

Form 990

Return of Organization Exempt From Income Tax

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

OMB No 1545-0047

2006

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.

A For the 2006 calendar year, or tax year beginning and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: FAMILIES THRU INTERNATIONAL ADOPTION, INC. D Employer identification number: 35-1961430. E Telephone number: 812-479-9900. F Accounting method: Accrual.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ). H and I are not applicable to section 527 organizations.

G Website: WWW.FTIA.ORG. H(a) Is this a group return for affiliates? No. H(b) If "Yes," enter number of affiliates: N/A.

J Organization type: 501(c)(3). H(c) Are all affiliates included? N/A. H(d) Is this a separate return filed by an organization covered by a group ruling? No.

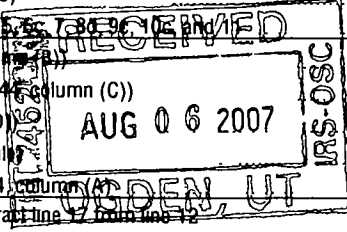
K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. I Group Exemption Number: N/A.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 3,136,938. M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Table with columns for Revenue, Expenses, and Net Assets. Rows include Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Net rental income, Gross amount from sales of assets, Special events, Gross sales of inventory, Other revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit) for the year, Net assets at beginning, Other changes in net assets, Net assets at end of year.

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**FAMILIES THRU INTERNATIONAL
ADOPTION, INC**

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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
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 • noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 • noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule) STATEMENT 6	23 175,184.	175,184.		
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A STMT 5	25a 255,209.	222,032.	33,177.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	25b 0.	0.	0.	0.
c 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)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 966,079.	840,488.	125,591.	
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28 87,677.	76,279.	11,398.	
29 Payroll taxes	29 103,145.	89,736.	13,409.	
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32 9,709.		9,709.	
33 Supplies	33 11,614.	11,614.		
34 Telephone	34 33,134.	28,827.	4,307.	
35 Postage and shipping	35 13,965.	12,150.	780.	1,035.
36 Occupancy	36 50,476.	43,914.	6,562.	
37 Equipment rental and maintenance	37 20,338.	17,694.	2,644.	
38 Printing and publications	38 16,273.	11,547.	141.	4,585.
39 Travel	39 23,358.	7,669.	15,689.	
40 Conferences, conventions, and meetings	40 25,342.	22,048.	3,294.	
41 Interest	41 12,943.	11,260.	1,683.	
42 Depreciation, depletion, etc. (attach schedule)	42 71,333.	62,060.	9,273.	
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 4	43g 710,943.	648,952.	58,750.	3,241.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 2,586,722.	2,281,454.	296,407.	8,861.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ N/A; (ii) the amount allocated to Program services \$ N/A; (iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

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

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

What is the organization's primary exempt purpose? ► <u>SEE STATEMENT 7</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
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.)	
a THE ORGANIZATION PROVIDES ADOPTION SERVICES TO PLACE CHILDREN FROM CHINA, RUSSIA, GUATEMALA, VIETNAM, INDIA AND OTHER COUNTRIES WITH U.S. FAMILIES	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	2,281,454.
b	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	2,281,454.

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Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	1,281,548.	45	1,527,164.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	64,187.	53	59,082.
	54 a Investments - publicly-traded securities STMT 11 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	188,325.	54a	0.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation	55b	55c	
	56 Investments - other		56	
57 a Land, buildings, and equipment: basis	57a 1,369,981.			
b Less: accumulated depreciation STMT 8	57b 232,874.	1,186,568.	57c 1,137,107.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> SEE STATEMENT 9)	69,667.	58	97,378.	
59 Total assets (must equal line 74). Add lines 45 through 58	2,790,295.	59	2,820,731.	
Liabilities	60 Accounts payable and accrued expenses	117,503.	60	82,601.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable STMT 10	215,004.	64b	
	65 Other liabilities (describe <input type="checkbox"/> REFUNDABLE ADVANCES)	244,608.	65	165,133.
66 Total liabilities. Add lines 60 through 65	577,115.	66	247,734.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	2,213,180.	67	2,572,997.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	2,213,180.	73	2,572,997.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	2,790,295.	74	2,820,731.

