

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

OMB No 1545-0047

**2004**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

**A For the 2004 calendar year, or tax year beginning , and ending**

- Check if applicable
- Address change
- Name change
- Initial return
- Final return
- Amended return
- Application pending

Please use IRS label or print or type. See Specific Instructions.

**C Name of organization**

**Christian World Adoption**

Number and street (or P O box if mail is not delivered to street address) Room/suite

**777 S. Allen Road**

City or town, state or country, and ZIP + 4

**Hendersonville NC 28791**

**D Employer identification no.**  
**57-0967054**

**E Telephone number**  
**828-693-7007**

**F Accounting method:**  Cash  Accrual  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)

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 number of affiliates **▶**

**H(c)** Are all affiliates included?  Yes  No

(If "No," att a list See instr)

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

**G Website:** **▶ 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.**

**I Group Exemption Number** **▶**

**M** Check  if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

**L Gross receipts** Add lines 6b, 8b, 9b, and 10b to line 12 **▶ 4,512,485**

**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)**

**1** Contributions, gifts, grants, and similar amounts received:

**a** Direct public support

**1a** **5,511**

**b** Indirect public support

**1b**

**c** Government contributions (grants)

**1c**

**d Total** (add lines 1a through 1c) (cash \$ **5,511** noncash \$ )

**1d** **5,511**

**2** Program service revenue including government fees and contracts (from Part VII, line 93)

**2** **4,506,966**

**3** Membership dues and assessments

**3**

**4** Interest on savings and temporary cash investments

**4**

**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

**8a**

**b** Less: cost or other basis and sales expenses

**8b**

**47,789**

**c** Gain or (loss) (attach schedule)

**8c**

**-47,789**

**d** Net gain or (loss) (combine line 8c, columns (A) and (B))

**See Stmt 1**

**8d** **-47,789**

**9** Special events and activities (attach schedule) If any amount is from gaming, check here

**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** **4,464,696**

**E** **13** Program services (from line 44, column (B))

**13** **3,987,786**

**14** Management and general (from line 44, column (C))

**14** **558,031**

**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** **4,545,817**

**A** **18** Excess or (deficit) for the year (subtract line 17 from line 12)

**18** **-81,121**

**N** **19** Net assets or fund balances at beginning of year (from line 73, column (A))

**19** **644,908**

**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** **563,787**

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

SCANNED JUN 2 2005

Revenue

Expenses

Assets

8

**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 and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

**Functional Expenses**

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) <b>Stmt 2</b> (cash \$ <b>650,000</b> non-cash \$ )	22	650,000	650,000		
23	Specific assistance to individuals	23				
24	Benefits paid to or for members	24				
25	Compensation of officers, directors, etc	25	144,224	118,264	25,960	
26	Other salaries and wages	26	652,481	535,034	117,447	
27	Pension plan contributions	27	60,708	49,780	10,928	
28	Other employee benefits	28	58,511	47,997	10,514	
29	Payroll taxes	29	64,275	52,725	11,550	
30	Professional fundraising fees	30				
31	Accounting fees	31				
32	Legal fees	32	23,960		23,960	
33	Supplies	33	61,337		61,337	
34	Telephone	34	55,920	55,920		
35	Postage and shipping	35	74,018	74,018		
36	Occupancy	36	73,025	54,769	18,256	
37	Equipment rental and maintenance	37	55,515		55,515	
38	Printing and publications	38	18,661	18,661		
39	Travel	39	92,126	92,126		
40	Conferences, conventions, and meetings	40	29,698	29,698		
41	Interest	41	123		123	
42	Depreciation, depletion, etc (attach schedule)	42	66,784		66,784	
43	Other expenses not covered above (itemize): b <b>See Statement 3</b> c d e	43a				
		43b	2,364,451	2,208,794	155,657	
		43c				
		43d				
		43e				
44	<b>Total functional expenses</b> (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	4,545,817	3,987,786	558,031	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 25 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.)
<b>See Statement 4</b> 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 <b>The organization coordinated adoptions of children in various foreign countries by couples in the United States</b>  (Grants and allocations \$ <b>650,000</b> )	<b>3,987,786</b>
b  (Grants and allocations \$ )	
c  (Grants and allocations \$ )	
d  (Grants and allocations \$ )	
e Other program services (attach schedule) (Grants and allocations \$ )	
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services)	<b>3,987,786</b>

