

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

OMB No 1545-0047

2006

Open to Public Inspection

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

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

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

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 South Allen Road

City or town, state or country, and ZIP + 4
Flat Rock NC 28731

D Employer identification number
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 are not applicable to section 527 organizations I
- 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," attach a list. See instructions.)
- 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 is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file 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 **7,204,683**

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

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b		82,700	
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d			
	e Total (add lines 1a through 1d) (cash \$ 82,700 noncash \$)	1e			82,700
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			7,120,083
	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	8a	1,900		
		8b	2,111		
		8c	-211		
	d Net gain or (loss) Combine line 8c, columns (A) and (B) See Stmt 1	8d		-211	
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ of contributions reported on line 1b)	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 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12			7,202,572	
Expenses	13 Program services (from line 44, column (B))	13		6,263,262	
	14 Management and general (from line 44, column (C))	14		538,991	
	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			6,802,253
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		400,319	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		727,752	
	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			1,128,071

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See 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
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) Stmt 2 (cash \$ 650,000 non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	650,000	650,000		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) See Statement 3	226,026	172,119	53,907	
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	864,773	772,379	92,394	
27	Pension plan contributions not included on lines 25a, b, and c	40,136	39,414	722	
28	Employee benefits not included on lines 25a - 27	43,166	37,554	5,612	
29	Payroll taxes	80,180	69,530	10,650	
30	Professional fundraising fees				
31	Accounting fees	20,021		20,021	
32	Legal fees				
33	Supplies	43,915		43,915	
34	Telephone	57,803	57,803		
35	Postage and shipping	84,642	84,642		
36	Occupancy	88,861	66,646	22,215	
37	Equipment rental and maintenance	55,669		55,669	
38	Printing and publications	45,275	45,275		
39	Travel	128,518	128,518		
40	Conferences, conventions, and meetings	114,094	114,094		
41	Interest	1,419		1,419	
42	Depreciation, depletion, etc. (attach schedule)	88,118	0	88,118	
43a	Other expenses not covered above (itemize) See Statement 4	4,169,637	4,025,288	144,349	
43b					
43c					
43d					
43e					
43f					
43g					
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	6,802,253	6,263,262	538,991	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 the instructions.)

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

What is the organization's primary exempt purpose? ▶ See Statement 5 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
a The Organization coordinated the adoption of over 300 children in various countries by families in the United States of America. Aproximately 600 family registrations for international placement were received in 2006. (Grants and allocations \$ 650,000) If this amount includes foreign grants, check here <input type="checkbox"/>	6,263,262
b (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	6,263,262

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year		(B) End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.					
Assets	45	Cash-non-interest-bearing	944,103	45	1,392,598
	46	Savings and temporary cash investments		46	
	47a	Accounts receivable			
	b	Less: allowance for doubtful accounts	27,310	47c	
	48a	Pledges receivable			
	b	Less: allowance for doubtful accounts		48c	
	49	Grants receivable		49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b	
	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	14,154	53	16,596
	54a	Investments—publicly-traded securities		54a	
	b	Investments—other securities (attach schedule)		54b	
	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	760,373		
b	Less: accumulated depreciation (attach schedule) See Statement 6	370,008	273,777	57c	390,365
58	Other assets, including program-related investments (describe See Statement 7)	47,150	58	23,195	
59	Total assets (must equal line 74). Add lines 45 through 58	1,306,494	59	1,822,754	
Liabilities	60	Accounts payable and accrued expenses	128,100	60	137,241
	61	Grants payable		61	
	62	Deferred revenue See Statement 8	395,106	62	529,950
	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 Statement 9)	55,536	65	27,492
66	Total liabilities. Add lines 60 through 65	578,742	66	694,683	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted	727,752	67	1,128,071
	68	Temporarily restricted		68	
	69	Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
	70	Capital stock, trust principal, or current funds		70	
	71	Paid-in or capital surplus, or land, building, and equipment fund		71	
	72	Retained earnings, endowment, accumulated income, or other funds		72	
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	727,752	73	1,128,071
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	1,306,494	74	1,822,754	

