

**Return of Organization Exempt From Income Tax**

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

Department of the Treasury  
Internal Revenue Service

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

**A For the 2004 calendar year, or tax year beginning**

**and ending**

|  |  |   |   |
|--|--|---|---|
| <p><b>B</b> Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Final return</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p> | <p>Please use IRS label or print or type. See Specific Instructions.</p> | <p><b>C Name of organization</b></p> <p><b>REACH THE CHILDREN, INC.</b></p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite</p> <p><b>14 CHESHAM WAY</b></p> <p>City or town, state or country, and ZIP + 4</p> <p><b>FAIRPORT, NY 14450</b></p> | <p><b>D Employer identification number</b></p> <p><b>16-1569622</b></p> <p><b>E Telephone number</b></p> <p><b>(585) 223-7973</b></p> <p><b>F Accounting method:</b> <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual<br/><input type="checkbox"/> Other (specify) ▶</p> |
|--|--|---|---|

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

Hand I are not applicable to section 527 organizations.

**H(a)** Is this a group return for affiliates?  Yes  No

**H(b)** If "Yes," enter number of affiliates ▶

**H(c)** Are all affiliates included? **N/A**  Yes  No  
(If "No," attach a list.)

**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**G 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.**

**I** Group Exemption Number ▶

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **835,446.**

**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**

|                   |   |  |                       |                   |
|-------------------|---|--|-----------------------|-------------------|
| <b>Revenue</b>    | <b>1</b>  | Contributions, gifts, grants, and similar amounts received:  |                       |                   |
|                   | <b>a</b>  | Direct public support  | <b>1a</b>             | <b>835,411.</b>   |
|                   | <b>b</b>  | Indirect public support  | <b>1b</b>             |                   |
|                   | <b>c</b>  | Government contributions (grants)  | <b>1c</b>             |                   |
|                   | <b>d</b>  | <b>Total</b> (add lines 1a through 1c) (cash \$ <b>835,411.</b> noncash \$ )   | <b>1d</b>             | <b>835,411.</b>   |
|                   | <b>2</b>  | Program service revenue including government fees and contracts (from Part VII, line 93)                                   | <b>2</b>              |                   |
|                   | <b>3</b>  | Membership dues and assessments  | <b>3</b>              |                   |
|                   | <b>4</b>  | Interest on savings and temporary cash investments   | <b>4</b>              |                   |
|                   | <b>5</b>  | Dividends and interest from securities   | <b>5</b>              | <b>35.</b>        |
|                   | <b>6 a</b>  | Gross rents  | <b>6a</b>             |                   |
|                   | <b>b</b>  | Less: rental expenses  | <b>6b</b>             |                   |
|                   | <b>c</b>  | Net rental income or (loss) (subtract line 6b from line 6a)  | <b>6c</b>             |                   |
| <b>7</b>          | Other investment income (describe ▶ )                                       | <b>7</b>   |                       |                   |
| <b>Revenue</b>    | <b>8 a</b>  | Gross amount from sales of assets other than inventory   | <b>(A) Securities</b> | <b>(B) Other</b>  |
|                   |   | Less: cost or other basis and sales expenses   | <b>8a</b>             |                   |
|                   |   | Gain or (loss) (attach schedule)   | <b>8b</b>             |                   |
|                   |   | Net gain or (loss) (combine line 8c, columns (A) and (B))  | <b>8c</b>             |                   |
| <b>8d</b>         |   |  |                       |                   |
| <b>Revenue</b>    | <b>9</b>  | Special events and activities (attach schedule). If any amount is from <b>gaming</b> , check here <input type="checkbox"/> |                       |                   |
|                   |   | <b>a</b> Gross revenue (not including \$ of contributions reported on line 1a)   | <b>9a</b>             |                   |
|                   |   | <b>b</b> Less: direct expenses other than fundraising expenses   | <b>9b</b>             |                   |
| <b>9c</b>         | Net income or (loss) from special events (subtract line 9b from line 9a)    | <b>9c</b>  |                       |                   |
| <b>Revenue</b>    | <b>10 a</b>   | Gross sales of inventory, less returns and allowances  | <b>10a</b>            |                   |
|                   |   | Less: cost of goods sold   | <b>10b</b>            |                   |
|                   |   | Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)                         | <b>10c</b>            |                   |
| <b>11</b>         | Other revenue (from Part VII, line 103)                                     | <b>11</b>  |                       |                   |
| <b>12</b>         | <b>Total revenue</b> (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | <b>12</b>  | <b>835,446.</b>       |                   |
| <b>Expenses</b>   | <b>13</b>   | Program services (from line 44, column (B))  | <b>13</b>             | <b>998,252.</b>   |
|                   | <b>14</b>   | Management and general (from line 44, column (C))  | <b>14</b>             | <b>38,445.</b>    |
|                   | <b>15</b>   | Fundraising (from line 44, column (D))   | <b>15</b>             |                   |
|                   | <b>16</b>   | Payments to affiliates (attach schedule)   | <b>16</b>             |                   |
|                   | <b>17</b>   | <b>Total expenses</b> (add lines 16 and 44, column (A))  | <b>17</b>             | <b>1,036,697.</b> |
| <b>Net Assets</b> | <b>18</b>   | Excess or (deficit) for the year (subtract line 17 from line 12)   | <b>18</b>             | <b>-201,251.</b>  |
|                   | <b>19</b>   | Net assets or fund balances at beginning of year (from line 73, column (A))  | <b>19</b>             | <b>-159,833.</b>  |
|                   | <b>20</b>   | Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 1</b>                                   | <b>20</b>             | <b>-15,777.</b>   |
|                   | <b>21</b>   | Net assets or fund balances at end of year (combine lines 18, 19, and 20)  | <b>21</b>             | <b>-376,861.</b>  |

