

Form **990**

OMB No. 1545-0047

**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)

**2001**

Open to Public Inspection

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 2001 calendar year, or tax year beginning **5/01/01**, and ending **4/30/02****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**Miracle Flights For Kids**

Number and street (or P.O. box if mail is not delivered to street address)

**2756 N. Green Valley Parkway**

Room/suite

**115**

City or town, state or country, and ZIP + 4

**Henderson****NV 89014-2100****D** Employer ID number**88-0209952****E** Telephone number**702-261-0494****F** Accounting method: ☐ Cash☒ 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.

**G** Web site: **▶****J** Organization type(check only one) ☒ 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.

**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter no. of affiliates **▶** ☒ N/A**H(c)** Are all affiliates included? ☒ N/A ☐ Yes ☐ No  
(If "No," att. a list. See instr.)**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☒ N/A ☐ Yes ☐ No**I** Enter 4-digit GEN **▶****M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **▶** **4,191,209****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)**

Revenue

**1** Contributions, gifts, grants, and similar amounts received:**a** Direct public support**1a** **4,157,459****b** Indirect public support**1b** **5,712****c** Government contributions (grants)**1c****d** Total (add lines 1a through 1c) (cash \$ **4,058,094** noncash \$ **105,077**)**1d** **4,163,171****2** Program service revenue including government fees and contracts (from Part VII, line 93)**2****3** Membership dues and assessments**3****4** Interest on savings and temporary cash investments**4** **27,688****5** Dividends and interest from securities**5****6a** Gross rents**6a****b** Less: rental expenses**6b****c** Net rental income or (loss) (subtract line 6b from line 6a)**6c****7** Other investment income (describe **▶**)**7****8a** Gross amount from sales of assets other than inventory

(A) Securities

(B) Other

**8a****b** Less: cost or other basis and sales expenses**8b****c** Gain or (loss) (attach schedule)**8c****d** Net gain or (loss) (combine line 8c, columns (A) and (B))**8d****9** Special events and activities (attach schedule)**a** Gross revenue (not including \$ of contributions reported on line 1a)**9a****b** Less: direct expenses other than fundraising expenses**9b****c** Net income or (loss) from special events (subtract line 9b from line 9a)**9c****10a** Gross sales of inventory, less returns and allowances**10a****b** Less: cost of goods sold**10b****c** Gross profit or (loss) from sales of inventory (att. sch.) (subtract line 10b from line 10a)**10c****11** Other revenue (from Part VII, line 103)**11** **350****12** Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)**12** **4,191,209**

Expenses

**13** Program services (from line 44, column (B))**13** **3,140,371****14** Management and general (from line 44, column (C))**14** **85,536****15** Fundraising (from line 44, column (D))**15** **827,288****16** Payments to affiliates (attach schedule)**16****17** Total expenses (add lines 16 and 44, column (A))**17** **4,053,195**

Assets

**18** Excess or (deficit) for the year (subtract line 17 from line 12)**18** **138,014****19** Net assets or fund balances at beginning of year (from line 73, column (A))**19** **468,944****20** Other changes in net assets or fund balances (attach explanation)**See Stmt 1****20** **-13,722****21** Net assets or fund balances at end of year (combine lines 18, 19, and 20)**21** **593,236**

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form 990 (2001)

**Part II Statement of**

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 Specific Instructions on page 21.)

**Functional Expenses**

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) (cash \$ _____ non-cash \$ _____ )	22			
23 Specific assistance to individuals	23			
24 Benefits paid to or for members	24			
25 Compensation of officers, directors, etc.	25			
26 Other salaries and wages	26			
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34			
35 Postage and shipping	35			
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (att. sch.)	42	0	0	
43 Other expenses not covered above (itemize): a	43a			
b See Statement 2	43b	4,053,195	3,140,371	85,536
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	4,053,195	3,140,371	85,536

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 \$ 3,258,326 ; (ii) the amount allocated to Program services \$ 2,466,408 ; (iii) the amount allocated to Management and general \$ ; and (iv) the amount allocated to Fundraising \$ 791,918

**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 24.)

What is the organization's primary exempt purpose?

See Statement 3

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.)

