

Form **990**Department of the Treasury  
Internal Revenue Service**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)

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

OMB No 1545-0047

**2006**Open to Public  
Inspection**A For the 2006 calendar year, or tax year beginning****and ending****B** Check if  
applicable

- ☒ Address  
change
- ☐ Name  
change
- ☐ Initial  
return
- ☐ Final  
return  
Amended  
return
- ☐ Application  
pending

Please  
use IRS  
label or  
print or  
type  
See  
Specific  
Instructions**C Name of organization****MANDALA ADOPTION SERVICES**

Number and street (or P.O. box if mail is not delivered to street address)

**1812 BECKETTS RIDGE DRIVE**

City or town, state or country, and ZIP + 4

**HILLSBOROUGH, NC 27278****D Employer identification number****56-1838343****E Telephone number****919-732-4321****F Accounting method**☐ Cash☒ Accrual☐ 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).**Website: WWW.MANDALAADOPTION.ORG****Organization type** (check only one) ☒ 501(c) ( 3 ) (insert no ) ☐ 4947(a)(1) or ☐ 527Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross  
receipts are normally not more than \$25,000. A return is not required, but if the organization  
chooses to file a return, be sure to file a complete return.**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 ▶ **N/A****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 or-  
ganization covered by a group ruling? ☐ Yes ☒ No**I** Group Exemption Number ▶ **N/A****M** Check ☒ if the organization is not required to attach  
Sch. B (Form 990, 990-EZ, or 990-PF).

Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶

**2047160.****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>	Contributions to donor advised funds	<b>1a</b>			
	<b>b</b>	Direct public support (not included on line 1a)	<b>1b</b>		<b>1275.</b>	
	<b>c</b>	Indirect public support (not included on line 1a)	<b>1c</b>			
	<b>d</b>	Government contributions (grants) (not included on line 1a)	<b>1d</b>			
	<b>e</b>	Total (add lines 1a through 1d) (cash \$ <b>1275.</b> noncash \$ )	<b>1e</b>		<b>1275.</b>	
	<b>2</b>	Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		<b>2045632.</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>253.</b>	
	<b>5</b>	Dividends and interest from securities	<b>5</b>			
	<b>6a</b>	Gross rents	<b>6a</b>			
	<b>6b</b>	Less: rental expenses	<b>6b</b>			
<b>6c</b>	Net rental income or (loss). Subtract line 6b from line 6a	<b>6c</b>				
<b>7</b>	Other investment income (describe <b>▶ 2007</b> )	<b>7</b>				
<b>Expenses</b>	<b>8a</b>	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	<b>8b</b>	Less: cost or other basis and sales expenses	<b>8a</b>			
	<b>8c</b>	Gain or (loss) (attach schedule)	<b>8b</b>		<b>769.</b>	
	<b>8d</b>	Net gain or (loss). Combine line 8c, columns (A) and (B)	<b>8c</b>		<b>-769.</b>	
	<b>9</b>	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	<b>STMT 1</b>			
	<b>9a</b>	Gross revenue (not including \$ of contributions reported on line 1b)	<b>9a</b>			
	<b>9b</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>10a</b>	Gross sales of inventory, less returns and allowances	<b>10a</b>			
	<b>10b</b>	Less: cost of goods sold	<b>10b</b>			
	<b>10c</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>	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	<b>12</b>		<b>2046391.</b>		
<b>Net Assets</b>	<b>13</b>	Program services (from line 44, column (B))	<b>13</b>		<b>1904250.</b>	
	<b>14</b>	Management and general (from line 44, column (C))	<b>14</b>		<b>124649.</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>	Total expenses. Add lines 16 and 44, column (A)	<b>17</b>		<b>2028899.</b>	
<b>18</b>	Excess or (deficit) for the year. Subtract line 17 from line 12	<b>18</b>		<b>17492.</b>		
<b>19</b>	Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		<b>-32.</b>		
<b>20</b>	Other changes in net assets or fund balances (attach explanation)	<b>20</b>		<b>0.</b>		
<b>21</b>	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	<b>21</b>		<b>17460.</b>		