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

a	Total revenue, gains, and other support per audited financial statements		a	2,946,539.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1	9,869.	
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	9,869.
c	Subtract line b from line a		c	2,936,670.
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	Total revenue (Part I, line 12). Add lines c and d		e	2,936,670.

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

a	Total expenses and losses per audited financial statements		a	2,586,722.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	2,586,722.
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	Total expenses (Part I, line 17). Add lines c and d		e	2,586,722.

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 & deferred compensation plans	(E) Expense account and other allowances
KEITH WALLACE 400 BENTEE WES CT EVANSVILLE, IN 47715	EXEC. DIRECTOR 40.00	86,177.	16,011.	0.
MAUREEN O'CONNOR 400 BENTEE WES CT EVANSVILLE, IN 47715	ASSOC DIRECTOR 40.00	69,012.	6,963.	0.
TINA JI 400 BENTEE WES CT EVANSVILLE, IN 47715	ASSOC DIRECTOR 40.00	66,984.	10,062.	0.
MICHAEL DEEG 5551 CHOICECUT COURT EVANSVILLE, IN 47720	PRESIDENT 5.00	0.	0.	0.
KAREN SPARLING 3063 BROOKWOOD CIRCLE EDGEWOOD, KY 41017	BOARD MEMBER 5.00	0.	0.	0.
TOM HEATON 4031 STRINGTOWN ROAD EVANSVILLE, IN 47711	BOARD MEMBER 5.00	0.	0.	0.
JIM HESS 1138 BRAFIELD ROAD CHESTER SPRINGS, PA 19425	BOARD MEMBER 5.00	0.	0.	0.
MIKE HAYNES 100 N. ST JOSEPH AVENUE EVANSVILLE, IN 47712	SEC/TREAS 5.00	0.	0.	0.

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Part VI Other Information (continued)

			Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b		N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b		N/A
c	Dues, assessments, and similar amounts from members	85c		N/A
d	Section 162(e) lobbying and political expenditures	85d		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a		N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b		N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders	87a		N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>0.</u> , section 4912 ▶ <u>0.</u> , section 4955 ▶ <u>0.</u>			
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ <u>0.</u>			
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ <u>0.</u>			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		X
90 a	List the states with which a copy of this return is filed ▶ <u>IN</u>			
b	Number of employees employed in the pay period that includes March 12, 2006	90b		42
91 a	The books are in care of ▶ <u>MAUREEN O'CONNOR</u> Telephone no ▶ <u>812-479-9900</u> Located at ▶ <u>400 BENTEE WES COURT, EVANSVILLE, IN</u> ZIP + 4 ▶ <u>47715-4060</u>			
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 ▶ <u>SEE STATEMENT 12</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X	

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Part VI: Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c X
 If "Yes," enter the name of the foreign country **SEE STATEMENT 13**

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a ADOPTION SERVICE FEES					2,821,186.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	32,132.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<3,398.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		28,734.	2,821,186.
105 Total (add line 104, columns (B), (D), and (E))					2,849,920.

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	FEES ARE COLLECTED SO THE ORGANIZATION CAN PROVIDE THE ADOPTION SERVICES TO PLACE THE CHILDREN FROM FOREIGN COUNTRIES WITH US FAMILIES

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

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

Part X Information Regarding Transfers Associated with

(a) Did the organization, during the year, receive any funds, directly or indirectly,
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on
 Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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

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

Yes	No

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

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

Yes	No

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

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

Yes	No

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.

Please Sign Here

Signature of officer: *Keith M. Wallace* Date: *2/24/07*

Type or print name and title: *Keith M. Wallace CEO*

Paid Preparer's Use Only

Preparer's signature: *St. C. M. D. CPA* Date: *7-23-07* Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. X): *P00223539*

Firm's name (or yours if self-employed), address, and ZIP + 4: *RINEY, HANCOCK & CO., PSC 313 SOUTHEAST FIRST STREET EVANSVILLE, IN 47713* EIN: Phone no: *812-423-0300*

