

990

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

OMB No 1545-0047

2006

Open to Public Inspection

Department of the Treasury
Revenue Service

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

For the 2006 calendar year, or tax year beginning

07-01, 2006, and ending

06-30, 2007

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

THE ADOPTION RESOURCE CENTER INC

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

716 CARRIAGE HILL RD

Room/suite

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

SIMPSONVILLE SC 29681

D Employer identification number

52-1714171

E Telephone number

(864) 297-1135

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

H(d) Is this a separate return filed by an organization covered by a group ruling?

Yes No

I Group Exemption Number

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

Website:

Organization type (check only one)

501(c)(3) 4947(a)(1) or 527

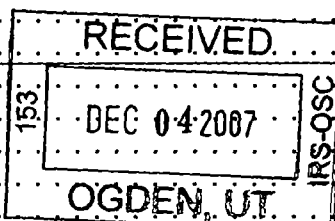
Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12

436,047

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

Table with 21 rows and multiple columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss) (attach schedule); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.



SCANNED JAN 9 2007

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
a Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
3 Specific assistance to individuals (attach schedule)	23			
4 Benefits paid to or for members (attach schedule)	24			
5 a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	29,635	23,708	5,927
27 Pension plan contributions not included on lines 25a, b, and c	27	762	610	152
28 Employee benefits not included on lines 25a - 27	28			
29 Payroll taxes	29	2,279	1,823	456
30 Professional fundraising fees	30			
31 Accounting fees	31	500		500
32 Legal fees	32	131	105	26
33 Supplies	33			
34 Telephone	34	6,353	5,082	1,271
35 Postage and shipping	35	2,196	1,757	439
36 Occupancy	36	31,346	25,077	6,269
37 Equipment rental and maintenance	37	3,818	3,054	764
38 Printing and publications	38			
39 Travel	39	5,084	4,067	1,017
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42	2,216	2,216	
43 Other expenses not covered above (itemize) STM167	43a	93,504	74,835	18,669
a _____	43b			
b UTILITIES	43b	1,581	1,265	316
c TAXES	43c	327	262	65
d _____	43d			
e _____	43e			
f _____	43f			
g _____	43g			
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	179,732	143,861	35,871
				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 in this 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? ADOPTION SERVICES	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a See SERVICES <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	137,629
b <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
c <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
d <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> (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)	137,629

IV Balance Sheets (See the instructions.)

		(A)		(B)
		Beginning of year		End of year
45	Cash - non-interest-bearing	527	45	42,039
46	Savings and temporary cash investments		46	
47 a	Accounts receivable	2,000		
47 b	Less: allowance for doubtful accounts	2,000	47c	2,000
48 a	Pledges receivable			
48 b	Less: allowance for doubtful accounts		48c	
49	Grants receivable		49	
50 a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
50 b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
51 a	Other notes and loans receivable (attach schedule)			
51 b	Less: allowance for doubtful accounts		51c	
52	Inventories for sale or use		52	
53	Prepaid expenses and deferred charges	26,110	53	
54 a	Investments - publicly-traded securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54a	
54 b	Investments - other securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a	Investments - land, buildings, and equipment, basis			
55 b	Less: accumulated depreciation (attach schedule)		55c	
56	Investments - other (attach schedule)		56	
57 a	Land, buildings, and equipment: basis			
57 b	Less: accumulated depreciation (attach schedule) STM116	11,971	57c	-0-
58	Other assets, including program-related investments (describe <input type="checkbox"/> STM117)		58	15,236
59	Total assets (must equal line 74). Add lines 45 through 58	40,608	59	59,275
60	Accounts payable and accrued expenses	12,847	60	
61	Grants payable		61	
62	Deferred revenue		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)	203,158	63	30,019
64 a	Tax-exempt bond liabilities (attach schedule)		64a	
64 b	Mortgages and other notes payable (attach schedule)		64b	
65	Other liabilities (describe <input type="checkbox"/> STM121)	43,361	65	43,455
66	Total liabilities. Add lines 60 through 65	259,366	66	73,474
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
67	Unrestricted	(218,758)	67	(14,199)
68	Temporarily restricted	0	68	0
69	Permanently restricted	0	69	0
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)	(218,758)	73	(14,199)
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	40,608	74	59,275

Liabilities

Fund Balances

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	N/A
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	
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	

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

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

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
KATHY MCLAUGHLIN 1717 MARKER RD MIDDLETOWN MD 21769	TREASURER 0	0	0	0
FRANCES AHERNS 202 CONAMARA CT LUTHERVILL MD 21093	EXEC DIRECTOR 40	0	0	0
JOE ESPO 10109 KINROSS SILVER SPR MD 20901	SECRETARY 0	0	0	0
ELIZABETH CONLEY 5473 HENLY ST BOKEELIA FL 33922	PRESIDENT 0	0	0	0
ANNIE APLEGARTH 111 E 23RD ST BALTIMORE MD 21218	DIRECTOR 0	0	0	0
DAN MCCARTHY 9503 GOOD SPRING PERRY HALL MD 21128	DIRECTOR 0	0	0	0

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

Table with 4 columns: Question, Yes, No. Rows include: a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings (6); 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? (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? (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)

Table with 5 columns: (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. Multiple empty rows for data entry.

