

Return of Organization Exempt From Income Tax

1997 This Form is Open to Public Inspection

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

Department of the Treasury Internal Revenue Service

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

A For the 1997 calendar year, OR tax year period beginning 11-1, 1997, and ending 10-31, 1998

B Check if: Change of address Initial return Final return Amended return (required also for State reporting) C Name of organization: Small World Adoption Foundation. D Employer identification number: 43-11631133. E State registration number. F Check if exemption application is pending.

G Type of organization: Exempt under section 501(c) () (insert number) OR section 4947(a)(1) nonexempt charitable trust

H (a) Is this a group return filed for affiliates? Yes No (b) If "Yes," enter the number of affiliates for which this return is filed: (c) Is this a separate return filed by an organization covered by a group ruling? Yes No J Accounting method: Cash Accrual Other (specify)

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 11.)

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sale of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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. (See Specific Instructions on page 15.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
(cash _____ noncash _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 19,100	4,900	14,200	
26 Other salaries and wages	26 194,008	63,928	123,087	6,993
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29 11,789	4,079	7,295	415
30 Professional fundraising fees	30			
31 Accounting fees ^{Legal Fees}	31 6,960		6,960	
32 Legal fees	32			
33 Supplies	33			
34 Telephone	34 37,489	37,489		
35 Postage and shipping	35			
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38			
39 Travel	39 187,733	187,733		
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule) ^{Schedule 2}	42 12,621	10,930	1,691	
43 Other expenses (itemize): a	43a			
b See Attached Schedule -1	43b 1,037,101	973,965	63,136	
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44 1,506,801	1,283,024	216,369	7,408

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? 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 Specific Instructions on page 18.)

What is the organization's primary exempt purpose? 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 Foundation acted in the capacity of liason between potential American adoptive parents and the Russian child placement agency.	
(Grants and allocations \$ 0)	1,283,024
b	
(Grants and allocations \$)	
c	
(Grants and allocations \$)	
d	
(Grants and allocations \$)	
e Other program services (attach schedule)	(Grants and allocations \$)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,283,024

Part IV Balance Sheets (See Specific Instructions on page 18.)

		(A)		(B)
		Beginning of year		End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.				
Assets	45 Cash - non-interest-bearing	141,632	45	38,430
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments - securities (attach schedule)		54	
	55a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
56 Investments - other (attach schedule)		56		
57a Land, buildings, and equipment: basis	57a 1192,404			
b Less: accumulated depreciation (attach schedule)	57b 37,727	161,697	57c 154,677	
58 Other assets (describe)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	303,329	59	193,107	
Liabilities	60 Accounts payable and accrued expenses		60	8,390
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe) Payroll Taxes Withheld	6,631	65	22,391
66 Total liabilities (add lines 60 through 65)	6,631	66	36,781	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	296,698	72	156,326
73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	296,698	73	156,326	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	303,329	74	193,107	

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

Part VI Other Information (See Specific Instructions on page 21.)

Yes No

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
	b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	n/a	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
	b If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	None	
	b Did the organization file Form 1120-POL for this year?	81b		X
82a	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 for reporting in Part III.)	82b	n/a	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	n/a	
	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	n/a	
84a	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 in 85f?	85g	n/a	
	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 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	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	88		X
89a	501(c)(3) organizations.-Enter: Amount of tax paid during the year under: section 4911 <input type="text"/> ; section 4912 <input type="text"/> ; section 4955 <input type="text"/>			
	b 501(c)(3) and 501(c)(4) organizations.-Did the organization engage in any section 4958 excess benefit transaction during the 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			
	d Enter: Amount of tax in 89c, above, reimbursed by the organization			
90a	List the states with which a copy of this return is filed		none	
	b Number of employees employed in the pay period that includes March 12, 1997 (See instructions.)	90b		
91	The books are in care of <input type="text"/> Located at <input type="text"/>		Telephone no. <input type="text"/> ZIP + 4 <input type="text"/>	
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		

Part III Statements About Activities

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid, or incurred, in connection with the lobbying activities ▶ \$ <u>N/A</u> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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:		
a Sales, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <u>At fair market value.</u>	X	
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4 Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions on page 2.)		

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

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, page 4.)
- 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)(ii). Enter the hospital's name, city, and state ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions on page 4.)

