

Form **990**Department of the Treasury
Internal Revenue Service

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)

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

OMB No. 1545-0047

2003Open to Public
InspectionFor the 2003 calendar year, or tax year beginning **5/01/03**, and ending **4/30/04**

| | | | | |
|---|--|--|--|---|
| 3 Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input checked="" type="checkbox"/> Amended return <input type="checkbox"/> Application pending | Please use IRS label or print or type. See Specific Instructions. | C Name of organization MIRACLE FLIGHTS FOR KIDS | | D Employer ID number 88-0209952 |
| | | Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2756 N. GREEN VALLEY PARKWAY 115 | | E Telephone number 702-228-1869 |
| | | City or town, state or country, and ZIP + 4 HENDERSON NV 89014-2100 | | F Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> 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).

3 Website: **N/A**

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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **3,015,309**

H and I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? ☐ Yes ☒ NoH(b) If "Yes," enter number of affiliates ☐ Yes ☐ NoH(c) Are all affiliates included? ☐ 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? ☐ Yes ☐ No

I Group Exemption Number

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 18 of the instructions.)

| | | | | |
|--|--|-------------------|------------------|------------------|
| R e v e n u e | 1 Contributions, gifts, grants, and similar amounts received: | | | |
| | a Direct public support | 1a | 2,972,804 | |
| | b Indirect public support | 1b | 29,556 | |
| | c Government contributions (grants) | 1c | | |
| | d Total (add lines 1a through 1c) (cash \$ 2,973,898 noncash \$ 28,462) | 1d | | 3,002,360 |
| | 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 | | 12,858 |
| | 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 | | | |
| E x p e n s e s | 8a Gross amount from sales of assets other than inventory | (A) Securities | 8a | (B) Other |
| | 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). If any amount is from gaming, check here <input type="checkbox"/> | | | |
| | 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 (attach schedule) (subtract line 10b from line 10a) | 10c | | |
| | 11 Other revenue (from Part VII, line 103) | 11 | | 91 |
| 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | 12 | | 3,015,309 | |
| A s s e t s | 13 Program services (from line 44, column (B)) | 13 | 1,894,994 | |
| | 14 Management and general (from line 44, column (C)) | 14 | 95,388 | |
| | 15 Fundraising (from line 44, column (D)) | 15 | 1,141,949 | |
| | 16 Payments to affiliates (attach schedule) | 16 | | |
| | 17 Total expenses (add lines 16 and 44, column (A)) | 17 | 3,132,331 | |
| 18 Excess or (deficit) for the year (subtract line 17 from line 12) | 18 | -117,022 | | |
| 19 Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 | 615,813 | | |
| 20 Other changes in net assets or fund balances (attach explanation) | 20 | SEE STMT 1 | | |
| 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20) | 21 | 560,766 | | |

For Paperwork Reduction Act Notice, see the separate instructions.

DAA

Form **990** (2003)

MIRACLE FLIGHTS FOR KIDS

88-0209952

Page 2

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 22 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) (cash \$ non-cash \$) | 22 | | | |
| 23 Specific assistance to individuals STMT 2 | 23 | 186,178 | 186,178 | |
| 24 Benefits paid to or for members | 24 | | | |
| 25 Compensation of officers, directors, etc. | 25 | | | |
| 26 Other salaries and wages | 26 | 507,847 | 411,985 | 60,585 |
| 27 Pension plan contributions | 27 | | | 35,277 |
| 28 Other employee benefits | 28 | | | |
| 29 Payroll taxes | 29 | | | |
| 30 Professional fundraising fees | 30 | 2,139,646 | 1,060,688 | |
| 31 Accounting fees | 31 | 10,415 | | 1,078,958 |
| 32 Legal fees | 32 | 148 | 10,415 | |
| 33 Supplies | 33 | 7,659 | 148 | |
| 34 Telephone | 34 | 13,245 | 914 | 532 |
| 35 Postage and shipping | 35 | 8,405 | 6,566 | 6,679 |
| 36 Occupancy | 36 | 68,671 | 4,167 | 4,238 |
| 37 Equipment rental and maintenance | 37 | | 55,708 | 8,193 |
| 38 Printing and publications | 38 | 5,743 | | 4,770 |
| 39 Travel | 39 | | | 2,896 |
| 40 Conferences, conventions, and meetings | 40 | | | |
| 41 Interest | 41 | | | |
| 42 Depreciation, depletion, etc. (attach schedule) | 42 | 10,591 | 8,592 | 1,263 |
| 43 Other expenses not covered above (itemize): a | 43a | | | 736 |
| b SEE STATEMENT 3 | 43b | 173,783 | 152,050 | 13,870 |
| c | 43c | | | 7,863 |
| 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 | 3,132,331 | 1,894,994 | 95,388 |
| Joint Costs. Check <input checked="" type="checkbox"/> if you are following SOP 98-2. | | | | 1,141,949 |

