

Return of Organization Exempt From Income Tax

2006

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury Internal Revenue Service

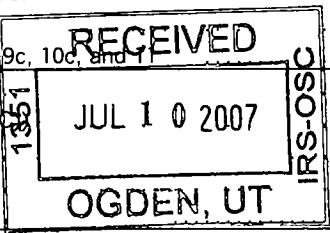
The organization may have to use a copy of this return to satisfy state reporting requirements

Form 990 header section including: A For the 2006 calendar year, or tax year beginning, 2006, and ending; B Check if applicable; C Name of organization: ADOPTIONS INTERNATIONAL INC.; D Employer Identification Number: 23-2283922; E Telephone number: (215) 238-9057; F Accounting method: X Cash; G Web site: www.adoptionsintl.org; J Organization type: X 501(c) 3; K Check here; L Gross receipts: 1,044,599.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Table with 21 rows and 4 columns: Description, (A) Securities, (B) Other, and Total. Includes revenue items like contributions (8,526), program service revenue (1,036,073), and expenses like program services (973,648). Total revenue: 1,044,599; Total expenses: 1,014,719; Net assets at end of year: 61,545.

SCANNED AUG 03 2007



**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

| <i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I</i>   |            | (A) Total  | (B) Program services | (C) Management and general | (D) Fundraising |
|---|------------|------------|----------------------|----------------------------|-----------------|
| <b>22a</b> Grants paid from donor advised funds (attach sch)<br>(cash \$ _____<br>non-cash \$ _____)<br>If this amount includes foreign grants, check here <input type="checkbox"/>               | <b>22a</b> |            |                      |                            |                 |
| <b>22b</b> Other grants and allocations (att sch)<br>(cash \$ _____<br>non-cash \$ _____)<br>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 (attach sch) See L-25a Stmt   | <b>25a</b> | 72,303.    | 57,842.              | 14,461.                    | 0.              |
| <b>b</b> Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)   | <b>25b</b> |            |                      |                            |                 |
| <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) (attach schedule) | <b>25c</b> | 0.         | 0.                   | 0.                         | 0.              |
| <b>26</b> Salaries and wages of employees not included on lines 25a, b, and c   | <b>26</b>  | 73,334.    | 58,667.              | 14,667.                    | 0.              |
| <b>27</b> Pension plan contributions not included on lines 25a, b, and c  | <b>27</b>  | 10,800.    | 8,640.               | 2,160.                     | 0.              |
| <b>28</b> Employee benefits not included on lines 25a - 27  | <b>28</b>  | 10,541.    | 8,433.               | 2,108.                     | 0.              |
| <b>29</b> Payroll taxes   | <b>29</b>  | 10,945.    | 8,756.               | 2,189.                     | 0.              |
| <b>30</b> Professional fundraising fees   | <b>30</b>  |            |                      |                            |                 |
| <b>31</b> Accounting fees   | <b>31</b>  |            |                      |                            |                 |
| <b>32</b> Legal fees  | <b>32</b>  | 2,233.     | 2,233.               | 0.                         | 0.              |
| <b>33</b> Supplies  | <b>33</b>  | 0.         | 0.                   | 0.                         | 0.              |
| <b>34</b> Telephone   | <b>34</b>  | 6,919.     | 6,919.               | 0.                         | 0.              |
| <b>35</b> Postage and shipping  | <b>35</b>  | 7,231.     | 7,231.               | 0.                         | 0.              |
| <b>36</b> Occupancy   | <b>36</b>  |            |                      |                            |                 |
| <b>37</b> Equipment rental and maintenance  | <b>37</b>  | 2,566.     | 2,053.               | 513.                       | 0.              |
| <b>38</b> Printing and publications   | <b>38</b>  |            |                      |                            |                 |
| <b>39</b> Travel  | <b>39</b>  | 9,603.     | 9,603.               | 0.                         | 0.              |
| <b>40</b> Conferences, conventions, and meetings  | <b>40</b>  |            |                      |                            |                 |
| <b>41</b> Interest  | <b>41</b>  |            |                      |                            |                 |
| <b>42</b> Depreciation, depletion, etc (attach schedule)  | <b>42</b>  | 6,358.     | 5,086.               | 1,272.                     | 0.              |
| <b>43</b> Other expenses not covered above (itemize)  |            |            |                      |                            |                 |
| <b>a</b> BANK CHARGES   | <b>43a</b> | 125.       | 100.                 | 25.                        | 0.              |
| <b>b</b> CAR EXPENSES   | <b>43b</b> | 1,442.     | 1,153.               | 289.                       | 0.              |
| <b>c</b> AUTOMOBILE INSURANCE   | <b>43c</b> | 329.       | 263.                 | 66.                        | 0.              |
| <b>d</b> CONSULTANT FEES  | <b>43d</b> | 5,300.     | 5,300.               | 0.                         | 0.              |
| <b>e</b> CONTRIBUTIONS  | <b>43e</b> | 5,943.     | 5,943.               | 0.                         | 0.              |
| <b>f</b> COUNTRY FEES   | <b>43f</b> | 756,219.   | 756,219.             | 0.                         | 0.              |
| <b>g</b> See Other Expenses Stmt  | <b>43g</b> | 32,528.    | 29,207.              | 3,321.                     | 0.              |
| <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>  | 1,014,719. | 973,648.             | 41,071.                    | 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 \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_, (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

