



KHYENTSE
FOUNDATION

SUPPORTING THE BUDDHA'S VISION OF WISDOM AND COMPASSION

Khyentse Foundation

Annual Report 2002

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A Message from Dzongsar Khyentse Rinpoche

Losar 2130

I would like to extend my prayers and greetings to everyone on this Losar, and take this opportunity to reflect on our purpose.

Inspired by the Buddha's wisdom, we can recognize that suffering is not arbitrary, it is caused by confusion, and our path is to put an end to this cause of suffering. Much of the disharmony we have in the world today has been created by greed and extreme views. Therefore it is high time for us to infiltrate people's minds with the antidote to these manifestations of confusion, which is the Buddha's message of love, compassion and equanimity.

But that can't happen by just reading a book or two – it has to be studied and actually practiced, and while there are many who are willing to undertake such thorough study and practice, they don't always have the means to do it themselves. Therefore I am so pleased that among many other foundations, the Khyentse Foundation is now also managing to contribute a little towards supporting people in these endeavours. While we can't promise that through this we can bring peace and harmony to the whole world, I am quite sure that within our individual worlds, through the study and practice of the Buddha's teachings, we can create the conditions for definitely achieving peace and harmony.



Dzongsar Khyentse Rinpoche
Chairman of the Board of Directors
Khyentse Foundation

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The Executive Director's Report

March 2003

Dear Khyentse Foundation Supporters,

It is with great pleasure that I write to report on the progress of the Khyentse Foundation since its incorporation in the United States in November 2001 under the direction of Dzongsar Khyentse Rinpoche.

Much progress has been made to establish an effective infrastructure to operate the Foundation, and to develop the projects in which the Foundation is now involved. Highlights of important activities are included in A *Calendar of Events*.

In spite of the severe worldwide economic downturn in 2002, Khyentse Foundation was strongly supported by over two hundred donors from fourteen countries, with contributions ranging widely in kind and value, truly representing an international effort of Khyentse Rinpoche's mandala.

By the end of the year 2002, Khyentse Foundation crossed the threshold of having received donations totaling US\$ 1 million. By January 31, 2003, total donations received reached over US \$1.1 million. An abridged audited financial statements for the eight months ended June 30, 2002 is attached with this report.

With your generous contributions, Khyentse Foundation is now funding the following projects:

1. Endowment Fund for Monastic Education

By the end of 2002, Khyentse Foundation was able to provide US\$ 1 million to the Endowment Fund for Monastic Education, the Foundation's top priority. Since July 2002, the Endowment Fund has been in a professionally-managed investment account. With the prudent management guidelines generated by the Investment Committee and approved by the Board, the fund was fully vested in high quality bonds and other fixed income instruments. The fund generated a total return of 3.63% between July and December 2002.

While our ultimate hope is to endow the Fund with US\$ 2.8 million, we anticipate that by 2004, there will be sufficient interest income generated by the Fund to provide partial support to the over 700 monks, nuns and students in Khyentse Rinpoche's educational institutes and monasteries in Tibet, India and Bhutan.

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2. Khyentse Foundation Scholarships

As a first effort to support non-Tibetan dharma students, we will provide twenty partial scholarships for students from all over the world to attend Khyentse Rinpoche's Madhyamakavatara teachings in San Francisco in June 2003.

The Foundation is also starting to offer financial assistance to enable motivated and capable students to fulfill their aspirations to do traditional 3- year retreats.

In the coming years, we hope to increase our funding capability to provide even more scholarships to meet the growing needs of the flourishing community of Buddhist students and practitioners outside of Tibet and the Indian sub-continent.

3. Publication Projects

The Foundation aims to provide study material to assist dharma students around the world. As a start, the Foundation is funding an initial printing of Khyentse Rinpoche's teachings on the Madhyamakavatara, based on Rinpoche's previous teachings in Dordogne, France. These teachings have been transcribed by a team of editors headed by Alex Trisoglio. This precious 500- page volume will be printed and available on request to students at Rinpoche's Madhyamakavatara teachings in June 2003 and to the attendees of the Dordogne teachings.

In the near future, the Foundation will also be printing a Longchen Nyingtik Ngöndro practice manuscript, another work based on transcriptions of Rinpoche's teachings.

With future funding, the Foundation will embark on the restoration of the Khyentse Library at the Dzongsar Institute in Tibet, and sponsor the translation of the teachings of four great masters: Longchenpa, Jigme Lingpa, Jamyang Khyentse Wangpo and Jamyang Khyentse Chökyi Lodrö.

Looking Ahead

As you know, the mission of the Khyentse Foundation is to support the international community of dharma students and practitioners. As such, the Foundation has long-term goals and a wide-ranging set of tasks.

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There is much to be done in the years ahead to achieve the all-embracing aspirations of the Foundation as envisaged by Khyentse Rinpoche. It is our wish to involve and inspire every member of our sangha in this concerted effort. We invite you all to strengthen your connection with Rinpoche by being involved in the efforts of the Foundation, and to contribute your ideas and resources in whatever manner possible.

For our part, we will improve our communication with you, our donors and supporters, through enhanced personal contacts, more regular emails/letters and more effective use of our website as a communication tool. You will be hearing from us through these different channels concerning diverse ways and areas where you may be able to help the Foundation.

In addition, the Foundation is now starting to organize its efforts to apply for grants from private funding agencies to support the Scholarship and Publication programs.

I take this opportunity to thank Khyentse Rinpoche for his inspiration, blessings and unceasing guidance.

I would also like to thank all our donors for your generosity, encouragement and support.