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 \$ 2,139,645 ; (ii) the amount allocated to Program services \$ 1,060,688 ;
(iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$ 1,078,957

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

SEE STATEMENT 4

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.)

| | | |
|---|-----------|---|
| 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. | | Program Service Expenses (Required for 501(c)(3) & (4) orgs., & 4947(a)(1) trusts; but optional for others.) |
| (Grants and allocations \$) | 1,894,994 | |
| 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) | 1,894,994 | |

Part IV Balance Sheets (See page 25 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 | 102,805 | 45 | 59,337 |
| 46 | Savings and temporary cash investments | 132,219 | 46 | 190,368 |
| 47a | Accounts receivable | | | |
| b | Less: allowance for doubtful accounts | | 47c | |
| 48a | Pledges receivable | 49,939 | | |
| b | Less: allowance for doubtful accounts | 10,161 | 48c | 39,778 |
| 49 | Grants receivable | 2,330 | 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 | 1,846 | 53 | 4,301 |
| 54 | Investments-securities SEE STMT 5 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | 73,392 | 54 | 103,035 |
| 55a | Investments-land, buildings, and equipment: basis | | | |
| b | Less: accumulated depreciation (attach schedule) | | 55c | |
| 56 | Investments-other (attach schedule) | 304,943 | 56 | 306,177 |
| 57a | Land, buildings, and equipment: basis | 94,237 | | |
| b | Less: accumulated depreciation (attach schedule) SEE STMT 7 | 83,888 | 57c | 10,349 |
| 58 | Other assets (describe SEE STMT 8) | 19,435 | 58 | 99,010 |
| 59 | Total assets (add lines 45 through 58) (must equal line 74) | 735,980 | 59 | 812,355 |
| 60 | Accounts payable and accrued expenses | 120,167 | 60 | 251,589 |
| 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 SEE STMT 8) | | 65 | |
| 66 | Total liabilities (add lines 60 through 65) | 120,167 | 66 | 251,589 |
| 67 | Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74. | | | |
| 68 | Unrestricted | 615,813 | 67 | 560,766 |
| 69 | Temporarily restricted | | 68 | |
| | Permanently restricted | | 69 | |
| 70 | Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74. | | | |
| 71 | Capital stock, trust principal, or current funds | | 70 | |
| 72 | Paid-in or capital surplus, or land, building, and equipment fund | | 71 | |
| 73 | Retained earnings, endowment, accumulated income, or other funds | | 72 | |
| 74 | Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) | 615,813 | 73 | 560,766 |
| | Total liabilities and net assets / fund balances (add lines 66 and 73) | 735,980 | 74 | 812,355 |

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.

88-0209952

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Part IV-A

Reconciliation of Revenue per Audited
Financial Statements with Revenue per
Return (See page 27 of the instructions.)

Part IV-B

Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

Part V

| | | | | | |
|--|--|------------------------|--|-------|--|
| List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions.) | | (line c plus line d) ▶ | | 3, 13 | |
|--|--|------------------------|--|-------|--|

[illegible]

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 28 of the instructions.