Part III Statements About Activities (See page 2 of the instructions)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
2 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.)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a Did the organization make grants for scholarships, fellowships, student loans, etc ? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)	3a	X
b Did the organization have a section 403(b) annuity plan for its employees?	3b	X
c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement	3c	X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4 a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
b Did the organization make any taxable distributions under section 4966?	4b	X
c Did the organization make a distribution to a donor, donor advisor, or related person?	4c	X
d Enter the total number of donor advised funds owned at the end of the tax year	►	0
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	►	0.
f Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	►	0.
g Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	►	0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box)

- 5 A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
- 6 A school Section 170(b)(1)(A)(ii) (Also complete Part V)
- 7 A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
- 8 A federal, state, or local government or governmental unit Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit Section 170(b)(1)(A)(iv) (Also complete the **Support Schedule** in Part IV-A)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi) (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc , functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2) (Also complete the **Support Schedule** in Part IV-A)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3) Check the box that describes the type of supporting organization
 - Type I
 - Type II
 - Type III-Functionally Integrated
 - Type III-Other

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

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

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

FAMILIES THRU INTERNATIONAL

Schedule A (Form 990 or 990-EZ) 2006 ADOPTION, INC

35-1961430 Page 4

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28).	97,346.	78,883.	19,441.	21,257.	216,927.
16 Membership fees received					
17 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	2,467,877.	2,040,914.	1,643,254.	1,542,699.	7,694,744.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	19,255.	13,956.	18,023.	11,283.	62,517.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22	2,584,478.	2,133,753.	1,680,718.	1,575,239.	7,974,188.
24 Line 23 minus line 17	116,601.	92,839.	37,464.	32,540.	279,444.
25 Enter 1% of line 23	25,845.	21,338.	16,807.	15,752.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
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) _____ (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) 0. (2004) _____ (2003) 0. (2002) 0.					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 7,694,744. 20 _____ 21 _____					27c 7,911,671.
d Add: Line 27a total _____ and line 27b total _____					27d 0.
e Public support (line 27c total minus line 27d total)					27e 7,911,671.
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f 7,974,188.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.2160%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .7840%

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

NONE

Part V Private School Questionnaire (See page 9 of the instructions)

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain. (If you need more space, attach a separate statement.)		
<hr/>			
<hr/>			
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/>			
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/>			
<hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions)

N/A

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

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

Limits on Lobbying Expenditures

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

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

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below See the instructions for lines 45 through 50 on page 13 of the instructions)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
		0.

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

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
1	LAND		VARIABLE			198,848.			198,848.			0.
2	BUILDING		VARIABLE	.000	16	878,454.			878,454.	66,818.		18,773.
3	EQUIPMENT		VARIABLE	.000	16	292,679.			292,679.	94,723.		52,560.
	* TOTAL 990 PAGE 2 DEPR					1369981.		0.	1369981.	161,541.	0.	71,333.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

<u>DESCRIPTION</u>	<u>GROSS SALES PRICE</u>	<u>COST OR OTHER BASIS</u>	<u>EXPENSE OF SALE</u>	<u>NET GAIN OR (LOSS)</u>
GENERAL MOTORS ACCEPT CORP BONDS	25,000.	25,000.	0.	0.
GENERAL MOTORS ACCEPT CORP BONDS	171,000.	171,000.	0.	0.
TO FORM 990, PART I, LINE 8	<u>196,000.</u>	<u>196,000.</u>	<u>0.</u>	<u>0.</u>

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 2

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
COMPUTER EQUIPMENT	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	870.	10,142.	0.	5,874.	<3,398.>
TO FM 990, PART I, LN 8	870.	10,142.	0.	5,874.	<3,398.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 3

DESCRIPTION	AMOUNT
UNREALIZED GAINS ON INVESTMENTS	9,869.
TOTAL TO FORM 990, PART I, LINE 20	9,869.

FORM 990 OTHER EXPENSES STATEMENT 4

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ACCREDITATION FEES	1,212.	1,212.		
BANK FEES	483.	483.		
COMPUTER MAINT/SUPPLIES	81,043.	70,507.	10,536.	
DUES & SUBSCRIPTIONS	11,724.	10,200.	1,524.	
FOREIGN COUNTRY COORDINATOR OFFICE, ETC	308,222.	308,222.		
INFORMATIONAL MEETINGS	80,122.	80,122.		
INSURANCE	55,326.	48,134.	7,192.	
MISCELLANEOUS	1,709.	1,487.	222.	
OFFICE EXPENSE	25,046.	18,970.	2,835.	3,241.
OTHER PROFESSIONAL FEES	31,763.		31,763.	
PUBLIC INFORMATION	60,828.	58,799.	2,029.	
REUNION COSTS	28,478.	28,478.		

