

The Kids First Fund

FROM THE PRESIDENT

Words to ponder: Change, Choice, Charity, and You.

“There is a Chinese curse which says, ‘May he live in interesting times.’ Like it or not, we live in interesting times.”

Robert Kennedy said these words during a speech in South Africa in 1966. Scholars now debate if the curse originated in China. But no one would debate the application of Bobby’s words to the economic curse of today. Like it or not, we live in interesting times.

The media suggests the global economy is now the most important theme of our lives. But I offer an alternative to this self-centered financial dogma. The economy is bigger than any of us, and might even be bigger than the combined spending power of the world’s treasuries. Of course, economic health is vital to employment, housing, safety and security. But there is another theme flowing through all this.

Change.

Do you remember that word? Change elected a Black man to the presidency of the United States. Change brought an end to the tyranny of the Soviet Union. Change forces us to recognize the failing health of our planet. Change gives victims of domestic violence a voice. Change creates laws to protect children from abuse. Change can be a force for good or a force for evil. Change is created by the choices we make every day.

As individuals we can’t change the global economy. The terrible news of a layoff, the occurrence of a major medical expense, or the loss of savings in the stock market strip us of the ability to stop personal economic curses. But we as people make choices every day that can bring about positive changes for our families, communities, planet and ourselves. We are engines of change.

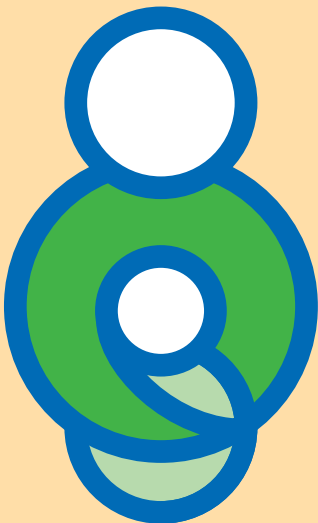
Choice.

It’s a curious thing. Choice is what separates blessings from disaster. There are the obvious choices. Bernard Madoff chose to steal billions of dollars from his investors. Kim Jong Il, the leader of North Korea, chooses to keep his people in hunger in his quest for dominion. Corrupt police in

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FROM PAGE 1

Moldova choose to ignore the crimes of child abusers. Sex tourists choose to prey upon 13-year-old girls in Latvia. In my hometown, a father chose to kill his six-month-old son by throwing the baby against a wall.

Fortunately for humankind, good choices outnumber the bad. You have chosen to support the Kids First Fund in a mission to help abused and abandoned children. Board members choose to donate skills and ask others for contributions. Social workers, police officers, doctors, politicians, prosecutors and judges have chosen to attend seminars and learn methods that identify, treat, and stop child abuse. Bit by bit, the cumulative effect of this work has made a tremendous difference in the lives of children in resource-poor places such as Latvia and Moldova. And all of these are acts of charity — that wonderfully human trait of being generous to others.

Charity.

Many may be surprised, but the Kids First Fund provides vivid testament to the phrase “charity begins at home.” That’s because its supporters believe the entire planet is our home. I am sometimes asked, “Why give to an international cause, when the need is so great in the USA?” Regardless of the plunge of the stock market, America remains a very wealthy nation. America has the resources necessary to solve its problems. The same can’t be said of the places in which the Kids First Fund does its work.

2008 provided tangible proof of the power of charity. The Kids First Fund contributed \$200,000 as its share in the construction of a \$1.13 million family shelter in far-eastern Latvia. But that’s on top of an admirable ten-year history of charity to children. The Kids First Fund has contributed more than \$275,000 to projects in Latvia and raised more than \$390,000 from donors in the United States. And now my letter arrives at the critical last word . . .

You.

You believe in the power of change and how it can improve the lives of children. You made a choice to join the Kids First Fund on its ten-year mission. You represent the best quality of humanity — charity for a stranger. I am honored to be the servant-leader of this organization. Thank you for being part of the dream; this could not be done without you.

For the kids,



Jay Sorensen

Volunteer and President

NUMBERS HELP TELL OUR STORY

The **2008 annual report** represents a continuing commitment to donor disclosure by including the annual financial statements for the Kids First Fund.