Part VI Other Information (See page 28 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 | 76 | <input checked="" type="checkbox"/> |
| 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 | <input checked="" type="checkbox"/> |
| 78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? | 78a | <input checked="" type="checkbox"/> |
| b If "Yes," has it filed a tax return on Form 990-T for this year? | 78b | |
| 79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | 79 | <input checked="" type="checkbox"/> |
| 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 | <input checked="" type="checkbox"/> |
| 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 and indirect political expenditures. See line 81 instructions | 81a | |
| b Did the organization file Form 1120-POL for this year? | N/A | |
| 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 | <input checked="" type="checkbox"/> |
| 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.) | 82b | 471,980 |
| 83a Did the organization comply with the public inspection requirements for returns and exemption applications? | 83a | <input checked="" type="checkbox"/> |
| b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | N/A | |
| 84a Did the organization solicit any contributions or gifts that were not tax deductible? | 84a | <input checked="" type="checkbox"/> |
| b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | N/A | |
| 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? | N/A | |
| 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 on line 85f? | N/A | |
| h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 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 | 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 | <input checked="" type="checkbox"/> |
| 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 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 | <input checked="" type="checkbox"/> |
| 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 <u>NONE</u> | | |
| b Number of employees employed in the pay period that includes March 12, 2003 (See instructions.) | 90b | |
| 91 The books are in care of <u>ORGANIZATION</u> | | |
| Located at <u>LAS VEGAS, NV</u> | | |
| Telephone no. <u>702-261-0494</u> | | |
| ZIP + 4 <u>89120</u> | | |
| 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> | | |
| and enter the amount of tax-exempt interest received or accrued during the tax year | 92 | |

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

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 | 12,858 | |
| 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 MISCELLANEOUS | | | 2 | 91 | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0 | | 12,949 | 0 |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | 12,949 | |

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 page 34 of the instructions.)

| 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). |
|----------|---|
| N/A | |
| | |
| | |

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

| (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 page 34 of the instructions.)

- (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 <i>Ann D. McGee</i> | | Date 1/31/05 | |
| Paid preparer's Use Only | Type or print name and title. | | | |
| | Preparer's signature <i>Dianna Russo</i> | Date 3/09/05 | Check if self- employed <input type="checkbox"/> | Preparer's SSN or PTIN (See Gen. Instr. W) P00292786 |
| Firm's name (or yours if self-employed), address, and ZIP + 4 | | EIN | | |
| HOULDSWORTH, RUSSO & COMPANY, P.C. 170 N STEPHANIE, SUITE 110 HENDERSON, NV 89074 | | 88-0374623 | | |
| | | Phone no. 702-269-9992 | | |

SCHEDULE A
 (Form 990 or 990-EZ)

 Department of the Treasury
 Internal Revenue Service

Name of the organization

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.)

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

OMB No. 1545-0047

2003
MIRACLE FLIGHTS FOR KIDS

Employer identification number

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 instructions. 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 |
|--|------------------------|------------------|
| TELE-RESPONSE CENTER, INC. 2824 COTTMAN AVENUE | PROGRAM SERVICE | 1,320,738 |
| NEWPORT CREATIVE COMMUNICATIONS 33 RAILROAD AVENUE | PROGRAM SERVICE | 607,357 |
| BARON COTTON 1405 PARKER ROAD | PROGRAM SERVICE | 187,068 |
| | | |
| | | |
| 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) 2003

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 ► \$ _____ (Must equal amounts 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 expense if more than \$1,000)? | 2d | X |
| e Transfer of any part of its income or assets? | 2e | X |
| 3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) | 3a | X |
| 3b Do you have a section 403(b) annuity plan for your employees? | 3b | X |
| 4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? | 4 | X |