**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.

| 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) .....<br>(cash \$ <b>624,202.</b> noncash \$ _____)   | <b>624,202.</b>   | <b>624,202.</b>      | <b>STATEMENT 5</b>         |                 |
| 23  | Specific assistance to individuals (attach schedule) .....   |                   |                      |                            |                 |
| 24  | Benefits paid to or for members (attach schedule) .....  |                   |                      |                            |                 |
| 25  | Compensation of officers, directors, etc. ....   | <b>0.</b>         | <b>0.</b>            | <b>0.</b>                  | <b>0.</b>       |
| 26  | Other salaries and wages .....   |                   |                      |                            |                 |
| 27  | Pension plan contributions .....   |                   |                      |                            |                 |
| 28  | Other employee benefits .....  |                   |                      |                            |                 |
| 29  | Payroll taxes .....  |                   |                      |                            |                 |
| 30  | Professional fundraising fees .....  |                   |                      |                            |                 |
| 31  | Accounting fees .....  | <b>6,016.</b>     |                      | <b>6,016.</b>              |                 |
| 32  | Legal fees .....   | <b>1,168.</b>     |                      | <b>1,168.</b>              |                 |
| 33  | Supplies .....   | <b>4,130.</b>     |                      | <b>4,130.</b>              |                 |
| 34  | Telephone .....  | <b>4,302.</b>     |                      | <b>4,302.</b>              |                 |
| 35  | Postage and shipping .....   | <b>1,522.</b>     |                      | <b>1,522.</b>              |                 |
| 36  | Occupancy .....  |                   |                      |                            |                 |
| 37  | Equipment rental and maintenance .....   | <b>9,706.</b>     | <b>9,706.</b>        |                            |                 |
| 38  | Printing and publications .....  |                   |                      |                            |                 |
| 39  | Travel .....   | <b>3,703.</b>     | <b>3,703.</b>        |                            |                 |
| 40  | Conferences, conventions, and meetings .....   |                   |                      |                            |                 |
| 41  | Interest .....   | <b>10,500.</b>    |                      | <b>10,500.</b>             |                 |
| 42  | Depreciation, depletion, etc. (attach schedule) ...  | <b>995.</b>       |                      | <b>995.</b>                |                 |
| 43  | Other expenses not covered above (itemize):  |                   |                      |                            |                 |
| a   | _____  |                   |                      |                            |                 |
| b   | _____  |                   |                      |                            |                 |
| c   | _____  |                   |                      |                            |                 |
| d   | _____  |                   |                      |                            |                 |
| e   | <b>SEE STATEMENT 2</b>   | <b>370,453.</b>   | <b>360,641.</b>      | <b>9,812.</b>              |                 |
| 44  | <b>Total functional expenses (add lines 22 through 43).<br/>Organizations completing columns (B)-(D), carry these totals to lines 13-15.</b> | <b>1,036,697.</b> | <b>998,252.</b>      | <b>38,445.</b>             | <b>0.</b>       |

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No

If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to Program services \$ \_\_\_\_\_;

(iii) the amount allocated to Management and general \$ \_\_\_\_\_; and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

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 | <b>SEE STATEMENT 4</b>  |                            |                    |  |                 |
|   |   |                            |                    |  |                 |
|   |   | (Grants and allocations \$ | <b>1,030,562.)</b> |  | <b>998,252.</b> |
| b |   |                            |                    |  |                 |
|   |   | (Grants and allocations \$ | )                  |  |                 |
| c |   |                            |                    |  |                 |
|   |   | (Grants and allocations \$ | )                  |  |                 |
| d |   |                            |                    |  |                 |
|   |   | (Grants and allocations \$ | )                  |  |                 |
| e | Other program services (attach schedule)  | (Grants and allocations \$ | )                  |  |                 |
| f | <b>Total of Program Service Expenses</b> (should equal line 44, column (B), Program services) |                            |                    |  | <b>998,252.</b> |

**Part IV Balance Sheets**

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

|   |   | (A)<br>Beginning of year                                   |           | (B)<br>End of year |
|---|---|--|-----------|--------------------|
| <b>Assets</b>   | 45 Cash - non-interest-bearing .....  | 11,676.  | 45        | 28,576.            |
|   | 46 Savings and temporary cash investments .....   | 1,841.   | 46        | 5,650.             |
|   | 47 a Accounts receivable .....  | 203.   |           |                    |
|   | b Less: allowance for doubtful accounts .....   |  | 64.       | 203.               |
|   | 48 a Pledges receivable .....   |  |           |                    |
|   | b Less: allowance for doubtful accounts .....   |  |           |                    |
|   | 49 Grants receivable .....  |  |           |                    |
|   | 50 Receivables from officers, directors, trustees,<br>and key employees .....   |  |           |                    |
|   | 51 a Other notes and loans receivable .....   |  |           |                    |
|   | b Less: allowance for doubtful accounts .....   |  |           |                    |
|   | 52 Inventories for sale or use .....  |  |           |                    |
|   | 53 Prepaid expenses and deferred charges .....  |  |           |                    |
|   | 54 Investments - securities .....   | <input type="checkbox"/> Cost <input type="checkbox"/> FMV |           |                    |
|   | 55 a Investments - land, buildings, and<br>equipment: basis .....   |  |           |                    |
|   | b Less: accumulated depreciation .....  |  |           |                    |
| 56 Investments - other .....  |   |  |           |                    |
| 57 a Land, buildings, and equipment: basis .....  | 4,975.  |  |           |                    |
| b Less: accumulated depreciation <b>STMT 6</b> .....  | 2,405.  | 3,565.   | 2,570.    |                    |
| 58 Other assets (describe <b>▶ SEE STATEMENT 7</b> ) .....  | 7,947.  | 58   | 20,224.   |                    |
| 59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74) .....   | 25,093.   | 59   | 57,223.   |                    |
| <b>Liabilities</b>  | 60 Accounts payable and accrued expenses .....  |  | 60        | 16,691.            |
|   | 61 Grants payable .....   |  | 61        |                    |
|   | 62 Deferred revenue .....   |  | 62        |                    |
|   | 63 Loans from officers, directors, trustees, and key employees <b>STMT 8</b> .....  | 183,200.   | 63        | 376,700.           |
|   | 64 a Tax-exempt bond liabilities .....  |  | 64a       |                    |
|   | b Mortgages and other notes payable .....   |  | 64b       |                    |
|   | 65 Other liabilities (describe <b>▶ SEE STATEMENT 9</b> ) .....   | 1,726.   | 65        | 40,693.            |
| 66 <b>Total liabilities</b> (add lines 60 through 65) .....   | 184,926.  | 66   | 434,084.  |                    |
| <b>Net Assets or Fund Balances</b>  | <b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/></b> and complete lines 67 through 69 and lines 73 and 74. |  |           |                    |
|   | 67 Unrestricted .....   | -159,833.  | 67        | -376,861.          |
|   | 68 Temporarily restricted .....   |  | 68        |                    |
|   | 69 Permanently restricted .....   |  | 69        |                    |
|   | <b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/></b> 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;<br>column (A) <b>must</b> equal line 19; column (B) <b>must</b> equal line 21) ..... | -159,833.   | 73   | -376,861. |                    |
| 74 <b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73) .....  | 25,093.   | 74   | 57,223.   |                    |