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? <b>ADOPTION AGENCY</b><br>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<br>(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.) |
|---|--|
| <b>a</b> SEE ATTACHED<br>-----<br>-----<br>-----<br>-----<br>-----<br>(Grants and allocations \$ 0 . ) If this amount includes foreign grants, check here <input type="checkbox"/>  | 973,648.   |
| <b>b</b><br>-----<br>-----<br>-----<br>-----<br>-----<br>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>   |  |
| <b>c</b><br>-----<br>-----<br>-----<br>-----<br>-----<br>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>   |  |
| <b>d</b><br>-----<br>-----<br>-----<br>-----<br>-----<br>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>   |  |
| <b>e</b> Other program services<br>(Grants and allocations \$ ) If this amount includes foreign grants, check here <input type="checkbox"/>   |  |
| <b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)   | 973,648.   |

BAA 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)<br>Beginning of year                                     |             | (B)<br>End of year |
|---|--|--|-------------|--------------------|
| ASSETS  | 45 Cash – non-interest-bearing   | 26,010.  | 45          | 46,493.            |
|   | 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          |                    |
|   | 50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)   |  | 50a         |                    |
|   | b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) |  | 50b         |                    |
|   | 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          |                    |
|   | 54a Investments – publicly-traded securities   | ▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV | 54a         |                    |
|   | b Investments – other securities (attach sch)  | ▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV | 54b         |                    |
|   | 55a Investments – land, buildings, & equipment. basis.   | 55a  |             |                    |
|   | b Less: accumulated depreciation (attach schedule)   | 55b  | 55c         |                    |
|   | 56 Investments – other (attach schedule)   |  | 56          |                    |
|   | 57a Land, buildings, and equipment. basis  | 57a 27,653.  |             |                    |
| b Less accumulated depreciation (attach schedule) L-57 Stmt   | 57b 14,359.  | 19,547.  | 57c 13,294. |                    |
| 58 Other assets, including program-related investments (describe ▶ <u>SECURITY DEPOSIT</u> )  |  | 1,758.   | 58 1,758.   |                    |
| 59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58   |  | 47,315.  | 59 61,545.  |                    |
| LIABILITIES   | 60 Accounts payable and accrued expenses   | 14,471.  | 60          | 0.                 |
|   | 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 ▶ _____ )   |  | 65          |                    |
|   | 66 <b>Total liabilities.</b> Add lines 60 through 65   |  | 14,471.     | 66 0.              |
| NET ASSETS OR FUND BALANCES   | <b>Organizations that follow SFAS 117, check here</b> ▶ <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          |                    |
|   | <b>Organizations that do not follow SFAS 117, check here</b> ▶ <input checked="" 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   | -17,736.   | 71          | -18,915.           |
|   | 72 Retained earnings, endowment, accumulated income, or other funds  | 50,580.  | 72          | 80,460.            |
| 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) |  | 32,844.  | 73 61,545.  |                    |
| 74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73   |  | 47,315.  | 74 61,545.  |                    |

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See the instructions.)

|          |  |           |          |     |
|----------|--|-----------|----------|-----|
| <b>a</b> | Total revenue, gains, and other support per audited financial statements |           | <b>a</b> | N/A |
| <b>b</b> | Amounts included on line <b>a</b> but not on Part I, line 12             |           |          |     |
|          | 1 Net unrealized gains on investments                                    | <b>b1</b> |          |     |
|          | 2 Donated services and use of facilities                                 | <b>b2</b> |          |     |
|          | 3 Recoveries of prior year grants  | <b>b3</b> |          |     |
|          | 4 Other (specify): _____   | <b>b4</b> |          |     |
|          | Add lines <b>b1</b> through <b>b4</b>                                    |           | <b>b</b> |     |
| <b>c</b> | Subtract line <b>b</b> from line <b>a</b>                                |           | <b>c</b> |     |
| <b>d</b> | Amounts included on Part I, line 12, but not on line <b>a</b> :          |           |          |     |
|          | 1 Investment expenses not included on Part I, line 6b                    | <b>d1</b> |          |     |
|          | 2 Other (specify): _____   | <b>d2</b> |          |     |
|          | Add lines <b>d1</b> and <b>d2</b>  |           | <b>d</b> |     |
| <b>e</b> | <b>Total revenue</b> (Part I, line 12). Add lines <b>c</b> and <b>d</b>  |           | <b>e</b> |     |

**Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

|          |  |           |          |     |
|----------|--|-----------|----------|-----|
| <b>a</b> | Total expenses and losses per audited financial statements               |           | <b>a</b> | N/A |
| <b>b</b> | Amounts included on line <b>a</b> but not on Part I, line 17             |           |          |     |
|          | 1 Donated services and use of facilities                                 | <b>b1</b> |          |     |
|          | 2 Prior year adjustments reported on Part I, line 20                     | <b>b2</b> |          |     |
|          | 3 Losses reported on Part I, line 20                                     | <b>b3</b> |          |     |
|          | 4 Other (specify): _____   | <b>b4</b> |          |     |
|          | Add lines <b>b1</b> through <b>b4</b>                                    |           | <b>b</b> |     |
| <b>c</b> | Subtract line <b>b</b> from line <b>a</b>                                |           | <b>c</b> |     |
| <b>d</b> | Amounts included on Part I, line 17, but not on line <b>a</b> :          |           |          |     |
|          | 1 Investment expenses not included on Part I, line 6b                    | <b>d1</b> |          |     |
|          | 2 Other (specify): _____   | <b>d2</b> |          |     |
|          | Add lines <b>d1</b> and <b>d2</b>  |           | <b>d</b> |     |
| <b>e</b> | <b>Total expenses</b> (Part I, line 17). Add lines <b>c</b> and <b>d</b> |           | <b>e</b> |     |