**Part IV Balance Sheets** (See page 25 of the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A)		(B)	
		Beginning of year		End of year	
45	Cash-non-interest-bearing	740,673	45	630,363	
46	Savings and temporary cash investments		46		
47a	Accounts receivable	29,129			
b	Less allowance for doubtful accounts		47c	29,129	
48a	Pledges receivable				
b	Less allowance for doubtful accounts		48c		
49	Grants receivable		49		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
51a	Other notes and loans receivable (attach schedule)				
b	Less allowance for doubtful accounts		51c		
52	Inventories for sale or use		52		
53	Prepaid expenses and deferred charges	10,878	53	23,856	
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54		
55a	Investments-land, buildings, and equipment basis				
b	Less accumulated depreciation (attach schedule)		55c		
56	Investments-other (attach schedule)		56		
57a	Land, buildings, and equipment basis	527,272			
b	Less: accumulated depreciation (attach schedule) <b>See Statement 5</b>	289,421	57c	237,851	
58	Other assets (describe <b>See Statement 6</b> )	7,150	58	7,150	
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)	995,772	59	928,349	
60	Accounts payable and accrued expenses	89,980	60	103,595	
61	Grants payable		61		
62	Deferred revenue <b>See Statement 7</b>	258,634	62	236,718	
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 <b>See Statement 8</b> )	2,250	65	24,249	
66	<b>Total liabilities</b> (add lines 60 through 65)	350,864	66	364,562	
<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.</b>					
67	Unrestricted	644,908	67	563,787	
68	Temporarily restricted		68		
69	Permanently restricted		69		
<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.</b>					
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	<b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	644,908	73	563,787	
74	<b>Total liabilities and net assets / fund balances</b> (add lines 66 and 73)	995,772	74	928,349	

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 27 of the instructions.)

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

a	Total revenue, gains, and other support per audited financial statements ▶	a	<b>4,512,485</b>
b	Amounts included on line a but not on line 12, Form 990		
	(1) Net unrealized gains on investments \$		
	(2) Donated services and use of facilities \$		
	(3) Recoveries of prior year grants \$		
	(4) Other (specify): \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	<b>4,512,485</b>
d	Amounts included on line 12, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 \$		
	(2) Other (specify): <b>See Stmt 9</b> \$ <b>-47,789</b>		
	Add amounts on lines (1) and (2) ▶	d	<b>-47,789</b>
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	<b>4,464,696</b>

a	Total expenses and losses per audited financial statements ▶	a	<b>4,593,606</b>
b	Amounts included on line a but not on line 17, Form 990:		
	(1) Donated services and use of facilities \$		
	(2) Prior year adjustments reported on line 20, Form 990 \$		
	(3) Losses reported on line 20, Form 990 \$		
	(4) Other (specify): \$		
	Add amounts on lines (1) through (4) ▶	b	
c	Line a minus line b ▶	c	<b>4,593,606</b>
d	Amounts included on line 17, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 \$		
	(2) Other (specify): <b>See Stmt 10</b> \$ <b>-47,789</b>		
	Add amounts on lines (1) and (2) ▶	d	<b>-47,789</b>
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	<b>4,545,817</b>

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see page 27 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) Contnb to employee benefit plans & deferred compensation	(E) Expense account and other allowances
<b>See Statement 11</b>				

**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 28 of the instructions.

Part VI Other Information (See page 28 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 income of \$1,000 or more during the year covered by this return?		X
78b	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	
80a	b If "Yes," enter the name of the organization <b>Christian World Foundation, Inc.</b> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures. See line 81 instructions		
81b	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
82b	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	
83b	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
84b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		N/A
85a	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		N/A
85b	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.		
85c	c Dues, assessments, and similar amounts from members		
85d	d Section 162(e) lobbying and political expenditures		
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
85h	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?		N/A
86a	86 501(c)(7) orgs Enter: a Initiation fees and capital contributions included on line 12		
86b	b Gross receipts, included on line 12, for public use of club facilities		
87a	87 501(c)(12) orgs Enter: a Gross income from members or shareholders		
87b	b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
88	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	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>		
89b	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		0
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	90a List the states with which a copy of this return is filed <b>None</b>		
90b	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)		28
91	91 The books are in care of <b>Christian World Adoption</b> Located at <b>Flat Rock, NC</b>		
	Telephone no <b>28731</b> ZIP + 4 <b>28731</b>		
92	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		