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



| Part VI Other Information |  | Yes | No |
|---------------------------|--|-----|----|
| 76                        | Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity   |     | X  |
| 77                        | Were any changes made in the organizing or governing documents but not reported to the IRS?<br>If "Yes," attach a conformed copy of the changes.   |     | X  |
| 78 a                      | Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?   |     | X  |
| b                         | If "Yes," has it filed a tax return on Form 990-T for this year? N/A   |     |    |
| 79                        | Was there a liquidation, dissolution, termination, or substantial contraction during the year?<br>If "Yes," attach a statement   |     | X  |
| 80 a                      | Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?  | X   |    |
| b                         | If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.  |     |    |
| 81 a                      | Enter direct or indirect political expenditures. See line 81 instructions 81a   0.   |     |    |
| b                         | Did the organization file Form 1120-POL for this year?   |     | X  |
| 82 a                      | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?  |     | X  |
| b                         | If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b   N/A   |     |    |
| 83 a                      | Did the organization comply with the public inspection requirements for returns and exemption applications?  | X   |    |
| b                         | Did the organization comply with the disclosure requirements relating to quid pro quo contributions?   | X   |    |
| 84 a                      | Did the organization solicit any contributions or gifts that were not tax deductible?  |     | X  |
| b                         | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 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   N/A  |     |    |
| d                         | Section 162(e) lobbying and political expenditures 85d   N/A   |     |    |
| e                         | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e   N/A   |     |    |
| f                         | Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f   N/A  |     |    |
| 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) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a   N/A  |     |    |
| b                         | Gross receipts, included on line 12, for public use of club facilities 86b   N/A   |     |    |
| 87                        | 501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a   N/A   |     |    |
| b                         | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b   N/A  |     |    |
| 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?<br>If "Yes," complete Part IX  |     | X  |
| 89 a                      | 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under:<br>section 4911   0.; section 4912   0.; section 4955   0.  |     |    |
| b                         | 501(c)(3) and 501(c)(4) organizations. 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?<br>If "Yes," attach a statement explaining each transaction |     | 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. |
| 90 a                      | List the states with which a copy of this return is filed NEW YORK   |     |    |
| b                         | Number of employees employed in the pay period that includes March 12, 2004 90b   0  |     |    |
| 91                        | The books are in care of KEVIN CLAWSON Telephone no. (585) 223-7973  |     |    |
|                           | Located at 14 CHESHAM WAY, FAIRPORT, NY ZIP + 4 14450  |     |    |
| 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   N/A   |     |    |

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

|  | Unrelated business income |               | Excluded by section 512, 513, or 514 |               | (E)<br>Related or exempt<br>function income |
|--|---------------------------|---------------|--------------------------------------|---------------|---|
|  | (A)<br>Business<br>code   | (B)<br>Amount | (C)<br>Exclu-<br>sion<br>code        | (D)<br>Amount |   |
| <b>Note:</b> Enter gross amounts unless otherwise indicated.                 |                           |               |                                      |               |   |
| <b>93</b> Program service revenue:   |                           |               |                                      |               |   |
| <b>a</b> _____   |                           |               |                                      |               |   |
| <b>b</b> _____   |                           |               |                                      |               |   |
| <b>c</b> _____   |                           |               |                                      |               |   |
| <b>d</b> _____   |                           |               |                                      |               |   |
| <b>e</b> _____   |                           |               |                                      |               |   |
| <b>f</b> Medicare/Medicaid payments .....                                    |                           |               |                                      |               |   |
| <b>g</b> Fees and contracts from government agencies .....                   |                           |               |                                      |               |   |
| <b>94</b> Membership dues and assessments .....                              |                           |               |                                      |               |   |
| <b>95</b> Interest on savings and temporary cash investments .....           |                           |               |                                      |               |   |
| <b>96</b> Dividends and interest from securities .....                       |                           |               | 14                                   |               | 35.   |
| <b>97</b> Net rental income or (loss) from real estate:                      |                           |               |                                      |               |   |
| <b>a</b> debt-financed property .....  |                           |               |                                      |               |   |
| <b>b</b> not debt-financed property .....                                    |                           |               |                                      |               |   |
| <b>98</b> Net rental income or (loss) from personal property .....           |                           |               |                                      |               |   |
| <b>99</b> Other investment income .....                                      |                           |               |                                      |               |   |
| <b>100</b> Gain or (loss) from sales of assets<br>other than inventory ..... |                           |               |                                      |               |   |
| <b>101</b> Net income or (loss) from special events .....                    |                           |               |                                      |               |   |
| <b>102</b> Gross profit or (loss) from sales of inventory .....              |                           |               |                                      |               |   |
| <b>103</b> Other revenue:  |                           |               |                                      |               |   |
| <b>a</b> _____   |                           |               |                                      |               |   |
| <b>b</b> _____   |                           |               |                                      |               |   |
| <b>c</b> _____   |                           |               |                                      |               |   |
| <b>d</b> _____   |                           |               |                                      |               |   |
| <b>e</b> _____   |                           |               |                                      |               |   |
| <b>104</b> Subtotal (add columns (B), (D), and (E)) .....                    |                           | 0.            |                                      | 0.            | 35.   |
| <b>105</b> Total (add line 104, columns (B), (D), and (E)) .....             |                           |               |                                      |               | 35.   |

**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.)

|                 |   |
|-----------------|---|
| <b>Line No.</b> | 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).   |
| 96-9            | SUPPORT THE DEVELOPMENT, ORGANIZATION AND CONTINUATION OF PROGRAMS THAT FOCUS ON PROVIDING EDUCATION AND HEALTH CARE FOR CHILDREN, VOCATIONAL TRAINING FOR ADULTS, AND TEACHING SELF-RELIANCE AND PRINCIPLE-BASED VALUES. |

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

| (A)<br>Name, address, and EIN of corporation,<br>partnership, or disregarded entity | (B)<br>Percentage of<br>ownership interest | (C)<br>Nature of activities | (D)<br>Total income | (E)<br>End-of-year<br>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).

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.

**Please Sign Here**  
 Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_  
 KEVIN CLAWSON, PRESIDENT  
 Type or print name and title.

**Paid Preparer's Use Only**  
 Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Check if self-employed:   
 Preparer's SSN or PTIN: \_\_\_\_\_  
 Firm's name (or yours if self-employed), address, and ZIP + 4: ELDREDGE, FOX & PORRETTI, LLP  
 180 CANAL VIEW BLVD, #100  
 ROCHESTER, NY 14623-2833  
 EIN: \_\_\_\_\_  
 Phone no.: (585) 427-8900

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

OMB No. 1545-0047

**2004**

Name of the organization

REACH THE CHILDREN, INC.

