

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

2002

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 2002 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: Christian World Adoption

Number and street (or P O box if mail is not delivered to street address) Room/suite: 303 Seventh Avenue East

City or town state or country and ZIP + 4: Hendersonville NC 28792

D Employer ID number: 57-0967054

E Telephone number: 828-693-7007

F Accounting method: Accrual Cash Other (specify) _____

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ)

G Web site: www.cwa.org

J Organization type: (check only one) 501(c) (3) (insert no) 4947(a)(1) or 527

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 3,818,916

H and **I** are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes" enter no. of affiliates: _____

H(c) Are all affiliates included? Yes No (If "No" attach a list. See instr.)

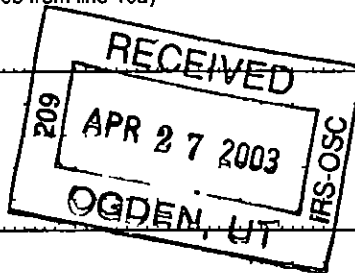
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN: _____

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 (See page 17 of the instructions)

REVENUE	1 Contributions, gifts, grants, and similar amounts received			
	a Direct public support	1a		
	b Indirect public support	1b		
	c Government contributions (grants)	1c		
	d Total (add lines 1a through 1c) (cash \$ _____ noncash \$ _____)	1d		0
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		3,815,488
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4		3,428
	5 Dividends and interest from securities	5		
	6a Gross rents	6a		
	b Less rental expenses	6b		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		
	7 Other investment income (describe _____)	7		
	8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
	b Less cost or other basis and sales expenses	8a		
	c Gain or (loss) (attach schedule)	8b	7,105	
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	-7,105	
	8d Total (add lines 8b and 8c)			-7,105
	9 Special events and activities (attach schedule)			
	a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a		
	b Less direct expenses other than fundraising expenses	9b		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a Gross sales of inventory, less returns and allowances	10a			
b Less cost of goods sold	10b			
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			
11 Other revenue (from Part VII, line 103)	11			
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		3,811,811	
13 Program services (from line 44, column (B))	13		3,670,476	
14 Management and general (from line 44, column (C))	14		115,929	
15 Fundraising (from line 44, column (D))	15			
16 Payments to affiliates (attach schedule)	16			
17 Total expenses (add lines 16 and 44, column (A))	17		3,786,405	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		25,406	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		539,015	
20 Other changes in net assets or fund balances (attach explanation)	20			
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		564,421	



APR 30 2003

25

Part II Statement of

All organizations must complete column (A) Columns (B) (C), and (D) are required for section 501(c)(3) and (4) organizations

Functional Expenses

and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 21 of the instructions)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____)	22				
23	Specific assistance to individuals	23				
24	Benefits paid to or for members	24				
25	Compensation of officers, directors etc	25	132,736	82,960	49,776	
26	Other salaries and wages	26	439,816	389,149	50,667	
27	Pension plan contributions	27	72,854	72,854		
28	Other employee benefits	28				
29	Payroll taxes	29	45,737	34,787	10,950	
30	Professional fundraising fees	30				
31	Accounting fees	31				
32	Legal fees	32	16,719	16,719		
33	Supplies	33	72,013	72,013		
34	Telephone	34	56,624	56,624		
35	Postage and shipping	35	60,949	60,949		
36	Occupancy	36	62,634	62,634		
37	Equipment rental and maintenance	37	67,954	67,954		
38	Printing and publications	38	14,407	14,407		
39	Travel	39	81,145	81,145		
40	Conferences, conventions, and meetings	40	56,662	56,662		
41	Interest	41	2,550		2,550	
42	Depreciation, depletion, etc (attach schedule)	42	71,151	71,151		
43	Other expenses not covered above (itemize) a	43a				
	b See Statement 2	43b	2,532,454	2,530,468	1,986	
	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	3,786,405	3,670,476	115,929	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 (See page 24 of the instructions)

What is the organization's primary exempt purpose?	Program Service Expenses (Required for 501(c)(3) & (4) orgs & 4947(a)(1) trusts but optional for others)
▶ See Statement 3	
All organizations must describe their exempt purpose achievements in a clear and concise manner State the number of clients served, publications issued, etc Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)	
a The organization coordinated 227 adoptions in 7 different countries by couples in the United States.	
(Grants and allocations \$ _____)	3,670,476
b	
(Grants and allocations \$ _____)	
c	
(Grants and allocations \$ _____)	
d	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total of Program Service Expenses (should equal line 44 column (B), Program services)	▶ 3,670,476

