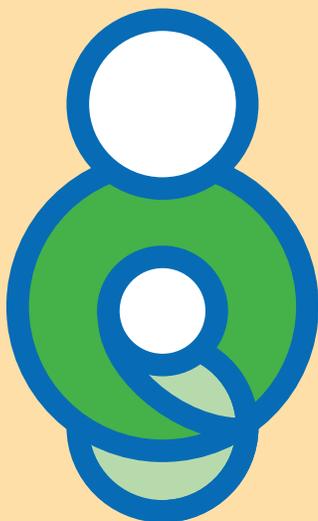


The Kids First Fund

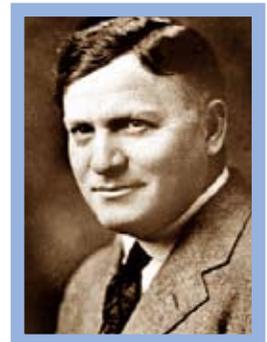
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FROM THE PRESIDENT

“With all its sham, drudgery, and broken dreams, it is still a beautiful world” are the words Max Ehrmann choose to place at the end of his poem *Desiderata*. The title of this spiritual prose is Latin for “things to be desired.” The American writer and attorney from Indiana wrote the poem in 1927 out of a desire to leave mankind a humble gift. I encourage you to read the poem; the full version appears at the end of this report.



Max Ehrmann left us the gift of *Desiderata* and a hope for humankind.

Desiderata is a wonderful piece of writing because it offers calming wisdom. It speaks of a universal right we all share to simply exist, “You are a child of the universe no less than the trees and the stars; you have a right to be here.” We are reminded of the timelessness of love, “Neither be cynical about love, for in the face of all aridity and disenchantment, it is as perennial as the grass.” We are instructed to “Speak your truth quietly and clearly” and admonished to “Enjoy your achievements as well as your plans.”

Max Ehrmann’s poetry provides an oh-so-appropriate backdrop the Kids First Fund story for 2010. For many, especially victims of child abuse, it may be impossible to imagine the world is a beautiful place, or love is always present, and children have unquestionable and universal rights. But behind every ugly story of abuse there is an even greater story of refuge, recovery, and renewal. And for every act of denial there are more voices speaking truth in police stations, parliaments, and palaces of justice.

During 2010 our work together removed abuse and broken dreams from the lives of children in resource poor areas of the world. Your cash donations, volunteer work, and support of the annual International Online Travel Auction for Kids allow this work to occur. In this report you will read about our new small town and village project in Moldova, the first full year of shelter operations in Latvia, and Facebook friends fighting slacktivism. I invoke the words of Max Ehrmann as we celebrate our achievements and plans.

For the kids,

Jay Sorensen
President and Volunteer

KIDS FIRST FUND, INC.
2010 & 2009 INCOME STATEMENT

CONTRIBUTIONS	2010	2009
Cash donations	\$14,396.57	\$8,143.17
Interest from savings account	\$558.92	\$752.71
In-kind items (see note a)	\$136.00	\$0.00
Online Travel Auction for Kids (see note b)	\$27,860.82	\$0.00
Total Contributions	\$42,952.31	\$8,895.88
EXPENDITURES AND DISTRIBUTIONS		
Grants made to support mission	\$27,636.00	\$1,356.91
Salaries, compensation & benefits	\$0.00	\$0.00
Professional fees & fundraising	\$0.00	\$0.00
Other expenses	\$0.00	\$0.00
Total Expenses & Distributions	\$27,636.00	\$1,356.91
Excess Funds	\$15,316.31	\$7,538.97

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

(a) Items were donated that support the mission of the Kids First Fund.

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

KIDS FIRST FUND, INC.
2010 & 2009 BALANCE SHEET

	DEC. 31, 2010	DEC. 31, 2009
ASSETS		
Cash and investments	\$138,194.33	\$122,878.02
Other assets	\$0.00	\$0.00
Total Assets	\$138,194.33	\$122,878.02
LIABILITIES		
Accounts payable	\$0.00	\$0.00
Other liabilities	\$0.00	\$0.00
Total Liabilities	\$0.00	\$0.00
Net Assets & Fund Balance	\$138,194.33	\$122,878.02

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

NUMBERS HELP TELL OUR STORY

The **2010 annual report** represents a continuous commitment to donor disclosure by including the annual financial statements for the Kids First Fund. In addition, filings made with government regulators, such as the US Internal Revenue Service, are available for download at KidsFirstFund.org.