**Part VII Analysis of Income-Producing Activities** (See page 33 of the instructions.)

	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	
<b>Note:</b> Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a <b>See Statement 12</b>					4,506,966
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	8	
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			1	-47,789	
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	-47,781	4,506,966
105 Total (add line 104, columns (B), (D), and (E))					4,459,185

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 34 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)
▼	<b>See Statement 13</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See page 34 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 34 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, on a personal benefit contract?  Yes  No

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, if any, and believe that 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: *Todd A. Wohl CPA*

Firm's name (or yours if self-employed): **Gabler Molis & Tolson**

address, and ZIP + 4: **404 S. Main St  
Hendersonville, NC**

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

**2004**

**Supplementary Information-(See separate instructions.)**

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Department of the Treasury  
Internal Revenue Service

Name of the organization

Employer identification number

**Christian World Adoption**

**57-0967054**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to empl ben plans & deferred comp	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
<b>Mirella Gonzalez De Warner</b>	<b>Guatemala Attorney</b>	<b>348,840</b>
<b>China Women Travel Service</b>	<b>Travel Arrangements</b>	<b>308,816</b>
<b>Oscar Robles</b>	<b>Guatemala Attorney</b>	<b>287,369</b>
<b>Enrique Gonzalez Rodriquez</b>	<b>Guatemala Attorney</b>	<b>123,370</b>
Total number of others receiving over \$50,000 for professional services ▶	<b>0</b>	

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

Schedule A (Form 990 or 990-EZ) 2004

**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.		<b>X</b>
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?		<b>X</b>
b	Lending of money or other extension of credit?		<b>X</b>
c	Furnishing of goods, services, or facilities?		<b>X</b>
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	<b>X</b>	
<b>See Statement 14</b>			
e	Transfer of any part of its income or assets?		<b>X</b>
3a	Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		<b>X</b>
b	Do you have a section 403(b) annuity plan for your employees?		<b>X</b>
4a	Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		<b>X</b>
b	Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		<b>X</b>

**Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	7,706				7,706
16 Membership fees received					0
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	3,690,373	3,815,488	2,789,532	3,098,377	13,393,770
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	1,187	3,428	9,374	19,172	33,161
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	3,699,266	3,818,916	2,798,906	3,117,549	13,434,637
24 Line 23 minus line 17	8,893	3,428	9,374	19,172	40,867
25 Enter 1% of line 23	36,993	38,189	27,989	31,175	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	▶	26a	0
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 2000 through 2003 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: (2003) 7,706 (2002) _____ (2001) _____ (2000) _____	▶	27c	13,401,476
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: (2003) _____ (2002) _____ (2001) _____ (2000) _____	▶	27d	7,706
c Add: Amounts from column (e) for lines: 15 7,706 16 _____ 17 13,393,770 20 _____ 21 _____	▶	27e	13,393,770
d Add Line 27a total 7,706 and line 27b total _____	▶	27f	13,434,637
e Public support (line 27c total minus line 27d total)	▶	27g	99.6958%
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	▶	27h	0.2468%
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	▶		
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	▶		

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table-			
<b>If the amount on line 40 is-</b> <b>The lobbying nontaxable amount is-</b>			
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>		
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	<b>43</b>		
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	<b>44</b>		

**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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.) **N/A**

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

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

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

(i) Cash

(ii) Other assets

b Other transactions:

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

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

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

Table with 3 columns: Question, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. 'No' column contains 'X' for all rows.

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

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

Yes No (X) (input checked)

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. Row 1 contains 'N/A'.