Employer identification number

16 1569622

**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 benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| NONE  |  |                  |   |  |
| -----   |  |                  |   |  |
| -----   |  |                  |   |  |
| -----   |  |                  |   |  |
| -----   |  |                  |   |  |
| Total number of other employees paid over \$50,000 ▶          | 0  |                  |   |  |

**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 |
|---|---------------------|------------------|
| NONE  |                     |                  |
| -----   |                     |                  |
| -----   |                     |                  |
| -----   |                     |                  |
| -----   |                     |                  |
| Total number of others receiving over \$50,000 for professional services ▶  | 0                   |                  |

**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.)<br>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. |     | 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? .....   |     | X  |
| b   | Lending of money or other extension of credit? .....  |     | X  |
| c   | Furnishing of goods, services, or facilities? .....   |     | X  |
| d   | Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? .....   |     | X  |
| e   | Transfer of any part of its income or assets? .....   |     | X  |
| 3 a | 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.) .....  |     | X  |
| b   | Do you have a section 403(b) annuity plan for your employees? .....   |     | X  |
| 4 a | Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? .....   |     | X  |
| b   | Do you provide credit counseling, debt management, credit repair, or debt negotiation services? .....   |     | 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 5 of the instructions.)

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

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

| Calendar year (or fiscal year beginning in) ▶  | (a) 2003       | (b) 2002 | (c) 2001 | (d) 2000 | (e) Total             |
|--|----------------|----------|----------|----------|-----------------------|
| <b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)   | 473,576.       | 497,856. | 536,062. | 414,767. | 1,922,261.            |
| <b>16</b> Membership fees received   |                |          |          |          |                       |
| <b>17</b> 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  |                |          |          |          |                       |
| <b>18</b> Gross income from interest, dividends, amounts received from payments 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   | 143.           | 237.     | 134.     | 54.      | 568.                  |
| <b>19</b> Net income from unrelated business activities not included in line 18  |                |          |          |          |                       |
| <b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf   |                |          |          |          |                       |
| <b>21</b> 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   |                |          |          |          |                       |
| <b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets   |                |          |          |          |                       |
| <b>23</b> Total of lines 15 through 22   | 473,719.       | 498,093. | 536,196. | 414,821. | 1,922,829.            |
| <b>24</b> Line 23 minus line 17  | 473,719.       | 498,093. | 536,196. | 414,821. | 1,922,829.            |
| <b>25</b> Enter 1% of line 23  | 4,737.         | 4,981.   | 5,362.   | 4,148.   |                       |
| <b>26 Organizations described on lines 10 or 11:</b> a Enter 2% of amount in column (e), line 24 ▶   |                |          |          |          | <b>26a</b> 38,457.    |
| 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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶   |                |          |          |          | <b>26b</b> 761,570.   |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶  |                |          |          |          | <b>26c</b> 1,922,829. |
| d Add: Amounts from column (e) for lines: 18 <u>568.</u> 19 _____ 22 _____ 26b <u>761,570.</u> ▶   |                |          |          |          | <b>26d</b> 762,138.   |
| e Public support (line 26c minus line 26d total) ▶   |                |          |          |          | <b>26e</b> 1,160,691. |
| f <b>Public support percentage (line 26e (numerator) divided by line 26c (denominator))</b> ▶  |                |          |          |          | <b>26f</b> 60.3637%   |
| <b>27 Organizations described on line 12:</b> 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: <b>N/A</b><br>(2003) _____ (2002) _____ (2001) _____ (2000) _____  |                |          |          |          |                       |
| 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: <b>N/A</b><br>(2003) _____ (2002) _____ (2001) _____ (2000) _____ |                |          |          |          |                       |
| c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶   |                |          |          |          | <b>27c</b> N/A        |
| d Add: Line 27a total _____ and line 27b total _____ ▶   |                |          |          |          | <b>27d</b> N/A        |
| e Public support (line 27c total minus line 27d total) ▶   |                |          |          |          | <b>27e</b> N/A        |
| f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶  | <b>27f</b> N/A |          |          |          |                       |
| g <b>Public support percentage (line 27e (numerator) divided by line 27f (denominator))</b> ▶  |                |          |          |          | <b>27g</b> N/A %      |
| h <b>Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))</b> ▶  |                |          |          |          | <b>27h</b> N/A %      |

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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.

NONE

**Part V**

**Private School Questionnaire** (See page 7 of the instructions.)

N/A

**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

|   |   | Yes | No |
|---|---|-----|----|
| 29  | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? .....   |     |    |
| 30  | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? .....  |     |    |
| 31  | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? ..... |     |    |
| If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)        |   |     |    |
| _____   |   |     |    |
| _____   |   |     |    |
| _____   |   |     |    |
| 32  | Does the organization maintain the following:   |     |    |
| a   | Records indicating the racial composition of the student body, faculty, and administrative staff? .....   | 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.) |   |     |    |
| _____   |   |     |    |
| _____   |   |     |    |
| 34 a  | 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.

| <b>Limits on Lobbying Expenditures</b><br>(The term "expenditures" means amounts paid or incurred.) |   | (a)<br>Affiliated group<br>totals | (b)<br>To be completed for ALL<br>electing organizations |
|---|---|-----------------------------------|--|
|   |   | <b>N/A</b>                        |  |
| <b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) .....       | <b>36</b>   |                                   |  |
| <b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) .....       | <b>37</b>   |                                   |  |
| <b>38</b> Total lobbying expenditures (add lines 36 and 37) .....                                   | <b>38</b>   |                                   |  |
| <b>39</b> Other exempt purpose expenditures .....   | <b>39</b>   |                                   |  |
| <b>40</b> Total exempt purpose expenditures (add lines 38 and 39) .....                             | <b>40</b>   |                                   |  |
| <b>41</b> Lobbying nontaxable amount. Enter the amount from the following table -                   |   |                                   |  |
| <b>If the amount on line 40 is -</b>  | <b>The lobbying nontaxable amount is -</b>              |                                   |  |
| 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 ..... | <b>41</b>                         |  |
| 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 .....                                       |                                   |  |
| <b>42</b> Grassroots nontaxable amount (enter 25% of line 41) .....                                 | <b>42</b>   |                                   |  |
| <b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 .....            | <b>43</b>   |                                   |  |
| <b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 .....            | <b>44</b>   |                                   |  |

**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 |             |             |             | N/A          |
|--|--|-------------|-------------|-------------|--------------|
|  | (a)<br>2004  | (b)<br>2003 | (c)<br>2002 | (d)<br>2001 | (e)<br>Total |
| <b>45</b> Lobbying nontaxable amount .....                     |  |             |             |             | 0.           |
| <b>46</b> Lobbying ceiling amount (150% of line 45(e)) .....   |  |             |             |             | 0.           |
| <b>47</b> Total lobbying expenditures .....                    |  |             |             |             | 0.           |
| <b>48</b> Grassroots nontaxable amount .....                   |  |             |             |             | 0.           |
| <b>49</b> Grassroots ceiling amount (150% of line 48(e)) ..... |  |             |             |             | 0.           |
| <b>50</b> Grassroots lobbying expenditures .....               |  |             |             |             | 0.           |

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

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the 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 |
|---|-----|----|--------|
| <b>a</b> Volunteers .....   |     |    |        |
| <b>b</b> Paid staff or management (Include compensation in expenses reported on lines <b>c</b> through <b>h</b> .) .....  |     |    |        |
| <b>c</b> Media advertisements .....   |     |    |        |
| <b>d</b> Mailings to members, legislators, or the public .....  |     |    |        |
| <b>e</b> Publications, or published or broadcast statements .....   |     |    |        |
| <b>f</b> Grants to other organizations for lobbying purposes .....  |     |    |        |
| <b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body .....   |     |    |        |
| <b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....   |     |    |        |
| <b>i</b> Total lobbying expenditures (Add lines <b>c</b> through <b>h</b> .) .....  |     |    | 0.     |

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





**Schedule B**  
(Form 990, 990-EZ, or  
990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

**2004**

Name of organization

REACH THE CHILDREN, INC.