The financial results demonstrate a return to the healthy financial activity associated with an effective non-profit organization: meaningful revenue from fundraising and sizeable program distributions. Total revenue was \$42,952 and represents a significant increase from 2009. Individual cash donations improved and the International Online Travel Auction for Kids returned in full force during the year with a record revenue result. Activities associated with the induction of Arturs Irbe into the San Jose Sports Hall of Fame generated a \$3,880 contribution from the Sharks Foundation. The average cash donation increased to \$287 which represents an increase of 27 percent above 2009.

Two significant cash distributions were made to fund program initiatives in Latvia and Moldova. The board authorized a \$10,000 gap fund to ensure children receive support when circumstances require longer term protection at the Latgale Regional Support Center. The Kids First Fund entered into an agreement with Child Rights Information Center in Moldova for a 3-year project to prevent child abuse in rural areas of the country. The project received an initial \$7,500 grant during 2010. Last year's annual report described the emergency contributions made to support children in Haiti after the earthquake of 2009. The donations of \$5,000 to UNICEF and \$5,000 to Doctors Without Borders were processed during the 2010 fiscal year.

The Kids First Fund continued its tradition of operating on a zero-overhead budget and did not incur expenses related to salaries, fundraising fees, and travel expenses. Results for 2011 will include the anticipated repeat of the International Online Travel Auction for Kids last held April 2010.

Our cash and investments balance at year end was a very healthy \$138,194. The Kids First Fund anticipates it will provide \$15,000 to support a full year of work in Moldova in addition to financial support that may be provided to Latvia. The financial statements were drafted by Bob Bahlman, treasurer of the Kids First Fund.

NOT ENOUGH TIME TO HEAL

The Kids First Fund established a \$10,000 gap fund for the Latgale Regional Support Center during 2010. The Center, also known as the family shelter in Rugaji, receives its primary operating support from a variety of governmental units in Latvia. The operating model created by the Latvia Children's Fund is largely self-sustaining courtesy of fees paid by government units for each child referred to the shelter. Charities, such as the Kids First Fund, are asked to contribute non-operating funds for improvements, equipment, furnishings, and special projects.

Government austerity programs and economic recession places strict limits on the financial support provided for each child's stay. By law, children and mothers may receive in-shelter care for a maximum of 30 to 60 days. The staff of the family shelter was concerned about special cases in which children were returned to at-risk situations purely because funds didn't exist to provide protection beyond the 60-day funding limit.



Jay Sorensen made a visit to the family shelter in Rugaji, Latvia during October 2010. He is pictured with staff, mothers, and children in the recreation room.

For example, Brigita has experienced nothing but pain in her family life. This 14-year-old girl never knew her parents and was adopted by relatives. She was placed into the care of the shelter last summer because she was

sexually abused by her adoptive father. He was arrested for the crime and remains in jail. Family members unfairly blame the girl for the situation; the adoptive mother wants no relationship with Brigita. Even the girl's adult sister refuses to take care of her.

Everywhere Brigita turned she faced ridicule and hatred from those closest to her. The situation was made more tragic because she truly seeks their love—a bond with family is important to her. Brigita made great progress during her stay at the family shelter. She built self-esteem and learned she was not to blame for the rape. Brigita found a place to be safe and loved.

CONTINUED ON PAGE 5

“Nurture strength
of spirit to shield
you in sudden
misfortune.”

—MAX ERHMANN,
DESIDERADA

LATGALE FROM PAGE 4

There have been other similar stories. Ludvigs is an emotionally troubled 13-year-old boy from a small village. Ludvigs was placed in the center during December 2009 after his violent behavior became a problem at school. He has only lived with a grandmother, who provided the basic necessities and was not an effective parent. Ludvigs is without friends his own age and often had fights with older boys in the village.

In the shelter Ludvigs would easily become angry when he wanted something that wasn't immediately given to him. He would hit younger children and not listen to caregiver instructions. He would run outside during the winter without outdoor clothing. Ludvigs would try to hit his caregivers. This troubled boy only received 30 days rehabilitation which was insufficient time to change his behavior and teach him how to develop friendships with other children.

The gap fund was established to provide children, such as Brigita and Ludvigs, more time at the family shelter to make a full recovery. Your support keeps children safe from at-risk environments when government funds can't provide a longer stay at the family shelter.



The structured and non-threatening environment at the family shelter lets kids be kids. A little snow helps too!