**Federal Statements**

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

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
BINDING MACHINE	Purchase		9/19/94	12/31/04	\$	\$ 239	\$ 239	\$
CAMCORDER & CAMERA	Purchase		1/07/95	12/31/04		1,251	1,251	
BATTERY & CHARGER	Purchase		9/05/95	12/31/04		687	687	
IN/OUT BOARD	Purchase		4/06/96	12/31/04		185	185	
WORKSTATION	Purchase		2/10/98	12/31/04		212	193	-19
TELEPHONE SET	Purchase		2/10/98	12/31/04		313	285	-28
COMPUTER	Purchase		3/02/98	12/31/04		404	368	-36
6 DESK UNITS	Purchase		1/14/99	12/31/04		2,400	1,972	-428
COMPUTER/FAX	Purchase		2/05/99	12/31/04		2,900	2,900	
OFFICE SIGN - NC OFFICE	Purchase		4/05/99	12/31/04		2,300	2,300	
SECURITY SYSTEM	Purchase		4/07/99	12/31/04		1,266	1,040	-226
PARKING LOT-NC OFFICE	Purchase		5/11/99	12/31/04		1,309	534	-775
FLOORING-NC OFFICE	Purchase		11/16/99	12/31/04		7,360	6,046	-1,314
REMODELING-NC	Purchase		11/16/99	12/31/04		51,829	6,866	-44,963
CAMPER SHELL	Purchase		7/19/95	12/31/04		1,843	1,843	
<b>Total</b>					\$ <u>0</u>	\$ <u>74,498</u>	\$ <u>26,709</u>	\$ <u>-47,789</u>

### Federal Statements

**Statement 2 - Form 990, Part II, Line 22 - Grants, Allocations and Contributions**

<u>Name Address</u>	<u>Relationship to Org</u>	<u>Class of Activity</u>	<u>Date of Gift</u>	<u>Description of Property</u>	<u>Cash Contrib</u>	<u>NonCash Contrib</u>	<u>Book Value</u>	<u>BV Explantn</u>	<u>FMV Explantn</u>
Christian World Foundation 111 Ashley Avenue Charleston, SC, 29401	Common Mgmt/Director				\$ 650,000	\$	\$		
<b>Total</b>					<u>\$ 650,000</u>	<u>\$ 0</u>	<u>\$ 0</u>		

**Federal Statements****Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Dues and Subscriptions	14,530		14,530	
Property Taxes	6,516		6,516	
Insurance - Business	87,811		87,811	
Utilities	12,235		12,235	
Computer Consultant	23,506		23,506	
Automobile Expense	9,678		9,678	
Entertainment	769		769	
Bank Fees - Service Charges	316		316	
Miscellaneous - Admin	296		296	
Russia International Expense	547,445	547,445		
Guatemala International Exp.	775,480	775,480		
China International Expense	320,383	320,383		
Romania International Expense	18,985	18,985		
Ukraine International Expense	48,198	48,198		
Mongolia International Exp.	8,100	8,100		
Paraguay International Exp.	2,350	2,350		
Ecuador International Exp.	4,000	4,000		
Peru International Expense	10,994	10,994		
China Civil Affairs	58,220	58,220		
Translation	20,813	20,813		
Advertising	33,826	33,826		
Bulgaria International Exp	40,144	40,144		
Kazakhstan International Exp	39,840	39,840		
Abroad and Back	4,388	4,388		
Program Development	5,774	5,774		
In Country	118,627	118,627		
DNA and Post Adoption Expense	40,804	40,804		
Contract Labor	16,367	16,367		
Orphanage Relief Expenses	1,905	1,905		
Photography	1,467	1,467		
Home Study	53,399	53,399		
Reunion Expense	37,285	37,285		
<b>Total</b>	<u>\$ 2,364,451</u>	<u>\$ 2,208,794</u>	<u>\$ 155,657</u>	<u>\$ 0</u>

**Statement 4 - 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 5 - 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	\$	\$ 169,342	\$
Accounting Software	58,287		74,943	
Leasehold Improvements	204,527		142,284	
Vehicles	127,280		140,703	
Accum Depreciation		272,754		289,421
Total	<u>\$ 508,077</u>	<u>\$ 272,754</u>	<u>\$ 527,272</u>	<u>\$ 289,421</u>

### Statement 6 - 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	\$ 7,150
Employee Advances		
Total	<u>\$ 7,150</u>	<u>\$ 7,150</u>

### Statement 7 - Form 990, Part IV, Line 62 - Deferred Revenue

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Deferred Rev - International	\$ 258,634	\$ 236,718
Total	<u>\$ 258,634</u>	<u>\$ 236,718</u>

### Statement 8 - Form 990, Part IV, Line 65 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Due to Related Parties	\$	\$ 24,249
Current Portion of LT Debt	2,250	
Lease Payable - BSFS	2,250	
Less: Current Portion	-2,250	
Total	<u>\$ 2,250</u>	<u>\$ 24,249</u>



## Federal Statements

### Statement 9 - Form 990, Part IV-A - Other Revenue Included on Return

<u>Description</u>	<u>Amount</u>
Loss on disposal of assets	\$ -47,789
Total	<u>\$ -47,789</u>