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

a	Total revenue, gains, and other support per audited financial statements		a	7,202,572
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	7,202,572
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12). Add lines c and d		e	7,202,572

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

a	Total expenses and losses per audited financial statements		a	6,802,253
b	Amounts included on line a but not Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	
c	Subtract line b from line a		c	6,802,253
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17). Add lines c and d		e	6,802,253

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
See Statement 10				

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

	Yes	No
75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 12		
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) See Statement 11	75b	X
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions	75c	X
d Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits
(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
N/A				

Part VI Other Information (See the instructions.)

	Yes	No
76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	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.	77	X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	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?	80a	X
b If "Yes," enter the name of the organization ▶ Christian World Foundation, Inc. and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	81a	
81a Enter direct and indirect political expenditures (See line 81 instructions.)	81a	
b Did the organization file Form 1120-POL for this year?	81b	X

Part VI Other Information (continued)

		Yes	No
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)		
	82b		
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?		
	83b N/A		
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	84b N/A		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
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.		
	85a N/A		
c	Dues, assessments, and similar amounts from members		
	85c		
d	Section 162(e) lobbying and political expenditures		
	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	85g N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	85h N/A		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
	86a		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
88a	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
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 0 ; section 4912 0 ; section 4955 0		
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		
	89b N/A		
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
	0		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
	0		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
	89e		
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
	89f		
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
	89g		
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, 2006 (See instructions.)		
	90b		30
91a	The books are in care of Christian World Adoption 777 South Allen Road Located at Flat Rock, N.C., NC	Telephone no. 828-693-7007	
		ZIP + 4 28731	
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	91b	Yes	No
			X

Part VI Other Information (continued)

Yes No

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

91c

If "Yes," enter the name of the foreign country ▶

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 |

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

Note: Enter gross amounts unless otherwise indicated.

93 Program service revenue:

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
a See Statement 12					7,120,083
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					
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	-211	
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	-211	7,120,083
105 Total (add line 104, columns (B), (D), and (E))					7,119,872

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	The Organizations main purpose is the coordination and promotion of adoptions of children from foreign countries by couples in the United States.

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

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

Part X Information Regarding Transfers Associated with

(a) Did the organization, during the year, receive any funds, directly or indirectly

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

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

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

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

Yes	No
	X

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

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

Yes	No
	X

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

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

Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: *Robert L. Harlow*
 Type or print name and title: **Robert L. HARLOW Sec CFO** Date: **5/09/07**

Paid Preparer's Use Only

Preparer's signature: *Carol A. Sanchez, CPA* Date: **5/09/07** Check if self-employed: Preparer's SSN or PTIN (See Gen Instr X): **P00172279**

Firm's name (or yours if self-employed), address, and ZIP + 4: **Webb & Senerchia, PC**
136 S. King St., Suite E
Hendersonville, NC 28792 EIN: **20-3141721** Phone no: **828-696-2324**

**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 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization

Christian World Adoption

Employer identification number
57-0967054

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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) Comp	(d) Contrib to empl ben plans & deferred comp.	(e) Expense account & other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

Part II-A 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
Oscar Robles GT	Attorney	566,076
Mirella de Werner GT	Attorney	532,805
China Center for Adoptive Affairs CH	Facilitators	330,340
Luis Armando Gonzalez GT	Attorney	180,000
Enrique Gonzalez GT	Attorney	133,780

Total number of others receiving over \$50,000 for professional services ▶

0

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶

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

Yes No

<p>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.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	1		X
<p>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)</p> <p>a Sale, exchange, or leasing of property?</p>	2a		X
<p>b Lending of money or other extension of credit?</p>	2b		X
<p>c Furnishing of goods, services, or facilities?</p>	2c		X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V, Form 990 See Statement 13</p>	2d	X	
<p>e Transfer of any part of its income or assets?</p>	2e		X
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	3a		X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b		X
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		X
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		
<p>d Enter the total number of donor advised funds owned at the end of the tax year ► _____</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► _____</p>	0		
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____</p>	0		