FAMILY SHELTER PRODUCES RESULTS

The Latgale Regional Support Center completed its first full year of providing family shelter services to children in the eastern half of Latvia. The shelter provided care during 2010 for 142 children and 31 mothers. This activity represented approximately 6,200 days of care for children and approximately 900 days of care for mothers.

Operations at the shelter were energized by the arrival of Ilze Andza as the new director of the Latgale Regional Support Center. Ms. Andza actively engages the local community with the shelter by soliciting support. Items such as home-grown produce, homemade items, televisions, computers, and even a gold fish aquarium have been donated by area residents and businesses.

The family shelter operates very efficiently using a well-defined plan. Salaries are low throughout Latvia and social work positions in the countryside are no exception. Professional staff members, such as social workers and psychologists, each earn around \$300 per month. Each child is required to receive a minimum of five consultations

Family Shelter—Age of Children	
Up to 2 years	13%
2 to 4 years	17%
5 to 6 years	6%
7 to 12 years	32%
13 to 15 years	20%
16 to 18 years	12%

Family Shelter—Primary Referral Reasons		
	GIRLS	BOYS
Abandoned	31%	30%
Emotional Abuse	45%	52%
Physical Abuse	15%	14%
Sexual Abuse	9%	4%

from a psychologist and five from a social worker each month. Children receive school instruction at the shelter.

The shelter fulfilled its plans to grow the majority of its vegetable needs with a farm plot. Staff members, children, mothers, and volunteers harvested trailer-loads of carrots, potatoes, squash, and cabbage. Cooks are gradually working through the bounty during the winter months.

The earth-friendly theme continues with the method used to heat the shelter. The geothermal system required minor adjustments to yield more

heat during a cold snap. The heat of the earth is extracted through miles of buried plastic tubing to create warmth during the cold Latvian winter.



Green acres yield healthy food and minimize operating costs.

“Speak your truth quietly and clearly and listen to others...”

—MAX ERHMANN, DESIDERADA

PREVENTING ABUSE IN MODOVA’S VILLAGES

Teachers in villages and towns in Moldova are learning about child abuse caused by parents, children, and even teachers. The program is administered by the Child Rights Information Center (CRIC) under a 3-year grant with the Kids First Fund. The grant pays \$15,000 per 12-month period for a total of \$45,000 during the full grant period.

The project will enhance the prevention of child abuse in rural areas of Moldova by developing the capacities of professionals such as teachers and social workers to identify cases of child abuse, refer and/or report child abuse, and organize positive parenting activities. Each year a minimum of 50 professionals from two regions will be trained to improve their awareness of child abuse prevention and develop their capacity to work with children. In addition, children and parents from 16 communities (at least 3,200 children) will receive information about child abuse and its prevention.



Board members Roger Grigulis (far left) and Jay Sorensen (2nd from left) attend a meeting with teachers to discuss the benefit of training.

Activities occurred during 2010 in three districts outside of the capitol of Chisinau: Calarasi, Cimislia, and Telenesti. The project relies upon a train-the-trainer approach to spread education from a core group of educational

2010 Activities in 3 Districts	
Children Reached	1,320
% Having Parents Working Abroad	35%
Training Seminars for Teachers and Other Professionals	28
Persons Trained at Seminars	368
Meetings for Parents	25
Parents Reached at Meetings	678

professionals in each district to a team of teachers in villages and towns.

During the educational hours and the meetings with parents, the following issues were tackled: 1) forms of violence, 2) emotional

violence as a hidden form of violence, 3) bullying as school-based violence, 4) violence in school and family, 5) causes and consequences of violence, 6) discrimination as a source of violence, 7) physical punishment, 8) managing emotions and communication to prevent violence, and 9) persons and resources where children can get help. It’s amazing what a \$7,500 investment for an initial 6-month program has already provided.

RECORD RESULTS FROM THE TRAVEL AUCTION

The 6th International Online Travel Auction for Kids was a tremendous success and broke all previous records. The auction generated a total contribution of \$27,860 — much more than the \$21,947 raised by the 2008 event. An auction was not held during 2009 due to the challenging environment faced by the travel industry; donor companies demonstrated strong support for the 2010 auction.

The auction is becoming more global each year with the addition of new donor companies outside the USA and Europe. Bidder activity increased worldwide with winning bids coming from Denmark, Malaysia, Australia, the Netherlands, and Germany. Overall, more than 2,300 individual bids were made; in excess of 27,000 visits were made to view listings at the eBay site.