Last but not the least, I wish to thank the entire Khyentse Foundation team, Board and Committee members, and all those who have volunteered their valuable time, expert knowledge and services in a variety of ways and functions, to bring the Foundation to where it is today. With your efforts, the Foundation was able to maintain its operating expenses at an absolute minimum, so that maximum benefit may go to the people and projects that the Foundation seeks to support.

May your generosity and continued involvement with the Khyentse Foundation benefit many sentient beings. Best wishes for the year of the Water Sheep!

In the dharma,



Cangjoli Che
Executive Director
Khyentse Foundation

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A Calendar of Events

- **On November 5, 2001**, Khyentse Foundation was incorporated as a non-profit corporation in the State of Washington, USA after months of planning and preparation.
- **In November 2001**, the Khyentse Foundation established its worldwide network of country representatives in Australia, Canada, Germany, Hong Kong, Malaysia, Taiwan, the United Kingdom and the United States.
- **In December 2001**, the Khyentse Foundation Investment Policy and Guidelines for the Endowment Fund for Monastic Education were generated by the Investment Committee and approved by the Board.
- **In January 2002**, Khyentse Rinpoche talked about the vision and mission of the Khyentse Foundation in an exclusive interview.
- **In February 2002**, the Foundation prepared presentation folders for potential donors, and translated them from English into Chinese and German.
- **On April 22, 2002**, Khyentse Foundation received approval of its tax-exempt status by the United States Internal Revenue Service, enabling all donations to be tax deductible to the fullest extent of the law in the US.
- **During Spring and Summer 2002**, we announced the incorporation of the Foundation to students attending Rinpoche's teachings around the world- in Germany, Hong Kong, Taiwan, Canada, USA and Australia.
- **In June 2002**, the Foundation's website, www.khyentsefoundation.org, was launched and, albeit simple, now provides sangha members with some brief, informative comments on the Foundation and its mission.
- **In July 2002**, the Foundation started to fund the Endowment Fund for Monastic Education and set up a separate investment account for this purpose.
- **On August 1, 2002**, Khyentse Rinpoche chaired the first meeting of the Khyentse Foundation Board of Directors in San Francisco, USA.
- **In September 2002**, the Foundation conducted an accounting procedural review to ascertain whether its internal controls were reasonable and adequate, and whether there were any areas for improvement.

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- **Also in September 2002**, processes were completed with our banking facilities to enable worldwide credit card and US domestic automatic bank withdrawal arrangements, either of which can be used for one-time, periodic, or regular on-going donation capability.
- **In October 2002**, as directed by the Board, the Foundation appointed an independent auditor to ensure full compliance of its accounting procedures and operations with the stringent rules and regulations governing non-profit organizations in the US.
- **During the last quarter of 2002**, the Foundation strengthened its worldwide network by involving many individuals in the *On the Path-Tibet* project to benefit International White Lotus and Khyentse Foundation. The first two photographic exhibitions were held in London and Hong Kong and copies of the photobook were distributed in ten countries by the international sangha.
- **By November 2002**, the Foundation was able to streamline its administrative setup as well as develop a fully functional database to effectively track donations and other important information.
- **On December 31, 2002**, the Foundation auspiciously crossed the threshold of having received donations totaling US\$ 1 million.
- **As of January 31, 2003**, donations received totaled over US\$ 1.1 million (unaudited).

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Audited Statement of Financial Position

June 30, 2002

ASSETS

Cash	588,805
Pledges Receivable, net of allowance for unfulfilled pledges of \$265,794 and a discount to present value of \$221,655	223,225
Total assets	<u>812,030</u>

LIABILITIES AND NET ASSETS

Liabilities and unrestricted net assets	589,031
Temporarily restricted net assets	<u>222,999</u>
Total Liabilities and net assets	<u>812,030</u>

Statement of Activities

For the Eight Months Ended June 30, 2002

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Contributions	602,128	710,448	1,312,576
Less discount on long term receivables		(221,655)	(221,655)
Less receivables reserve expense		<u>(265,794)</u>	<u>(265,794)</u>
Net contributions	602,128	222,999	825,127
In-kind donations	7,255		7,255
Interest	630		630
Total revenue	<u>610,013</u>	<u>222,999</u>	<u>833,012</u>
<u>EXPENSES</u>			
Professional services	6,138		6,138
Office supplies and services	1,873		1,873
Printing	6,634		6,634
Postage and delivery	1,516		1,516
Training and education	132		132
Meeting expense	2,815		2,815
Travel	485		485
Financial expenses	1,473		1,473
Miscellaneous expense	25		25
Total expenses	<u>21,091</u>		<u>21,091</u>
Change in net assets	588,922	222,999	811,921
Net assets - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net assets - end of year	<u>588,922</u>	<u>222,999</u>	<u>811,921</u>

A full set of Audited Financial Statements for the Year ended June 30, 2002 is available upon request.

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Dzongsar Khyentse Rinpoche wishes to thank the following for their valuable assistance to the Khyentse Foundation during the past year:

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Siddhartha's Intent- Germany
Siddhartha's Intent-
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Siddhartha's Intent- Southern
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Siddharth's Intent- Taiwan
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Door (USA)
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Penelope Tree
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Roland Walter
Pema Wangchuk
Malcolm Watson
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Jin Yeo
Yong Siew Chin
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and many others.

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Additional Information

The following additional information is available upon request:

1. Full set of Audited Financial Statements for the Eight Months Ended June 30, 2002.
2. Treasurer's Notes on the Audited Financial Statements June 30, 2002.
3. Endowment Fund for Monastic Education: Investment Policy and Guidelines (Updated as of August 2002).
4. Endowment Fund for Monastic Education: Year End 2002 Investment Account Review.
5. An exclusive interview with Dzongsar Khyentse Rinpoche on the Khyentse Foundation in January 2002.

If you wish to receive any of the above information, please contact the Khyentse Foundation at:

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