

Form **990**

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)

OMB No 1545-0047

2002

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2002 calendar year, or tax year period beginning **OCT 1, 2002** and ending **SEP 30, 2003**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization KIDS HOPE USA		D Employer identification number 38-3624308	
		Number and street (or P O box if mail is not delivered to street address)		Room/suite	E Telephone number (866) 546-3580
		P.O. BOX 2517			
		City or town, state or country, and ZIP + 4 HOLLAND, MI 49422-2517			F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ►

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

H and 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 Web site: **WWW.KIDSHOPEUSA.ORG**

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 Enter 4-digit GEN ►

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ► **470,330.**

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

REVENUE FEB 11 2004

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	341,911.		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 341,911. noncash \$ _____)	1d		341,911.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2			
3	Membership dues and assessments	3		121,152.	
4	Interest on savings and temporary cash investments	4		7,267.	
5	Dividends and interest from securities	5			
6 a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ► _____)	7			
8 a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other	
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b	1,170.		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	-1,170.		
8d			STMT 1		-1,170.
9	Special events and activities (attach schedule)				
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10 a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11	Other revenue (from Part VII, line 103)	11			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		469,160.	
13	Program services (from line 44, column (B))	13		400,677.	
14	Management and general (from line 44, column (C))	14		103,606.	
15	Fund raising (from line 44, column (D))	15		60,016.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		564,299.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		-95,139.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		726,184.	
20	Other changes in net assets or fund balances (attach explanation)	20		0.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		631,045.	

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LHA For Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2002)

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)				
	cash \$ _____ noncash \$ _____	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25	159,008.	99,294.	34,122.
26	Other salaries and wages	26	119,111.	89,767.	17,225.
27	Pension plan contributions	27	11,124.	7,561.	2,054.
28	Other employee benefits	28	35,535.	24,190.	9,149.
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31	7,441.		7,441.
32	Legal fees	32	7,080.		7,080.
33	Supplies	33	6,400.		6,400.
34	Telephone	34	3,528.	1,608.	1,920.
35	Postage and shipping	35	4,196.	3,681.	181.
36	Occupancy	36	20,140.	14,258.	3,724.
37	Equipment rental and maintenance	37	78.		78.
38	Printing and publications	38	35,418.	28,544.	
39	Travel	39	12,154.	11,513.	310.
40	Conferences, conventions, and meetings	40	25,454.	25,332.	122.
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42	18,262.	12,930.	3,377.
43	Other expenses not covered above (itemize)				
a	_____	43a			
b	_____	43b			
c	_____	43c			
d	_____	43d			
e	SEE STATEMENT 2	43e	99,370.	81,999.	10,423.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	564,299.	400,677.	103,606.

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	CHURCH RECRUITMENT - ADDED 45 NEW CHURCHES TO THE KIDS HOPE USA PROGRAM GROUP.				
	(Grants and allocations \$ _____)				231,369.
b	DIRECTOR AND VOLUNTEER TRAINING SERVICES - TRAINED DIRECTORS AND VOLUNTEERS TO BE MENTORS TO APPROXIMATLEY 810 NEW CHILDREN. TRAINED 22 REPLACEMENT DIRECTORS FOR EXISTING PROGRAMS.				
	(Grants and allocations \$ _____)				112,316.
c	SUSTAINING OF CHURCH PROGRAMS - SUPPORTED 237 CHURCHES SERVING 4,200 CHILDREN IN THE KIDS HOPE USA PROGRAM.				
	(Grants and allocations \$ _____)				53,012.
d	EVALUATION - ALL KIDS HOPE USA PROGRAMS WERE ENCOURAGED TO USE THE EVALUATION TOOLS TO HELP ASSESS THE IMPACT OF THEIR MENTORING PROGRAMS.				
	(Grants and allocations \$ _____)				3,980.
e	Other program services (attach schedule)				
	(Grants and allocations \$ _____)				
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)				400,677.