(a) Name(s) of supported organization(s)	(b) Line number from above

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

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) 1996	(b) 1995	(c) 1994	(d) 1993	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,785	3,739	10,160		15,684
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	11,839,613	11,020,358	1,033,375	2,851,454	41,778,800
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	660	258			324
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	1,841,464	11,024,355	1,043,535	2,851,454	41,794,808
24 Line 23 minus line 17	1,851	3,997	10,160		16,008
25 Enter 1% of line 23	18,415	110,244	10,435	2,855	
26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24	N/A				26a
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1993 through 1996 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____					26d
e Public support (line 26c minus line 26d total)					26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: (1996) 0 (1995) 0 (1994) 0 (1993) 0					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) 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: (1996) 87,575 (1995) 372,122 (1994) 193,315 (1993) 121,979					SCHEDULE 4
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 4,778,800 20 _____ 21 _____					27c 4,794,484
d Add: Line 27a total 0 and line 27b total 774,991					27d 774,991
e Public support (line 27c total minus line 27d total)					27e 4,019,493
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f 4,794,808
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 83.8 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h 0 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1993 through 1996, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.)

Part V Private School Questionnaire (See instructions on page 4.)

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

n/a

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			
34a	Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions on page 6.)

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

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

n/a

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

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

Caution: if there is an amount on either line 43 or line 44, 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 7.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1997	(b) 1996	(c) 1995	(d) 1994	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions on page 7.)

n/a

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (add lines c through h)			

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
(ii) Other assets

Table with 3 columns: Question ID, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

b Other transactions:

- (i) Sales of assets to a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities or equipment
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns

Department of the Treasury Internal Revenue Service

File a separate application for each return.

Name: Small World Adoption Foundation; Employer identification number: 43-1631133; Address: c/o Stone Carlie & Company, LLC, 7710 Carondelet, Suite 200, St. Louis, MO 63105

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trust must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

I request an extension of time until September 15, 1999, to file (check only one):

- Form 706-GS(D) [] Form 990-T (sec. 401(a) or 408(a) trust) [] Form 1120-ND (sec. 4951 taxes) [] Form 8612 []
Form 706-GS(T) [] Form 990-T (trust other than above) [] Form 3520-A [] Form 8613 []
[X] Form 990 or 990-EZ [] Form 1041 (estate) (see instructions) [] Form 4720 [] Form 8725 []
Form 990-BL [] Form 1041-A [] Form 5227 [] Form 8804 []
Form 990-PF [] Form 1042 [] Form 6069 [] Form 8831 []

2a For calendar year November 1, 1997 and ending October 31, 1998
2b If this tax year is for less than 12 months, check reason: [] Initial return [] Final return [] Change in accounting period
3 Has an extension of time to file been previously granted for this tax year? [X] Yes [] No
4 State in detail why you need the extension We are lacking information from an outside source necessary to file a complete and accurate return.

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions \$
5b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$
5c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions \$

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. Stone Carlie & Company, L.C. 7710 Carondelet 43-0642511 Clayton, MO 63105-3391

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS
[] We HAVE approved your application. Please attach this form to your return.
[] We HAVE NOT approved your application. However, we have granted a 10-day grace period...
[] We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
[] We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
[] Other:
By: Director Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Name:
Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address):
City, town or post office, state, and ZIP code. For a foreign address, see instructions.

Application for Extension of Time to File Certain Excise, Income, Information, and Other Returns

Department of the Treasury Internal Revenue Service

File a separate application for each return.

Please type or print. File the original and one copy by the due date for filing your return. See instructions on back.

Name: Small World Adoption Foundation; Employer Identification number: 43-1631133; Address: c/o Stone Carlie & Company, LLC, 7710 Carondelet, Suite 200, St. Louis, MO 63105

Note: Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trust must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

I request an extension of time until June 15, 1999, to file (check only one):

- Form 706-GS(D), Form 706-GS(T), Form 990 or 990-EZ (checked), Form 990-BL, Form 990-PF, Form 990-T (sec. 401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041 (estate) (see instructions), Form 1041-A, Form 1042, Form 1120-ND (sec. 4951 taxes), Form 3520-A, Form 4720, Form 5227, Form 6069, Form 8612, Form 8613, Form 8725, Form 8804, Form 8831

If the organization does not have an office or place of business in the United States, check this box

2a For calendar year November 1, 1997 and ending October 31, 1998; b If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period; 3 Has an extension of time to file been previously granted for this tax year? Yes No (checked); 4 State in detail why you need the extension We are lacking information from an outside source necessary to file a complete and accurate return.