Part IV Balance Sheets (See page 24 of 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
45	Cash - non-interest-bearing	626,371	45 427,567
46	Savings and temporary cash investments	30,100	46
47a	Accounts receivable	47a 2,500	
b	Less allowance for doubtful accounts	47b	47c 2,500
48a	Pledges receivable	48a	
b	Less allowance for doubtful accounts	48b	48c
49	Grants receivable		49
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50
51a	Other notes and loans receivable (attach schedule) See Worksheet	51a 159,000	
b	Less allowance for doubtful accounts	51b	51c 159,000
52	Inventories for sale or use		52
53	Prepaid expenses and deferred charges	6,050	53 9,837
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
55a	Investments-land, buildings, and equipment basis	55a	
b	Less accumulated depreciation (attach schedule)	55b	55c
56	Investments-other (attach schedule)		56
57a	Land, buildings, and equipment basis	57a 508,077	
b	Less accumulated depreciation (attach schedule) See Stmt 4	57b 206,849	57c 131,047 301,228
58	Other assets (describe See Stmt 5)		58 7,150
59	Total assets (add lines 45 through 58) (must equal line 74)	793,568	59 907,282
60	Accounts payable and accrued expenses	56,326	60 121,191
61	Grants payable		61
62	Deferred revenue See Stmt 6	160,560	62 216,520
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 See Stmt 7)	37,667	65 5,150
66	Total liabilities (add lines 60 through 65)	254,553	66 342,861
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
67	Unrestricted	539,015	67 564,421
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, column (B) must equal line 21)	539,015	73 564,421
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	793,568	74 907,282

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions)	Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return
<p>a Total revenue, gains, & other support per audited financial statements ▶ a <u>3,811,811</u></p> <p>b Amounts included on line a but not on line 12 Form 990</p> <p>(1) Net unrealized gains on investments \$ _____</p> <p>(2) Donated services and use of facilities \$ _____</p> <p>(3) Recoveries of prior year grants \$ _____</p> <p>(4) Other (specify) _____</p> <p style="text-align: right;">\$ _____</p> <p>Add amounts on lines (1) through (4) ▶ b</p> <p>c Line a minus line b ▶ c <u>3,811,811</u></p> <p>d Amounts included on line 12, Form 990 but not on line a</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) _____</p> <p style="text-align: right;">\$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d</p> <p>e Total revenue per line 12, Form 990 (line c plus line d) ▶ e <u>3,811,811</u></p>	<p>a Total expenses and losses per audited financial statements ▶ a <u>3,786,405</u></p> <p>b Amounts included on line a but not on line 17, Form 990</p> <p>(1) Donated services and use of facilities \$ _____</p> <p>(2) Prior year adjustments reported on line 20, Form 990 \$ _____</p> <p>(3) Losses reported on line 20, Form 990 \$ _____</p> <p>(4) Other (specify) _____</p> <p style="text-align: right;">\$ _____</p> <p>Add amounts on lines (1) through (4) ▶ b</p> <p>c Line a minus line b ▶ c <u>3,786,405</u></p> <p>d Amounts included on line 17, Form 990 but not on line a</p> <p>(1) Investment expenses not included on line 6b, Form 990 \$ _____</p> <p>(2) Other (specify) _____</p> <p style="text-align: right;">\$ _____</p> <p>Add amounts on lines (1) and (2) ▶ d</p> <p>e Total expenses per line 17, Form 990 (line c plus line d) ▶ e <u>3,786,405</u></p>

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 26 of the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Bob Harding Rt 2 Box 184 Hendersonville NC 28792	CFO/Sec. Full Time	66,368	9,073	0
Tomilee Harding Rt 2 Box 184 Hendersonville NC 28792	Exec. Dir. Full Time	66,368	9,073	0
Anita Thomas Hendersonville NC 28792	Acct. Mgr. Full Time	39,709	2,761	0
Marshall Blalock 48 Meeting St. Charleston SC 29401	Chairman As Needed	0	0	0
Carolyn Self 1144 Pkwy Dr Mt. Pleasant SC 29464	Director As Needed	0	0	0
Jim Richardson 4190 N St Rd 19 Sharpsville IN 46068	Director As Needed	0	0	0
Lynn Rathbun 79 Gunderman Road Ithaca NY 14850	Director As Needed	0	0	0
Bridget Davenport PO Box 178 Landrum SC 29356	Director As Needed	0	0	0
Dr. Maria Moore 735 6th Av W Hendersonville NC 28791	Director As Needed	0	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 page 26 of the instructions