832001  
01-18-07

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

Form 990 (2006)

**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
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> <b>22a</b>				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> <b>22b</b>				
<b>23</b> Specific assistance to individuals (attach schedule) <b>23</b>				
<b>24</b> Benefits paid to or for members (attach schedule) <b>24</b>				
<b>25a</b> Compensation of current officers, directors, key employees, etc. listed in Part V-A <b>25a</b>	157227.	117920.	39307.	0.
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B <b>25b</b>	0.	0.	0.	0.
<b>c</b> Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) <b>25c</b>				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c <b>26</b>	134516.	100887.	33629.	
<b>27</b> Pension plan contributions not included on lines 25a, b, and c <b>27</b>				
<b>28</b> Employee benefits not included on lines 25a - 27 <b>28</b>	25355.	19016.	6339.	
<b>29</b> Payroll taxes <b>29</b>	23245.	17434.	5811.	
<b>30</b> Professional fundraising fees <b>30</b>				
<b>31</b> Accounting fees <b>31</b>	2751.	2063.	688.	
<b>32</b> Legal fees <b>32</b>				
<b>33</b> Supplies <b>33</b>				
<b>34</b> Telephone <b>34</b>	10224.	7668.	2556.	
<b>35</b> Postage and shipping <b>35</b>	19104.	14328.	4776.	
<b>36</b> Occupancy <b>36</b>	26319.	19739.	6580.	
<b>37</b> Equipment rental and maintenance <b>37</b>				
<b>38</b> Printing and publications <b>38</b>	7640.	5730.	1910.	
<b>39</b> Travel <b>39</b>	60039.	55320.	4719.	
<b>40</b> Conferences, conventions, and meetings <b>40</b>				
<b>41</b> Interest <b>41</b>	5576.	4182.	1394.	
<b>42</b> Depreciation, depletion, etc. (attach schedule) <b>42</b>	8129.	6097.	2032.	
<b>43</b> Other expenses not covered above (itemize)				
a <b>43a</b>				
b <b>43b</b>				
c <b>43c</b>				
d <b>43d</b>				
e <b>43e</b>				
f <b>43f</b>				
g <b>SEE STATEMENT 2</b> <b>43g</b>	1548774.	1533866.	14908.	
<b>44</b> Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) <b>44</b>	2028899.	1904250.	124649.	0.

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

**Part III** Statement of Program Service Accomplishments (See the instructions.)

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.

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 PROVIDE ADOPTION SERVICES TO FAMILIES ADOPTING CHILDREN DOMESTICALLY AND INTERNATIONALLY. SERVICES INCLUDE CHILD PLACEMENT, COUNSELING, EDUCATION, AND PRE-PLACEMENT ASSESSMENTS.**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ► ☐

**1904250.**

**b**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ► ☐

**c**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ► ☐

**d**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ► ☐

**e Other program services (attach schedule)**

(Grants and allocations \$ ) If this amount includes foreign grants, check here ► ☐

**f Total of Program Service Expenses (should equal line 44, column (B), Program services)**

**1904250.**

Form 990 (2006)

**Part IV Balance Sheets** (See the instructions.)**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
<b>Assets</b>	45 Cash - non-interest-bearing	3946.	45 29637.
	46 Savings and temporary cash investments	10804.	46 70062.
	47 a Accounts receivable	47a 62771.	
	b Less: allowance for doubtful accounts	47b	47c 62771.
	48 a Pledges receivable	48a	48c
	b Less: allowance for doubtful accounts	48b	
	49 Grants receivable		49
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53 8432.
	54 a Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a
	b Investments - other securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
	56 Investments - other		56
57 a Land, buildings, and equipment: basis	57a 93796.		
b Less: accumulated depreciation <b>STMT 4</b>	57b 17556.	57c 76240.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> )	5000.	58	
59 <b>Total assets</b> (must equal line 74). Add lines 45 through 58	51583.	59 247142.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	36099.	60 42672.
	61 Grants payable		61
	62 Deferred revenue	2583.	62 139200.
	63 Loans from officers, directors, trustees, and key employees <b>STMT 5</b>		63 41887.
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable		64b
	65 Other liabilities (describe <input type="checkbox"/> <b>SEE STATEMENT 6</b> )	12933.	65 5923.
	66 <b>Total liabilities.</b> Add lines 60 through 65	51615.	66 229682.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>		
	67 Unrestricted	-32.	67 17460.
	68 Temporarily restricted		68
	69 Permanently restricted		69
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>		
	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. (Column (A) must equal line 19 and column (B) must equal line 21)	-32.	73 17460.
	74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	51583.	74 247142.