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) 2002 | (b) 2001 | (c) 2000 | (d) 1999 | (e) Total |
|--|-----------|-----------|-----------|-----------|------------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 3,012,114 | 4,163,171 | 4,114,976 | 3,283,148 | 14,573,409 |
| 16 Membership fees received | | | | | 0 |
| 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 | | | | | 0 |
| 18 Gross income from interest, dividends, amounts received from payment on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 | 8,695 | 27,688 | 14,752 | 9,137 | 60,272 |
| 19 Net income from unrelated business activities not included in line 18 | | | | | 0 |
| 20 Tax revenues levied for the organization's benefits and either paid to it or expended on its behalf | | | | | 0 |
| 21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge. | | | | | 0 |
| 22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets STMT 11 | 570 | 350 | 526 | 50 | 1,496 |
| 23 Total of lines 15 through 22 | 3,021,379 | 4,191,209 | 4,130,254 | 3,292,335 | 14,635,177 |
| 24 Line 23 minus line 17 | 3,021,379 | 4,191,209 | 4,130,254 | 3,292,335 | 14,635,177 |
| 25 Enter 1% of line 23 | 30,214 | 41,912 | 41,303 | 32,923 | |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 | | | | | 292,704 |
| 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 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts | | | | | 44,165 |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) | | | | | 14,635,177 |
| d Add: Amounts from column (e) for lines: 18 60,272 19 44,165 | | | | | 105,933 |
| e Public support (line 26c minus line 26d total) | | | | | 14,529,244 |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | | | | | 99.2762% |
| 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: | (2002) | (2001) | (2000) | (1999) | N/A |
| 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: | (2002) | (2001) | (2000) | (1999) | N/A |
| c Add: Amounts from column (e) for lines: 15 16 17 20 21 | | | | | |
| d Add: Line 27a total and line 27b total | | | | | |
| e Public support (line 27c total minus line 27d total) | | | | | |
| f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) | | | | | |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) | | | | | |
| 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 1999 through 2002, 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.) | | | |
| 14a 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? If you answered "Yes" to either 34a or b, please explain using an attached statement. | 34b | | |
| 15 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- | | |
| 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 | | |
| \$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) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (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 instructions.) **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.

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

Name of organization

MIRACLE FLIGHTS FOR KIDS

Employer identification number

88-0209952**Part I** Contributors (See Specific Instructions.)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|-----------------------------------|--------------------------------|--|
| 1 | | \$ 10,006 | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| | | \$ | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

Name of organization

MIRACLE FLIGHTS FOR KIDS

Employer identification number
88-0209952

Part II Noncash Property (See Specific Instructions.)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|---------------------------|--|--|----------------------|
| <u>1</u> | <u>AIG STOCK</u> | \$ <u>10,006</u> | <u>5/13/03</u> |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| — | | \$ | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| — | | \$ | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| — | | \$ | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| — | | \$ | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| — | | \$ | |
| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
| — | | \$ | |

8088 Miracle Flights For Kids

88-0209952

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

| <u>Description</u> | <u>Amount</u> |
|--|------------------|
| OTH AMTS INCLUDED ON FINANCIAL STMTS NOT ON RETURN | \$ 19,677 |
| RESTATEMENT TO PRIOR PERIOD NET ASSETS | 42,298 |
| TOTAL | <u>\$ 61,975</u> |

Federal Statements

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Statement 2 - Form 990, Part II, Line 23 - Specific Assistance to Individuals

| Description | Amount |
|-------------|------------|
| | \$ 186,178 |
| TOTAL | \$ 186,178 |

Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses

| Description | Total Expenses | Program Service | Mgt & General | Fund-Raising |
|---------------------|----------------|-----------------|---------------|--------------|
| | \$ | \$ | \$ | \$ |
| EXPENSES | | | | |
| AWARDS | 3,109 | | 3,109 | |
| BANK FEES | 11,791 | 5,845 | | 5,946 |
| DUES AND FEES | 2,766 | | 2,766 | |
| INSURANCE | 11,509 | 9,337 | 1,373 | 799 |
| MARKETING | 1,345 | | 1,345 | |
| MISCELLANEOUS | 10,049 | 8,152 | 1,199 | 698 |
| OUTSIDE CONSULTANTS | 3,358 | | 3,358 | |
| TRAVEL RESOURCES | 123,815 | 123,815 | | |
| VEHICLE | 6,041 | 4,901 | 720 | 420 |
| TOTAL | \$ 173,783 | \$ 152,050 | \$ 13,870 | \$ 7,863 |

Statement 4 - Form 990, Part III - Organization's Primary Exempt Purpose

THOUSANDS OF CHILDREN WILL DIE FROM INAPPROPRIATE DIAGNOSES THIS YEAR. AT MIRACLE FLIGHTS FOR KIDS, WE ARE DOING EVERYTHING WE CAN TO CHANGE THAT.

