

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2002 calendar year, or tax year beginning, and ending

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

Please use IRS label or print or type See Specific Instructions

C Name of organization: KIDS CAN FREE THE CHILDREN
C/O PAUL BATTAGLIA-JAECKLE FLEISCHMAN
Number and street (or P O box if mail is not delivered to street address) Room/suite: 800 FLEET BANK BLDG, 12 FOUNTAIN PLAZA
City or town, state or country, and ZIP + 4: BUFFALO NY 14202

D Employer ID number: 16-1533544
E Telephone number: 905-760-9382
F Accounting method: [X] Accrual [ ] Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? [ ] Yes [X] No
H(b) If "Yes," enter no of affiliates
H(c) Are all affiliates included? [ ] Yes [ ] No
H(d) Is this a separate return filed by an organization covered by a group ruling? [ ] Yes [ ] No

G Web site: freethechildren.org

J Organization type (check only one): [X] 501(c)(3) (insert no) [ ] 4947(a)(1) or [ ] 527

K Check here [ ] if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 986,961

I Enter 4-digit GEN
M Check [ ] if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 17 of the instructions)

Table with 12 columns for line numbers and descriptions, and 12 columns for amounts. Includes rows for Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Special events, and Total revenue/expenses.

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**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C) and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) Stmt 1 (cash \$ 496,950 non-cash \$ 333,315)	830,265	830,265		
23	Specific assistance to individuals				
24	Benefits paid to or for members				
25	Compensation of officers, directors, etc				
26	Other salaries and wages	22,945	18,923		4,022
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes	1,797	1,489		308
30	Professional fundraising fees				
31	Accounting fees	25,500		25,500	
32	Legal fees	1,455	425	1,030	
33	Supplies				
34	Telephone	4,172	2,826	1,200	146
35	Postage and shipping	420	420		
36	Occupancy	14,400		14,400	
37	Equipment rental and maintenance				
38	Printing and publications	15,581	14,225	1,356	
39	Travel	10,627	9,688	879	60
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	3,742		3,742	
43	Other expenses not covered above (itemize) a				
	b See Statement 2	62,883	55,584	7,297	2
	c				
	d				
	e				
44	Total functional expenses (add lines 22-43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	993,787	933,845	55,404	4,538

Joint Costs Check  if you are following SOP 98-2  
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes" enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_ and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See page 24 of the instructions)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) & (4) orgs & 4947(a)(1) trusts, but optional for others.)
<p>► <b>HUMANITARIAN RELIEF</b>                      All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)</p>	
<p>a BUILDING SCHOOLS PROGRAM INVOLVED CHILDREN TO HELP THEIR PEERS IN DEVELOPING WORLD. BUILT AND REPAIRED SCHOOLS IN THIRD WORLD COUNTRIES                      (Grants and allocations \$ 155,249 )</p>	174,316
<p>b MEDICAL RELIEF. PROVIDE NECESSARY MEDICAL SUPPLIES TO CHILDREN-SENT MEDICAL SUPPLIES TO WEST AFRICA                      (Grants and allocations \$ 212,776 )</p>	220,892
<p>c SCHOOL AND HEALTH KITS AND EDUCATION: PROVIDE BASIC SCHOOL SUPPLIES AND TOILETRIES FOR CHILDREN IN DEVELOPING WORLD AND FUND TEACHERS SALARIES IN THIRD WORLD COUNTRIES                      (Grants and allocations \$ 120,290 )</p>	132,586
<p>d LEADERSHIP: PROVIDING YOUTH OF THE WORLD WITH NETWORKING AS WELL AS THE OPPORTUNITIES TO BECOME LEADERS OF TOMORROW                      (Grants and allocations \$ 341,950 )</p>	365,823
e Other program services (attach schedule) See Stmt 3 (Grants and allocations \$ _____)	40,228
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	933,845