Form 990 (2006)





Part VI Other Information (continued)		Yes	No
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?	82a	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?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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	85b	N/A
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?	85g	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?	85h	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 a	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? If "Yes," complete Part IX	88a	X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b	X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
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? If "Yes," attach a statement explaining each transaction	89b	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.
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	N/A
90 a	List the states with which a copy of this return is filed	90b	NONE
b	Number of employees employed in the pay period that includes March 12, 2006	90b	7
91 a	The books are in care of LEAH PRIBAC Telephone no. 919-732-4321 Located at 1812 BECKETTS RIDGE DRIVE, HILLSBOROUGH, NC ZIP + 4 27278		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country	91b	N/A
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			

**Part VI Other Information** (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91c

X

If "Yes," enter the name of the foreign country **N/A**

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 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	
93 Program service revenue:					
a <b>ADOPTION PROGRAM INCOME</b>					1278077.
b <b>PLACEMENT FEES</b>					549300.
c <b>HOME STUDY FEES</b>					200700.
d <b>COUNTRY REPORT FEES</b>					8800.
e <b>MISC ADOPTION SERVICES</b>					8755.
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	253.	
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	-769.	
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.		-516.	2045632.
105 Total (add line 104, columns (B), (D), and (E))					2045116.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See 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).
▼	SEE STATEMENT 8

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See 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 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)



**Part XI** Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
-----	----

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
<b>Totals</b>				

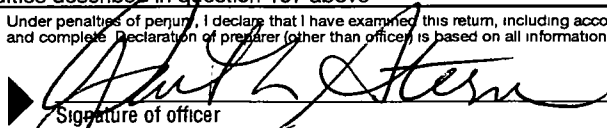

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
-----	----

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
<b>Totals</b>				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
-----	----

Please Sign Here	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.			
	 Signature of officer		Date <u>11/15/07</u>	
Paid Preparer's Use Only	 LIDA L. COLEMAN Type or print name and title			
	Preparer's Signature	Date <u>11/14/07</u>	Check if self- employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X) <u>P00173245</u>
	Firm's name (or yours if self-employed), address, and ZIP + 4 <u>COLEMAN HUNTOON CHARAMUT &amp; BROWN, PLLC</u> <u>P.O. BOX 4320</u> <u>CHAPEL HILL, NC 27515-4320</u>		EIN <u>56-1422914</u> Phone no <u>(919) 968-4911</u>	

Form 990 (2006)

**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 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

**2006**

Name of the organization

**MANDALA ADOPTION SERVICES**

Employer identification number

**56 1838343**

**Part I**

**Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 2 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-A**

**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 II-B**

**Compensation of the Five Highest Paid Independent Contractors for Other Services**

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶	0	

**Part III Statements About Activities** (See page 2 of the instructions.)**Yes No**

<b>1</b> 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		<b>X</b>
<b>2</b> 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.)			
<b>a</b> Sale, exchange, or leasing of property?	2a	<b>X</b>	
<b>b</b> Lending of money or other extension of credit?	2b	<b>X</b>	
<b>c</b> Furnishing of goods, services, or facilities?	2c		<b>X</b>
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	<b>X</b>	
<b>e</b> Transfer of any part of its income or assets?	2e		<b>X</b>
<b>3 a</b> Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)	3a		<b>X</b>
<b>b</b> Did the organization have a section 403(b) annuity plan for its employees?	3b		<b>X</b>
<b>c</b> Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c		<b>X</b>
<b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d		<b>X</b>
<b>4 a</b> Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a		<b>X</b>
<b>b</b> Did the organization make any taxable distributions under section 4966?	4b	N/A	
<b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A	
<b>d</b> Enter the total number of donor advised funds owned at the end of the tax year		N/A	
<b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		N/A	
<b>f</b> Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts			0.
<b>g</b> Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year			0.