Employer identification number

16-1569622

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

**General Rule-**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

**Special Rules-**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ..... ► \$ \_\_\_\_\_

**Caution:** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2004)

|   |   |
|---|---|
| <b>Name of organization</b><br><br>REACH THE CHILDREN, INC. | <b>Employer identification number</b><br><br>16-1569622 |
|---|---|

**Part I Contributors** (See Specific Instructions.)

| (a)<br>No. | (b)<br>Name, address, and ZIP + 4                          | (c)<br>Aggregate contributions | (d)<br>Type of contribution  |
|------------|--|--------------------------------|--|
| 1          | BREWER FAMILY FOUNDATION<br><hr/> <hr/>                    | \$ 28,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 2          | MARILYN M. & KENNETH CLARK<br><hr/> <hr/>                  | \$ 26,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 3          | NUSKIN FORCE FOR GOOD<br><hr/> <hr/>                       | \$ 30,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
| 4          | WING FAMILY BENEVOLENT CORPORATION,<br>H.R.<br><hr/> <hr/> | \$ 30,000.                     | Person <input checked="" type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.) |
|            | <hr/> <hr/>  | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |
|            | <hr/> <hr/>  | \$ _____                       | Person <input type="checkbox"/><br>Payroll <input type="checkbox"/><br>Noncash <input type="checkbox"/><br>(Complete Part II if there is a noncash contribution.)            |

| Asset No. | Description            | Date Acquired | Method | Life | Line No. | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Amount Of Depreciation |
|-----------|------------------------|---------------|--------|------|----------|--------------------------|------------|----------------------|------------------------|--------------------------|-----------------|------------------------|
|           | MANAGEMENT AND GENERAL |               |        |      |          |                          |            |                      |                        |                          |                 |                        |
| 1         | NOTEBOOK COMPUTER      | 080802        | SL     | 5.00 | 16       | 2,384.                   |            |                      | 2,384.                 | 676.                     |                 | 477.                   |
| 2         | PROJECTOR              | 080802        | SL     | 5.00 | 16       | 2,591.                   |            |                      | 2,591.                 | 734.                     |                 | 518.                   |
|           | * 990 PAGE 2 TOTAL     |               |        |      |          |                          |            |                      |                        |                          |                 |                        |
|           | MANAGEMENT AND GENERAL |               |        |      |          | 4,975.                   |            | 0.                   | 4,975.                 | 1,410.                   | 0.              | 995.                   |
|           | * GRAND TOTAL 990 PAGE |               |        |      |          |                          |            |                      |                        |                          |                 |                        |
|           | 2 DEPR                 |               |        |      |          | 4,975.                   |            | 0.                   | 4,975.                 | 1,410.                   | 0.              | 995.                   |

| FORM 990                           | OTHER CHANGES IN NET ASSETS OR FUND BALANCES | STATEMENT | 1 |
|------------------------------------|--|-----------|---|
| DESCRIPTION                        |  | AMOUNT    |   |
| IN-KIND DONATIONS                  |  | 402,534.  |   |
| IN-KIND PROGRAM EXPENSES           |  | -418,311. |   |
| TOTAL TO FORM 990, PART I, LINE 20 |  | -15,777.  |   |

| FORM 990               | OTHER EXPENSES |                  |                        | STATEMENT   | 2 |
|------------------------|----------------|------------------|------------------------|-------------|---|
|                        | (A)            | (B)              | (C)                    | (D)         |   |
| DESCRIPTION            | TOTAL          | PROGRAM SERVICES | MANAGEMENT AND GENERAL | FUNDRAISING |   |
| VOLUNTEER EXPENSES     | 340,340.       | 340,340.         |                        |             |   |
| BANK FEES              | 866.           |                  | 866.                   |             |   |
| LICENSES EXPENSES      | 130.           |                  | 130.                   |             |   |
| WEB HOSTING SERVICES   | 948.           |                  | 948.                   |             |   |
| ADVERTISING            | 15,147.        | 11,087.          | 4,060.                 |             |   |
| CREDIT CARD FEES       | 2,856.         |                  | 2,856.                 |             |   |
| MISCELLANEOUS          | 327.           |                  | 327.                   |             |   |
| CONSULTING SERVICES    | 625.           |                  | 625.                   |             |   |
| TRAINING               | 364.           | 364.             |                        |             |   |
| MICROENTERPRISE        | 8,850.         | 8,850.           |                        |             |   |
| TOTAL TO FM 990, LN 43 | 370,453.       | 360,641.         | 9,812.                 |             |   |

| FORM 990 | STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE | STATEMENT | 3 |
|----------|--|-----------|---|
| PART III |  |           |   |

## EXPLANATION

DEDICATED TO STRENGTHENING FAMILIES BY PROVIDING EDUCATION AND HEALTH CARE FOR CHILDREN, VOCATIONAL TRAINING FOR ADULTS, AND TEACHING SELF-RELIANCE AND PRINCIPLE-BASED VALUES. THESE TOOLS AND SKILLS WILL ENABLE PEOPLE TO OVER-COME THE SHACKLES OF EXTREME POVERTY AND PROMOTE COMMUNITY LEADERSHIP AS THEY REACH FOR A BRIGHTER TOMORROW.

DESCRIPTION OF PROGRAM SERVICE ONE

EDUCATION - RTC ASSISTS OR DIRECTLY OPERATES SCHOOLS IN SEVERAL AFRICAN COUNTRIES, INCLUDING KENYA, UGANDA, GHANA, & SIERRA LEONE. RTC PROVIDES USEFUL RESOURCES TO ASSIST IN RAISING THE QUALITY OF EDUCATION FOR CHILDREN AND TO INCREASE THE NUMBER OF CHILDREN REACHED WITH EDUCATIONAL OPPORTUNITIES ORPHAN CARE - RTC ASSISTS FAMILIES TO BECOME SELF-SUSTAINING, THUS ENABLING THEM TO CARE FOR THE GROWING NUMBER OF ORPHANS IN SEVERAL COUNTRIES. RTC IS ESPECIALLY CONCERNED ABOUT CHILDREN ORPHANED BECAUSE OF AIDS.