**Part V-A Current Officers, Directors, Trustees, and Key Employees** (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions)

| (A) Name and address                       | (B) Title and average hours per week devoted to position | (C) Compensation (if not paid, enter -0-) | (D) Contributions to employee benefit plans and deferred compensation plans | (E) Expense account and other allowances |
|--|--|---|---|--|
| HANNAH D. WALLACE<br>219 MONTROSE ST PHILA | DIRECTOR 40  | 60,263.                                   | 12,040.   | 0.                                       |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |
| -----                                      |  |   |   |  |



| Part VI Other Information (continued)   | Yes         | No  |
|---|-------------|-----|
| <b>82 a</b> 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?   |             | X   |
| <b>b</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.)   | <b>82 b</b> |     |
| <b>83 a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?   | X           |     |
| <b>b</b> Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?  | X           |     |
| <b>84 a</b> Did the organization solicit any contributions or gifts that were not tax deductible?   |             | X   |
| <b>b</b> If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?  |             |     |
| <b>85 501(c)(4), (5), or (6) organizations a</b> Were substantially all dues nondeductible by members?  | N/A         |     |
| <b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?  | N/A         |     |
| If 'Yes' was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.   |             |     |
| <b>c</b> Dues, assessments, and similar amounts from members  | <b>85 c</b> | N/A |
| <b>d</b> Section 162(e) lobbying and political expenditures   | <b>85 d</b> | N/A |
| <b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices   | <b>85 e</b> | N/A |
| <b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)  | <b>85 f</b> | N/A |
| <b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?  | <b>85 g</b> | N/A |
| <b>h</b> 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?   | <b>85 h</b> | N/A |
| <b>86 501(c)(7) organizations</b> Enter <b>a</b> Initiation fees and capital contributions included on line 12  | <b>86 a</b> | N/A |
| <b>b</b> Gross receipts, included on line 12, for public use of club facilities.  | <b>86 b</b> | N/A |
| <b>87 501(c)(12) organizations</b> Enter <b>a</b> Gross income from members or shareholders   | <b>87 a</b> | N/A |
| <b>b</b> Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)  | <b>87 b</b> | N/A |
| <b>88 a</b> 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.                         | <b>88 a</b> | X   |
| <b>b</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.   | <b>88 b</b> | X   |
| <b>89 a 501(c)(3) organizations</b> 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>b 501(c)(3) and 501(c)(4) organizations</b> 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.                            | <b>89 b</b> | X   |
| <b>c</b> Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ <u>0.</u>  |             |     |
| <b>d</b> Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ _____  |             |     |
| <b>e All organizations</b> At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?   | <b>89 e</b> | X   |
| <b>f All organizations</b> Did the organization acquire a direct or indirect interest in any applicable insurance contract?   | <b>89 f</b> | X   |
| <b>g For supporting organizations and sponsoring organizations maintaining donor advised funds</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?   | <b>89 g</b> | X   |
| <b>90 a</b> List the states with which a copy of this return is filed ▶ <u>NONE</u>   |             |     |
| <b>b</b> Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)  | <b>90 b</b> | 4   |
| <b>91 a</b> The books are in care of ▶ <u>HANNAH D. WALLACE</u> Telephone number ▶ <u>(215) 238-9057</u><br>Located at ▶ <u>601 S. 10TH STREET PHILA PA</u> ZIP + 4 ▶ <u>19147</u>  |             |     |
| <b>b</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 ▶ _____ | <b>91 b</b> | X   |
| See the instructions for exceptions and filing requirements for <b>Form TD F 90-22.1</b> , Report of Foreign Bank and Financial Accounts  |             |     |

**Part VI Other Information (continued)**

|      |     |    |
|------|-----|----|
|      | Yes | No |
| 91 c |     | X  |

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

If 'Yes,' enter the name of the foreign country

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 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)<br>Related or exempt<br>function income |
|--|---------------------------|---------------|--------------------------------------|---------------|---|
|  | (A)<br>Business code      | (B)<br>Amount | (C)<br>Exclusion code                | (D)<br>Amount |   |
| 93 Program service revenue:                                  |                           |               |                                      |               |   |
| a FEES FROM CLIENTS  |                           |               |                                      |               | 1,036,073.                                  |
| b FOR ADOPTIVE SVCS  |                           |               |                                      |               |   |
| c  |                           |               |                                      |               |   |
| d  |                           |               |                                      |               |   |
| e  |                           |               |                                      |               |   |
| f Medicare/Medicaid payments                                 |                           |               |                                      |               |   |
| g Fees & contracts from government agencies                  |                           |               |                                      |               |   |
| 94 Membership dues and assessments                           |                           |               |                                      |               |   |
| 95 Interest on savings & temporary cash invmnts              |                           |               |                                      |               |   |
| 96 Dividends & 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 pers prop                |                           |               |                                      |               |   |
| 99 Other investment income                                   |                           |               |                                      |               |   |
| 100 Gain or (loss) from sales of assets other than inventory |                           |               |                                      |               |   |
| 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))                 |                           |               |                                      |               | 1,036,073.                                  |
| 105 Total (add line 104, columns (B), (D), and (E))          |                           |               |                                      |               | 1,036,073.                                  |

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).