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

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

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

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

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

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	400	5,511	7,706		13,617
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	5,260,709	4,506,966	3,690,373	3,815,488	17,273,536
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		8	1,187	3,428	4,623
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. Stmt 14	21,500				21,500
23 Total of lines 15 through 22	5,282,609	4,512,485	3,699,266	3,818,916	17,313,276
24 Line 23 minus line 17	21,900	5,519	8,893	3,428	39,740
25 Enter 1% of line 23	52,826	45,125	36,993	38,189	

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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	▶ 26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)	▶ 26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	▶ 26d	
e Public support (line 26c minus line 26d total)	▶ 26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	▶ 26f	%

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) 0 (2004) 0 (2003) 7,706 (2002) 0		
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) 0 (2004) 0 (2003) 0 (2002) 0		
c Add: Amounts from column (e) for lines: 15 13,617 16 _____ 17 17,273,536 20 _____ 21 _____	▶ 27c	17,287,153
d Add Line 27a total 7,706 and line 27b total _____	▶ 27d	7,706
e Public support (line 27c total minus line 27d total)	▶ 27e	17,279,447
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f		17,313,276
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	▶ 27g	99.8046%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	▶ 27h	0.0267%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 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?	29		
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?	30		
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.)	31		
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 10 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 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(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 13 of the instructions.)

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

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

Yes	No	Amount
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	

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 13 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:

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
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

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
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	
Sony Wireless Laptop-T-Lee Purchase		12/02/04	11/07/06	\$ 1,900	\$ 3,424	\$ 1,313	\$ -211	
Total				\$ 1,900	\$ 3,424	\$ 1,313	\$ -211	

Federal Statements

Statement 2 - Form 990, Part II, Line 22b - Other Grants and Allocations

<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, Inc. 777 South Allen Road Flat Rock NC 28731	Common Mngt/Director		4/06/06		\$ 400,000	\$	\$		
Christian World Foundation, Inc. 777 South Allen Road Flat Rock NC 28731	Common Mngt/Director		12/22/06		250,000				
Total					<u>\$ 650,000</u>	<u>\$ 0</u>	<u>\$ 0</u>		

Federal Statements

Statement 3 - Form 990, Part II, Line 25a - Compensation of Current Officers

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
Expenses	\$	\$	\$
Anita Thomas			
Compensation	38,218	9,555	
Benefit Plan Contribution	3,384	846	
Robert Harding			
Compensation	44,305	14,769	
Benefit Plan Contribution	15,000	5,000	
Tomilea Harding			
Compensation	59,962	19,987	
Benefit Plan Contribution	11,250	3,750	
Total	\$ <u>172,119</u>	\$ <u>53,907</u>	\$ <u>0</u>

Federal Statements

Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Russia International Expenses	466,105	466,105		
Guatemala International Exp.	1,626,738	1,626,738		
China International Expenses	413,100	413,100		
Romania International Exp.	1,789	1,789		
Ukraine International Exp.	102,300	102,300		
Mongolia International Exp.	6,926	6,926		
Peru International Exp.	14,340	14,340		
China Civil Affairs	94,795	94,795		
Ethiopia International Expens	106,617	106,617		
Ethiopia Development Expense	204,982	204,982		
Translation	44,210	44,210		
Advertising	49,471	49,471		
Kazakhstan International Exp.	241,613	241,613		
Kyrgyzstan International Exp.	59,300	59,300		
International Program Develop	1,250	1,250		
Abroad and Back	5,054	5,054		
Contributions - Prog. Dev.	15,248	15,248		
In-Country	97,177	97,177		
DNA/Post Adoption Exp.	52,055	52,055		
Contract Labor	6,920	6,920		
Orphanage Relief Exp.	170,123	170,123		
Photography	4,707	4,707		
Home Study	75,715	75,715		
Adoption Advisors Expense	83,409	83,409		
Outreach	3,459	3,459		
Reunion Expenses	12,685	12,685		
Program Expenses - Other	65,200	65,200		
Property Taxes	9,664		9,664	
Insurance - Business	68,427		68,427	
Dues and Subscriptions	10,718		10,718	
Utilities	17,146		17,146	
Computer Consultant	16,171		16,171	
Automobile Expense	22,223		22,223	
Bank Charges	96		96	
Miscellaneous	-96		-96	
Total	\$ 4,169,637	\$ 4,025,288	\$ 144,349	\$ 0