MIRACEL FLIGHTS FOR KIDS IS A NATIONAL 501(C)(3), CHARITABLE ORGANIZATION THAT FLIES CHILDREN TO SEE SPECIALISTS AND TO GET SECOND OPINIONS.

MIRACLE FLIGHTS WORKS CLOSELY WITH PARENTS AND SPECIALISTS ALL ACROSS THE U.S. TO ASSIST YOUNG PATIENTS, EVEN THOSE IN PRENATAL STAGES. THERE IS NEVER A DIRECT COST FOR THE FLIGHT FOR LOW INCOME FAMILIES, NOR ARE OUR YOUNG PASSENGERS LIMITED IN THE NUMBER OF FLIGHTS THEY MAY REQUEST.

GIVEN THE EVER-MOUNTING COSTS OF HEALTH CARE TODAY, MANY FAMILIES ARE UNABLE TO MANAGE THE ADDITIONAL FINANCIAL BURDEN OF PURCHASING COMMERCIAL AIRLINE TICKETS TO GET THEIR CHILDREN TO LIFE-GIVING TREATMENTS FAR AWAY FROM HOME.

MIRACLE FLIGHTS ASSURES FAMILIES THAT THEY WILL GET THERE, NO MATTER THE DISTANCE, AS MANY TIMES AS REQUIRED.

MIRACLE FLIGHTS PROVIDES FREE FLIGHTS TO THE WORKING POOR AND THE UNDERSERVED POPULATIONS OF AMERICA, WHOSE LACK OF ACCESS TO QUALITY CARE AND SPECIALISTS HAS PUT THEIR CHILDREN'S HEALTH, INDEED THEIR YOUNG LIVES, IN JEOPARDY. AS THE SINGLE LARGEST CHILDREN'S ORGANIZATION THAT FLIES SICK KIDS TO SEE SPECIALISTS AND TO GET SECOND OPINIONS, MIRACLE FLIGHTS CLOSED ITS PROGRAM YEAR SERVING A RECORD NUMBER OF FAMILIES, 34% MORE FLIGHTS THAN THE PREVIOUS YEAR. A RECORD 17 MILLION NAUTICAL MILES HAS BEEN FLOWN TO DATE, AS MIRACLE FLIGHTS FOR KIDS BROUGHT THE POWER OF THE

Federal Statements

Statement 4 - Form 990, Part III - Organization's Primary Exempt Purpose (continued)

INTERNET TO MOTHERS AND FATHERS EVERYWHERE AND THOUSANDS OF CHILDREN WERE GIVEN MORE HOPE AND INSPIRATION THAN THEY EVER THOUGHT WAS POSSIBLE. THE TOTAL NUMBER OF FLIGHTS IN 2004 WAS 4,475.

Federal Statements

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Statement 5 - Form 990, Part IV, Line 54 - Investments in Securities

| Description | Beginning of Year | End of Year | Basis of Valuation |
|-------------------------|----------------------|----------------|-----------------------|
| CORPORATE STOCK | | | |
| 120 SH AIG | 6,954 | 8,598 | MARKET |
| 20 SH IBM | 1,698 | 1,763 | MARKET |
| 22 SH AIG | 1,275 | 1,576 | MARKET |
| 100 SH AIG | 5,795 | 7,165 | MARKET |
| 166 SH AIG | 9,620 | 11,894 | MARKET |
| 110 SH AIG | 6,375 | 7,882 | MARKET |
| 11 SH AIG | 637 | 788 | MARKET |
| 20 SH BRISTOL MEYERS | 511 | 502 | MARKET |
| 90 SH AIG | 5,216 | 6,449 | MARKET |
| 121 SH AIG | 7,012 | 8,670 | MARKET |
| 125 SH AIG | 7,244 | 8,956 | MARKET |
| 20 SH BRISTOL MYERS | 511 | 502 | MARKET |
| 135 SH DEUTSCHE TELEKOM | 1,848 | 2,305 | MARKET |
| 2 SH ZIMMER HOLDINGS | 94 | 160 | MARKET |
| 150 SH AIG | 8,693 | 10,748 | MARKET |
| 171 SH AIG | 9,909 | 12,252 | MARKET |
| 179 SH AIG | | 12,825 | |
| | <u>73,392</u> | <u>103,035</u> | |