### Statement 10 - Form 990, Part IV-B - Other Expenses Included on Return

<u>Description</u>	<u>Amount</u>
Loss on disposal of assets	\$ -47,789
Total	<u>\$ -47,789</u>

## Federal Statements

### Statement 11 - Form 990, Part V - List of Officers, Directors, Trustees, and Key Employees

Name	Address		Average Hours	Compensation	Benefits	Expenses
	City, State, Zip	Title				
Bart Bingham	1200 Cedar St Elwood IN 46036			0	0	0
Jane Byrum	3645 Gaston Day Sch. Rd Gastonia NC 28056			0	0	0
Ricki Carruth	1421 Parkshore Dr. Charleston SC 29417			0	0	0
Terry Fries	4228 Congressional Dr. Myrtle Beach SC 29579			0	0	0
Gary Green	9 Quail Hill Court Greenville SC 29607			0	0	0
Tomilee Harding	111 Ashley Avenue Charleston SC 29401	Executive Di		72,112	13,000	0
Robert Harding	111 Ashley Avenue Charleston SC 29401	CFO		72,112	13,000	0
Susan Kilpatrick	861 Robert E. Lee Blvd. Charleston SC 29412			0	0	0
Leah Miller	1801 Labor Camp Road Mt. Pleasant SC 29464			0	0	0
Maria Moore	123 Estate Drive Hendersonville NC 28739			0	0	0
Beth Ansel	3452 Billings Street Mt. Pleasant SC 29466			0	0	0
Sandra Watkins	5 Argent Court Simpsonville SC 29681			0	0	0

**Federal Statements**

**Statement 12 - Form 990, Part VII, Line 93 - Program Service Revenue**

<u>Description</u>	<u>Business Code</u>	<u>Unrelated Amount</u>	<u>Exclusion Code</u>	<u>Exclusion Amount</u>	<u>Related Income</u>
Post Adoption Report		\$		\$	\$ 106,190
DNA					18,468
Orphan Relief Donation					13,235
Guatemala International Fee					838,368
Peru Internation Fees					14,223
Reunion Income					16,290
Romania Internation Fees					20,250
Translation					62,719
China Program Fee					498,625
Russia Internation Fees					1,065,755
Civil Affairs					56,230
Ukraine International Fees					104,150
Bulgaria International Fee					57,500
Kazakhstan International Fe					67,500
Mongolia International Fees					10,000
Home Study					107,910
Agency Fees					1,449,553
Total		\$ <u>0</u>		\$ <u>0</u>	\$ <u>4,506,966</u>

**Statement 13 - Form 990, Part VIII - Relationship of Activities**

<u>Line No.</u>	<u>Description</u>
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 14 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of  
Exp**

See Part V, Form 990

Form **8824**

**Like-Kind Exchanges**

OMB No 1545-1190

(and section 1043 conflict-of-interest sales)

**2004**

Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return.

Attachment  
Sequence No **109**

Name(s) shown on tax return

Identifying number

**Christian World Adoption**

**57-0967054**

**Part I Information on the Like-Kind Exchange**

Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

- 1 Description of like-kind property given up ▶ **VEHICLE-INFINITI**
- 2 Description of like-kind property received ▶ **Received in trade for asset # 153**
- 3 Date like-kind property given up was originally acquired (month, day, year) 

3	<b>12/05/01</b>
4	<b>10/18/04</b>
5	
6	
- 4 Date you actually transferred your property to other party (month, day, year)
- 5 Date like-kind property you received was identified by written notice to another party (see instructions for 45-day written notice requirement) (month, day, year)
- 6 Date you actually received the like-kind property from other party (month, day, year) (see instructions)
- 7 Was the exchange of the property given up or received made with a related party, either directly or indirectly (such as through an intermediary) (see instructions)? If "Yes," complete Part II. If "No," go to Part III  Yes  No

**Part II Related Party Exchange Information**

8 Name of related party	Relationship to you	Related party's identifying number
Address (no., street, and apt., room, or suite no., city or town, state, and ZIP code)		

- 9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party directly or indirectly (such as through an intermediary) sell or dispose of any part of the like-kind property received from you in the exchange?  Yes  No
  - 10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of any part of the like-kind property you received?  Yes  No
- If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is not the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 unless one of the exceptions on line 11 applies.
- 11 If one of the exceptions below applies to the disposition, check the applicable box:
    - a  The disposition was after the death of either of the related parties
    - b  The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange.
    - c  You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as its principal purpose. If this box is checked, attach an explanation (see instructions)

**Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received**

Caution: If you transferred and received (a) more than one group of like-kind properties or (b) cash or other (not like-kind) property, see Reporting of multi-asset exchanges in the instructions.

