Sean Callahan,
Regional Director

Southeast Asia
Mark Pierce,
Jim DeHarpporte,
Regional Director

Cambodia
David Leege

East Timor
Jamieson Davies

India/Calcutta
Paul Butler

India/Delhi
Will Lynch

India/Hyderabad
Lori Wichart

India/Lucknow
Alex Mathew

India/Mumbai
Ken MacLean

Indonesia
Mike Frank

Laos
Chris Gilson

North Korea
Jonathan Evans

Pakistan
Luc Picard

The Philippines
Mark Pierce

Russia (far east)
Brian Kuzel

Vietnam
Chris Gilson

LATIN AMERICA & THE CARIBBEAN

Jared M. Hoffman,
Regional Director

Brazil
Peter Rothrock

Bolivia
William Farrand

Cuba
Brian Goonan

Dominican Republic
John McCuen

Ecuador/Colombia
Scott LeFevre

El Salvador
Rick Jones

Guatemala
Dula James

Haiti
Godlove Ntaw

Honduras
Conor Walsh
Doug Ryan

Mexico
Erica Dahl-Bredine

Nicaragua
Lara Puglielli

Peru
Mark Snyder

EASTERN EUROPE

Greg Auberry,
Acting Regional Director

Albania
James McLaughlin

Armenia/Nagorno-Karabakh
Richard Hoffman

Azerbaijan
Silas Everett

Bosnia-Herzegovina
Greg Auberry

Bulgaria
Lori Kunze

Croatia
Jack Connolly

Federal Republic of Yugoslavia
Tom Garofalo

Kosovo
Rick Estridge

Macedonia
Kevin Tobin

AFRICA

Central Africa
Kevin Hartigan,
Regional Director

East Africa
Jean-Marie Adrian,
Regional Director

Southern Africa
John Donahue,
Regional Director

West Africa
William Rastetter,
Regional Director

Angola
Scott Campbell

Benin
Christopher Bessey

Burkina Faso
Anne Smith

Burundi
David Rothrock

Cameroon
Steve Hilbert

Chad
Nicole Poirier

Democratic Republic of the Congo
Kevin Hartigan

Eritrea
Jack Norman

Ethiopia
Anne Bousquet

The Gambia
Vewonyi Adjavon

Ghana
Rick Nidel

Guinea
Kosi Kpogo

Kenya
Shirley Dady

Liberia
Debra Lynn Edwards

Madagascar
Jennifer Overton

Malawi
Makasa Kabongo

Mali
Yembi Ouadraogo

Niger
Dorothy Madison-Seck

Nigeria
Chance Briggs

Rwanda
Maureen Capps

Senegal
Vewonyi Adjavon

Sierra Leone
Matthew Hochbrueckner

South Africa
Vern Conaway

Sudan
Paul Townsend

Tanzania
Edward Charles

Togo
Anne Sellers

Uganda
Paul Macek

Zambia
Michele Broemmelsiek

Zimbabwe
Janet Trucker

MIDDLE EAST/ NORTH AFRICA

Christine Tucker,
Regional Director

Egypt
Susan Silveus

**Jerusalem/
West Bank/Gaza**
Don Rogers

Morocco
Richard Balmadier

Special thanks to Pamela and Michael Gilardi, Dennis and Mary Tippmann, Mr. and Mrs. Patrick Mandracchia, Alternative Gifts International and our photographers: Karen Starr Adams: pages 5 (bottom), 18 (foldout) & 19 (foldout) • Muna Assaf: page 12 • Kim Burgo: page 15 (top) • Tom Dart: front cover (center right) • Sr. Ann Duggan: pages 4 (bottom) & 5 (top) • Fr. John Geaney: pages 8 & 9 • Michael Hoyt: front cover (center) • Rebecca Janes: page 39 • Christopher Lee: page 4 (top) • Richard Lord: front cover (top left), front cover (center left), front cover (bottom right), 15 (bottom), & 31 • Martin Lueders: pages 16 & 35 • Carlos Sanchez: pages 10, 11 & 17 (top) • David Snyder: front cover (top center), front cover (bottom left), front cover (inside), pages 3, 13 (bottom), 14, 17 (bottom), 18, 19, 20, 24, 34, 37, 38, back cover (inside) & back cover • Sean Sprague: front cover (far right), front cover (far left), pages 6 & 7 • CRS Staff: page 13 (top)

special thanks



www.catholicrelief.org

209 West Fayette Street
Baltimore, Maryland 21201-3443

© 2002 Catholic Relief Services, All Rights Reserved.
CM0206