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions; b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit; c Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required.

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.

Stone Carlie & Company, L.C. 7710 Carondelet 43-0642511 Clayton, MO 63105-3331

Signature Title Date

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

Notice to Applicant - To Be Completed by the IRS

- We HAVE approved your application. Please attach this form to your return.
We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your 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 your return.
We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
Other:

Director

By:

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please Type or Print Name, Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address), City, town or post office, state, and ZIP code. For a foreign address, see instructions.

SMALL WORLD ADOPTION FOUNDATION, INC. - ID#43-1631133
 RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
 FORM 990 - YEAR ENDING 10/31/98
 PAGE 2 - PART II - STATEMENT OF FUNCTIONAL EXPENSES

LINE 43 - OTHER EXPENSES

	Total	Program Services	Management and General	Fundraising
Advertising	49,895	49,895		
Auto Expense	41,185		41,185	
Bank Charges	1,010	1,010		
Coordination and facilitation fees	780,066	780,066		
Dues and publications	7,193	7,193		
Insurance	12,059	12,059		
Meals and entertainment	49,333	49,333		
Office and postage	50,187	50,187		
Outside services	14,580	14,580		
Rent	15,533		15,533	
Repairs and maintenance	2,506	1,253	1,253	
Security expenses	700		700	
Taxes and licenses	1,756		1,756	
Translator expenses	8,389	8,389		
Utilities	2,709		2,709	
	1,037,101	973,965	63,136	-