	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Miracle Flights for Kids: The organization flies children in need of specialized treatments and their family members as well as adult individuals with serious health problems. (Grants and allocations \$ _____)	3,140,371
b _____ (Grants and allocations \$ _____)	
c _____ (Grants and allocations \$ _____)	
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	3,140,371

**Part IV Balance Sheets** (See Specific Instructions on page 24.)

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	235,130	45	129,407
46	Savings and temporary cash investments	150,579	46	242,176
47a	Accounts receivable			
b	Less: allowance for doubtful accounts		47c	
48a	Pledges receivable	10,738		
b	Less: allowance for doubtful accounts		48c	10,738
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		52	
53	Prepaid expenses and deferred charges	2,639	53	2,317
54	Investments-securities <u>See Stmt 4</u> <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	54,003	54	64,471
55a	Investments-land, buildings, and equipment: basis			
b	Less: accumulated depreciation (attach schedule)		55c	
56	Investments-other (attach schedule)	301,782	56	202,678
57a	Land, buildings, and equipment: basis	90,331		
b	Less: accumulated depreciation (attach schedule) <u>See Stmt 6</u>	61,489	57c	28,842
58	Other assets (describe <u>See Stmt 7</u> )	9,010	58	99,010
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	805,244	59	779,639
60	Accounts payable and accrued expenses	336,300	60	186,403
61	Grants payable		61	
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)	336,300	66	186,403
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted	468,944	67	593,236
68	Temporarily restricted		68	
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)	468,944	73	593,236
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	805,244	74	779,639

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.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 26.)		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total revenue, gains, and other support per audited financial statements	a	a Total expenses and losses per audited financial statements	a
	4,361,768		4,237,476
b Amounts included on line a but not on line 12, Form 990:		b Amounts included on line a but not on line 17, Form 990:	
(1) Net unrealized gains on investments \$ -13,722		(1) Donated services and use of facilities \$ 184,281	
(2) Donated services and use of facilities \$ 184,281		(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Recoveries of prior year grants \$		(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify):		(4) Other (specify):	
Add amounts on lines (1) through (4)	b 170,559	Add amounts on lines (1) through (4)	b 184,281
c Line a minus line b	c 4,191,209	c Line a minus line b	c 4,053,195
d Amounts included on line 12, Form 990 but not on line a:		d Amounts included on line 17, Form 990 but not on line a:	
(1) Investment expenses not included on line 6b, Form 990 \$		(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify):		(2) Other (specify):	
Add amounts on lines (1) and (2)	d	Add amounts on lines (1) and (2)	d
e Total revenue per line 12, Form 990 (line c plus line d)	e 4,191,209	e Total expenses per line 17, Form 990 (line c plus line d)	e 4,053,195

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see Specific Instructions on page 26.)

(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
Ann McGee 2756 N. Green Valley Pkwy, Henderson	President 40	124,855	10,500	5,400
Larry Scheffler 2756 N. Green Valley Pkwy, Henderson	Director 1	0	0	0
Jeana Yeager 2756 N. Green Valley Pkwy, Henderson	Director 1	0	0	0
Robert Groesbeck 2756 N. Green Valley Pkwy, Henderson	Director 1	0	0	0
Michael McDonald 2756 N. Green Valley Pkwy, Henderson	Director 1	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 Specific Instructions on page 27.



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Part VII Other Information (See Specific Instructions on page 27.)		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	76	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.	77	X
78a	Did the organization have unrelated business gross inc. of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	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?	80a	X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a	Enter direct or indirect political expenditures. See line 81 instr.	81a	
b	Did the organization file Form 1120-POL for this year? N/A	81b	
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?	82a	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.) See Stmt 82b 184,281	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A	83b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
	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.		
c	Dues, assessments, and similar amounts from members 85c		
d	Section 162(e) lobbying and political expenditures 85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? N/A	85g	
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	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a		
b	Gross receipts, included on line 12, for public use of club facilities 86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b		
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	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed See Statement		
b	Number of employees employed in the pay period that includes March 12, 2001 (See instructions.) 90b		
91	The books are in care of Organization Telephone no. 702-261-0494 Located at Las Vegas, NV ZIP + 4 89120		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92		

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 32.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec. 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	27,688	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b <b>Miscellaneous</b>			2	350	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		28,038	0
105 Total (add line 104, columns (B), (D), and (E))					28,038

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See Specific Instructions on page 32.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
1	N/A

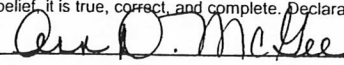
**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 33.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See Specific Instructions on pg. 33.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.			
	 Signature of officer		9/4/02 Date	
Paid Preparer's Use Only	Type or print name and title. Ann D. McGee, President			
	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Instr. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4 Houlsworth, Russo & Company, P.C. 170 N Stephanie, Suite 110 Henderson, NV 89074	9/03/02		216-64-4863
			Phone no.	88-0374623 702-269-9992

