

Return of Organization Exempt from Income Tax

2003

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

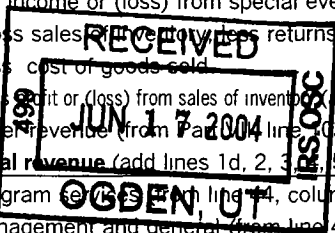
Department of the Treasury Internal Revenue Service

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

Form 990 header section A-M including organization name (FOCUS ON CHILDREN), address, EIN (83-0311640), and accounting method (Cash).

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

Table with 21 rows detailing revenue (Total: 793,709) and expenses (Total: 785,790), resulting in a net asset increase of 7,919.



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Part II Statement of Functional Expenses All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals (att sch) ST 2	23	145,631.	145,631.		
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25	38,000.		38,000.	
26 Other salaries and wages	26	36,811.		36,811.	
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	11,335.		11,335.	
30 Professional fundraising fees	30				
31 Accounting fees	31	2,604.		2,604.	
32 Legal fees	32	32,134.		32,134.	
33 Supplies	33	4,519.		4,519.	
34 Telephone	34	40,529.		40,529.	
35 Postage and shipping	35	17,179.		17,179.	
36 Occupancy	36				
37 Equipment rental and maintenance	37	6,259.		6,259.	
38 Printing and publications	38	2,673.		2,673.	
39 Travel	39	46,767.		46,767.	
40 Conferences, conventions, and meetings	40				
41 Interest	41	105.		105.	
42 Depreciation, depletion, etc (attach schedule)	42	1,381.		1,381.	
43 Other expenses not covered above (itemize)					
a SEE STATEMENT 3	43a	399,863.		399,863.	
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	785,790.	145,631.	640,159.	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

What is the organization's primary exempt purpose? HUMANITARIAN ADOPTION SERVICE	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a PROVIDING HUMANITARIAN ADOPTION SERVICES	
(Grants and allocations \$ _____)	145,631.
b _____	
(Grants and allocations \$ _____)	
c _____	
(Grants and allocations \$ _____)	
d _____	
(Grants and allocations \$ _____)	
e Other program services	
(Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	145,631.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
A S S E T S	45 Cash – non-interest-bearing	73,034.	45	101,364.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable			
	47b Less: allowance for doubtful accounts		47c	
	48a Pledges receivable			
	48b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)			
	51b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	45,000.
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55a Investments – land, buildings, & equipment: basis			
	55b Less: accumulated depreciation (attach schedule)		55c	
56 Investments – other (attach schedule)		56		
57a Land, buildings, and equipment basis	23,322.			
57b Less: accumulated depreciation (attach schedule) STATEMENT 4	17,598.	57c	5,724.	
58 Other assets (describe ▶)	65,000.	58		
59 Total assets (add lines 45 through 58) (must equal line 74)	145,139.	59	152,088.	
L I A B I L I T I E S	60 Accounts payable and accrued expenses		60	
	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	
	64b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ SEE STATEMENT 5)	2,798.	65	1,828.
66 Total liabilities (add lines 60 through 65)	2,798.	66	1,828.	
N E T A S S E T S O R F U N D B A L A N C E S	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 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		71	
	72 Retained earnings, endowment, accumulated income, or other funds	142,341.	72	150,260.
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	142,341.	73	150,260.	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	145,139.	74	152,088.	

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.

BAA

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

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

a	Total revenue, gains, and other support per audited financial statements	a	793,709.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	793,709.
d	Amounts included on line 12, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	793,709.

a	Total expenses and losses per audited financial statements	a	785,790.
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	785,790.
d	Amounts included on line 17, Form 990 but not on line a :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	785,790.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see 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	(E) Expense account and other allowances
KAREN BANKS P.O. BOX 26 COKEVILLE, WY 83114	PRESIDENT 20	24,000.	0.	0.
DANALEE THORNOCK P.O. BOX 323 COKEVILLE, WY 83114	SECRETARY 10	14,000.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No

If 'Yes,' attach schedule - see instructions.

Part VI Other Information (See instructions.)