**Part IV Balance Sheets** (See page 24 of the instructions)

Note	Where required, attached schedules and amounts within the description column should be for end-of-year amounts only	(A) Beginning of year		(B) End of year
45	Cash - non-interest-bearing	18,117	45	93,694
46	Savings and temporary cash investments	245,923	46	200,982
47a	Accounts receivable	2,529		
b	Less allowance for doubtful accounts		47c	2,529
48a	Pledges receivable			
b	Less allowance for doubtful accounts		48c	
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)			
b	Less allowance for doubtful accounts		51c	
52	Inventories for sale or use	2,756	52	130
53	Prepaid expenses and deferred charges		53	
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
55a	Investments-land, buildings, and equipment basis			
b	Less accumulated depreciation (attach schedule)		55c	
56	Investments-other (attach schedule)		56	
57a	Land, buildings, and equipment basis	20,450		
b	Less accumulated depreciation (attach schedule)	8,617	57c	11,833
58	Other assets (describe _____ )		58	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	282,430	59	309,168
60	Accounts payable and accrued expenses	6,477	60	41
61	Grants payable		61	40,000
62	Deferred revenue		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64a	Tax-exempt bond liabilities (attach schedule)		64a	
b	Mortgages and other notes payable (attach schedule)		64b	
65	Other liabilities (describe _____ )		65	
66	<b>Total liabilities</b> (add lines 60 through 65)	6,477	66	40,041
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
67	Unrestricted	122,528	67	182,625
68	Temporarily restricted	153,425	68	86,502
69	Permanently restricted		69	
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
70	Capital stock, trust principal, or current funds		70	
71	Paid-in or capital surplus, or land, building, and equipment fund		71	
72	Retained earnings, endowment, accumulated income, or other funds		72	
73	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	275,953	73	269,127
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	282,430	74	309,168

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions)**

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total revenue, gains, & other support per audited financial statements	<b>a</b>	986,961
<b>b</b>	Amounts included on line a but not on line 12, Form 990	<b>b</b>	
	(1) Net unrealized gains on investments \$		
	(2) Donated services and use of facilities \$		
	(3) Recoveries of prior year grants \$		
	(4) Other (specify)		
	\$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line a minus line b	<b>c</b>	986,961
<b>d</b>	Amounts included on line 12, Form 990 but not on line a	<b>d</b>	
	(1) Investment expenses not included on line 6b, Form 990 \$		
	(2) Other (specify)		
	\$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line c plus line d)	<b>e</b>	986,961

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	993,787
<b>b</b>	Amounts included on line a but not on line 17, Form 990	<b>b</b>	
	(1) Donated services and use of facilities \$		
	(2) Prior year adjustments reported on line 20, Form 990 \$		
	(3) Losses reported on line 20, Form 990 \$		
	(4) Other (specify)		
	\$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line a minus line b	<b>c</b>	993,787
<b>d</b>	Amounts included on line 17, Form 990 but not on line a	<b>d</b>	
	(1) Investment expenses not included on line 6b, Form 990 \$		
	(2) Other (specify)		
	\$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line c plus line d)	<b>e</b>	993,787

**Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 26 of the instructions)**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
SEE ATTACHED		0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
 If "Yes," attach schedule-see page 26 of the instructions

**Part VI Other Information (See page 27 of the instructions )**

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross inc of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	X	
b	If "Yes," enter the name of the organization <b>KIDS CAN FREE THE CHILDREN-CANADA</b> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a	Enter direct or indirect political expenditures See line 81 Instr		
b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III )		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) orgs Enter a Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them )		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4945 transaction during the year or did it become aware of an excess benefit transaction from a statement explaining each transaction		
c	Enter Amount of tax imposed on the organization managers or disqualified persons under sections 4912, 4955, and 4958		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		
90a	List the states with which a copy of this return is filed <u>NY</u>		
b	Number of employees employed in the pay period that includes March 12, 2002		
91	The books are in care of <u>VICTOR LI</u> Located at <u>1750 STEELES AVE W STE 218</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 990-E and enter the amount of tax-exempt interest received or accrued during the year		

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),

501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information-(See separate instructions )**

OMB No 1545-0047

**2002**

Department of the Treasury  
Internal Revenue Service

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

KIDS CAN FREE THE CHILDREN  
C/O PAUL BATTAGLIA-JAECKLE FLEISCHMAN

Employer identification number

16-1533544

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions List each one If there are none, enter "None ")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee ben plans & deferred compensation	(e) Expense account and other allowances
None				

Total number of other employees paid over \$50,000 ▶

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instr List each one (whether individuals or firms) If there are none, enter "None ")

(a) Name and address of each independent contractor paid more than \$ 50,000	(b) Type of service	(c) Compensation
None		

Total number of others receiving over \$50,000 for professional services ▶

Part III Statements About Activities (See page 2 of the instructions)

Table with 3 columns: Question, Yes, No. Rows include: 1. During the year, has the organization attempted to influence national, state, or local legislation... 2. During the year, has the organization, either directly or indirectly, engaged in any of the following acts... 3. Does the organization make grants for scholarships, fellowships, student loans, etc? 4. Do you have a section 403(b) annuity plan for your employees?