93A THE ACTIVITIES SUCH AS HOME STUDIES, COUNSELING SERVICES AND POST ADOPTION SERVICES ARE AN INTEGRAL PART OF THE ADOPTION PROCESS. THEY CONTRIBUTE IMPORTANTLY TO THE ACCOMPLISHMENT OF OUR EXEMPT PURPOSE: i.e. ADOPTION AGENCY

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

N/A

| (A)<br>Name, address, and EIN of corporation, partnership, or disregarded entity | (B)<br>Percentage of ownership interest |
|--|---|
|  | %                                       |
|  | %                                       |
|  | %                                       |
|  | %                                       |

**Part X Information Regarding Transfers Associated with**

a Did the organization, during the year, receive any funds, directly or indirectly, to pay

b Did the organization, during the year, pay premiums, directly or indirectly

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 |    |
| Yes | No |

**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

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

|     |    |     |    |
|-----|----|-----|----|
| Yes |    | No  |    |
| Yes | No | Yes | No |

**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

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

|     |    |     |    |
|-----|----|-----|----|
| Yes |    | No  |    |
| Yes | No | Yes | No |

**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?

|                         |   |  |
|-------------------------|---|--|
| <b>Please Sign Here</b> | 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: <u>Hannah D. Wallace</u><br>Date: <u>06/27/07</u>   |  |
|                         | Type or print name and title: <u>HANNAH D. WALLACE, DIRECTOR</u>  |  |

|                                 |   |                            |  |  |
|---------------------------------|---|----------------------------|--|--|
| <b>Paid Preparer's Use Only</b> | Preparer's signature: <u>MARIANNE CALLAGHAN</u>   | Date: <u>06/18/07</u>      | Check if self-employed: <input type="checkbox"/> | Preparer's SSN or PTIN (See General Instruction W) |
|                                 | Firm's name (or yours if self-employed), address, and ZIP + 4: <u>WALLACE ASSOCIATES</u><br><u>175 RT. 38</u><br><u>MOORESTOWN NJ 08057</u> | EIN: <u>(856) 439-1600</u> | Phone no: <u>(856) 439-1600</u>                  |  |

**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

ADOPTIONS INTERNATIONAL INC.

Employer identification number

23-2283922

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See 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 and deferred compensation | (e) Expense account and other allowances |
|---|--|------------------|---|--|
| NONE  |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
| Total number of other employees paid over \$50,000            | None   |                  |   |  |

**Part II – A Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See 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    | None                |                  |

**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 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 | None                |                  |

**BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.**

Schedule A (Form 990 or 990-EZ) 2006

**Part III** Statements About Activities (See instructions.)

|   | Yes | No |
|---|-----|----|
| <p><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. <math>\blacktriangleright</math> \$ <u>0.</u><br/>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>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.</p> |     | X  |
| <p><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.)</p>  |     |    |
| <p><b>a</b> Sale, exchange, or leasing of property?</p>   | X   |    |
| <p><b>b</b> Lending of money or other extension of credit?</p>  |     | X  |
| <p><b>c</b> Furnishing of goods, services, or facilities?</p>   |     | X  |
| <p><b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p> <p style="text-align: right;">See Part V, Form 990</p>  | X   |    |
| <p><b>e</b> Transfer of any part of its income or assets?</p>   |     | X  |
| <p><b>3a</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.)</p>  |     | X  |
| <p><b>b</b> Did the organization have a section 403(b) annuity plan for its employees?</p>  |     | X  |
| <p><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</p>  |     | X  |
| <p><b>d</b> Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>   |     | X  |
| <p><b>4a</b> Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.</p>  |     | X  |
| <p><b>b</b> Did the organization make any taxable distributions under section 4966?</p>   |     |    |
| <p><b>c</b> Did the organization make a distribution to a donor, donor advisor, or related person?</p>  |     |    |
| <p><b>d</b> Enter the total number of donor advised funds owned at the end of the tax year <math>\blacktriangleright</math> _____</p>   |     |    |
| <p><b>e</b> Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year <math>\blacktriangleright</math> _____</p>   |     |    |
| <p><b>f</b> Enter the total number of separate funds or accounts owned at the end of the tax 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 <math>\blacktriangleright</math> _____</p>   |     | 0  |
| <p><b>g</b> Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year <math>\blacktriangleright</math> _____</p>   |     | 0. |

**Part IV Reason for Non-Private Foundation Status** (See 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.)
- 11 a  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.)
- 11 b  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 instructions.)