Federal Statements

Statement 5 - Form 990, Part III - Organization's Primary Exempt Purpose

The Organization's primary purpose is the coordination and promotion of the adoption of children from foreign countries by families in the United States of America. The adoption fee income comes from and supports the exempt purpose of the Organization.

Federal Statements

Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
Property and Equipment	\$ 604,060	\$	\$ 760,373	\$
Accumulated Depreciation		330,283		370,008
Total	\$ 604,060	\$ 330,283	\$ 760,373	\$ 370,008

Statement 7 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
Security Deposit	\$ 7,150	\$ 7,150
Other Receivables - Software Dev. Cost	40,000	
Due from Related Party		16,045
Total	\$ 47,150	\$ 23,195

Statement 8 - Form 990, Part IV, Line 62 - Deferred Revenue

Description	Beginning of Year	End of Year
Deferred Revenue - International	\$ 395,106	\$ 529,950
Total	\$ 395,106	\$ 529,950

Statement 9 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
Due to Related Parties	\$ 26,536	\$
Refundable Fees	29,000	
Long-term Debt		27,492
Total	\$ 55,536	\$ 27,492

Federal Statements

Statement 10 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
Beth Ansel 3452 Billings Street Mt. Pleasant SC 29466	Director	0	0	0	0
Bart Bingham 1200 Cedar Street Elwood IN 46036	Director	0	0	0	0
Jane Byrum 3645 Gaston Day School Road Gastonia NC 28056	Director	0	0	0	0
Terry Fries 4228 Congressional Drive Myrtle Beach SC 29579	Director	0	0	0	0
Sandra Watkins 5 Argent Court Simpsonville SC 29681	Director	0	0	0	0
Lynn Turnage 1372 Thayer Hall Drive Mt. Pleasant SC 29464	Director	0	0	0	0
Anita Thomas 3455 Ridge Road Hendersonville NC 28792	Officer	40+	47,773	4,230	0
Robert Harding 3463 Henrietta Hartford Road Mt. Pleasant SC 29466	CFO	40+	59,074	20,000	0
Tomilea Harding 3463 Henrietta Hartford Road Mt. Pleasant SC 29466	CEO	40+	79,949	15,000	0

Federal Statements

Statement 10 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
Jim Kirkland 149 Rugby Forest Lane Hendersonville NC 28791	Director	0	0	0	0
Jim Izant 41 River Club Drive Hilton Head Island SC 29926	Director	0	0	0	0
Maria Moore 123 Estate Drive Hendersonville NC 28739	Director	0	0	0	0

Federal Statements

Statement 11 - Form 990, Part V-A, Line 75b - Related Party Information

<u>Related Party One</u>	<u>Related Party Two</u>	<u>Relationship</u>
Tomilee Harding Christian World Adoption Exec Direct.	Robert Harding Christian World Adoption CFO	Married