Part IV Balance Sheets

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

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	331,113.	407,358.
	46 Savings and temporary cash investments		
	47 a Accounts receivable	27,349.	
	b Less allowance for doubtful accounts		27,349.
	48 a Pledges receivable	100,000.	
	b Less allowance for doubtful accounts		100,000.
	49 Grants receivable		
	50 Receivables from officers, directors, trustees, and key employees		
	51 a Other notes and loans receivable		
	b Less allowance for doubtful accounts		
	52 Inventories for sale or use	3,911.	664.
	53 Prepaid expenses and deferred charges	2,680.	2,849.
	54 Investments - securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		
	55 a Investments - land, buildings, and equipment basis		
	b Less accumulated depreciation		
56 Investments - other			
57 a Land, buildings, and equipment basis	73,365.		
b Less accumulated depreciation	29,021.	44,344.	
58 Other assets (describe PROMOTIONAL INVENTORY)		68,751.	
59 Total assets (add lines 45 through 58) (must equal line 74)	743,504.	651,315.	
Liabilities	60 Accounts payable and accrued expenses	6,368.	6,986.
	61 Grants payable		
	62 Deferred revenue		
	63 Loans from officers, directors, trustees, and key employees		
	64 a Tax-exempt bond liabilities		
	b Mortgages and other notes payable		
	65 Other liabilities (describe SEE STATEMENT 4)	10,952.	13,284.
66 Total liabilities (add lines 60 through 65)	17,320.	20,270.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	696,989.	611,655.
	68 Temporarily restricted	29,195.	19,390.
	69 Permanently restricted		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds		
	71 Paid-in or capital surplus, or land, building, and equipment fund		
	72 Retained earnings, endowment, accumulated income, or other funds		
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	726,184.	631,045.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	743,504.	651,315.	

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
a Total revenue, gains, and other support per audited financial statements ▶ a 470,330.	a Total expenses and losses per audited financial statements ▶ a 565,469.
b Amounts included on line a but not on line 12, Form 990 <ul style="list-style-type: none"> (1) Net unrealized gains on investments \$ _____ (2) Donated services and use of facilities \$ _____ (3) Recoveries of prior year grants \$ _____ (4) Other (specify): \$ _____ Add amounts on lines (1) through (4) ▶ b 0.	b Amounts included on line a but not on line 17, Form 990 <ul style="list-style-type: none"> (1) Donated services and use of facilities \$ _____ (2) Prior year adjustments reported on line 20, Form 990 \$ _____ (3) Losses reported on line 20, Form 990 \$ 1,170. (4) Other (specify): \$ _____ Add amounts on lines (1) through (4) ▶ b 1,170.
c Line a minus line b ▶ c 470,330.	c Line a minus line b ▶ c 564,299.
d Amounts included on line 12, Form 990 but not on line a: <ul style="list-style-type: none"> (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify) STMT 5 \$ -1,170. Add amounts on lines (1) and (2) ▶ d -1,170.	d Amounts included on line 17, Form 990 but not on line a: <ul style="list-style-type: none"> (1) Investment expenses not included on line 6b, Form 990 \$ _____ (2) Other (specify): \$ _____ Add amounts on lines (1) and (2) ▶ d 0.
e Total revenue per line 12, Form 990 (line c plus line d) ▶ e 469,160.	e Total expenses per line 17, Form 990 (line c plus line d) ▶ e 564,299.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)				
(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
MICHAEL VOLKEMA P.O. BOX 2517 HOLLAND, MI 49422-2517	CHAIRPERSON			
MYLES FISH P.O. BOX 2517 HOLLAND, MI 49422-2517	SECRETARY	NOMINAL	0.	0.
KURT VANDEN BOSCH P.O. BOX 2517 HOLLAND, MI 49422-2517	TREASURER	NOMINAL	0.	0.
VIRGIL GULKER P.O. BOX 2517 HOLLAND, MI 49422-2517	EXECUTIVE DIRECTOR	40	73,702.	10,430.
JINNY BULT DE JONG P.O. BOX 2517 HOLLAND, MI 49422-2517	PRESIDENT	40	85,306.	10,733.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule Yes No Form 990 (2002)

Part VI Other Information

Table with columns for question number, question text, and Yes/No checkboxes. Includes questions 76 through 92 regarding organizational activities, financials, and compliance.

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
99 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					121,152.
95 Interest on savings and temporary cash investments			14	7,267.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets					
other than inventory			18	-1,170.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		6,097.	121,152.
105 Total (add line 104, columns (B), (D), and (E))					127,249.