**SCHEDULE A**  
(Form 990 or 990-EZ)Department of the Treasury  
Internal Revenue Service**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

**2001**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Employer identification number

**Miracle Flights For Kids****88-0209952****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
Reese Brothers 825 Penn Ave, 6th Floor, Pittsburgh, PA	Program & FR	2,641,492
Newport Creative Communications 33 Railroad Avenue, Duxbury, MA 02332	Fundraising	463,636
Barton Cotton Sales Corporation 1405 Parker Road, Baltimore, MD 21227	Program & FR	91,957
Total number of others receiving over \$50,000 for professional services	0	

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2001

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities <b>\$</b> _____ (Must equal amount on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of exp. if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X

**Note:** Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 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 ☒ 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 6 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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	4,114,976	3,283,148	3,969,167	2,787,056	14,154,347
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	14,752	9,137	6,199	5,571	35,659
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 Stmt 9	526	50	6,045	57,146	63,767
23 Total of lines 15 through 22	4,130,254	3,292,335	3,981,411	2,849,773	14,253,773
24 Line 23 minus line 17	4,130,254	3,292,335	3,981,411	2,849,773	14,253,773
25 Enter 1% of line 23	41,303	32,923	39,814	28,498	
26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24				26a 285,075
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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 14,253,773
d Add: Amounts from column (e) for lines: 18 35,659 19					26d 99,426
22 63,767 26b					26e 14,154,347
e Public support (line 26c minus line 26d total)					26f 99.3025%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
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
(2000)	(1999)	(1998)	(1997)		
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:					
(2000)	(1999)	(1998)	(1997)		
c Add: Amounts from column (e) for lines: 15 16					27c
17 20 21					27d
d Add: Line 27a total and line 27b total					27e
e Public support (line 27c total minus line 27d total)					27f
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27g %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1997 through 2000, 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?	29		
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?	30		
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.)	31		
32 Does the organization maintain the following:			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
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?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
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?	34a		
b Has the organization's right to such aid ever been revoked or suspended?	34b		
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	35		

**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-	The lobbying nontaxable amount is-		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$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) 2001	(b) 2000	(c) 1999	(d) 1998	(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 12 of the instr.)

**N/A**

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:

	Yes	No	Amount
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.)			

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



Form **4562**  
(Rev. March 2002)  
Department of the Treasury  
Internal Revenue Service

# Depreciation and Amortization

(Including Information on Listed Property)

OMB No. 1545-0172

**2001**

Attachment  
Sequence No. **67**

▶ See separate instructions.

▶ Attach to your tax return.

Name(s) shown on return **Miracle Flights For Kids**

Identifying number  
**88-0209952**

Business or activity to which this form relates

## Indirect Depreciation

### 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
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
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. 3 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 2000 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 2002. 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 certain property (other than listed property) acquired after Sept. 10, 2001 (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	12,522

### 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 2001	17	
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"/>		

#### Section B-Assets Placed in Service During 2001 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						
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			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

#### Section C-Assets Placed in Service During 2001 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	12,522
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	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2001) (Rev. 3-2002)

DAA

There are no amounts for Page 2

## Federal Statements

### General Footnote

The list of states receiving copy of return are all states except:  
CO, DE, IA, MT, SD, TX, and WY.



**Federal Statements****Statement 1 - Form 990, Line 20 - Other Changes in Net Assets or Fund Balances**

<u>Description</u>	<u>Amount</u>
Unrealized loss on investments	\$ <u>-13,722</u>
Total	\$ <u><u>-13,722</u></u>

## Federal Statements

9/3/2002 9:53 AM

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

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
See attached	4,053,195	3,140,371	85,536	827,288
Total	\$ 4,053,195	\$ 3,140,371	\$ 85,536	\$ 827,288

### Statement 3 - Form 990, Part III - Organization's Primary Exempt Purpose

Miracle Flight for Kids is a nonprofit volunteer association, and a dedicated community service organization that provides free air transportation to America's health care agencies, blood banks, donor organ banks and needy individuals with serious health problems.