		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		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.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		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?		X
b	If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures See line 81 instructions	81a	0.
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 in Part III)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
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?	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations. Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	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	88	X
89a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u> , section 4912 <u>N/A</u> , section 4955 <u>N/A</u>		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b	N/A
c	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		N/A
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		N/A
90a	List the states with which a copy of this return is filed <u>NONE</u>		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90b	6
91	The books are in care of <u>KAREN BANKS</u> Telephone number <u>435-245-2550</u> Located at <u>65 EAST 600 NORTH WELLSVILLE, UT</u> ZIP + 4 <u>84339</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		N/A

Part VII Analysis of Income-Producing Activities (See instructions)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments		717,527.			
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					13,788.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					13,788.
103 Other revenue a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		717,527.			13,788.
105 Total (add line 104, columns (B), (D), and (E))					731,315.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See 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).
N/A	

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

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 in
 Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Please Sign Here
 Under penalties of perjury, I declare that I have examined this return, including all schedules and attachments, and that the information therein is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.
 Signature of officer
 Signature: *Karen Banks*
 Type or print name and title: **KAREN BANKS, PRESIDENT**

Paid Preparer's Use Only
 Preparer's signature: *Richard D. Rigatti*
 Firm's name (or yours if self-employed) address, and ZIP + 4:
RICHARD D. RIGATTI, CPA
COOK DORIGATTI & ASSOCIATES,
632 NORTH MAIN
LOGAN, UT 84321-3225

CLIENT FOCUCHIL

FOCUS ON CHILDREN

83-0311640

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**STATEMENT 1
FORM 990, PART I, LINE 10
GROSS PROFIT (LOSS) FROM SALES OF INVENTORY**

MERCHANDISE	\$ 33,788.
GROSS SALES	\$ 33,788.
LESS RETURNS & ALLOWANCES	0.
NET SALES	\$ 33,788.
LESS COST OF GOODS SOLD	20,000.
GROSS PROFIT FROM SALES OF INVENTORY	<u>\$ 13,788.</u>

**STATEMENT 2
FORM 990, PART II, LINE 23
SPECIFIC ASSISTANCE TO INDIVIDUALS**

MEDICAL, DENTAL AND HOSPITAL EXPENSES	\$ 95,300.
PROFESSIONAL FEES PAID	50,331.
TOTAL	<u>\$ 145,631.</u>

**STATEMENT 3
FORM 990, PART II, LINE 43
OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	4,747.		4,747.	
BANK & FINANCE FEES	1,312.		1,312.	
COMPUTER SUPPLIES	2,250.		2,250.	
DUES AND SUBSCRIPTIONS	144.		144.	
EDUCATION	3,910.		3,910.	
FOREIGN EXPENSES	138,494.		138,494.	
INSURANCE	9,522.		9,522.	
INTERNET	674.		674.	
LICENSE AND PERMITS	5,641.		5,641.	
NOTARY/AUTHENTICATION	29,583.		29,583.	
OFFICE EXPENSES	10,252.		10,252.	
PROFESSIONAL FEES	181,669.		181,669.	
TOOLS	3,015.		3,015.	
TRANSLATION EXPENSES	6,965.		6,965.	
UTILITIES	1,685.		1,685.	
TOTAL	<u>\$ 399,863.</u>	<u>\$ 0.</u>	<u>\$ 399,863.</u>	<u>\$ 0.</u>

**STATEMENT 4
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 23,322.	\$ 17,598.	\$ 5,724.
TOTAL	<u>\$ 23,322.</u>	<u>\$ 17,598.</u>	<u>\$ 5,724.</u>

**STATEMENT 5
FORM 990, PART IV, LINE 65
OTHER LIABILITIES**

PAYROLL LIABILITIES	\$ 1,828.
TOTAL	<u>\$ 1,828.</u>

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COMPUTATION OF COST OF GOODS SOLD (FORM 990)

1. INVENTORY AT START OF YEAR	0.
2. PURCHASES	65,000.
3. COST OF LABOR	0.
4. ADDITIONAL 263A COSTS	0.
5. OTHER COSTS	0.
6. TOTAL (ADD LINES 1 THROUGH 5)	<u>65,000.</u>
7. INVENTORY AT END OF YEAR	<u>45,000.</u>
8. COST OF GOODS SOLD (SUBTRACT LINE 7 FROM LINE 6)	<u><u>20,000.</u></u>