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

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

**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12) *Use cash method of accounting.*

**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

| Calendar year (or fiscal year beginning in)  | (a)<br>2005 | (b)<br>2004 | (c)<br>2003 | (d)<br>2002 | (e)<br>Total |
|--|-------------|-------------|-------------|-------------|--------------|
| <b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)  | 4,444.      | 12,509.     | 10,858.     | 2,308.      | 30,119.      |
| <b>16</b> Membership fees received   | 0.          | 0.          | 0.          | 0.          | 0.           |
| <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   | 1,209,020.  | 968,608.    | 702,058.    | 1,076,399.  | 3,956,085.   |
| <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 | 0.          | 0.          | 0.          | 0.          | 0.           |
| <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   | 1,213,464.  | 981,117.    | 712,916.    | 1,078,707.  | 3,986,204.   |
| <b>24</b> Line 23 minus line 17  | 4,444.      | 12,509.     | 10,858.     | 2,308.      | 30,119.      |
| <b>25</b> Enter 1% of line 23  | 12,135.     | 9,811.      | 7,129.      | 10,787.     |              |

**26 Organizations described on lines 10 or 11:**

**a** Enter 2% of amount in column (e), line 24 ▶ **26a**

**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**

**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,' 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** 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) \_\_\_\_\_ (2004) \_\_\_\_\_ (2003) \_\_\_\_\_ (2002) \_\_\_\_\_

**c** Add: Amounts from column (e) for lines **15** \_\_\_\_\_ **16** \_\_\_\_\_  
**17** \_\_\_\_\_ **20** \_\_\_\_\_ **21** \_\_\_\_\_ ▶ **27c** 3,986,204.

**d** Add: Line 27a total \_\_\_\_\_ 0. and line 27b total \_\_\_\_\_ ▶ **27d** 0.

**e** Public support (line 27c total minus line 27d total) ▶ **27e** 3,986,204.

**f** Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ **27f** 3,986,204.

**g** **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** 100.00 %

**h** **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** 0.00 %

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

N/A

|            |   | 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?<br>If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement )<br>-----<br>-----<br>----- |     |    |
| <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?<br><br>If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement )<br>-----<br>-----  |     |    |
| <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?<br><br>If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)<br>-----<br>-----<br>-----   |     |    |
| <b>34a</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?<br>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.   |     |    |

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions)  
 (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

| <b>Limits on Lobbying Expenditures</b>                   |   | (a)<br>Affiliated group<br>totals | (b)<br>To be completed<br>for all electing<br>organizations |
|--|---|-----------------------------------|---|
| (The term 'expenditures' means amounts paid or incurred) |   |                                   |   |
| <b>36</b>  | Total lobbying expenditures to influence public opinion (grassroots lobbying) | <b>36</b>                         | 0.  |
| <b>37</b>  | Total lobbying expenditures to influence a legislative body (direct lobbying) | <b>37</b>                         |   |
| <b>38</b>  | Total lobbying expenditures (add lines 36 and 37)                             | <b>38</b>                         | 0.  |
| <b>39</b>  | Other exempt purpose expenditures   | <b>39</b>                         |   |
| <b>40</b>  | Total exempt purpose expenditures (add lines 38 and 39)                       | <b>40</b>                         | 0.  |
| <b>41</b>  | Lobbying nontaxable amount Enter the amount from the following table –        |                                   |   |
|  | <b>If the amount on line 40 is –</b>  |                                   |   |
|  | 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   |                                   |   |
|  | <b>The lobbying nontaxable amount is –</b>                                    |                                   |   |
|  | 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>41</b>  |   | <b>41</b>                         | 0.  |
| <b>42</b>  | Grassroots nontaxable amount (enter 25% of line 41)                           | <b>42</b>                         | 0.  |
| <b>43</b>  | Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36      | <b>43</b>                         | 0.  |
| <b>44</b>  | Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38      | <b>44</b>                         | 0.  |

**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)

|  | <b>Lobbying Expenditures During 4-Year Averaging Period</b> |             |             |             |              |
|--|---|-------------|-------------|-------------|--------------|
|  | (a)<br>2006   | (b)<br>2005 | (c)<br>2004 | (d)<br>2003 | (e)<br>Total |
| <b>45</b> Lobbying nontaxable amount                     |   |             |             |             |              |
| <b>46</b> Lobbying ceiling amount (150% of line 45(e))   |   |             |             |             |              |
| <b>47</b> Total lobbying expenditures                    |   |             |             |             |              |
| <b>48</b> Grassroots non-taxable amount                  |   |             |             |             |              |
| <b>49</b> Grassroots ceiling amount (150% of line 48(e)) |   |             |             |             |              |
| <b>50</b> 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)

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





**Depreciation and Amortization  
(Including Information on Listed Property)**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

**ADOPTIONS INTERNATIONAL INC.**

Identifying number

**23-2283922**

Business or activity to which this form relates

**Form 990 / Form 990EZ**

**Part I Election To Expense Certain Property Under Section 179**

*Note: If you have any listed property, complete Part V before you complete Part I*

|   |                              |                  |
|---|------------------------------|------------------|
| <b>1</b> Maximum amount See the instructions for a higher limit for certain businesses  | <b>1</b>                     | \$108,000.       |
| <b>2</b> Total cost of section 179 property placed in service (see instructions)  | <b>2</b>                     |                  |
| <b>3</b> Threshold cost of section 179 property before reduction in limitation  | <b>3</b>                     | \$430,000.       |
| <b>4</b> Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-   | <b>4</b>                     |                  |
| <b>5</b> Dollar limitation for tax year Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions | <b>5</b>                     |                  |
| <b>6</b> (a) Description of property  | (b) Cost (business use only) | (c) Elected cost |
| <b>7</b> Listed property Enter the amount from line 29  | <b>7</b>                     |                  |
| <b>8</b> Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7  | <b>8</b>                     |                  |
| <b>9</b> Tentative deduction Enter the smaller of line 5 or line 8  | <b>9</b>                     |                  |
| <b>10</b> Carryover of disallowed deduction from line 13 of your 2005 Form 4562   | <b>10</b>                    |                  |
| <b>11</b> Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)                        | <b>11</b>                    |                  |
| <b>12</b> Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11  | <b>12</b>                    |                  |
| <b>13</b> Carryover of disallowed deduction to 2007 Add lines 9 and 10, less line 12  | <b>13</b>                    |                  |