The financial results for 2008 are consistent with prior years, with contributions continuing a downward trend since 2006. Total revenue was over \$37,615, which represents a nearly 13.6% decrease from 2007. Individual cash donations increased to \$8,909, which favorably compares with 2007 cash donations of slightly more than \$6,000. The average donation received during 2008 was approximately \$245 and is nearly identical to the 2007 average. Proceeds from the annual International Online Travel Auction for Kids led all other forms of fundraising, with net proceeds of \$21,947. Good cash management and a large bank balance generated interest of \$6,857.

The Kids First Fund continued its tradition of operating on a zero-overhead budget and did not incur expenses related to salaries, fundraising fees, and travel expenses. Results for the 2008 International Online Travel Auction for Kids are listed on the income statement as an amount that is net of the selling costs normally associated with eBay. All items were 100 percent donated and 12 percent of the gross amount raised was deducted as a selling cost.

Our bank balance at year end was a very healthy \$115,339. On October 29, 2008 the Kids First Fund processed its largest grant to date; \$200,000 was transferred to the family shelter construction account established by the Latvia Children's Fund (Latvijas Bernu Fonds). The grant is governed by an agreement between the Kids First Fund and Latvijas Bernu Fonds.

KIDS FIRST FUND, INC. 2008 INCOME STATEMENT

CONTRIBUTIONS	2007	2008
Cash donations	\$6,006.59	\$8,909.97
Interest from savings account	\$11,497.98	\$6,857.17
Online Travel Auction for Kids (see note a)	\$26,014.28	\$21,947.87
Total Contributions	\$43,518.85	\$37,615.01
EXPENDITURES AND DISTRIBUTIONS		
Grants made to support mission	\$1,290.00	\$200,000.00
Salaries, compensation & benefits	\$0.00	\$0.00
Professional fees & fundraising	\$0.00	\$0.00
Other expenses	\$0.00	\$0.00
Total Expenses & Distributions	\$1,290.00	\$200,000.00
Excess Funds	\$42,228.85	-\$162,384.99

Results are not audited, but reflect amounts reported to the IRS.

(a) Net results from the annual online travel auction. All items are 100% donated. Selling expenses associated with eBay auctions were 11-12% of the gross amount raised.

KIDS FIRST FUND, INC. 2008 BALANCE SHEET

	DEC. 31, 2007	DEC. 31, 2008
ASSETS		
Cash and investments	\$277,724.04	\$115,339.05
Other assets	\$0.00	\$0.00
Total Assets	\$277,724.04	\$115,339.05
LIABILITIES		
Accounts payable	\$0.00	\$0.00
Other liabilities	\$0.00	\$0.00
Total Liabilities	\$0.00	\$0.00
Net Assets & Fund Balance	\$277,724.04	\$115,339.05

Results are not audited, but reflect amounts reported to the IRS.

“This is probably
the first earth-friendly
family shelter
in the world.”

—JAY SORENSEN

CONSTRUCTION BEGINS ON EARTH-FRIENDLY FAMILY SHELTER IN LATVIA

The Kids First Fund realized its largest accomplishment for its tenth anniversary in 2008. Construction began on the long-awaited family shelter in the Latgale region of Latvia in the town of Rugaji. The Kids First Fund, as part of its commitment to the Latvian Children’s Fund, provided US\$200,000 for the development of the new shelter. Total construction costs of the new building will be \$1.13 million, with the remaining funds contributed by the Latvian Children’s Fund and significant grants from other sources.

The two-story structure will accommodate a minimum of 30 mothers and children in 14 private bedrooms and uses earth-friendly design elements. The ground floor will include administrative offices, therapy rooms, and an inside playroom/gymnasium. The ground floor will also feature a conference room that can be used as a children’s activity room and a place for older children to do homework. Living quarters for mothers and their children will be on the second floor (or the first floor in European terms). This floor will feature more than one family lounge area, a dining room, bathrooms, and accommodations for nighttime shelter supervisors.

The Kids First Fund believes this is the first earth-friendly family shelter. Miles of geothermal piping buried in the ground provide heating. State-of-the-art technology uses the earth’s natural heat to create a warm interior environment. The walls of the shelter are extra thick to hold more heat and high efficiency windows keep winter winds outside.

Rugaji, in the Balvi district, is the host municipality for the family shelter. The village has provided a considerable piece of land for the building, which will also accommodate an outside play area, basketball court, parking lot, and excellent grounds for self-sustaining vegetable gardens. The family shelter is within walking distance of local schools, shops and a church.

Construction of the family shelter began in 2008 and is planned to be completed in June 2009.