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

The organization is not a private foundation because it is (Please check only ONE applicable box)

- 5 [ ] A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6 [ ] A school Section 170(b)(1)(A)(ii) (Also complete Part V)
7 [ ] A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8 [ ] A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9 [ ] A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state
10 [ ] An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the Support Schedule in Part IV-A)
11a [X] An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
11b [ ] A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
12 [ ] An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the Support Schedule in Part IV-A)
13 [ ] An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 of the instructions)

(a) Name(s) of supported organization(s)

(b) Line number from above

- 14 [ ] An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting

Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	1,063,160	774,830	254,780	24,726	2,117,496
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed or furnishing of facilities in any activity that is related to the organization's charitable etc purpose					
18 Gross inc. from int. dividends, amounts received from pymt. on securities loans (section 512(a)(5)), rents, royalties & unrelated busn. taxable inc. (less sec 511 taxes) from businesses acquired by the organization after June 30 1975	10,866	2,170	719	125	13,880
19 Net income from unrelated business activities not included in line 18					
20 Tax revn levied for the organization's ben & either paid to it or expended on its behalf					
21 The value of serv or fac furnished to the org by a governmental unit without charge Do not incl the value of serv or fac generally furnished to the public without charge					
22 Other Income Attach a schedule Do not include gain or (loss) from sale of cap assets					
23 Total of lines 15 through 22	1,074,026	777,000	255,499	24,851	2,131,376
24 Line 23 minus line 17	1,074,026	777,000	255,499	24,851	2,131,376
25 Enter 1% of line 23	10,740	7,770	2,555	249	

26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24	▶ 26a	42,628
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the total of all these excess amounts		▶ 26b	994,180
c Total support for section 509(a)(1) test Enter line 24, column (e)		▶ 26c	2,131,376
d Add Amounts from column (e) for lines 18 13,880 19 22b 994,180		▶ 26d	1,008,060
e Public support (line 26c minus line 26d total)		▶ 26e	1,123,316
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶ 26f	52.7038%

27 Organizations described on line 12 a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year N/A

	(2001)	(2000)	(1999)	(1998)	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year <span style="float: right;">N/A</span>					
c Add Amounts from column (e) for lines 15 17 20 and line 27b total					▶ 27c
d Add Line 27a total					▶ 27d
e Public support (line 27c total minus line 27d total)					▶ 27e
f Total support for section 509(a)(2) test Enter amount on line 23, column (e)					▶ 27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					▶ 27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					▶ 27h %

28 Unusual Grants For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15



**Part V Private School Questionnaire (See page 7 of the instructions )**  
**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?			
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?			
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?			
d	Copies of all material used by the organization or on its behalf to solicit contributions?  If you answered "No" to any of the above, please explain (If you need more space attach a separate statement )			
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?			
b	Admissions policies?			
c	Employment of faculty or administrative staff?			
d	Scholarships or other financial assistance?			
e	Educational policies?			
f	Use of facilities?			
g	Athletic programs?			
h	Other extracurricular activities?  If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )			
34a	Does the organization receive any financial aid or assistance from a governmental agency?			
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement			
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation			

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions )

(To be completed **ONLY** by an eligible organization that filed Form 5768) N/A

Check  a if the organization belongs to an affiliated group Check  b if you checked "a" and "limited control" provisions apply

**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred )

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table-		
If the amount on line 40 is-		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is-		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000	41	
\$225,000 plus 5% of the excess over \$1,500,000		
\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below

See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instr )

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (include compensation in expenses reported on lines c through h )
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h )