Part VI Other Information (See page 27 of the 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 inc of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
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 Christian World Foundation and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct or indirect political expenditures See line 81 instr		
b	Did the organization file Form 1120-POL for this year?		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?		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)		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes" did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	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	N/A	
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12 for public use of club facilities		
87	501(c)(12) orgs Enter a Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
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		X
89a	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) orgs 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		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>
90a	List the states with which a copy of this return is filed None		
b	Number of employees employed in the pay period that includes March 12 2002 (See instructions)		<u>90b</u>
91	The books are in care of Robert Harding Located at 303 7th Avenue East, Hendersonville NC	Telephone no 828-693-7007	ZIP + 4 28792
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		<u>92</u>

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions)

Note	Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by sec 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	See Statement					3,815,488
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	3,428	
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					-7,105
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		3,428	3,808,383
105	Total (add line 104, columns (B), (D), and (E))					3,811,811

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 page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
●	See Statement

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions)

(a) Did the organization, during the year receive any funds directly or indirectly to pay premiums on a personal benefit contract? Yes No

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

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 attachments, and believe it is true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.

Signature of officer: Robert L. Harlow

Type or print name and title: Robert L. Harlow

Paid Preparer's Use Only

Preparer's signature: [Signature]

Firm's name (or yours if self-employed): WORLEY & TOLAND, P

address and ZIP + 4: 32 ORANGE STREET ASHEVILLE, NC 288

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 amount 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 exp. if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)	3	X
4 Do you have a section 403(b) annuity plan for your employees?	4	X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 of the instructions)

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 supports organizations described in (1) lines 5 through 12 above or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the 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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)			29,530	330	29,860
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	3,815,488	3,098,377	2,041,674	2,991,474	11,947,013
18 Gross inc from int dividends amounts received from pymt on securities loans (section 512(a)(5)) rents, royalties & unrelated busn taxable inc (less sec 511 taxes) from businesses acquired by the organization after June 30 1975	3,428	19,172	4,576	7,072	34,248
19 Net income from unrelated business activities not included in line 18					
20 Tax revn levied for the organization's ben & either paid to it or expended on its behalf					
21 The value of serv or fac furnished to the org by a governmental unit without charge Do not incl the value of serv or fac generally furnished to the public without charge					
22 Other income Attach a schedule Do not include gain or (loss) from sale of cap assets					
23 Total of lines 15 through 22	3,818,916	3,117,549	2,075,780	2,998,876	12,011,121
24 Line 23 minus line 17	3,428	19,172	34,106	7,402	64,108
25 Enter 1% of line 23	38,189	31,175	20,758	29,989	

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 1998 through 2001 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

(2001)	(2000)	(1999)	(1998)
--------	--------	--------	--------

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 11 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

(2001)	(2000)	(1999)	(1998)
--------	--------	--------	--------

c Add Amounts from column (e) for lines 15 29,860 16 _____
17 11,947,013 20 _____ 21 _____ ▶ 27c 11,976,873

d Add Line 27a total _____ and line 27b total _____ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e 11,976,873

f Total support for section 509(a)(2) test Enter amount on line 23, column (e) ▶ 27f 12,011,121

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g 99.7149%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h 0.2851%

28 Unusual Grants For an organization described in line 10 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year the name of the contributor, the date and amount of the grant and a brief description of the nature of the grant Do not file this list with your return Do not include these grants in line 15

Part V Private School Questionnaire (See page 7 of the instructions)

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

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space attach a separate statement)			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	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		
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		
34a	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 9 of the instructions)

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

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
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 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instr)

N/A

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

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

Yes	No	Amount

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

Form 990/990-PF	Other Notes and Loans Receivable	2002
For calendar year 2002, or tax year beginning _____, and ending _____		

Name <u>Christian World Adoption</u>	Employer Identification Number <u>57-0967054</u>
---	---

