

2011 Annual Report

As of June 30, 2011

FREE THE KIDS, INC

A.K.A. THEO'S WORK



*“Children are the common denominator of mankind,
and their welfare is the common concern of all of us.”
Danny Kaye*

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THE YEAR IN REVIEW

It is unfortunate that it takes a catastrophe to awaken the world to the plight of the Haitian population – destitute by any measure before the earthquake of January 2010. The world showed its concern and Free the Kids, and Pwojè Espwa Sud as a result, benefited from the generosity of many. But memories are short and natural disasters occur elsewhere, taking the focus off Haiti to the benefit of others.

2011 has been a year of sacrifice for many. In Haiti, we saw 20% inflation in the price of gas and food. We were on the brink of making some very tough cuts when you responded so generously to Father Marc's call for help. Unfortunately, the inflation wasn't temporary and we are trying to adjust to a "new normal." Today the price of gas is often at \$10 a gallon. A ten-serving bag of rice costs \$7.50. Father Marc calls this the "new normal" and we all need to adjust and adapt.

Among the big events of 2011 are the construction of our new medical clinic as well as the new kitchen/dining hall. Some very generous friends at IMEC provided a tremendous matching opportunity to allow us to acquire the equipment to outfit the clinic. Work on the clinic is complete and we look forward to April when we will receive the furnishings and equipment needed to start work. It will obviously require additional funding to maintain and operate the new clinic and we hope you will continue to support us in the "new normal".



Our original kitchen, built with the gift of a generous donor, served our children very well in the days when we served 750 meals a day. But now we prepare 3,500 meals daily. Our kitchen personnel perform miracles under an open-air tent, in all kinds of weather. Our new kitchen/dining facility is nearing completion and we hope to furnish it with the same generous partner that furnished the clinic, IMEC.

In 2012, further cuts to staff may result in diminished services to our children. They already make do with so little. In the past, each child received a small bag at Christmas with a few token items. We just couldn't afford this in good conscience with budget cuts on the horizon. We thought there would be no Christmas gifts this year but an angel descended upon us in the person of Brigitte Pierre from a South Florida organization named "Breakfast with Santa" who had some gifts to distribute to children.

You are all our angels and your continued support will help us to keep up with inflation as we continue to invest in the care and education so critical to fighting the war on poverty. In an attempt to provide some financial security for our mission, we launched our Army of Angels sponsorship program. It costs Pwojè Espwa \$150 a month to provide each child with basic care and education. This \$150 is divided into 5 equal amounts of \$30 for the following categories: Shelter, Food, Basic Medical Care, Education and Clothing/Shoes. Click on the Army of Angels link at www.freethekids.org to participate.



"Hear, O LORD, and answer me, for I am poor and needy."
Psalm 86:1

Who We Are & What We Do

"Haitians and expatriate childcare professionals are careful to make it clear that Haitian orphanages and children's homes are not orphanages in the North American sense, but instead shelters for vulnerable children, often housing children whose parent(s) are poor as well as those who are abandoned, neglected or abused by family guardians. Neither the number of children nor the number of institutions is officially known, but the *Chambre de L'Enfance Necessiteusse Haïtienne (CENH)* indicated that it has received requests for assistance from nearly 200 orphanages from around the country for more than 200,000 children. Although not all are orphans, many are vulnerable or originate in vulnerable families that hoped to increase their children's opportunities by sending them to orphanages." <http://en.wikipedia.org/wiki/Orphanage#Haiti>

Free the Kids is a 501 (c) (3) non-denominational, non-sectarian exempt operating foundation incorporated in Ridgewood, NJ. Founded by Father Marc Boisvert in 1997, its mission is to support humanitarian efforts in southern Haiti. Free the Kids (FTK) is dedicated to funding a home and refuge for orphaned and vulnerable children in Haiti called *Pwojè Espwa Sud*.



Pwojè Espwa Sud (PES) is a non-denominational, non-sectarian Haitian tax exempt NGO (Non-government organization) founded in 1998 by Father Marc Boisvert. Its mission is to "alleviate the devastating effects of poverty on children in southern Haiti".