FAMILIES THRU INTERNATIONAL ADOPTION, IN

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TRAINING.	4,607.	4,607.		
UTILITIES	20,380.	17,731.	2,649.	
TOTAL TO FM 990, LN 43	<u>710,943.</u>	<u>648,952.</u>	<u>58,750.</u>	<u>3,241.</u>

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25A

STATEMENT 5

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
KEITH WALLACE	86,177.	16,011.		102,188.
A. PROGRAM SERVICES	74,974.	13,930.		88,904.
B. MANAGEMENT AND GENERAL	11,203.	2,081.		13,284.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MAUREEN O'CONNOR	69,012.	6,963.		75,975.
A. PROGRAM SERVICES	60,040.	6,058.		66,098.
B. MANAGEMENT AND GENERAL	8,972.	905.		9,877.
C. FUNDRAISING				

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
TINA JI	66,984.	10,062.		77,046.
A. PROGRAM SERVICES	58,276.	8,754.		67,030.
B. MANAGEMENT AND GENERAL	8,708.	1,308.		10,016.
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				222,032.
TOTAL MANAGEMENT AND GENERAL				33,177.
TOTAL FUNDRAISING				
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PART II, LINE 25A				<u>255,209.</u>

FORM 990 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 6

DESCRIPTION	AMOUNT
HUMANITARIAN AID	146,684.
DONATION TO AFFILIATED ENTITY (CHILDVISION, INC) FOR HUMANITARIAN AID	28,500.
TOTAL TO FORM 990, PART II, LINE 23	175,184.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III STATEMENT 7

EXPLANATION

THE ORGANIZATION PROVIDES ADOPTION SERVICES TO PLACE CHILDREN FROM CHINA, RUSSIA, GUATEMALA, VIETNAM, INDIA ND OTHER COUNTRIES WITH U.S. FAMILIES

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 8

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
LAND	198,848.	0.	198,848.
BUILDING	878,454.	85,591.	792,863.
EQUIPMENT	292,679.	147,283.	145,396.
TOTAL TO FORM 990, PART IV, LN 57	1,369,981.	232,874.	1,137,107.

FORM 990 OTHER ASSETS STATEMENT 9

DESCRIPTION	AMOUNT
SECURITY DEPOSITS	1,206.
CSV ON LIFE INSURANCE	96,172.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	97,378.

FORM 990* MORTGAGES PAYABLE STATEMENT 10

DESCRIPTION	BALANCE DUE
OLD NATIONAL BANK	0.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64B, COLUMN B	

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 11

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE BONDS	FMV	0.			
TO FORM 990, LINE 54A, COL B		0.			

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS FINANCIAL INTEREST STATEMENT 12

NAME OF COUNTRY
 VIETNAM
 RUSSIA

FORM 990 NAME OF FOREIGN COUNTRY IN WHICH ORGANIZATION HAS AN OFFICE STATEMENT 13

NAME OF COUNTRY
 CHINA *
 GUATEMALA *
 RUSSIA - OFFICIAL
 VIETNAM - OFFICIAL
 INDIA *

*THE OFFICES ARE NOT REGISTERED OR OFFICIAL IN CHINA, GUATEMALA, OR INDIA, HOWEVER, AS AN ADOPTION AGENCY WE HAVE UNOFFICIAL OFFICES IN THESE COUNTRIES WITH THE ADOPTION AUTHORITIES FULL KNOWLEDGE.

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

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

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

Type or print	Name of Exempt Organization FAMILIES THRU INTERNATIONAL ADOPTION, INC	Employer identification number 35-1961430
File by the due date for filing your return. See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 400 BENTEE WES COURT	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. EVANSVILLE, IN 47715-4060	

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

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

- The books are in the care of ▶ **MAUREEN O'CONNOR**
 Telephone No. ▶ **812-479-9900** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

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

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

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

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