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 32 of the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
94	THE ORGANIZATION CHARGES A ONE TIME FEE TO CHURCH PARTICIPANTS IN THE PROGRAMS. THESE FEES ARE USED TO SUPPORT THE PROGRAMS.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 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

I am preparing this return on behalf of the organization. I am a preparer of this return and I am not a partner, officer, director, or key employee of the organization. I am not a partner, officer, director, or key employee of the organization. I am not a partner, officer, director, or key employee of the organization.

Date: 01/29/04
 Type or print name and title: Jeanette Bult-DeJong, President

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

2002

Name of the organization

KIDS HOPE USA

Employer identification number

38 3624308

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) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) SEE STATEMENT 6		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)
The organization is not a private foundation because it is (Please check only ONE applicable box)
5 <input type="checkbox"/> A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6 <input type="checkbox"/> A school. Section 170(b)(1)(A)(ii) (Also complete Part V)
7 <input type="checkbox"/> A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8 <input type="checkbox"/> A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9 <input type="checkbox"/> 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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 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 <input type="checkbox"/> A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A)
12 <input type="checkbox"/> 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 <input type="checkbox"/> 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 <input type="checkbox"/> An organization organized and operated to test for public safety Section 509(a)(4) (See page 5 of the instructions)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	689,680.				689,680.
16 Membership fees received	150,310.				150,310.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross 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	6,588.				6,588.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	846,578.	0.	0.	0.	846,578.
24 Line 23 minus line 17	846,578.				846,578.
25 Enter 1% of line 23	8,466.				
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 16,932.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the sum of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 846,578.
d Add: Amounts from column (e) for lines 18 <u>6,588.</u> 19 _____ 22 _____ 26b _____					26d 6,588.
e Public support (line 26c minus line 26d total)					26e 839,990.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 99.2218%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A					
(2001) (2000) (1999) (1998)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(2001) (2000) (1999) (1998)					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e) N/A					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

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

Part V Private School Questionnaire (See page 7 of the instructions)

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)		
<hr/> <hr/> <hr/>			
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? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/> <hr/> <hr/>			
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? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/> <hr/> <hr/>			
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? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
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	

Schedule A (Form 990 or 990-EZ) 2002

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

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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

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

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45	Lobbying nontaxable amount				0.
46	Lobbying ceiling amount (150% of line 45(e))				0.
47	Total lobbying expenditures				0.
48	Grassroots nontaxable amount				0.
49	Grassroots ceiling amount (150% of line 48(e))				0.
50	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
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h.)			0.

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

Kids Hope USA
EIN# : 38-3624308
For year ended 9/30/03
Schedule of Depreciation

<u>Description</u>	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>	<u>Method</u>	<u>Period</u>
COMPUTER EQUIPMENT	\$ 40,588.44	\$ 13,293.92	\$ 23,387.90	S/L	3.0
FURNITURE & FIXTURES	\$ 29,047.97	\$ 4,435.42	\$ 4,664.06	S/L	7.0
OFFICE EQUIPMENT	\$ 3,729.00	\$ 532.71	\$ 969.50	S/L	7.0
GRAND TOTAL	\$ 73,365.41	\$ 18,262.05	\$ 29,021.46		

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
ACEROPEN INTEL CELERON 30	10/22/98	12/31/02	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
DISPOSAL	0.	1,233.	0.	308.	-925.
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
HP 5100CXI SCANNER	06/29/98	12/31/02	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
DISPOSAL	0.	327.	0.	82.	-245.
TO FM 990, PART I, LN 8		1,560.	0.	390.	-1,170.

FORM 990 OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
EMPLOYEE LEASING EXPENSE	28,261.	18,558.	5,812.	3,891.
MISCELLANEOUS	8,065.	6,760.	615.	690.
EMPLOYEE TRAINING	27,046.	25,965.	1,081.	.
CONSULTING	22,375.	21,505.	870.	.
WEB PAGE DESIGN AND DEVELOPMENT	1,967.	552.	1,415.	.
COMPUTERS	2,000.	.	.	2,000.
UTILITIES	3,407.	2,410.	630.	367.
AMORTIZATION	6,249.	6,249.	.	.
TOTAL TO FM 990, LN 43	99,370.	81,999.	10,423.	6,948.