Yes	No	Amount
X		
	X	
	X	
	X	
	X	
	X	
	X	
	X	

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

- (i) Cash
(ii) Other assets

b Other transactions

- (i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. 'No' column contains 'X' for all rows.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No (X) No

b If "Yes" complete the following schedule

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

FTC3544 KIDS CAN FREE THE CHILDREN

16-1533544

**Federal Statements**

FYE. 12/31/2002

**Form 990, Part I, Line 1a - Direct Public Support**

<u>Description</u>	<u>Cash</u>	<u>Noncash</u>	<u>Total</u>
GENERAL DONATIONS	\$ 103,040	\$ 120,539	\$ 223,579
CORPORATE DONATIONS	6,458		6,458
FOUNDATIONS & TRUSTS	13,846		13,846
Other Contributions	523,256	212,776	736,032
Total	<u>\$ 646,600</u>	<u>\$ 333,315</u>	<u>\$ 979,915</u>

**Statement 1 - Form 990, Part II, Line 22 - Grants, Allocations, and Contributions**

Description	Cash Contribution	Noncash Contribution
BUILDING SCHOOLS-KIDS CAN FREE THE CHILDREN-CANADA 16 THORNBANK RD, THORNHILL, ONTARIO, L4J2A2	\$ 155,000	\$
LEADERSHIP-KIDS CAN FREE TEH CHILDREN-CANADA 16 THORNBANK RD, THORNHILL, ONTARIO, L4J2A2	251,950	
LEADERSHIP-LEADERS TODAY 16 THORNBANK RD, THORNHILL, ONTARIO, L4J2A2	90,000	
MEDICAL RELIEF-MONTEGO BAY JAMAICA MISSION MONTEGO BAY, JAMICA		42,410
MEDICAL RELIEF-LORETO CLINIC MAKENI, SIERRA LEONE, AFRICA		170,366
SCHOOL & HEALTH KITS-CHINA		6,200
SCHOOL & HEALTH KITS-KENYA		4,000
SCHOOL & HEALTH KITS-NICARGUA		15,500
SCHOOL & HEALTH KITS-CAMEROON		340
SCHOOL & HEALTH KITS-HAITI		5,400
SCHOOL & HEALTH KITS-JAMAICA		1,000
SCHOOL & HEALTH KITS-ECUADOR		1,610
SCHOOL & HEALTH KITS-THAILAND		3,720
SCHOOL & HEALTH KITS-EL SALVADOR		3,020
SCHOOL & HEALTH KITS-CANADA		11,900
SCHOOL & HEALTH KITS-SRI LANKA		600
SCHOOL & HEALTH KITS-SIERRA LEONE		67,000
BUILDING SCHOOLS-OTHERS		249
Total	<u>\$ 496,950</u>	<u>\$ 333,315</u>

**Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
ADMINISTRATIVE FEE	32,280	32,280		
ADVERTISING	9,436	7,036	2,400	
BANK CHARGES	2,278	48	2,230	
CONSULTANTS	2,572	2,572		
HANDLING FEES	8,116	8,116		
OFFICE EXPENSES	8,004	5,335	2,667	2
INSURANCE	197	197		
Total	<u>\$ 62,883</u>	<u>\$ 55,584</u>	<u>\$ 7,297</u>	<u>\$ 2</u>

**Statement 3 - Form 990, Part III, Line e - Other Program Services**

CHILDREN IN ARMED CONFLICT JOINT PROJECT WITH THE UNITED  
NATIONS TO FREE CHILDREN FROM ARMED CONFLICT AROUND THE  
WORLD

**Statement 4 - Schedule A, Part III, Line 2a - Sale, Exchange, or Lease of Property**

RENTAL OF HOUSE FROM OFFICER TO HOUSE INTERNS WORKING FOR THE ORGANIZATION

FTC3544 KIDS CAN FREE THE CHILDREN

16-1533544

**Federal Statements**

FYE 12/31/2002

**Schedule A, Part VI-B - Description of Lobbying Activities**

KIDS CAN FREE THE CHILDREN HAS LAUNCHED A PETITION CAMPAIGN TO PERSUADE THE U S GOVERNMENT TO RATIFY THE UNITED NATIONS CONVENTION ON THE RIGHTS OF THE CHILD THE PETITION CAMPAIGN HAS BEEN CARRIED ON ONLY BY VOLUNTEERS WHO HAVE NOT BEEN REIMBURSED FOR ANY EXPENSES

# Depreciation and Amortization

(Including Information on Listed Property)