Note: Complete lines 12 through 14 only if you gave up property that was not like-kind. Otherwise, go to line 15

12 Fair market value (FMV) of other property given up	12		
13 Adjusted basis of other property given up	13		
14 Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale		14	
15 Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions)		15	
16 FMV of like-kind property you received		16	<b>43,479</b>
17 Add lines 15 and 16		17	<b>43,479</b>
18 Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (see instructions)		18	<b>30,940</b>
19 Realized gain or (loss). Subtract line 18 from line 17		19	<b>12,539</b>
20 Enter the smaller of line 15 or line 19, but not less than zero		20	<b>0</b>
21 Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions)		21	
22 Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions)		22	<b>0</b>
23 Recognized gain. Add lines 21 and 22		23	
24 Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions		24	<b>12,539</b>
25 Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23		25	<b>30,940</b>

Form **8824**

**Like-Kind Exchanges**

OMB No 1545-1190

(and section 1043 conflict-of-interest sales)

**2004**

Department of the Treasury  
Internal Revenue Service

▶ Attach to your tax return.

Attachment  
Sequence No **109**

Name(s) shown on tax return

Identifying number

**Christian World Adoption**

**57-0967054**

**Part I Information on the Like-Kind Exchange**

Note: If the property described on line 1 or line 2 is real or personal property located outside the United States, indicate the country.

1	Description of like-kind property given up ▶	<b>Cadiallac</b>
2	Description of like-kind property received ▶	<b>Received in trade for asset # 157</b>
3	Date like-kind property given up was originally acquired (month, day, year)	<b>4/22/02</b>
4	Date you actually transferred your property to other party (month, day, year)	<b>2/16/04</b>
5	Date like-kind property you received was identified by written notice to another party (see instructions for 45-day written notice requirement) (month, day, year)	
6	Date you actually received the like-kind property from other party (month, day, year) (see instructions)	
7	Was the exchange of the property given up or received made with a related party, either directly or indirectly (such as through an intermediary) (see instructions)? If "Yes," complete Part II. If "No," go to Part III	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Part II Related Party Exchange Information**

8	Name of related party	Relationship to you	Related party's identifying number
---	-----------------------	---------------------	------------------------------------

Address (no., street, and apt., room, or suite no., city or town, state, and ZIP code)

9 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did the related party directly or indirectly (such as through an intermediary) sell or dispose of any part of the like-kind property received from you in the exchange?  Yes  No

10 During this tax year (and before the date that is 2 years after the last transfer of property that was part of the exchange), did you sell or dispose of any part of the like-kind property you received?  Yes  No

If both lines 9 and 10 are "No" and this is the year of the exchange, go to Part III. If both lines 9 and 10 are "No" and this is not the year of the exchange, stop here. If either line 9 or line 10 is "Yes," complete Part III and report on this year's tax return the deferred gain or (loss) from line 24 unless one of the exceptions on line 11 applies

11 If one of the exceptions below applies to the disposition, check the applicable box:

a  The disposition was after the death of either of the related parties.

b  The disposition was an involuntary conversion, and the threat of conversion occurred after the exchange

c  You can establish to the satisfaction of the IRS that neither the exchange nor the disposition had tax avoidance as its principal purpose. If this box is checked, attach an explanation (see instructions)

**Part III Realized Gain or (Loss), Recognized Gain, and Basis of Like-Kind Property Received**

Caution: If you transferred and received (a) more than one group of like-kind properties or (b) cash or other (not like-kind) property, see Reporting of multi-asset exchanges in the instructions

Note: Complete lines 12 through 14 only if you gave up property that was not like-kind. Otherwise, go to line 15.