Form 990, Part IV, Line 51a - Additional Information

Name of borrower	Relationship to disqualified person
(1)	
(2) <u>Loan receivable</u>	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year	Fair market value (990-PF only)
(1)		161,500	
(2)		-2,500	
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
Totals		159,000	

Form **4562**

Depreciation and Amortization

OMB No 1545-0172

(Including Information on Listed Property)

2002

Department of the Treasury
Internal Revenue Service

▶ See separate instructions

▶ Attach to your tax return

Attachment Sequence No **67**

Name(s) shown on return **Christian World Adoption**

Identifying number
57-0967054

Business or activity to which this form relates

Indirect Depreciation

Part I Election To Expense Certain Tangible Property Under Section 179

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

1	Maximum amount See page 2 of the instructions for a higher limit for certain businesses	1	24,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	200,000
4	Reduction in limitation Subtract line 3 from line 2 If zero or less enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1 If zero or less enter -0- If married filing separately see pg 2 of the instr	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction Add lines 9 and 10 but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003 Add lines 9 and 10 less line 12	13	

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)

14	Special depreciation allowance for qualified prop (other than listed prop) placed in service during the tax year (see pg 3 of the instr)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	31,659

Part III MACRS Depreciation (Do not include listed property) (See page 4 of the instructions)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	32,110
18	If you are electing under section 168(i)(4) 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 2002 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
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property		144,031	15.0	HY	150DB	7,202
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
i Nonresidential real property			27 5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see page 6 of the instructions)

21	Listed property Enter amount from line 28	21	
22	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 instr	22	70,971
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate Instructions

Form **4562** (2002)

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 page 8 of the instructions for limits for passenger automobiles)

24a Do you have evidence to support the business/investment use claimed?		Yes	No	24b If "Yes" is the evidence written?		Yes	No	
(a) Type of prop (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 7 of the instructions)								25
26 Property used more than 50% in a qualified business use (see page 7 of the instructions)								
		%						
		%						
27 Property used 50% or less in a qualified business use (see page 7 of the instructions)								
		%				S/L-		
		%				S/L-		
28 Add amounts in column (h), lines 25 through 27 Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26 Enter here and on line 7 page 1								29

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

30 Total business/investment miles driven during the year (do not include commuting miles-see page 2 of the instructions)	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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 page 8 of the instructions)

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles including commuting by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting by your employees? See page 8 of 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 page 9 of the 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) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2002 tax year (see page 9 of the instructions)					
43 Amortization of costs that began before your 2002 tax year				43	183
44 Total Add amounts in column (f) See page 9 of the instructions for where to report				44	183

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

<u>Desc</u>		<u>Date</u>	<u>Date</u>	<u>Sale</u>	<u>Cost &</u>	<u>Deprec</u>	<u>Gain/</u>
<u>How</u>	<u>Whom</u>	<u>Acquired</u>	<u>Sold</u>	<u>Price</u>	<u>Expense</u>		<u>-Loss</u>
<u>Rec'd</u>	<u>Sold</u>						
1999 GMC YUKON							
Purchase		12/05/00	4/22/02	\$	\$ 14,664	\$ 7,559	\$ -7,105
Total				\$ 0	\$ 14,664	\$ 7,559	\$ -7,105

Federal Statements

Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
A.A - In-Country				
A A - Reunion Fees	32,311	32,311		
A A - Advertising	29,505	29,505		
A A - Gifts	9,263	9,263		
A.A. - Donations & Pro	608	608		
A.A - Photography	1,469	1,469		
A A. - Contract Labor	1,267	1,267		
Vacation Pay	8,328	8,328		
Development - Contributions				
Administrative - Automobile	8,556	8,556		
Admin - Bank/Finance Charges	2,203	2,203		
Admin - Dues & Subscriptions	1,986		1,986	
Admin - Property Taxes	6,051	6,051		
Admin - Insurance-Medical	27,155	27,155		
Admin - Miscellaneous	162	162		
Admin - Utilities	9,962	9,962		
Admin - Off Equip-Copiers	14,806	14,806		
Admin - Insurance-Business	26,402	26,402		
Admin - Computer Consultant	22,034	22,034		
DNA Expenses	11,240	11,240		
Document Legalization Expense	1,656	1,656		
Orphan Relief Expense	10,500	10,500		
Guatemala International Expen	519,560	519,560		
Peru International Expense	12,000	12,000		
Romania Int'l Expense	100,869	100,869		
Translation Expense	9,240	9,240		
China Program Expense	29,811	29,811		
China Parent Travel Expense	257,870	257,870		
Russia International Expense	875,690	875,690		
Russia International Expense				
China Civil Affairs Expense	38,185	38,185		
Admin - Harding Personal	-848	-848		
Post Adoption Expense	17,453	17,453		
Ukraine International Expense	13,200	13,200		
Adoption Activities	20,230	20,230		
Administrative	30	30		
Database Development	390	390		
Armenia International Expense	21,500	21,500		
Ecuador Intenational Expense	3,340	3,340		
Uncategorized Expense	1	1		
Contribution Expense	388,469	388,469		
Total	\$ 2,532,454	\$ 2,530,468	\$ 1,986	\$ 0