Currently home to over 600 youngsters, PES is partially supported by its own farm, several schools, a community medical clinic, a food aid distribution center and many other programs to help the residents and the poor surrounding community. Education runs the gamut from basic life skills to trade school and college. The central campus, known as "Vilaj Espwa" (Hope Village), is a 130-acre parcel located twenty minutes from Les Cayes, Haiti. "Espwa" is Haitian Creole for Hope, the unifying theme of PES. The program's shelter for orphaned and vulnerable children is known as *Kay Espwa (Hope House)*. Its school is *Ekol Espwa (Hope School)*. These programs serve the needs of over 3,000 Haitian children who, themselves, suggested **Pwojè Espwa** as a name for Hope project.

Children receive basics that Americans take for granted but many Haitian children never experience: They attend school, get plenty to eat, wear shoes on their feet and clothes without tatters. They sleep on real beds with mattresses. They even get a chance to play and enjoy childhood. A section of Vilaj Espwa is dotted with small houses and dormitories where the children live in groups of about 17, each under the care of a "house mother." This allows for close supervision and for children to develop family-like bonds. These living arrangements are key to maintaining a wholesome environment - for the boys. Father Marc's unique approach works. He says, "A lot of the boys go through a transformation process, because they've been on their own. They've been defending themselves. They've had to protect themselves and so they developed this outer tough skin. But once they find themselves cared for, it allows them to be more caring themselves."

In addition to meeting these important basic needs, PES gives the children so much more than traditional orphanages. The younger children tend little gardens while the older ones hold responsibilities around the complex that also serve to impart employable skills. Some work as agronomists on the landscaping, trees, and crops of eggplant, tomatoes, beans, corn, and other vegetables. Some learn to raise pigs and chickens. Others work as carpentry and masonry apprentices on construction projects and still others work as artisans, making

necklaces, bracelets and metal art. These “jobs” all contribute toward the daily operation of Vilaj Espwa. The gardens, crops and animals are raised for food; the construction projects improve their facilities and the jewelry and metal art are sold by the orphanage to help defray expenses. As a result, the children develop a strong sense of accomplishment and self-worth. “The kids feel like they are contributing,” says Father Marc, “which is very important, because often in Haiti people can’t contribute to their own situation - they’re not part of the solution.”

Father Marc is the “père” the children never had. A Catholic priest and former U.S. Navy Chaplain, he now lives in the complex, having given up whatever worldly possessions and ambitions he might have had to dedicate his life to giving hope for a meaningful future to young children hopelessly mired in the poverty of the poorest country in the Western Hemisphere. His goal is to give them everything they need to achieve self-sufficiency, allowing them to enter adulthood in a position of strength, freedom and promise.



“Despite the heartaches and pressures he faces every day, Fr. Marc obeys God’s calling to help Haiti’s children, with earnest compassion and without reservation.”

Jim Cavnar, President, Cross International Catholic Outreach

Focus on Program

Education

Pwojè Espwa Sud educates over 2,000 students each year.

- Resident children
- Neighborhood children
- Student scholarships to trade schools and other secondary schools
- University level students - including agronomists, doctors and lawyers

Pwojè Espwa Sud has six schools in three locations.

- Les Cayes: Preschool, Primary School, Secondary School, Vocational Training School
- Tiburon: Primary School
- Camp Perrin: Primary School

Espwa Preschool

Facts Students

- 350 students enrolled - resident and non-resident students
- Students receive a hot meal each day
- Children attend school from 8:00 – 12:00
- Children participate in 2 years of preschool in which they learn basic subject areas



Espwa Primary School

Facts

- 700 students enrolled - both resident and non-resident children
- All students are served a hot meal everyday
- Grades 1- 6
- Students attend school 8:00 - 1:00
- Students are educated in core subject areas including English, French and Creole
- Teachers participate in ongoing professional development activities

Espwa Secondary School

Facts

- 400 students enrolled- resident and non-resident students
- Students are served a hot meal each day
- Grades 7-12
- Students attend school 8:00 – 1:00 or 8:00 – 2:00 based on the grade level
- Students participate in basic subject areas including English, Creole, French and Spanish
- Teachers participate in ongoing professional development activities