AIDS PREVENTION EDUCATION - RTC AIMS TO LOWER AIDS INCIDENCE BY TEACHING WHOLE COMMUNITIES THE AIDS PREVENTION EDUCATION PROGRAM CALLED STAY ALIVE. BY TRAINING COUNTRY OFFICIALS, TEACHERS, PARENT/GUARDIANS AND CHILDREN IN TANZANIA, KENYA, UGANDA, GHANA, AND NIGERIA, EVERYONE IN THE COMMUNITY ARE WORKING ON THE PROBLEM IN THE SAME MANNER AND AT THE SAME TIME.

MICRO-ENTERPRISE - RTC HELPS PEOPLE ENGAGE IN SUSTAINABLE LIVELIHOODS FOR THE SUPPORT OF THEIR FAMILIES, BY PROVIDING TRAINING AND MICRO-LOANS TO MOTIVATED INDIVIDUALS. RTC ACQUIRES THE FUNDS, FINDS MENTORS AND ADMINISTRATORS AND SOLICITS LOAN APPLICANTS FOR PARTICIPATION IN UGANDA, KENYA, GHANA, TANZANIA, MADAGASCAR AND NIGERIA.

AGRICULTURE & WATER - RTC COLLABORATES WITH COMMUNITIES TO MAKE WATER AVAILABLE FOR IRRIGATION, AGRICULTURE PURPOSES & DAILY SURVIVAL.

COMMUNITY DEVELOPMENT CENTERS - RTC HELPS LOCAL COMMUNITIES DEVELOPMENT CENTERS FROM WHENCE EACH OF THE FOCUS PROGRAMS CAN BE LAUNCHED, MENTORED AND MONITORED AS NEEDED, FOR LONG-TERM EFFECT, AND ANY GIVEN COMMUNITY. THESE CENTERS PROVIDE A GATHERING PLACE FOR THE COMMUNITY TO MEET, A TEACHING/TRAINING FACILITY, STORAGE AREAS FOR SHIPPING COMMODITIES PRODUCED BY THE COMMUNITIES, DISTRIBUTION OF INCOMING DONATIONS AND REVENUE AND A CENTER FOR ALL PRODUCTIVE COMMUNITY ACTIVITY.

|                               | GRANTS     | EXPENSES |
|-------------------------------|------------|----------|
| TO FORM 990, PART III, LINE A | 1,030,562. | 998,252. |

| FORM 990                                     |              | CASH GRANTS AND ALLOCATIONS                  |                      | STATEMENT | 5 |
|--|--------------|--|----------------------|-----------|---|
| CLASSIFICATION                               | DONEE'S NAME | DONEE'S ADDRESS                              | DONEE'S RELATIONSHIP | AMOUNT    |   |
| KENYA PROJECTS<br>CONTINUED                  | VARIOUS      | KENDU BAY &<br>CHUYULU, KENYA                | NONE                 | 304,148.  |   |
| GHANA  | VARIOUS      | ADENTA, ESSAM &<br>ACCRA, GHANA              | NONE                 | 61,313.   |   |
| TANZANIA<br>PROJECTS                         | VARIOUS      | DAR ES SALAAM &<br>TARIME, TANZANIA          | NONE                 | 11,512.   |   |
| UGANDA<br>PROJECTS                           | VARIOUS      | JINJA, KAMPALA,<br>MUKONO & RAKAI,<br>UGANDA | NONE                 | 70,232.   |   |
| NIGERA<br>PROJECTS                           | VARIOUS      | NIGERIA                                      | NONE                 | 5,642.    |   |
| UNITED KINGDOM<br>PROJECTS                   | VARIOUS      | UNITED KINGDOM                               | NONE                 | 400.      |   |
| UNITED STATES<br>PROJECTS                    | VARIOUS      | UNITED STATES                                | NONE                 | 170,955.  |   |
| TOTAL INCLUDED ON FORM 990, PART II, LINE 22 |              |  |                      | 624,202.  |   |

| FORM 990                          |                        | DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT |            | STATEMENT | 6 |
|-----------------------------------|------------------------|--|------------|-----------|---|
| DESCRIPTION                       | COST OR<br>OTHER BASIS | ACCUMULATED<br>DEPRECIATION                    | BOOK VALUE |           |   |
| NOTEBOOK COMPUTER                 | 2,384.                 | 1,153.   | 1,231.     |           |   |
| PROJECTOR                         | 2,591.                 | 1,252.   | 1,339.     |           |   |
| TOTAL TO FORM 990, PART IV, LN 57 | 4,975.                 | 2,405.   | 2,570.     |           |   |

| FORM 990  | OTHER ASSETS | STATEMENT       | 7 |
|---|--------------|-----------------|---|
| DESCRIPTION   |              | AMOUNT          |   |
| LOAN RECEIVABLE - STREET CHILDREN'S PROJECT PASSTHROUGH |              | 20,000.<br>224. |   |
| TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B           |              | 20,224.         |   |

FORM 990      LOANS PAYABLE TO OFFICER'S, DIRECTOR'S, ETC.      STATEMENT      8

| LENDER'S NAME AND TITLE     | ORIGINAL<br>LOAN AMOUNT |
|-----------------------------|-------------------------|
| KEVIN CLAWSON,    PRESIDENT | 0.                      |

| DATE OF<br>NOTE | MATURITY<br>DATE | TERMS OF REPAYMENT | INTEREST RATE |
|-----------------|------------------|--------------------|---------------|
|                 |                  |                    | .00%          |

| SECURITY PROVIDED BY BORROWER | PURPOSE OF LOAN     |
|-------------------------------|---------------------|
|                               | GENEREAL OPERATIONS |

| DESCRIPTION OF CONSIDERATION                  | FMV OF<br>CONSIDERATION | BALANCE DUE |
|---|-------------------------|-------------|
|   | 0.                      | 376,700.    |
| TOTAL TO FORM 990, PART IV, LINE 63, COLUMN B |                         | 376,700.    |

FORM 990      OTHER LIABILITIES      STATEMENT      9

| DESCRIPTION                                   | AMOUNT  |
|---|---------|
| CREDIT CARDS PAYABLE                          | 163.    |
| DUE TO OTHER FUNDS                            | 35,530. |
| LOAN PAYABLE - STROBELLS                      | 5,000.  |
| TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B | 40,693. |