This image from October 2008 shows completion of the roof, installation of windows, and the final stages of exterior finishing.



**THE GREAT
ON-LINE TRAVEL
AUCTION FOR KIDS**

**INTERNATIONAL ONLINE TRAVEL AUCTION
FOR KIDS DELIVERS NEARLY \$22,000**

The people voted with their bids and selected AirTran Airways as the recipient of the 2009 Kids First Auction Partner Award. More than 26 travel brands, including AirTran Airways, participated in last year's International Online Travel Auction for Kids.

AirTran Airways was recognized because its auction items raised the highest amount generated by any single donor airline or hotel company. The coach and business class tickets provided by AirTran were valid to any U.S. destination and raised more than \$8,800 in proceeds for the Kids First Fund. This was more than any amount raised by the other companies participating in the 2008 auction. Jay Sorensen presented AirTran with original art depicting an AirTran aircraft with passengers gazing down on Latvian icons such as the Freedom Monument created by Latvian fifth-grader Marite Zimele.

The International Online Travel Auction for Kids has become a regular and important component of our annual fundraising activities. The 2008 event generated over 28,000 hits at the Kids First Fund eBay.com auction site. Net auction proceeds were in excess of \$22,000. Donor companies from all over the world participated in the 2008 event including companies in Europe, Russia, Australia, Canada, the Middle East, and United States.

Signature auction items included three nights hotel accommodation in Paris from Air Canada; travel to London via the comfort of Virgin Atlantic's Premium Economy class; one-week car rental at Avis and Budget locations worldwide; and lodging at participating Hilton Family hotels throughout the United States.

The event reaches a largely U.S. and Canadian audience with a slice of bidder activity from other areas of the world. Website tracking for the promotional site (KidsFirstAuction.com) included visitors from the United States, Canada, Australia, India, United Kingdom, Brazil, Germany, South Africa, and Russia.



Tad Hutcheson, VP Marketing and Sales (center) and Kevin Healy, SVP Marketing and Planning (right) receive the award from Jay Sorensen.



MY NAME IS NICHOLAS CRAVEN

The email received on June 17, 2008 began, “My name is Nicholas Craven, and currently I am a high school student in Colorado.” It continued with Nick’s story of his connection with Latvia and an organization called CEO 4 Teens. As its name describes, it’s a teen-to-teen initiative that Creates Educational Opportunities for teens. He has yet to visit Latvia, which is the country of his grandparent’s birth.

Nick went on to describe an amazing organization that raises funds to help kids in faraway places such as Indonesia, Taiwan, and now Latvia. The organization has provided scholarships for impoverished students to take computer courses in Indonesia, for example. The training allows these kids to lift themselves out of poverty through the higher wages paid to those having computing expertise. CEO 4 Teens is also working on a micro-financing program to allow students to start their own business after graduation.

Nick arranged a donation to fund the purchase of laptop computers for the family shelter in Rugaji. The grant will purchase a minimum of three laptops to be shared by school-age children at the shelter to assist with homework and conduct

school-related research on the Internet. Without this grant, the important benefit of computer access would not be provided to children at the shelter. Access to top quality computers will provide these children an early introduction to the power of computing — and the potential for a better-paying job in the future.

Thank you Nick and CEO 4 Teens for helping the Kids First Fund in Latvia!



Nick Craven

TWO KEY WORDS FOR GOOGLE: THANK YOU

Last year the Kids First Fun thanked Google for donating AdWords support through the Google Grants program. This non-profit arm of Google has awarded AdWords advertising to hundreds of non-profit groups whose missions range from animal welfare to literacy, from supporting homeless children to promoting HIV education. The Kids First Fund uses its award of free AdWords advertising on Google.com to raise awareness and increase website traffic.

Google recently advised the Kids First Fund it now qualifies for no-charge credit card processing through the Google Checkout service. Google pays the usual 2-3 percent charged for credit card transactions.



Donors can contribute online at www.KidsFirstFund.org by selecting the "Donate Now" Google Checkout button. Contributions may be made using American Express, MasterCard, Visa, or Discover credit cards. Simply open a free Google Checkout account and register your credit card before making a donation.

Google Checkout now boasts millions of buyers worldwide and hundreds of thousands of sellers in the United States and United Kingdom. Thank you Google — a googol times — for helping the Kids First Fund maintain its zero-administrative-expense policy.

“Obviously everyone wants to be successful, but I want to be looked back on as being very innovative, very trusted and ethical and ultimately making a big difference in the world.”