12	Fair market value (FMV) of other property given up	<b>12</b>	
13	Adjusted basis of other property given up	<b>13</b>	
14	Gain or (loss) recognized on other property given up. Subtract line 13 from line 12. Report the gain or (loss) in the same manner as if the exchange had been a sale	<b>14</b>	
15	Cash received, FMV of other property received, plus net liabilities assumed by other party, reduced (but not below zero) by any exchange expenses you incurred (see instructions)	<b>15</b>	
16	FMV of like-kind property you received	<b>16</b>	<b>47,535</b>
17	Add lines 15 and 16	<b>17</b>	<b>47,535</b>
18	Adjusted basis of like-kind property you gave up, net amounts paid to other party, plus any exchange expenses not used on line 15 (see instructions)	<b>18</b>	<b>31,522</b>
19	Realized gain or (loss). Subtract line 18 from line 17	<b>19</b>	<b>16,013</b>
20	Enter the smaller of line 15 or line 19, but not less than zero	<b>20</b>	<b>0</b>
21	Ordinary income under recapture rules. Enter here and on Form 4797, line 16 (see instructions)	<b>21</b>	
22	Subtract line 21 from line 20. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797, unless the installment method applies (see instructions)	<b>22</b>	<b>0</b>
23	Recognized gain. Add lines 21 and 22	<b>23</b>	
24	Deferred gain or (loss). Subtract line 23 from line 19. If a related party exchange, see instructions	<b>24</b>	<b>16,013</b>
25	Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23	<b>25</b>	<b>31,522</b>

Form **4562**

# Depreciation and Amortization

OMB No 1545-0172

(Including Information on Listed Property)

**2004**

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 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	102,000																											
2 Total cost of section 179 property placed in service (see page 3 of the instructions)	2																												
3 Threshold cost of section 179 property before reduction in limitation	3	410,000																											
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 page 3 of the instructions	5																												
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%;">(a) Description of property</th> <th style="width: 25%;">(b) Cost (business use only)</th> <th style="width: 25%;">(c) Elected cost</th> </tr> <tr> <td>6</td> <td></td> <td></td> </tr> <tr> <td>7 Listed property Enter the amount from line 29</td> <td style="text-align: center;">7</td> <td></td> </tr> <tr> <td>8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7</td> <td style="text-align: center;">8</td> <td></td> </tr> <tr> <td>9 Tentative deduction. Enter the smaller of line 5 or line 8</td> <td style="text-align: center;">9</td> <td></td> </tr> <tr> <td>10 Carryover of disallowed deduction from line 13 of your 2003 Form 4562</td> <td style="text-align: center;">10</td> <td></td> </tr> <tr> <td>11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)</td> <td style="text-align: center;">11</td> <td></td> </tr> <tr> <td>12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11</td> <td style="text-align: center;">12</td> <td></td> </tr> <tr> <td>13 Carryover of disallowed deduction to 2005 Add lines 9 and 10, less line 12</td> <td style="text-align: center;">13</td> <td></td> </tr> </table>			(a) Description of property	(b) Cost (business use only)	(c) Elected cost	6			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 2003 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 2005 Add lines 9 and 10, less line 12	13	
(a) Description of property	(b) Cost (business use only)	(c) Elected cost																											
6																													
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 2003 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 2005 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 instructions)	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	31,546

**Part III MACRS Depreciation (Do not include listed property.) (See page 5 of the instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2004	17	22,235
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"/>	18	

**Section B-Assets Placed in Service During 2004 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		89,643	5.0	MQ	200DB	12,895
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
				MM	S/L	

**Section C-Assets Placed in Service During 2004 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 8 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	66,676
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** (2004)

Form 4562 (2004)

**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 9 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 8 of the instructions)											25	
26 Property used more than 50% in a qualified business use (see page 8 of the instructions):												
		%										
		%										
27 Property used 50% or less in a qualified business use (see page 8 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	
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?	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
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 10 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 10 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 10 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 2004 tax year (see page 11 of the instructions):					
43 Amortization of costs that began before your 2004 tax year				43	107
44 Total. Add amounts in column (f) See page 12 of the instructions for where to report				44	107



Year Ended: December 31, 2004

57-0967054

Christian World Adoption  
777 S. Allen Road  
Hendersonville, NC 28791

**Electing out of the 50% Bonus Depreciation Allowance  
for All Eligible Depreciable Property**

The taxpayer elects out of the first-year 50 % bonus depreciation allowance under IRC Section 168(k) for all eligible asset classes of depreciable property acquired after May 5, 2003. This election applies to all qualified 50% bonus depreciation property placed in service during the tax year.