Schedule A (Form 990 or 990-EZ) 2006

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
- ☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
<b>Total</b> ►					

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Schedule A (Form 990 or 990-EZ) 2006

**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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
<b>15</b> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2528.	7433.	470.	2485.	12916.
<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	1763451.	1445826.	814691.	730474.	4754442.
<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	141.	41.			182.
<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	1766120.	1453300.	815161.	732959.	4767540.
<b>24</b> Line 23 minus line 17	2669.	7474.	470.	2485.	13098.
<b>25</b> Enter 1% of line 23	17661.	14533.	8152.	7330.	
<b>26</b> Organizations described on lines 10 or 11: <b>a</b> Enter 2% of amount in column (e), line 24					26a N/A
<b>b</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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e)					26c N/A
<b>d</b> Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
<b>e</b> Public support (line 26c minus line 26d total)					26e N/A
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
<b>27</b> Organizations described on line 12: <b>a</b> 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: (2005) 0. (2004) 0. (2003) 0. (2002) 0.					
<b>b</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 11b, 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: (2005) 0. (2004) 0. (2003) 0. (2002) 0.					
<b>c</b> Add: Amounts from column (e) for lines: 15 12916. 16 _____ 17 4754442. 20 _____ 21 _____					27c 4767358.
<b>d</b> Add: Line 27a total 0. and line 27b total 0.					27d 0.
<b>e</b> Public support (line 27c total minus line 27d total)					27e 4767358.
<b>f</b> Total support for section 509(a)(2) test: Enter amount on line 23, column (e)				27f 4767540.	
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.9962%
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .0038%
<b>28</b> Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 of the instructions.)**N/A****(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	Yes	No
<b>29</b> 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?		
<b>30</b> 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?		
<b>31</b> 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/>		
<b>32</b> Does the organization maintain the following:		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?		
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
<b>d</b> 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.)		
<hr/>		
<hr/>		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges?		
<b>b</b> Admissions policies?		
<b>c</b> Employment of faculty or administrative staff?		
<b>d</b> Scholarships or other financial assistance?		
<b>e</b> Educational policies?		
<b>f</b> Use of facilities?		
<b>g</b> Athletic programs?		
<b>h</b> Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/>		
<hr/>		
<hr/>		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency?		
<b>b</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.		
<b>35</b> 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		

Schedule A (Form 990 or 990-EZ) 2006

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 10 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
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>N/A</b>	
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)		
<b>39</b> Other exempt purpose expenditures		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table - If the amount on line 40 is - Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000 The lobbying nontaxable amount is - 20% of the amount on line 40 \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38		

**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 13 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				<b>N/A</b>
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
<b>45</b> Lobbying nontaxable amount					<b>0.</b>
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					<b>0.</b>
<b>47</b> Total lobbying expenditures					<b>0.</b>
<b>48</b> Grassroots nontaxable amount					<b>0.</b>
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					<b>0.</b>
<b>50</b> Grassroots lobbying expenditures					<b>0.</b>

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

(For reporting only by organizations that did not complete Part VI-A) (See page 13 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:

- 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.)