**Note: Do not use Part II or Part III below for listed property. Instead, use Part V**

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)**

|  |           |  |
|--|-----------|--|
| <b>14</b> Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions) | <b>14</b> |  |
| <b>15</b> Property subject to section 168(f)(1) election   | <b>15</b> |  |
| <b>16</b> Other depreciation (including ACRS)  | <b>16</b> |  |

**Part III MACRS Depreciation (Do not include listed property) (See instructions)**

**Section A**

|  |           |        |
|--|-----------|--------|
| <b>17</b> MACRS deductions for assets placed in service in tax years beginning before 2006   | <b>17</b> | 1,578. |
| <b>18</b> If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> |           |        |

**Section B – Assets Placed in Service During 2006 Tax Year Using the General Depreciation System**

| (a) Classification of property        | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only — see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|---------------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| <b>19a</b> 3-year property            |                                      |  |                     |                |            |                            |
| <b>b</b> 5-year property              |                                      |  |                     |                |            |                            |
| <b>c</b> 7-year property              |                                      | 495.   | 7.0 yrs             | HY             | 200DB      | 71.                        |
| <b>d</b> 10-year property             |                                      |  |                     |                |            |                            |
| <b>e</b> 15-year property             |                                      |  |                     |                |            |                            |
| <b>f</b> 20-year property             |                                      |  |                     |                |            |                            |
| <b>g</b> 25-year property             |                                      |  | 25 yrs              |                | S/L        |                            |
| <b>h</b> Residential rental property  |                                      |  | 27.5 yrs            | MM             | S/L        |                            |
|                                       |                                      |  | 27.5 yrs            | MM             | S/L        |                            |
| <b>i</b> Nonresidential real property |                                      |  | 39 yrs              | MM             | S/L        |                            |
|                                       |                                      |  |                     | MM             | S/L        |                            |

**Section C – Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System**

|                       |  |  |        |    |     |  |
|-----------------------|--|--|--------|----|-----|--|
| <b>20a</b> Class life |  |  |        |    | S/L |  |
| <b>b</b> 12-year      |  |  | 12 yrs |    | S/L |  |
| <b>c</b> 40-year      |  |  | 40 yrs | MM | S/L |  |

**Part IV Summary (see instructions)**

|  |           |        |
|--|-----------|--------|
| <b>21</b> Listed property Enter amount from line 28  | <b>21</b> | 4,709. |
| <b>22</b> Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations — see instructions | <b>22</b> | 6,358. |
| <b>23</b> For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs  | <b>23</b> |        |

**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

**Section A – Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)**

| 24a Do you have evidence to support the business/investment use claimed?  |                               |   |                            |  | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | 24b If 'Yes,' is the evidence written? |                                 |        | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|-------------------------------|---|----------------------------|--|---|-----------------------------|--|---------------------------------|--------|---|-----------------------------|
| (a)<br>Type of property (list vehicles first)   | (b)<br>Date placed in service | (c)<br>Business/investment use percentage | (d)<br>Cost or other basis | (e)<br>Basis for depreciation (business/investment use only) | (f)<br>Recovery period                  | (g)<br>Method/Convention    | (h)<br>Depreciation deduction          | (i)<br>Elected section 179 cost |        |   |                             |
| 25 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) |                               |   |                            |  |   |                             |  | 25                              |        |   |                             |
| 26 Property used more than 50% in a qualified business use  |                               |   |                            |  |   |                             |  |                                 |        |   |                             |
| PACIFICO HYUNDAI  | 06/15/05                      | 100.00                                    | 18,454.                    | 18,454.  | 5.00                                    | 200DB/HY                    | 4,700.                                 |                                 |        |   |                             |
| FAX MACHINE-SEATTLE   | 06/11/96                      | 100.00                                    | 390.                       | 390.   | 7.00                                    | 200DB/HY                    | 0.                                     |                                 |        |   |                             |
| See Additional Listed Property Statement  |                               |   |                            |  |   |                             |  | 9.                              |        |   |                             |
| 27 Property used 50% or less in a qualified business use:   |                               |   |                            |  |   |                             |  |                                 |        |   |                             |
|   |                               |   |                            |  |   |                             |  |                                 |        |   |                             |
| 28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1   |                               |   |                            |  |   |                             |  |                                 |        |   |                             |
|   |                               |   |                            |  |   |                             |  | 28                              | 4,709. |   | 29                          |
| 29 Add amounts in column (i), line 26 Enter here and on line 7, page 1  |                               |   |                            |  |   |                             |  |                                 |        |   |                             |