FORM 990      OTHER REVENUE NOT INCLUDED ON FORM 990      STATEMENT      10

| DESCRIPTION                  | AMOUNT   |
|------------------------------|----------|
| IN-KIND CONTRIBUTIONS        | 402,534. |
| TOTAL TO FORM 990, PART IV-A | 402,534. |

|          |   |              |
|----------|---|--------------|
| FORM 990 | OTHER EXPENSES NOT INCLUDED ON FORM 990 | STATEMENT 11 |
|----------|---|--------------|

| DESCRIPTION                  | AMOUNT   |
|------------------------------|----------|
| IN KIND PROGRAM EXPENSES     | 418,311. |
| TOTAL TO FORM 990, PART IV-B | 418,311. |

|          |                                    |              |
|----------|------------------------------------|--------------|
| FORM 990 | OTHER REVENUE INCLUDED ON FORM 990 | STATEMENT 12 |
|----------|------------------------------------|--------------|

| DESCRIPTION   | AMOUNT   |
|---|----------|
| RELATED PARTY PYMT OF SUPPORTING SVS RECORDED AS A FOOTNOTE DISCLOSURE ONLY | 165,041. |
| TOTAL TO FORM 990, PART IV-A  | 165,041. |

|          |                                     |              |
|----------|-------------------------------------|--------------|
| FORM 990 | OTHER EXPENSES INCLUDED ON FORM 990 | STATEMENT 13 |
|----------|-------------------------------------|--------------|

| DESCRIPTION   | AMOUNT   |
|---|----------|
| RELATED PARTY PYMT OF SUPPORTING SVS RECORDED AS A FOOTNOTE DISCLOSURE ONLY | 165,041. |
| TOTAL TO FORM 990, PART IV-B  | 165,041. |

**Depreciation and Amortization** 990  
 (Including Information on Listed Property)

**2004**  
 Attachment  
 Sequence No. **67**

▶ See separate instructions. ▶ Attach to your tax return.

|  |   |   |
|--|---|---|
| Name(s) shown on return<br><b>REACH THE CHILDREN, INC.</b> | Business or activity to which this form relates<br><b>FORM 990 PAGE 2</b> | Identifying number<br><b>16-1569622</b> |
|--|---|---|

**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 instructions for a higher limit for certain businesses .....  | <b>1</b>                     | <b>102,000.</b>  |
| 2 Total cost of section 179 property placed in service (see instructions) .....   | <b>2</b>                     |                  |
| 3 Threshold cost of section 179 property before reduction in limitation .....   | <b>3</b>                     | <b>410,000.</b>  |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....  | <b>4</b>                     |                  |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions ..... | <b>5</b>                     |                  |
| <b>6</b>  |                              |                  |
| (a) Description of property   | (b) Cost (business use only) | (c) Elected cost |
|   |                              |                  |
|   |                              |                  |
|   |                              |                  |
|   |                              |                  |
|   |                              |                  |
| 7 Listed property. Enter the amount from line 29 .....  | <b>7</b>                     |                  |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....  | <b>8</b>                     |                  |
| 9 Tentative deduction. Enter the <b>smaller</b> of line 5 or line 8 .....   | <b>9</b>                     |                  |
| 10 Carryover of disallowed deduction from line 13 of your 2003 Form 4562 .....  | <b>10</b>                    |                  |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 .....  | <b>11</b>                    |                  |
| 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 .....  | <b>12</b>                    |                  |
| 13 Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12 .....  | <b>13</b>                    |                  |

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 property (other than listed property) placed in service during the tax year (see instructions) ..... | <b>14</b> |             |
| 15 Property subject to section 168(f)(1) election (see instructions) .....   | <b>15</b> |             |
| 16 Other depreciation (including ACRS) (see instructions) .....  | <b>16</b> | <b>995.</b> |

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

|   |           |  |
|---|-----------|--|
| 17 MACRS deductions for assets placed in service in tax years beginning before 2004 .....   | <b>17</b> |  |
| 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 2004 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 |
|---------------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| <b>19a</b> 3-year property            |                                      |  |                     |                |            |                            |
| <b>b</b> 5-year property              |                                      |  |                     |                |            |                            |
| <b>c</b> 7-year property              |                                      |  |                     |                |            |                            |
| <b>d</b> 10-year property             |                                      |  |                     |                |            |                            |
| <b>e</b> 15-year property             |                                      |  |                     |                |            |                            |
| <b>f</b> 20-year property             |                                      |  |                     |                |            |                            |
| <b>g</b> 25-year property             |                                      |  | 25 yrs.             |                | S/L        |                            |
| <b>h</b> Residential rental property  | /                                    |  | 27.5 yrs.           | MM             | S/L        |                            |
|                                       | /                                    |  | 27.5 yrs.           | MM             | S/L        |                            |
| <b>i</b> Nonresidential real property | /                                    |  | 39 yrs.             | MM             | S/L        |                            |
|                                       | /                                    |  |                     | MM             | S/L        |                            |

**Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System**

|                       |   |  |         |    |     |  |
|-----------------------|---|--|---------|----|-----|--|
| <b>20a</b> Class life |   |  |         |    | S/L |  |
| <b>b</b> 12-year      |   |  | 12 yrs. |    | S/L |  |
| <b>c</b> 40-year      | / |  | 40 yrs. | MM | S/L |  |

**Part IV Summary (See instructions.)**

|   |           |             |
|---|-----------|-------------|
| 21 Listed property. Enter amount from line 28 .....   | <b>21</b> |             |
| 22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21.<br>Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. .... | <b>22</b> | <b>995.</b> |
| 23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....  | <b>23</b> |             |

**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 instructions for limits for passenger automobiles.)**

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

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

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

| 30 Total business/investment miles driven during the year (do not include commuting miles) | (a)<br>Vehicle |    | (b)<br>Vehicle |    | (c)<br>Vehicle |    | (d)<br>Vehicle |    | (e)<br>Vehicle |    | (f)<br>Vehicle |    |
|--|----------------|----|----------------|----|----------------|----|----------------|----|----------------|----|----------------|----|
|  |                |    |                |    |                |    |                |    |                |    |                |    |
| 31 Total commuting miles driven during the year  |                |    |                |    |                |    |                |    |                |    |                |    |
| 32 Total other personal (noncommuting) miles driven  |                |    |                |    |                |    |                |    |                |    |                |    |
| 33 Total miles driven during the year. Add lines 30 through 32                             |                |    |                |    |                |    |                |    |                |    |                |    |
| 34 Was the vehicle available for personal use during off-duty hours?                       | Yes            | No | Yes            | No | Yes            | No | Yes            | No | Yes            | No | Yes            | No |
|  |                |    |                |    |                |    |                |    |                |    |                |    |
| 35 Was the vehicle used primarily by a more than 5% owner or related person?               |                |    |                |    |                |    |                |    |                |    |                |    |
| 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.