Federal Statements

Statement 3 - Form 990, Part III - Organization's Primary Exempt Purpose

The Organizations main purpose is the coordination and promotion of the adoption of children from foreign countries by couples in the United States.

Federal Statements

Statement 4 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
Furniture & Fixtures	\$ 117,983	\$	\$	\$
Leasehold Improvements	60,498			
Vehicles	95,823			
Accumulated Depreciation		143,257		
Furniture & Fixtures			117,983	
Accounting Software			58,287	
Leasehold Improvements			204,527	
Vehicles			127,280	
Accum Depreciation				206,849
Total	<u>\$ 274,304</u>	<u>\$ 143,257</u>	<u>\$ 508,077</u>	<u>\$ 206,849</u>

Statement 5 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Security Deposit	\$	\$ 7,150
Total	<u>\$ 0</u>	<u>\$ 7,150</u>

Statement 6 - Form 990, Part IV, Line 62 - Deferred Revenue

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Deferred Rev - International	\$ 160,560	\$ 216,520
Total	<u>\$ 160,560</u>	<u>\$ 216,520</u>

Federal Statements

Statement 7 - Form 990, Part IV, Line 65 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
N/P-Infinity	\$ 30,100	\$
Lease Payable - BSFS	7,567	
Current Portion of LT Debt		2,901
Lease Payable - BSFS		5,150
Less. Current Portion		-2,901
Total	<u>\$ 37,667</u>	<u>\$ 5,150</u>

40108 Christian World Adoption
57-0967054
FYE 12/31/2002

4/17/2003 3 05 PM

Federal Statements

Form 990, Part VI, Question 80 - Relation to other organizations

Name of related organization(s)

Christian World Foundation

Federal Statements

Statement 8 - Form 990, Part VII, Line 93 - Program Service Revenue

Description	Business Code	Unrelated Amount	Exclusion Code	Exclusion Amount	Related Income
		\$		\$	\$
CWA Fees					-55,960
Reunion Income					19,900
Home Study					23,135
Insurance Proceeds					25,395
Registration					60,710
1st Agency Fee					597,150
2nd Agency Fee					451,350
Post Adoption Report					103,985
DNA					11,290
Document Legalization					-2,271
Orphan Relief Donation					16,800
Guatemala International Fee					608,799
Peru International Fees					23,475
Romania International Fees					133,053
Translation					58,227
China Program Fee					83,965
China Parent Travel&Intl Fe					285,219
Russia International Fees					1,269,080
Civil Affairs					38,086
Ukraine International Fees					29,500
Armenia International Incom					23,300
Ecuador International Fee					11,300
Total		<u>\$ 0</u>		<u>\$ 0</u>	<u>\$ 3,815,488</u>

Statement 9 - Form 990, Part VIII - Relationship of Activities

Line No	Description
93a	The Organizations main purpose is the coordination and promotion of the adoption of children from foreign countries by couples in the United States. The adoption fees income therefore comes from and supports the exempt purpose of the Organization

Federal Statements

Statement 10 - Schedule A, Part III, Line 2b - Lending of Money or Extension of Credit

During the year ended December 31, 2002 the Organization loaned \$159,000 to an Officer of the Organization. A note issued issued by the organization bearing interest at the rate of 4 25% per annum, indicating interest only monthly payments of \$563 with a maturity date of December 10, 2004 was signed by the officer. The security for this note is a first mortgage deed of trust on real property owned by said officer.

Statement 11 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of Exp

See Part V, Form 990