The auction has become a great place for companies outside the US to introduce brands to American consumers. Likewise, US-based donor companies benefit from new exposure to consumers in the Middle East, Asia, and Europe.

AirTran Airways earned the 2010 Auction Platinum Partner Award for the most money raised by a single donor company. The airline tickets and elite status cards donated by the carrier generated \$11,491. *Qatar Airways* earned the 2010 Auction Worldwide Partner Award for the \$3,206 raised from its donation of airline tickets. This is a new award given for the most money raised by a donor company based outside the US.



Social media played a part in this year's event. AirAsia discovered the auction event provides the perfect Facebook and Twitter platform. Travel companies donate items to charity events all the time. But this event is unique because it is “international” and “online” which allows anyone in the world to participate. Linking the event to social media activities allows donor companies to promote a brand as socially aware, caring, and globally oriented. Plus it provides an engaging call-to-action for e-communities.

Visit the website to participate in the 2011 travel auction: KidsFirstAuction.com



“As easy as this,
Roland chose the
Kids First Fund as his
charity of choice...”

FACEBOOK FRIENDS FIGHT SLACKTIVISM

Online donations arrived rapidly within a few days of each other from Canada, the USA and Australia. Something was obviously driving this mini-surge of activity... but what? A perplexed Jay Sorensen did some sleuthing and finally called one of the donors using the old technology of the telephone. Roland Cilliers, of Toronto, quickly solved the dilemma and admitted he was the culprit.

This is the story told by Roland. Every year Facebook users highlight a social cause by replacing profile pictures with cartoon images. This year the cause was child abuse prevention; some Facebook users wanted to do more than merely change pixels. Roland raised the call to end slacktivism, which is a wonderfully linguistic phrase that combines the slothful behavior of slackers with the positive results of social activism.

He googled “child abuse” and viewed the link to the Kids First Fund website. As easy as this, Roland chose the Kids First Fund as his charity of choice and issued the challenge you can view in the image from his Facebook page. Fortunately for children in Latvia and Moldova, his friends rose to the challenge and the donations started rolling in. Based upon this experience, the Kids First Fund choose to rely upon the combination of Facebook and Google to promote the International Online Travel Auction for Kids during 2011. Visit Kids First Fund at Facebook to learn more.

Thank you Roland for helping to end slacktivism.



BOARD MEMBERS HONORED

Arturs Irbe was inducted into the San Jose Sports Hall of Fame on November 16, 2010. Joining him as inductees at the event were Bruce Jenner (Olympian), Keri Sanchez (women's soccer pioneer), Dave and Mark Schultz (wrestling legends). Arturs was a member of the team's initial roster when it became an expansion franchise of the National Hockey League in 1991.

Arturs involved the Kids First Fund in his induction event by hosting a book signing of "Feeding Frenzy: The Wild New World of the San Jose Sharks" which described the team's early years. Friend and former personal equipment manager Stephen Swenson donated 270 copies of the book which

generated \$3,880 for the Kids First Fund. The Kids First Fund is mighty proud of its association with Arturs and congratulates him on his honor. The following words are from his plaque at the San Jose Sports Hall of Fame:

"A member of San Jose's inaugural NHL team, Arturs Irbe set the standard for being a Sharks player, on-and-off the ice. In 1993-94, he led San Jose to the biggest turnaround in NHL history as they made the playoffs with 82 points—a 52 point increase from the previous year. That season, Irbe won 30 games and played a then-record 4,412 minutes. He became the first Sharks goalie to be selected to play in the NHL All-Star Game. In the 1994 playoffs, Irbe led the Sharks to an impressive first round upset of top-seeded Detroit. Irbe was one of the most popular players during the Sharks first decade, in large part due to his community work and selflessness. Irbe, who said he had to be 'Like Wall' during that memorable 1993-94 season, is the first ice hockey player to be inducted. Arturs Irbe was inducted into the San Jose Sports Hall of Fame in 2010."



Game time billboards announced the Arturs Irbe book signing.



CONTINUED ON PAGE 10

BOARD MEMBERS HONORED FROM PAGE 9

Just one day after Arturs Irbe was inducted in San Jose, Jay Sorensen received an honor from the Republic of Latvia. President Valdis Zatlers awarded Jay with the Cross of Recognition in a ceremony on November 17, 2010. The evening event occurred at Riga Castle which is the official residence of the President of Latvia. Board members Irma Kalnina and Roger Grigulis joined Jay at the ceremony.