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>
Russia International Fees		\$		\$	\$ 732,473
Ukraine International Fees					69,944
Agency Fees					2,333,995
Guatemala International Fee					1,685,348
China Intl/Program Fees					797,808
Post Placement Fees					163,625
Translation Fees					91,642
Romania International					10,000
Peru International					8,730
Civil Affairs					95,152
DNA					36,509
Orphanage Relief Fees					168,977
Ethiopia International Fees					371,916
Kazakhstan International Fe					278,978
Kyrgyzstan International Fe					68,900
Mongolia International Fees					2,500
Home Study					200,779
Reunion Income					2,807
Total		\$		\$	\$ 7,120,083

Federal Statements

Statement 13 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of Exp

Description

See Part V - Form 990

Federal Statements**Statement 14 - Schedule A, Part IV-A, Line 22 - Other Income**

<u>Description</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Gain from sale of assets	\$ 3,500	\$	\$	\$
Insurance proceeds	18,000			
Total	<u>\$ 21,500</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Form **8824**

Department of the Treasury
Internal Revenue Service

Like-Kind Exchanges
(and section 1043 conflict-of-interest sales)

▶ Attach to your tax return.

OMB No 1545-1190

2006

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 ▶ | | |
| | Nissan Armada | | |
| 2 | Description of like-kind property received ▶ | | |
| | 2004 VW Touareg | | |
| 3 | Date like-kind property given up was originally acquired (month, day, year) | 3 | 2/16/04 |
| 4 | Date you actually transferred your property to other party (month, day, year) | 4 | 1/11/06 |
| 5 | Date like-kind property you received was identified by written notice to another party (month, day, year). See instructions for 45-day written notice requirement | 5 | |
| 6 | Date you actually received the like-kind property from other party (month, day, year) See instructions | 6 | |
| 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).

Name(s) shown on tax return Do not enter name and social security number if shown on other side

Your social security number

Christian World Adoption

57-0967054

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

Caution: If you transferred and received more than one group of like-kind properties or (a) (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
	Caution: If the property given up was used previously or partly as a home, see Property used as home in the instructions			
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
17	Add lines 15 and 16			17
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
				22,119
19	Realized gain or (loss). Subtract line 18 from line 17			19
				-22,119
20	Enter the smaller of line 15 or line 19, but not less than zero			20
				0
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
				0
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
				-22,119
25	Basis of like-kind property received. Subtract line 15 from the sum of lines 18 and 23			25
				22,119

Part IV Deferral of Gain From Section 1043 Conflict-of-Interest Sales

Note: This part is to be used **only** by officers or employees of the executive branch of the Federal Government for reporting nonrecognition of gain under section 1043 on the sale of property to comply with the conflict-of-interest requirements. This part can be used **only** if the cost of the replacement property is more than the basis of the divested property

26	Enter the number from the upper right corner of your certificate of divestiture. (Do not attach a copy of your certificate. Keep the certificate with your records.)			
27	Description of divested property			
28	Description of replacement property			
29	Date divested property was sold (month, day, year)			29
30	Sales price of divested property (see instructions)	30		
31	Basis of divested property	31		
32	Realized gain. Subtract line 31 from line 30			32
33	Cost of replacement property purchased within 60 days after date of sale	33		
34	Subtract line 33 from line 30. If zero or less, enter -0-			34
				0
35	Ordinary income under recapture rules. Enter here and on Form 4797, line 10 (see instructions)			35
36	Subtract line 35 from line 34. If zero or less, enter -0-. If more than zero, enter here and on Schedule D or Form 4797 (see instructions)			36
				0
37	Deferred gain. Subtract the sum of lines 35 and 36 from line 32			37
38	Basis of replacement property. Subtract line 37 from line 33			38

Depreciation and Amortization
(Including Information on Listed Property)

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

Name(s) shown on return Christian World Adoption	Identifying number 57-0967054
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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 the instructions for a higher limit for certain businesses	1	108,000
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	430,000
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 instructions	5	
(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 2005 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 2007. 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.) (See instructions.)

14 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	33,462

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

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2006	17	20,293
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		167,892	5.0	HY	200DB	34,363
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 2006 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 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	88,118
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.