Espwa Vocational Training School

Facts

- Resident children begin participating in vocational training school at age 15 in order to provide them with a formal education as well as a trade
- 2010 was the first graduating class
- Two year program
- Students attend school 3:00 – 5:00
- Students can choose the following vocations: carpentry, tailoring and welding

Tiburon Primary School

Facts

- About 4 hours away from Espwa
- 250 students enrolled - no resident children
- School for “poor children”
- Grades preschool - 6th
- Students receive basic education as well as Health Education
- Students receive dry rations of food each month



Camp Perrin Primary School

Facts

- About 45 minutes away from Espwa
- 350 students enrolled - no resident children
- Grades preschool - 6th grade
- Students receive basic education as well as Health Education
- Students receive dry rations of food each month

Education Programs

- Children participate in after school English classes taught by Espwa Graduates
- Children participate in Arts activities including dance, singing and drawing
- Children participate in Health Education including AIDS prevention and awareness, dental hygiene and Cholera prevention
- House Mothers participate in weekly seminars to improve the care they provide the children
- Literacy classes available in the afternoons for employees who cannot read

Espwa Education Dreams

- Improve the School Buildings
- Build a Performing Arts Center
- Incorporate Fine Arts as part of the curriculum
- Build a Library and Computer Lab: provide classes
- Improve the education - incorporate more cooperative learning in the curriculum
- Cooperate with schools overseas: receive training from overseas teachers
- Build an Institute for Entrepreneurship
- Build a University
- Become the “School Everyone Wants to Attend”

Free the Kids Board of Trustees

Bill Commer is **Chairman of the Board** of Free the Kids (FTK). Mr. Commer holds his Bachelor's Degree in Construction Management and two Masters degrees, including one in Architecture. His firm WJCA, Inc. specializes in design management and has completed over 2200 projects in 50 states. He has been instrumental as a design consultant for FTK. He has served on the board since 2002.

William Haggerty, C.P.A. serves as **Treasurer** on the Board of Free the Kids and is managing partner of The Haggerty Group, an accounting firm he founded 22 years ago in Ridgewood, NJ. Mr. Haggerty is a CPA and a Registered Investment Advisor. He has been involved with numerous non-profits.

Dee Orłowski, serves as **Secretary** on the Board of Free the Kids, and is also the West Coast liaison, as well as Volunteer Coordinator for visits to Pwojè Espwa Sud. Since 2003, she has served in a multitude of roles overseeing many fundraisers. With a background in HR, Sales & Management, she is also the Event Coordinator for a 4000 member church in Lake Forest, CA .

Regina Abilies has been a member of the Free the Kids Board of Directors since it was founded in 1998. As an advocate for orphaned and vulnerable children, she devotes her time to raising funds, developing partnerships, and increasing public awareness. As Editor of our Newsletter, Ms. Abilies kept donors abreast of progress in Haiti. She sits as Chair of the P.R. Committee and also serves on the Logistics and Appropriations Committee.

Cynthia DeSoi, M.D. former Chairman of the Board of Free the Kids and Medical Director of Pwojè Espwa Sud (PES) has been serving FTK and PES since 2000. Dr. DeSoi completed medical school at the University of Rochester and her residency and fellowship training in Chicago. She is board certified in Internal Medicine, Pediatrics, and Nephrology. Dr. DeSoi leads volunteer medical teams to Southern Haiti several times a year. She is devoted to the development of preventative care practices for the children at PES. She also has a full time medical practice in Maine.

Doug Dittrick former Chairman of the Board for Free the Kids has been involved since its inception. After graduating from Ohio Wesleyan University, Mr. Dittrick, a cable and television industry pioneer, was extensively active in the National Cable & TV Association from 1966 to 1990. He was elected chairman of the NCTA's executive committee two consecutive terms. In 1982, he was named Executive of the Year by Cable Business Magazine. In 1984 he was presented the NCTA's Vanguard Award for outstanding contributions to the cable television industry. In 1986, Mr. Dittrick founded Douglas Communications Corp. II (DCCII) to acquire and operate cable television companies. He is involved in numerous charities and currently sits on the Board of Governors of the National Red Cross and is Chairman of the Valley Health System. He is President and CEO of DCCII providing consulting services in the communications and chemicals fields.