|   |     |    |
|---|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?  | Yes | No |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See 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?  |     |    |
| <b>Note:</b> 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)<br>Description of costs  | (b)<br>Date amortization<br>begins | (c)<br>Amortizable<br>amount | (d)<br>Code<br>section | (e)<br>Amortization<br>period or percentage | (f)<br>Amortization<br>for this year |
|--|------------------------------------|------------------------------|------------------------|---|--------------------------------------|
| <b>42</b> Amortization of costs that begins during your 2004 tax year:           |                                    |                              |                        |   |                                      |
|  | :                                  |                              |                        |   |                                      |
|  | :                                  |                              |                        |   |                                      |
| <b>43</b> Amortization of costs that began before your 2004 tax year             |                                    |                              |                        |   | <b>43</b>                            |
| <b>44 Total.</b> Add amounts in column (f). See instructions for where to report |                                    |                              |                        |   | <b>44</b>                            |

|  |   |                                  |
|--|---|----------------------------------|
| Form <b>CHAR500</b>  | <b>Annual Filing for Charitable Organizations</b><br>New York State Department of Law (Office of the Attorney General)<br>Charities Bureau - Registration Section<br>120 Broadway<br>New York, NY 10271<br>www.oag.state.ny.us/charities/charities.html | <b>2004</b>                      |
| This form used for Article 7-A, EPTL, and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 006) |   | <b>Open to Public Inspection</b> |

|   |  |   |  |
|---|--|---|--|
| <b>1. General Information</b>   |  |   |  |
| a. For the fiscal year beginning <b>01/01/2004</b> and ending <b>12/31/2004</b>   |  |   |  |
| b. Check if applicable:<br><input type="checkbox"/> Address change<br><input type="checkbox"/> Name change<br><input type="checkbox"/> Initial filing<br><input type="checkbox"/> Final filing<br><input type="checkbox"/> Amended filing<br><input type="checkbox"/> NY registration pending | c. Name of organization<br><b>REACH THE CHILDREN, INC.</b>   |   | d. Fed. employer ID no. (EIN)<br><b>16-1569622</b> |
|   | Number and street (or P.O. box if mail is not delivered to street address) Room/suite<br><b>14 CHESHAM WAY</b> | e. NY State registration no.<br><b>06-78-61/71613</b> |  |
|   | City or town, state or country and ZIP + 4<br><b>FAIRPORT, NY 14450</b>  | f. Telephone number<br><b>585 223 7973</b>            | g. Email   |

|   |                      |                  |      |
|---|----------------------|------------------|------|
| <b>2. Certification - Two Signatures Required</b>   |                      |                  |      |
| We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report. |                      |                  |      |
| a. President or Authorized Officer/Trustee  | <b>KEVIN CLAWSON</b> | <b>PRESIDENT</b> |      |
| Signature   | Printed Name         | Title            | Date |
| b. Chief Financial Officer or Treasurer   |                      |                  |      |
| Signature   | Printed Name         | Title            | Date |

|  |  |
|--|--|
| <b>3. Annual Report Exemption Information</b>  |  |
| a.   | <b>Article 7-A</b> annual report exemption (Article 7-A registrants and dual registrants)<br>Check <input type="checkbox"/> if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 <b>and</b> the organization did not use the services of a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year.<br><br><b>NOTE:</b> An organization may also check the box to claim this exemption if no PFR or FRC was used <b>and</b> either: 1) the organization received an allocation from a federated fund, Unity Way or incorporated community appeal <b>and</b> contributions from all other sources did not exceed \$25,000 <b>or</b> 2) it received all or substantially all of its contributions from a single government agency to which it submitted an annual financial report similar to that required by Article 7-A). |
| b.   | <b>EPTL</b> annual report exemption (EPTL registrants and dual registrants)<br>Check <input type="checkbox"/> if total gross receipts for this fiscal year did not exceed \$25,000 <b>and</b> the assets (market value) of the organization did not exceed \$25,000 at any time during this fiscal year.   |
| For EPTL or Article 7-A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above.<br><b>Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.</b> |  |

|   |  |
|---|--|
| <b>4. Article 7-A Schedules</b>   |  |
| If you did <b>not</b> check the Article 7-A annual report exemption above, complete the following for this fiscal year:                           |  |
| a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? ... | <input type="checkbox"/> Yes* <input checked="" type="checkbox"/> No |
| * If "Yes", complete Schedule 4a.   |  |
| b. Did the organization receive government contributions (grants)?  | <input type="checkbox"/> Yes* <input checked="" type="checkbox"/> No |
| * If "Yes", complete Schedule 4b.   |  |

|   |               |   |
|---|---------------|---|
| <b>5. Fee Submitted</b>   |               |   |
| Indicate the filing fee(s) you are submitting along with this form: |               |   |
| a. Article 7-A filing fee .....                                     | \$ <u>25.</u> | <b>Submit only one check or money order for the total fee, payable to "NYS Department of Law"</b> |
| b. Estates, Powers and Trusts Law filing fee .....                  | \$ <u>25.</u> |   |
| c. Total fee .....  | \$ <u>50.</u> |   |

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| <b>6. Attachments:</b> For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments. |
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- Mail completed form with required schedules, fee and attachments to the address at the top of this page -

**6. ATTACHMENTS - DOCUMENT ATTACHMENT CHECK-LIST:**

Check the boxes for the documents you are attaching.

**FOR ALL FILERS - COPIES OF INTERNAL REVENUE SERVICE FORMS**

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> <b>IRS Form 990</b>        | <input type="checkbox"/> <b>IRS Form 990-EZ</b>        | <input type="checkbox"/> <b>IRS Form 990-PF</b>        |
| <input checked="" type="checkbox"/> Schedule A to IRS Form 990 | <input type="checkbox"/> Schedule A to IRS Form 990-EZ | <input type="checkbox"/> Schedule B to IRS Form 990-PF |
| <input checked="" type="checkbox"/> Schedule B to IRS Form 990 | <input type="checkbox"/> Schedule B to IRS Form 990-EZ | <input type="checkbox"/> IRS Form 990-T                |
| <input type="checkbox"/> IRS Form 990-T                        | <input type="checkbox"/> IRS Form 990-T                |  |

**ADDITIONAL ARTICLE 7-A DOCUMENT ATTACHMENT REQUIREMENT**

Independent Accountant's Report

- Audit Report (*total support & revenue more than \$250,000*)  
 Review Report (*total support & revenue \$100,001 to \$250,000*)  
 No Accountant's Report Required (*total support & revenue not more than \$100,000*)