—SERGEY BRIN,
GOOGLE CO-FOUNDER



MEET OUR NEW MEMBER IN MOLDOVA

The Kids First Fund added the Republic of Moldova to its program map by passing the following resolution at its annual meeting for 2008:

“RESOLVED, that the Kids First Fund will focus its resources on the Republic of Latvia and the Republic of Moldova as countries in which support may be provided for programs that meet the mission to help children who are sexually and physically abused, abandoned or neglected.”

The board also considered the appointment of a new board member to represent the organization’s interests in Moldova. The resolutions passed with the full endorsement of the board and Gabriel Mumjiev of Chisinau, Moldova become the newest member of the board.

Paul DeGregorio, the brother of board member John DeGregorio, introduced Gabriel to the Kids First Fund. Readers of “The Forgotten Children of Moldova” report issued by the Kids First Fund on May 1, 2008 will recognize the connection. Paul met Gabriel while he was the former Commissioner of the U.S. Election Assistance Commission and a past adviser on election issues to the Government of Moldova. As a result of Paul’s introduction, Gabriel helped organize Jay’s visit to Moldova during March 2008. Gabriel wanted to join the Kids First Fund and, “be part of a substantial collective effort to help children in need from Moldova and worldwide.”

Gabriel is a native of Moldova and currently is a program coordinator for the American Bar Association’s Rule of Law Initiative (ABA/ROLI) in Moldova’s capitol city of Chisinau. He manages and monitors the Traveling Lawyer Program, which increases access to justice and advocacy for underserved and poor populations from the country’s rural areas.

Ten hired licensed lawyers travel within this program to Moldovan villages to provide pro bono legal assistance and representation in court. Gabriel also organized and conducted training on election laws for judges, defense attorneys, and election officials and has developed election manuals for Moldovan lawyers.

His prior experience includes the International Foundation for Elections Systems where he managed media and public outreach programs to support Moldova’s public election activities. His media skills were developed while he was the editor-in-chief for a criminal law report at an independent television station. Gabriel has also worked at the highly regarded SOROS Foundation. He has a journalism and communication sciences degree from Bucharest State University. He is fluent in Romanian, English and Russian. Gabriel has substantial experience as member of NGO groups involved in social and justice issues. He is married and has a six-year-old daughter.

The Kids First Fund is delighted to have Gabriel acting as the organization’s eyes, ears, and hands in Moldova.



Gabriel Mumjiev



“I want to be part of a substantial collective effort to help children in need from Moldova and worldwide.”

—GABRIEL MUMJIEV

THE KIDS FIRST FUND REPRESENTATIVES

Your Board of Directors and Officers

Bob Bahlman, Treasurer (Neenah, Wisconsin)
Stuart Benzal, Director (Richmond, Virginia)
John DeGregorio, Director (St. Louis, Missouri)
Judge Michael Dwyer, Director (Shorewood, Wisconsin)
Rogers Grigulis, Director (Riga, Latvia)
Jason Handal, Vice President (Mequon, Wisconsin)
Arturs Irbe, Director (Riga, Latvia)
Irma Kalnina, Director (Riga, Latvia)
Gabriel Mumjiev (Chisinau, Moldova)
Jeff Patrias, Director (Eagan, Minnesota)
Sharon Polk, Director (Lenexa, Kansas)
Jay Sorensen, President (Shorewood, Wisconsin)

United Nations Representatives

Jay Sorensen and Stuart Benzal are designated representatives to the Economic and Social Council at the United Nations headquarters in New York.

Rogers Grigulis and Irma Kalnina are the designated representatives to the Economic and Social Council at the United Nations headquarters in Geneva and Vienna.



About the Kids First Fund

The Kids First Fund helps abused and abandoned children.

We protect children from abuse. We empower young adults with a positive future. We strengthen families. We build awareness of child abuse. We operate in countries where resources are very limited. Current projects provide support for children in the democratic republic of Latvia located on the Baltic Sea. The Kids First Fund supports programs to educate child welfare professionals such as police officers, judges, social workers and prosecutors on child abuse issues. Direct assistance is also provided to centers providing care for abused children. The Kids First Fund is a very efficient non-profit organization and does not incur any expenses since all staffing and services are donated. The organization has been granted special consultative status with the Economic and Social Council of the United Nations.

Learn more and donate online at:

KidsFirstFund.org

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