Yes	No	Amount
		<b>0.</b>

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

**51** Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- |        | Yes | No |
|--------|-----|----|
| 51a(i) |     | X  |
| a(ii)  |     | X  |
| b(i)   |     | X  |
| b(ii)  |     | X  |
| b(iii) |     | X  |
| b(iv)  |     | X  |
| b(v)   |     | X  |
| b(vi)  |     | X  |
| c      |     | X  |

N/A

[illegible]

► ☐ Yes ☒ No

N/A

[illegible]



FORM 990	GAIN (LOSS) FROM SALE OF OTHER ASSETS			STATEMENT	1
DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
DISPOSAL OF FIXED ASSETS	VARIOUS	12/31/07	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	2098.	0.	1329.	-769.
TO FM 990, PART I, LN 8		2098.	0.	1329.	-769.

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
PROGRAM ADOPTION EXPENSES	1297690.	1297690.			
CONTRACT WORKERS COUNTRY & DOCUMENT FEES	113075.	113075.			
ADVERTISING	13615.	13615.			
REPAIRS & MAINTENANCE	15209.	15209.			
OFFICE & COMPUTER EXPENSES	6951.	5213.	1738.		
DUES & MEMBERSHIPS	24767.	18575.	6192.		
INSURANCE	4401.	3301.	1100.		
BANK CHARGES	6223.	4667.	1556.		
MISCELLANEOUS	12471.	9353.	3118.		
FAMILY EDUCATION EXPENES	4815.	3611.	1204.		
DONATIONS	10694.	10694.			
TOTAL TO FM 990, LN 43	38863.	38863.			
	1548774.	1533866.	14908.		

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

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TO PROVIDE FULL ADOPTION SERVICES TO FAMILIES DOMESTICALLY AND  
INTERNATIONALLY

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FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	4
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER EQUIPMENT	18406.	10353.	8053.
OFFICE FURNISHINGS AND EQUIPMENT	28503.	5640.	22863.
LEASEHOLD IMPROVEMENTS	46887.	1563.	45324.
TOTAL TO FORM 990, PART IV, LN 57	93796.	17556.	76240.

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FORM 990      LOANS PAYABLE TO OFFICER'S, DIRECTOR'S, ETC.      STATEMENT      5

LENDER'S NAME AND TITLE	ORIGINAL LOAN AMOUNT
GAIL STERN, EXECUTIVE DIRECTOR	46887.

DATE OF NOTE	MATURITY DATE	TERMS OF REPAYMENT	INTEREST RATE
08/01/06	12/15/07	DUE 12/31/07	5.13%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
IMPROVEMENTS TO OFFICE SPACE	UPFIT FOR NEW OFFICE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	46887.	41887.
TOTAL TO FORM 990, PART IV, LINE 63, COLUMN B		41887.

FORM 990      OTHER LIABILITIES      STATEMENT      6

DESCRIPTION	AMOUNT
ACCRUED PAYROLL	1259.
ACCRUED VACATION	3763.
ACCRUED INTEREST PAYABLE	901.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	5923.

FORM 990      PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS,      STATEMENT 7  
 TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
GAIL STERN 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	EXECUTIVE DIRECTOR 40.00	105417.	20238.	11549.
LEAH PRIBAC 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	OPERATION DIRECTOR 40.00	51810.	0.	0.
BERIL ULKU-STEINER 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	PRESIDENT 0.25	0.	0.	0.
JULIE BAILEY 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	DIRECTOR 0.25	0.	0.	0.
LENISE CLIFTON 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	DIRECTOR 0.25	0.	0.	0.
JIM KENDRICK 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	DIRECTOR 0.25	0.	0.	0.
ALICE MANILOFF 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	DIRECTOR 0.25	0.	0.	0.
JOHN POTEAT 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	DIRECTOR 0.25	0.	0.	0.
JULIA VINING 1812 BECKETTS RIDGE DRIVE HILLSBOROUGH, NC 27278	COUNSEL 0.25	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		157227.	20238.	11549.