MIRACLE FLIGHTS FOR KIDS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED APRIL 30, 2002

ID # 88-0209952

	Program Services	Supporting Services		
	Miracle Flights for Kids	Management and General	Fundraising	Total
Depreciation	\$ 10,067	\$ 1,728	\$ 726	\$ 12,521
Dues and fees	-	655	-	655
Insurance	13,341	2,290	963	16,594
Miscellaneous	379	400	-	779
Office supplies	4,287	735	310	5,332
Postage	6,772	1,162	489	8,423
Printing	2,430	417	175	3,022
Production services ✓	2,466,409	-	791,918	3,258,327
Professional services	9,846	1,690	710	12,246
Program expenses	366,448	-	-	366,448
Occupancy	39,069	6,706	2,818	48,593
Repairs and maintenance	2,208	379	159	2,746
Vehicle expense	8,075	1,386	583	10,044
Staff leasing	384,133	66,067	27,630	477,830
Telephone	11,188	1,921	807	13,916
	<u>\$ 3,324,652</u>	<u>\$ 85,536</u>	<u>\$ 827,288</u>	<u>\$ 4,237,476</u>
Less: In kind flights	<184,281>			<184,281>
	<u>3,140,371</u>			<u>4,053,195</u>

See notes to financial statements.

**Federal Statements****Statement 4 - Form 990, Part IV, Line 54 - Investments in Securities**

Description	Beginning of Year	End of Year	Basis of Valuation
Corporate Stock			
120 sh AIG	9,816	8,294	Market
20 sh IBM	2,303	1,675	Market
22 sh AIG	1,800	1,521	Market
100 sh AIG	8,180	6,912	Market
166 sh AIG	13,579	11,474	Market
110 sh AIG	8,998	7,603	Market
11 sh AIG	900	760	Market
20 sh Bristol Meyers	1,066	576	Market
90 sh AIG	7,361	6,221	Market
121 sh AIG		8,364	Market
125 sh AIG		8,640	Market
20 sh Bristol Myers		576	Market
135 sh Deutsche Telekom		1,786	Market
2 sh Zimmer Holdings		69	Market
	<u>54,003</u>	<u>64,471</u>	

**Statement 5 - Form 990, Part IV, Line 56 - Other Investments**

Description	Beginning of Year	End of Year	Basis of Valuation
Certificate of Deposits	\$ 301,782	\$ 202,678	
Total	<u>\$ 301,782</u>	<u>\$ 202,678</u>	

**Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
Furniture & Equipment	\$ 90,331	\$ 48,968	\$ 90,331	\$ 61,489
Total	<u>\$ 90,331</u>	<u>\$ 48,968</u>	<u>\$ 90,331</u>	<u>\$ 61,489</u>

**Statement 7 - Form 990, Part IV, Line 58 - Other Assets**

Description	Beginning of Year	End of Year
Deposits	\$ 9,010	\$ 9,010
Land held for sale		90,000
Total	<u>\$ 9,010</u>	<u>\$ 99,010</u>

4088 Miracle Flights For Kids  
88-0209952  
FYE: 4/30/2002

## Federal Statements

9/3/2002 10:38 AM

### Statement 8 - Form 990, Part VI, Line 82b - Donated Services

Description	Amount
Flights	\$ 184,281
Total	\$ 184,281



**Federal Statements****Statement 9 - Schedule A, Part IV-A, Line 22 - Other Income**

Description	2000	1999	1998	1997
Special Events	\$	\$	\$ 5,400	\$ 57,146
Miscellaneous	526	50	645	
Total	\$ 526	\$ 50	\$ 6,045	\$ 57,146



**A Nonprofit  
Organization**

Larry Scheifler  
*Chairman*

Ann McGee  
*National President*

**Board Members**

Shauna Hughes  
Robert A. Groesbeck  
Jeana Yeager  
Michael McDonald

## Mission Statement

**National Committee**

Bruce Jenner  
*Athlete, Pilot*

Capt. Barry Schiif  
*Pilot*

Dick Gordon  
*Astronaut, Pilot*

Gen. James L. Cole, Jr., Ret.  
*Chief of Staff  
National Air Traffic  
Controllers Association*

Jeana Yeager  
*Voyager Pilot*

Bob Hoover  
*Pilot*

Wayne Newton  
*Entertainer, Pilot*

Raul Diaz  
*FAA Flight Standards  
Inspector*

John Daly  
*Host, Real TV*

Combined Federal Campaign #1302

To improve access to health care by providing free transportation to hospitals across America; to promote awareness of our services through targeted outreach programs; to enlist the help of community-minded people through strategic calls to action; to promote the spirit of volunteerism.

When the barrier between a desperately ill child and medical treatment is distance...  
Miracle Flights for Kids makes the miles disappear.®

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