Robert Morris, Esq. joined the Board of Free the Kids in January of 2009. Mr. Morris, a practicing attorney in Portland, ME, is a 1980 honors graduate of the University of Missouri at Columbia. In 1983 he earned his law degree at Missouri University. Over the past twenty-five years, Mr. Morris has practiced primarily as a trial lawyer, specializing in the area of injury litigation. He is admitted to practice in the Federal and State Courts of ME and MO, including the U.S. Court of Appeals for the First Circuit. Mr. Morris is a member of the American Trial Lawyers Association, the Maine Trial Lawyers Association, the Maine and Missouri State Bar Associations and the

Cumberland County Bar Association. Mr. Morris primary offices are in Portland and Brunswick.

Nelson J. Vogel, Esq. is licensed in Indiana as a certified public accountant and is a member of the Indiana State Bar Association and the State Bar of Michigan. He currently serves as Managing Partner of Barnes & Thornburg LLP in South Bend office. He has also taught business and tax courses and Notre Dame Law School and accounting and tax courses at Indiana University. Mr. Vogel has served as the President of Big Brothers/Big Sisters of St. Joseph County and the South Bend Regional Museum of Art. He currently serves as director of the St. Joseph County Chamber of Commerce.

Key staff:

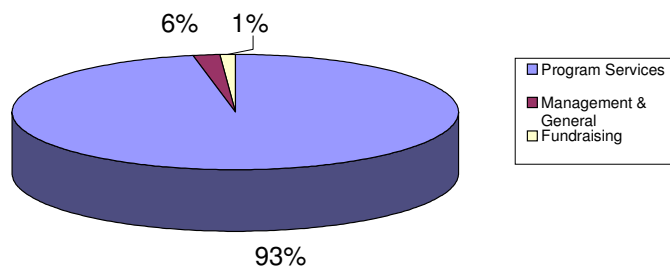
Chad Scott, Vice President, Charlotte, NC
 Jack Reynolds (Father Marc’s brother-in-law), Director of Operations, Greensboro, NC
 Christopher C. Stout, Development Consultant, Ridgewood, NJ

Key Financial Statement Elements

	2010	2011
Total Assets:	\$1,467,975	\$1,046,773
Total Liabilities	\$27,730	\$21,673
Total Support & Revenue	\$3,125,332	\$2,353,950
Total Expenses	\$2,188,637	\$2,748,565
Change in net assets	\$936,695	(\$394,615)

Audited (unqualified) by:
 Malesardi, Quackenbush, Swift & Co., Englewood, NJ

2011 Schedule of Functional Expenses



Contributions by Category

	2010	2011
Humanitarian Organizations	\$1,293,744	\$1,172,757
Families & Individuals	\$631,961	\$341,036
Foundations	\$578,918	\$336,942
Congregations	\$201,509	\$157,702
Companies	\$118,034	\$36,540
Fundraising	\$67,980	\$27,682
Service Organizations	\$78,772	\$61,295
Schools	\$29,653	\$9,535
Gifts-in-Kind	\$118,151	\$177,776
Total Contributions	\$3,118,722	\$2,321,265

Copies of Financial Statements and IRS Form 990 are available upon request to:

William J. Haggerty
The Haggerty Group
79 Chestnut Street
Suite 101
Ridgewood, NJ 07450



Department of the Treasury
Internal Revenue Service
P.O. Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077550277
Sep. 01, 2010 LTR 4168C 0
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BODC: TE

FREE THE KIDS INC
% W HAGGERTY
2303 W MARKET ST
GREENSBORO NC 27403-1517

111076

Employer Identification Number: 22-3741436
Person to Contact: Ms Benjamin
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your June 08, 2010, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in March 2001.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Cindy Thomas
Manager, EO Determinations



2303 West Market Street
Greensboro, NC 27403
(336) 272-9376
www.freethekids.org

Free the Kids is a 501 (c) (3) non-denominational,
non-sectarian exempt operating foundation
EIN 22-3741436