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FORM 990	PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES	STATEMENT 8
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LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	TO PROVIDE FULL ADOPTION SERVICES FOR FAMILIES ADOPTED DOMESTICALLY AND INTERNATIONALLY.
93B	SAME PROGRAM AS FOR LINE 93A
93C	SAME PROGRAM AS FOR LINE 93A
93D	SAME PROGRAM AS FOR LINE 93A
93E	SAME PROGRAM AS FOR LINE 93A
100	DISPOSAL OF FIXED ASSETS THAT SUPPORTED THE ADOPTION SERVICES PROVIDED BY THE ORGANIZATION.

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SCHEDULE A	EXPLANATION OF TRANSACTIONS	STATEMENT	9
	PART III, LINE 2A		

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THE ORGANIZATION RENTS OFFICE SPACE FROM ITS EXECUTIVE DIRECTOR AND  
PAID \$24,025 IN 2006 FOR THE USAGE.

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SCHEDULE A	EXPLANATION OF TRANSACTIONS	STATEMENT	10
	PART III, LINE 2B		

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THE ORGANIZATION OWES THE EXECUTIVE DIRECTOR \$41,887 FOR UPFIT COSTS  
ON THE OFFICE.

SCHEDULE A	EXPLANATION OF TRANSACTIONS PART III, LINE 2D	STATEMENT 11
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SEE PART V-A, FORM 990



Form **8868**  
(Rev. December 2006)Department of the Treasury  
Internal Revenue Service**Application for Extension of Time To File an  
Exempt Organization Return**

► File a separate application for each return.

OMB No. 1545-1709

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

**Part I Automatic 3-Month Extension of Time.** Only submit original (no copies needed).Section 501(c)(3) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

**Electronic Filing (e-file).** Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile) and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization	Employer identification number
	<b>MANDALA ADOPTION SERVICES</b>	<b>56-1838343</b>
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1812 BECKETTS RIDGE DRIVE</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>HILLSBOROUGH, NC 27278</b>	

Check type of return to be filed (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- The books are in the care of ►
- LEAH PRIBAC**

Telephone No. ► **919-732-4321**

FAX No. ►

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until **AUGUST 15, 2007**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ► ☒ calendar year **2006** or  
 ► ☐ tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form 8868 (Rev. 12-2006)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time.** You must file original and one copy.

<b>Type or print</b>	Name of Exempt Organization <b>MANDALA ADOPTION SERVICES</b>	Employer identification number <b>56 : 1838343</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>1812 BECKETTS RIDGE DRIVE</b>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>HILLSBOROUGH, NC 27278</b>	

**Check type of return to be filed** (File a separate application for each return):

- |  |   |                                      |                                    |
|--|---|--------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-PF                              | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 4720   | <input type="checkbox"/> Form 8870 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 5227   |                                    |

**STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- The books are in the care of **LEAH PRIBACH**  
Telephone No. **( 919 ) 732-4321** FAX No. **( )**
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) . . . . . If this is for the whole group, check this box ☐ . If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **NOVEMBER 15**, 20**07**.
- 5 For calendar year **2006**, or other tax year beginning . . . , 20 . . . , and ending . . . , 20 . . .
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension **CURRENT ACCOUNTANT IS WAITING FOR DOCUMENTATION FROM PREVIOUS ACCOUNTANT WHICH IS NEEDED TO COMPLETE THE AUDIT OF THE FINANCIAL STATEMENTS**

<b>8a</b> If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	<b>8a</b> \$
<b>b</b> If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	<b>8b</b> \$
<b>c Balance Due.</b> Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	<b>8c</b> \$ <b>0</b>

**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature **Leah L. Coleman** Title **CPA** Date **8/15/07**

**Notice to Applicant. (To Be Completed by the IRS)**

- ☐ We **have** approved this application. Please attach this form to the organization's return
- ☐ We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested.
- ☐ Other . . . . .

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address.** Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

<b>Type or print</b>	Name <b>COLEMAN HUNTOON CHARAMUT &amp; BROWN, PLLC</b>
	Number and street (include suite, room, or apt. no.) or a P.O. box number <b>PO BOX 4320</b>
	City or town, province or state, and country (including postal or ZIP code) <b>CHPAEL HILL, NC 27515</b>