**Small World Adoption
DEPRECIATION EXPENSE REPORT**

PART II, LINE 42

as of 10/31/1998

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Prior Accum Thru Depreciation	Depreciation This Run	Current Year to Date	Curr Accum Depreciation Key
Book: Tax FY: October											
000001	000	01/28/94	37985.00	ADS	R 40 00	0.00	37985.00	11/97 3600.68	0.00	39.57	3640.25 d
000002	000	08/05/94	490.75	ADS	P 10 00	0.00	490.75	10/97 171.78	49.08	49.08	220.86
000003	000	11/01/93	726.75	ADS	P 05 00	0.00	726.75	10/97 508.73	145.35	145.35	654.08
000004	000	06/24/95	10000.00	ADS	R 40 00	0.00	10000.00	10/97 593.76	250.00	250.00	843.76
000005	000	10/03/95	1801.65	ADS	P 12 00	0.00	1801.65	10/97 375.35	150.14	150.14	525.49
000006	000	05/28/95	7909.00	ADS	P 12 00	0.00	7909.00	10/97 1647.70	659.08	659.08	2306.78
000007	000	07/28/95	6624.00	ADS	P 12 00	0.00	6624.00	10/97 1380.00	552.00	552.00	1932.00
000008	000	09/07/95	1997.95	ADS	P 05 00	0.00	1997.95	10/97 998.98	399.59	399.59	1398.57
000010	000	08/01/95	23000.00	ADS	Q 05 00	0.00	23000.00	10/97 11500.00	4600.00	4600.00	16100.00
000011	000	02/28/96	3890.60	ADS	P 05 00	0.00	3890.60	10/97 1167.18	778.12	778.12	1945.30
000012	000	06/02/96	235.00	ADS	P 07 00	0.00	235.00	10/97 50.36	33.57	33.57	83.93
000013	000	08/18/96	605.00	ADS	P 07 00	0.00	605.00	10/97 129.65	86.43	86.43	216.08
000014	000	11/28/95	579.50	ADS	P 12 00	0.00	579.50	10/97 72.44	48.29	48.29	120.73
000015	000	07/17/96	1084.00	ADS	P 05 00	0.00	1084.00	10/97 325.20	216.80	216.80	542.00
000016	000	03/01/96	1595.32	ADS	P 07 00	0.00	1595.32	10/97 341.85	227.90	227.90	569.75
000017	000	03/01/96	1346.50	ADS	P 05 00	0.00	1346.50	10/97 403.95	269.30	269.30	673.25
000018	000	03/01/96	795.00	ADS	P 05 00	0.00	795.00	10/97 238.50	159.00	159.00	397.50
000019	000	03/01/96	326.12	ADS	P 07 00	0.00	326.12	10/97 69.89	46.59	46.59	116.48
000020	000	04/01/96	1577.76	ADS	P 05 00	0.00	1577.76	10/97 473.33	315.55	315.55	788.88
000021	000	04/01/96	423.83	ADS	P 07 00	0.00	423.83	10/97 90.82	60.55	60.55	151.37
000022	000	04/04/96	623.84	ADS	P 05 00	0.00	623.84	10/97 187.15	124.77	124.77	311.92
000023	000	04/23/96	4530.00	ADS	P 15 00	0.00	4530.00	10/97 453.00	302.00	302.00	755.00
000024	000	12/29/95	20000.00	NoDep	R 00 00	0.00	20000.00	10/97 0.00	0.00	0.00	0.00
000025	000	12/29/95	50666.06	ADS	R 39 00	0.00	50666.06	10/97 2435.87	1299.13	1299.13	3735.00
000026	000	07/01/96	570.00	ADS	R 39 00	0.00	570.00	10/97 18.89	14.62	14.62	33.51
000027	000	08/31/96	1552.54	ADS	R 39 00	0.00	1552.54	10/97 48.11	39.81	39.81	87.92
000028	000	10/12/96	1374.77	ADS	R 39 00	0.00	1374.77	10/97 36.72	35.25	35.25	71.97
000029	000	02/05/96	519.95	ADS	P 05 00	0.00	519.95	10/97 155.99	103.99	103.99	259.98
000030	000	02/16/96	4602.50	ADS	P 07 00	0.00	4602.50	10/97 986.25	657.50	657.50	1643.75
000031	000	11/03/96	600.00	ADS	P 07 00	0.00	600.00	10/97 42.86	85.72	85.72	128.58
000032	000	01/20/97	1350.00	ADS	P 05 00	0.00	1350.00	10/97 135.00	270.00	270.00	405.00
000033	000	03/02/97	1059.21	ADS	P 05 00	0.00	1059.21	10/97 105.92	211.84	211.84	317.76
000034	000	09/08/98	191.25	NoDep	R 00 00	0.00	191.25	00/00 0.00	0.00	0.00	0.00
000035	000	09/08/98	860.10	NoDep	P 00 00	0.00	860.10	00/00 0.00	0.00	0.00	0.00
000036	000	10/07/98	35000.00	NoDep	P 00 00	0.00	35000.00	00/00 0.00	0.00	0.00	0.00
000037	000	05/01/98	3895.94	ADS	P 05 00	0.00	3895.94	00/00 0.00	389.59	389.59	389.59
Count=	36										
Grand Total			230389.89			0.00	230389.89	28745.91	12581.56	12621.13	41367.04
Less disposals and transfers			37985.00			0.00	37985.00	3600.68			3640.25
Net			192404.89			0.00	192404.89	25145.23	12581.56	12621.13	37726.79

SMALL WORLD ADOPTION FOUNDATION, INC. - ID# 43-1631133
RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
FORM 990 - YEAR ENDING 10/31/98
PAGE 6 - PART VIII - RELATIONSHIP OF ACTIVITIES TO THE
ACCOMPLISHMENT OF EXEMPT PURPOSES

Line No.

- 93a Application fee is paid by client to process the application and create a file.
- 93b Foreign country fee is paid by client for adoption expenses, which include legal expenses, child care, necessary medical examinations, costs of travel documents, fees necessary paid to foreign facility, and travel and lodging to Russia.
- 93c Translation fee is paid by client to facilitate communication.
- 93d Acceptance fee is paid by client after Small World Foundation has received official word from Russian authorities that the adoption paperwork is ready and the client may travel to adopt their child. The fee includes lodging and meals while in Russia, all Russian legal costs, expenses incurred when the directors from the Russian orphanages travel to the U.S. to meet with adoptive families in order to check on the welfare of the Russian children placed in the US from their orphanages, security staff in both St. Petersburg and Moscow to ensure safety of clients, etc.
- 93e Agency fee is paid by client after client is accepted into the program, which includes social work services, pre-/post-placement consultations on as needed basis, step-by-step help through all paperwork processes, Immigration and Naturalization Service pre-approval, etc.
- 93 Home study and seminar income is paid by client for educational purposes.