**2002**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions

▶ Attach to your tax return

Attachment  
Sequence No **67**

Name(s) shown on return

Identifying number

**FREE THE CHILDREN INTERNATIONAL**

**16-1533544**

Business or activity to which this form relates

**All Business Activities**

**Part I Election To Expense Certain Tangible Property Under Section 179**

**Note: If you have any listed property, complete Part V before you complete Part I**

1 Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	24,000.00
2 Total cost of section 179 property placed in service (see page 3 of the instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	200,000.00
4 Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see pg. 2 of the instr.	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)**

14 Special depreciation allowance for qualified prop. (other than listed prop.) placed in service during the tax year (see pg. 3 of the instr.)	14	
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	

**Part III MACRS Depreciation (Do not include listed property) (See page 4 of the instructions)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2002	17	3,420.57
18 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>	18	

**Section B-Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		3,214.97	5 yrs	HY	S/L	321.50
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	

**Section C-Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L
b 12-year			12 yrs		S/L
c 40-year			40 yrs	MM	S/L

**Part IV Summary (see page 6 of the instructions)**

21 Listed property. Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	3,742.07
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	



**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C, if applicable.

**Section A-Depreciation and Other Information** (Caution: See page 8 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of prop (list vehicles first)	(b) Date placed in service	(c) Busn./invest use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 6 of the instructions)								
							25	
26 Property used more than 50% in a qualified business use (see page 6 of the instructions)								
27 Property used 50% or less in a qualified business use (see page 6 of the instructions)								
							S/L-	
							S/L-	
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								29

**Section B-Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles- see page 2 of the instructions)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No

**Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see page 8 of the instructions).

		Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles including commuting by your employees?			
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners.			
39 Do you treat all use of vehicles by employees as personal use?			
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?			
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions.)			

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (see page 9 of the instructions)					
43 Amortization of costs that began before your 2002 tax year					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report.					44

Part III - MACRS Depreciation

Asset	(a) Property Description	(b) Date In Service	(c) Basis	(d) Period	(e) Convention	(f) Method	(g) Depreciation Deduction
<u>Depreciation of MACRS Property Placed in Service In Prior Years</u>							
1	Computer-computer city	1/07/99	2,202 07	5 0	Mid-qt	S/L	440 41
2	Fax Machine-KXFP250RF	10/16/99	175 45	5 0	Mid-qt	S/L	35 09
3	2-Computers	12/23/99	2,925 00	5 0	Mid-qt	S/L	585 00
4	Notebook Computer-TTXX Netboo	9/15/00	3,745 54	5 0	Mid-qt	S/L	749 11
5	Computer-6ATH 850	12/02/00	1,107 24	5 0	Mid-qt	S/L	221 45
6	Sony DCR-TRV900 Mini DV Cam	12/30/00	2,359 73	5 0	Mid-qt	S/L	471 95
7	Canon BJC-85 Printer	1/04/01	305 35	5 0	Mid-qt	S/L	61 07
8	Toshiba 4300 P3 600 laptop	3/10/01	1,783 73	5 0	Mid-qt	S/L	356 75
9	Samsung Cell Phone SCH T130	6/15/01	287 16	7 0	Mid-qt	S/L	41 02
10	Viewsonic A90 19" Monitor	6/20/01	313 95	5 0	Mid-qt	S/L	62 79
11	CSP Cnotebook Laptop	10/17/01	1,979 63	5 0	Mid-qt	S/L	395 93
			<u>17,184 85</u>				<u>3,420 57</u>
<u>5 Year Property</u>							
12	Electrocom P4 Notebook Computer	7/09/02	1,575 36	5 0	Half year	S/L	157 54
13	Vision 1700 DDR desktop Comput	7/09/02	1,355 04	5 0	Half year	S/L	135 50
14	HP OfficeJet V40 Color Multifunct	2/25/02	284 57	5 0	Half year	S/L	28 46
			<u>3,214 97</u>				<u>321 50</u>