**Section B – Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles

|  | (a)<br>Vehicle 1 |    | (b)<br>Vehicle 2 |    | (c)<br>Vehicle 3 |    | (d)<br>Vehicle 4 |    | (e)<br>Vehicle 5 |    | (f)<br>Vehicle 6 |    |
|--|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|------------------|----|
|  | Yes              | No | Yes              | No | Yes              | No | Yes              | No | Yes              | No | Yes              | No |
| 30 Total business/investment miles driven during the year (do not include commuting miles) |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 31 Total commuting miles driven during the year  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 32 Total other personal (noncommuting) miles driven  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 33 Total miles driven during the year. Add lines 30 through 32                             |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 34 Was the vehicle available for personal use during off-duty hours?                       |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 35 Was the vehicle used primarily by a more than 5% owner or related person?               |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |
| 36 Is another vehicle available for personal use?  |                  |    |                  |    |                  |    |                  |    |                  |    |                  |    |

**Section C – Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

|   |     |    |
|---|-----|----|
| 37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?  | Yes | No |
| 38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners |     |    |
| 39 Do you treat all use of vehicles by employees as personal use?   |     |    |
| 40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?   |     |    |
| 41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions)   |     |    |

**Note:** If your answer to 37, 38, 39, 40, or 41 is 'Yes,' do not complete Section B for the covered vehicles

**Part VI Amortization**

| (a)<br>Description of costs   | (b)<br>Date amortization begins | (c)<br>Amortizable amount | (d)<br>Code section | (e)<br>Amortization period or percentage | (f)<br>Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2006 tax year (see instructions) |                                 |                           |                     |  |                                   |
|   |                                 |                           |                     |  |                                   |
| 43 Amortization of costs that began before your 2006 tax year                     |                                 |                           |                     |  |                                   |
|   |                                 |                           |                     |  | 43                                |
| 44 Total. Add amounts in column (f) See instructions for where to report          |                                 |                           |                     |  |                                   |
|   |                                 |                           |                     |  | 44                                |

Name as Shown on Return  
ADOPTIONS INTERNATIONAL INC.

Employer Identification No  
23-2283922

**Compensation**

| Name                           | (A)<br>Total | (B)<br>Program<br>services | (C)<br>Management<br>and general | (D)<br>Fundraising |
|--------------------------------|--------------|----------------------------|----------------------------------|--------------------|
| HANNAH D. WALLACE              | 60,263.      | 48,210.                    | 12,053.                          |                    |
|                                |              |                            |                                  |                    |
|                                |              |                            |                                  |                    |
|                                |              |                            |                                  |                    |
| Total Compensation<br>Received | 60,263.      | 48,210.                    | 12,053.                          |                    |

**Contributions to Employee Benefit Plans & Deferred Compensation Plans**

| Name   | (A)<br>Total | (B)<br>Program<br>services | (C)<br>Management<br>and general | (D)<br>Fundraising |
|--|--------------|----------------------------|----------------------------------|--------------------|
| HANNAH D. WALLACE  | 12,040.      | 9,632.                     | 2,408.                           |                    |
|  |              |                            |                                  |                    |
|  |              |                            |                                  |                    |
|  |              |                            |                                  |                    |
| Total Contributions to<br>Employee Benefit Plans &<br>Deferred Compensation<br>Plans | 12,040.      | 9,632.                     | 2,408.                           |                    |

**Expense Account and Other Allowances**

| Name  | (A)<br>Total | (B)<br>Program<br>services | (C)<br>Management<br>and general | (D)<br>Fundraising |
|---|--------------|----------------------------|----------------------------------|--------------------|
|   |              |                            |                                  |                    |
|   |              |                            |                                  |                    |
|   |              |                            |                                  |                    |
|   |              |                            |                                  |                    |
| Total Expense Account and<br>Other Allowances |              |                            |                                  |                    |
| Total to Part II, Line 25a ▶                  | 72,303.      | 57,842.                    | 14,461.                          |                    |

Form 990, Page 2, Part II, Line 43

**Other Expenses Stmt**

|   | (A)<br>Total   | (B)<br>Program<br>services | (C)<br>Management<br>and general | (D)<br>Fundraising |
|---|----------------|----------------------------|----------------------------------|--------------------|
| Other expenses not covered above (itemize): |                |                            |                                  |                    |
| DUES  | 685.           | 548.                       | 137.                             | 0.                 |
| MEALS @ 50%                                 | 462.           | 370.                       | 92.                              | 0.                 |
| OFFICE                                      | 1,123.         | 898.                       | 225.                             | 0.                 |
| UTILITIES                                   | 2,022.         | 1,618.                     | 404.                             | 0.                 |
| COMPUTER EXPENSE                            | 2,370.         | 1,896.                     | 474.                             | 0.                 |
| RENT  | 9,900.         | 7,920.                     | 1,980.                           | 0.                 |
| CERTIFICATIONS                              | 376.           | 376.                       | 0.                               | 0.                 |
| ADVERTISING                                 | 1,775.         | 1,775.                     | 0.                               | 0.                 |
| CONFERENCES                                 | 0.             | 0.                         | 0.                               | 0.                 |
| DNA LAB FEES                                | 13,065.        | 13,065.                    | 0.                               | 0.                 |
| CREDIT FEES                                 | 46.            | 37.                        | 9.                               | 0.                 |
| NOTARY FEES                                 | 0.             | 0.                         | 0.                               | 0.                 |
| GIFTS                                       | 29.            | 29.                        | 0.                               | 0.                 |
| ACCREDITATION                               | 675.           | 675.                       | 0.                               | 0.                 |
| <b>Total</b>                                | <b>32,528.</b> | <b>29,207.</b>             | <b>3,321.</b>                    | <b>0.</b>          |