Statement 6 - Form 990, Part IV, Line 56 - Other Investments

| Description | Beginning of Year | End of Year | Basis of Valuation |
|-------------------------|----------------------|-------------------|-----------------------|
| CERTIFICATE OF DEPOSITS | \$ 304,943 | \$ 306,177 | MARKET |
| TOTAL | <u>\$ 304,943</u> | <u>\$ 306,177</u> | |

Statement 7 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

| Description | Beginning of Year | Accum Deprec | End of Year | Accum Deprec |
|-----------------------|----------------------|------------------|------------------|------------------|
| FURNITURE & EQUIPMENT | \$ 92,731 | \$ 73,296 | \$ 94,237 | \$ 83,888 |
| TOTAL | <u>\$ 92,731</u> | <u>\$ 73,296</u> | <u>\$ 94,237</u> | <u>\$ 83,888</u> |

Statement 8 - 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 | 90,000 |
| TOTAL | <u>\$ 99,010</u> | <u>\$ 99,010</u> |

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Statement 9 - Form 990, Part IV-A - Other Revenue Included on Financial Statements

| Description | Amount |
|--------------------------------|-----------|
| UNREALIZED GAIN ON INVESTMENTS | \$ 19,677 |
| TOTAL | \$ 19,677 |

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Statement 10 - Form 990, Part VI, Line 82b - Donated Services

| Description | Amount |
|-------------|-------------------|
| FLIGHTS | \$ 471,980 |
| TOTAL | \$ <u>471,980</u> |

Federal StatementsStatement 11 - Schedule A, Part IV-A, Line 22 - Other Income

| Description | 2002 | 2001 | 2000 | 1999 |
|----------------|--------|--------|--------|-------|
| SPECIAL EVENTS | \$ | \$ | \$ | \$ |
| MISCELLANEOUS | 570 | 350 | 526 | 50 |
| TOTAL | \$ 570 | \$ 350 | \$ 526 | \$ 50 |

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Form 990 - General Footnote

THE LIST OF STATES RECEIVING COPY OF RETURN ARE ALL STATES EXCEPT:
CO, DE, IA, MT, SD, TX, AND WY.

Form **4562****Depreciation and Amortization**

(Including Information on Listed Property)

OMB No. 1545-0172

2003Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

▶ Attach to your tax return.

Attachment
Sequence No. **67**

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 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 | 100,000 |
| 2 | Total cost of section 179 property placed in service (see page 2 of the instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation | 3 | 400,000 |
| 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 page 2 of the instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 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 2002 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 2004. 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 | 753 |
| 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 | 9,690 |

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 2003 | 17 | 0 |
| 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 2003 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 | | 753 | 5.0 | HY | 200DB | 150 |
| 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 | |
| | | | | MM | S/L | |

Section C-Assets Placed in Service During 2003 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 | 10,593 |
| 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** (2003)

DAA

THERE ARE NO AMOUNTS FOR PAGE 2

MIRACLE FLIGHTS FOR KIDS

88-0209952

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Page 2

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 7 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) Business/ investment 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.

| | (a) Vehicle 1 | (b) Vehicle 2 | (c) Vehicle 3 | (d) Vehicle 4 | (e) Vehicle 5 | (f) Vehicle 6 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| 30 Total business/investment miles driven during the year (do not include commuting miles-see page 2 of the instructions) | | | | | | |
| 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 |
| 35 Was the vehicle used primarily by a more than 5% owner or related person? | | | | | | |
| 36 Is another vehicle available for personal use? | | | | | | |

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 2003 tax year (see page 9 of the instructions): | | | | | | |
| | | | | | | |
| 43 Amortization of costs that began before your 2003 tax year | | | | | 43 | 0 |
| 44 Total. Add amounts in column (f). See page 9 of the instructions for where to report | | | | | 44 | |

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