Jay Sorensen (left) receives the Cross of Recognition from President Zatlers.

The Cross of Recognition (Croix de la reconnaissance) was established in Latvia in 1710, reinstated in 1938 and again in 2004. The motto for the Cross of Recognition is “Pour les honnêtes gens” (For Honest People). The medal is given to Latvians who have demonstrated outstanding love

of fatherland and to foreigners who have helped Latvia and its people as leaders of international organizations, heads of state, and foreign ambassadors. Jay received the 5th class of the award which is called the Cross of Chevalier (Knight) as recognition for the work he has done on behalf of Latvia’s children since 1999. The Kids First Fund congratulates Jay on his decade of service to Latvia and its children.

“Enjoy your achievements as well as your plans.”

—MAX ERHMANN,
DESIDERADA

YOUR BOARD OF DIRECTORS

Bob Bahlman, Treasurer (Neenah, Wisconsin)

Stuart Benzal, Director (Chicago, Illinois)

Nicolae Besliu, Director (Chisinau, Moldova)

Rogers Grigulis, Director (Riga, Latvia)

Jason Handal, Vice President (Mequon, Wisconsin)

Arturs Irbe, Director (Washington, DC)

Irma Kalnina, Director (Riga, Latvia)

Gabriel Mumjiev, Director (Chisinau, Moldova)

Jeff Patrias, Director (Eagan, Minnesota)

Sharon Polk, Director (Lenexa, Kansas)

Jay Sorensen, President (Shorewood, Wisconsin)

United Nations Representatives

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

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



About the Kids First Fund

The Kids First Fund helps abused and abandoned children.

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

SPECIAL THANKS

This annual report is courtesy of the services contributed by Amy Thomas, who operates field|works, a graphic design firm in Shorewood, Wisconsin.

Hosting and updating of the KidsFirstFund.org website is donated by Matthew Frederick, who operates DigitalPerceptions.com, an interactive web media development firm in Milwaukee, Wisconsin.

SWISS International Air Lines and airBaltic generously donate travel for board member trips to Latvia and Moldova. Parking is provided by the **Hilton Garden Inn Chicago O'Hare Airport**. All official trips rely on corporate donations and are otherwise self-funded by board members.

Oleg Yusufov of Shorewood, Wisconsin keeps a wonderful tradition of allowing customers in his tailor shop to contribute change to the Kids First Fund. During 2010 his customers placed \$41.96 into the donation jar on his shop counter.

LEARN MORE AND DONATE ONLINE

KidsFirstFund.org

Write to us at:

The Kids First Fund
1916 E. Kensington Blvd.
Shorewood, WI 53211, USA

Telephone:

414/961-1939



Desiderata

“Things to be Desired”

BY MAX EHRMANN (1872-1945)

Go placidly amid the noise and the haste,
and remember what peace there may be in silence.

As far as possible, without surrender,
be on good terms with all persons.
Speak your truth quietly and clearly;
and listen to others,
even to the dull and the ignorant;
they too have their story.
Avoid loud and aggressive persons;
they are vexatious to the spirit.

If you compare yourself with others,
you may become vain or bitter,
for always there will be greater and lesser persons than yourself.
Enjoy your achievements as well as your plans.
Keep interested in your own career, however humble;
it is a real possession in the changing fortunes of time.

Exercise caution in your business affairs,
for the world is full of trickery.
But let this not blind you to what virtue there is;
many persons strive for high ideals,
and everywhere life is full of heroism.
Be yourself. Especially do not feign affection.
Neither be cynical about love,
for in the face of all aridity and disenchantment,
it is as perennial as the grass.

Take kindly the counsel of the years,
gracefully surrendering the things of youth.
Nurture strength of spirit to shield you in sudden misfortune.
But do not distress yourself with dark imaginings.
Many fears are born of fatigue and loneliness.

Beyond a wholesome discipline,
be gentle with yourself.
You are a child of the universe
no less than the trees and the stars;
you have a right to be here.
And whether or not it is clear to you,
no doubt the universe is unfolding as it should.

Therefore be at peace with God,
whatever you conceive Him to be.
And whatever your labors and aspirations,
in the noisy confusion of life,
keep peace in your soul.

With all its sham, drudgery, and broken dreams,
it is still a beautiful world.
Be cheerful. Strive to be happy.