Form 4562, Line 26

**Additional Listed Property Statement**

| (a)<br>Type of<br>property | (b)<br>Date<br>placed in<br>service | (c)<br>Business/<br>investmnt<br>use % | (d)<br>Cost or<br>other<br>basis | (e)<br>Basis for<br>deprecia-<br>tion | (f)<br>Re-<br>covery<br>period | (g)<br>Method/<br>Con-<br>vention | (h)<br>Deprecia-<br>tion<br>deduction | (i)<br>Elected<br>section<br>179 cost |
|----------------------------|-------------------------------------|--|----------------------------------|---------------------------------------|--------------------------------|-----------------------------------|---------------------------------------|---------------------------------------|
| TELEPHONE-SEATTLE          | 06/11/96                            | 100.00                                 | 83.                              | 83.                                   | 7.00                           | 200DB/HY                          | 0.                                    |                                       |
| FAX MACHINE-1997           | 02/06/97                            | 100.00                                 | 250.                             | 250.                                  | 7.00                           | 200DB/HY                          | 0.                                    |                                       |
| NY PHONE/ANSWERIN          | 11/20/97                            | 100.00                                 | 129.                             | 129.                                  | 7.00                           | 200DB/HY                          | 0.                                    |                                       |
| 2001 PHONE/FAX MA          | 09/10/01                            | 100.00                                 | 200.                             | 200.                                  | 7.00                           | 200DB/HY                          | 9.                                    |                                       |
| <b>Total</b>               |                                     |  |                                  |                                       |                                |                                   | <b>9.</b>                             |                                       |

Form 990, Page 4, Part IV, Lines 57a &amp; 57b

**Land, Buildings and Equipment Statement**

|                      | (a)<br>Cost/Other<br>Basis | (b)<br>Accumulated<br>Depreciation | (c)<br>Book Value |
|----------------------|----------------------------|------------------------------------|-------------------|
| 1999 APTIVA COMPUTER | 3,097.                     | 3,097.                             | 0.                |
| 2004 DELL COMPUTERS  | 1,823.                     | 1,561.                             | 262.              |
| 2005 ADDITIONS       | 22,239.                    | 9,630.                             | 12,609.           |
| 2006 ADDITIONS       | 494.                       | 71.                                | 423.              |
| <b>Total</b>         | <b>27,653.</b>             | <b>14,359.</b>                     | <b>13,294.</b>    |

**Supporting Statement of:**

Form 990 p 1/Line 20

| Description                     | Amount         |
|---------------------------------|----------------|
| FINES NON DEDUCTIBLE            | -1,020.        |
| 50% MEALS & ENT NON DED         | -461.          |
| WAGE/PAYROLL TIMING DIFFERENCES | 691.           |
| LOSS FROM DISPOSITION OF ASSETS | -389.          |
| Total                           | <u>-1,179.</u> |

**Supporting Statement of:**

Form 990 p 4/Line 60, column (A)

| Description                       | Amount         |
|-----------------------------------|----------------|
| ACCRUED PENSION EXPENSE PD APR 06 | 13,865.        |
| PAYABLE ON COMPUTER ASSET         | 606.           |
| Total                             | <u>14,471.</u> |

**Supporting Statement of:**

Form 990 p 5/Part V-A, Column (D)-1

| Description      | Amount         |
|------------------|----------------|
| HEALTH INS       | 3,040.         |
| PENSION PD 11/06 | 9,000.         |
| Total            | <u>12,040.</u> |

Additional Information For Tax Return

ADOPTIONS INTERNATIONAL INC.

23-2283922

Sch. A, 990 p 2: Line 2a, Yes checkbox

ADOPTIONS INTERNATIONAL, INC., A NON-PROFIT ADOPTION AGENCY, LEASES OFFICE SPACE IN A BUILDING CO-OWNED BY HANNAH WALLACE, DIRECTOR. IN 2006, NON-PROFIT PAID RENT OF \$9,900.00.

**ADOPTIONS INTERNATIONAL  
FORM 990, PART III a (2006)**

- Adoption referral for placement of 43 children from Guatemala with United States families:**
- Dissemination of information to adoptive families regarding their case status and the care and well-being of the children during the process.**
- Continuation of programs to aid orphans from Guatemala. Such support includes maintaining programs to provide orphanage with the services of a child psychologist and an English teacher, as well as donation of supplies, whenever possible.**
- Adoption advocacy programs to foster understanding of the need, purpose and process of international adoption**
- Homestudy/ Parent Preparation completed for 5 families @ three sessions**
- Dissemination of information to 40 applicants**
- Post-Adoptive Supervision of 5 families @ three sessions**
- Ongoing Support and Orientation-Information Meetings**
- Free Adoption Informtion Packets distributed over 1200 inquirers via regular mail and through computer e-mail and web site services.**