Asset #	Property Description	Date In Service	Cost	Sec 179 Exp Current = c	Tax Sec 168(k) Amt	Prior Depreciation	Current Depreciation	End Depreciation	Net Book Value	Method	Period
<b>Group. Office Equipment</b>											
1	Computer-computer city	1/07/99	2,202 07	0 00	0 00	1,266 18	440 41	1,706 59	495 48	S/L	5 0
2	Fax Machine-KXFP250RF	10/16/99	175 45	0 00	0 00	74 57	35 09	109 66	65 79	S/L	5 0
3	2-Computers	12/23/99	2,925 00	0 00	0 00	1,243 13	585 00	1,828 13	1,096 87	S/L	5 0
4	Notebook Computer-TTXX Netboo	9/15/00	3,745 54	0 00	0 00	1,030 03	749 11	1,779 14	1,966 40	S/L	5 0
5	Computer-6ATH 850	12/02/00	1,107 24	0 00	0 00	249 13	221 45	470 58	636 66	S/L	5 0
6	Sony DCR-TRV900 Mini DV Cam	12/30/00	2,359 73	0 00	0 00	530 94	471 95	1,002 89	1,356 84	S/L	5 0
7	Canon BJC-85 Printer	1/04/01	305 35	0 00	0 00	53 44	61 07	114 51	190 84	S/L	5 0
8	Toshiba 4300 P3 600 laptop	3/10/01	1,783 73	0 00	0 00	312 15	356 75	668 90	1,114 83	S/L	5 0
9	Samsung Cell Phone SCH T130	6/15/01	287 16	0 00	0 00	25 64	41 02	66 66	220 50	S/L	7 0
10	Viewsonic A90 19" Monitor	6/20/01	313 95	0 00	0 00	39 24	62 79	102 03	211 92	S/L	5 0
11	CSP Cnotebook Laptop	10/17/01	2,030 39	0 00	50 76	50 76	395 93	446 69	1,583 70	S/L	5 0
12	Electrocom P4 Notebook Computer	7/09/02	1,575 36	0 00c	0 00	0 00	157 54	157 54	1,417 82	S/L	5 0
13	Vision 1700 DDR desktop Comput	7/09/02	1,355 04	0 00c	0 00	0 00	135 50	135 50	1,219 54	S/L	5 0
14	HP OfficeJet V40 Color Multifuncti	2/25/02	284 57	0 00c	0 00	0 00	28 46	28 46	256 11	S/L	5 0
	<b>Office Equipment</b>		<u>20,450 58</u>	<u>0 00c</u>	<u>50 76</u>	<u>4,875 21</u>	<u>3,742 07</u>	<u>8,617 28</u>	<u>11,833 30</u>		
	<b>Grand Total</b>		<u>20,450 58</u>	<u>0 00c</u>	<u>50 76</u>	<u>4,875 21</u>	<u>3,742 07</u>	<u>8,617 28</u>	<u>11,833 30</u>		

## FORM 990, PART V, LIST OF OFFICERS, DIRECTORS AND KEY EMPLOYEES

EVA HALLER-PRESIDENT  
1965 BROADWAY, APT 20E  
NEW YORK, NY 10023

LEONARD MERRILL KURZ-VICE PRESIDENT  
FOREST CREATURES  
P O BOX 10231  
BEVERLY HILLS CA 90213-3231

JONATHAN WHITE-MEETING CHAIRPERSON  
14 CRESTWOOD DRIVE  
ORCHARD PARK, APT 2C  
WATERVILLE, ME 04901

ROWENE NUTTER-TREASURER  
1780 HUNTINGTON BLVD  
GROSSE POINT W , MI 48236-1916

ERNAN ROMAN  
3 MELROSE LANE  
DOUGLAS MANOR  
NEW YORK, NY 11363

ELIAS ROMAN-STUDENT YOUTH REPRESENTATIVE  
3 MELROSE LANE  
DOUGLAS MANOR  
NEW YORK, NY 11363

THERESA KIELBURGER-SECRETARY  
16 THORNBANK ROAD  
THORNHILL, ONTARIO CANADA L4J2A2

CRAIG KIELBURGER-FOUNDER  
16 THORNBANK ROAD  
THORNHILL, ONTARIO CANADA L4J2A2

VIVIEN STEWART  
8 LOCUST RIDGE RD  
NEW YORK, NY 10538

SUSAN BARDFIELD  
201 WEST 70 STREET  
NEW YORK, NY 10023

NOTE NONE OF THE ABOVE RECEIVE ANY COMPENSATION, CONTRIBUTION TO  
RETIREMENT PLAN OR EXPENSE REIMBURSEMENT OF ANY KIND  
ALL OF THE ABOVE WORK THE NECESSARY HOURS AS NEEDED TO RUN THE  
ORGANIZATION