Part VI Other Information (See the instructions)

Table with 4 columns: Question, Yes, No. Rows include: 76 Did the organization make a change in its activities or methods of conducting activities? (76, X); 77 Were any changes made in the organizing or governing documents not reported to the IRS? (77, X); 78 a 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, N/A); 79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? (79, X); 80 a 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 and check whether it is exempt or nonexempt; 81 a 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
a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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.)		
3 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
4 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
35 a	501(c)(4), (5), or (6) organizations Were substantially all dues nondeductible by members?		N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		N/A
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		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?		N/A
86 a	501(c)(7) orgs. Enter. a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87 a	501(c)(12) orgs. Enter. a Gross income from members or shareholders		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		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
89 a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____; section 4912 ▶ _____; section 4955 ▶ _____		
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 ▶ _____		
d	Enter. Amount of tax on line 89c, above, reimbursed by the organization ▶ _____		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90 a	List the states with which a copy of this return is filed ▶ _____		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)		
		90b	4
91 a	The books are in care of ▶ <u>TODD MITCHELL</u> Telephone no. ▶ <u>(864) 297-1135</u> Located at ▶ <u>716 CARRIAGE HILL RD SIMPSONVILLE, SC</u> ZIP + 4 ▶ <u>29681</u>		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
	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.		

VI Other Information (continued)

At any time during the calendar year, did the organization maintain an office outside of the United States? 91c Yes No

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

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.)

	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	
3 Enter gross amounts unless otherwise stated.					
Program service revenue:					
PROGRAM FEES					137,629
4					
5					
6					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
h Membership dues and assessments					
i Interest on savings & temporary cash investments			3		
j Dividends and interest from securities					
7 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
8 Net rental income or (loss) from personal property					
9 Other investment income					
10 Gain or (loss) from sales of assets other than inventory					(5,072)
11 Net income or (loss) from special events					915
12 Gross profit or (loss) from sales of inventory					
13 Other revenue: a DEBT CANCEL					225,904
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					359,376
105 Total (add line 104, columns (B), (D), and (E)) ▶					359,376

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 ORGANIZATION COLLECTS FEES FOR EXPENSES INCURRED FOR THE ADOPTION OF CHILDREN. THE FEES COLLECTED ARE USED PRIMARILY TO LOCATE AND PLACE THE CHILD IN A QUALIFIED FAMILY.

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
	%			
	%			
	%			
	%			

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

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

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 Identification Number	(C) Description of transfer	(D) Amount of transfer
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 Identification Number	(C) Description of transfer	(D) Amount of transfer
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
	X

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: FRANCES E. AHERNS
 Date: 11/12/07
 Type or print name and title: FRANCES AHERNS, EXEC DIRECTOR
 FORMER

Paid Preparer's Use Only
 Preparer's signature: [Signature]
 Date: 10-18-2007
 Check if self-employed:
 Preparer's SSN or PTIN (See Gen. Inst. X): P00055096
 Firm's name (or yours if self-employed) address, and ZIP + 4: DPW TAX SERVICES INC
1026 NE MAIN ST
SIMPSONVILLE, SC 29681-6014
 EIN: 57-1008849
 Phone no: 864-967-3101

SCHEDULE A
Form 990 or 990-EZ

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

2006

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

THE ADOPTION RESOURCE CENTER INC

52-1714171

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) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and 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
NONE		

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

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

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.)

1 X

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

2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)

a Sale, exchange, or leasing of property?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2d X

e Transfer of any part of its income or assets?

2e X

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)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b X

c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b X

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c X

d Enter the total number of donor advised funds owned at the end of the tax year

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year

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

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year

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

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
5 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,854	11,947	1,685	12,565	28,051
6 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	208,665	332,267	490,755	420,130	1,451,817
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	12	247	1,055	1,172	2,486
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	210,531	344,461	493,495	433,867	1,482,354
24 Line 23 minus line 17	1,866	12,194	2,740	13,737	30,537
25 Enter 1% of line 23	2,105	3,445	4,935	4,339	

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) _____ (2004) _____ (2003) _____ (2002) _____

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) _____ (2004) _____ (2003) _____ (2002) _____

c Add. Amounts from column (e) for lines: 15 <u>28,051</u> 16 _____ 0 17 <u>1,451,817</u> 20 _____ 0 21 _____ 0	27c	1,479,868
d Add: Line 27a total _____ and line 27b total _____	27d	
e Public support (line 27c total minus line 27d total)	27e	1,479,868
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f	1,482,354
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	99.83%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	0.17%

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 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)

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.)

Table with 3 columns: Line number, Description, (a) Affiliated group totals, (b) To be completed for all electing organizations. Rows 36-44.

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)

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2006, (b) 2005, (c) 2004, (d) 2003, (e) Total. Rows 45-50.

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)

Table with 3 columns: Question, Yes, No, Amount. Rows for various lobbying activities and a total row.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

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?

		Yes	No
a	Transfers from the reporting organization to a noncharitable exempt organization of:		
	(i) Cash		X
	(ii) Other assets		X
b	Other transactions.		
	(i) Sales or exchanges of assets with a noncharitable exempt organization		X
	(ii) Purchases of assets from a noncharitable exempt organization		X
	(iii) Rental of facilities, equipment, or other assets		X
	(iv) Reimbursement arrangements		X
	(v) Loans or loan guarantees		X
	(vi) Performance of services or membership or fundraising solicitations		X
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X

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.

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

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		

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury Internal Revenue Service

See separate instructions. Attach to your tax return.

THE ADOPTION RESOURCE CENTER INC

Business or activity to which this form relates PROGRAM SERVICES - 1

Identifying number 52-1714171

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.

Table with 5 rows for Section 179 election. Line 1: Maximum amount. Line 2: Total cost of section 179 property. Line 3: Threshold cost of section 179 property. Line 4: Reduction in limitation. Line 5: Dollar limitation for tax year.

Table with 13 rows for Section 179 deduction calculation. Line 6: Description of property. Line 7: Listed property amount. Line 8: Total elected cost. Line 9: Tentative deduction. Line 10: Carryover of disallowed deduction. Line 11: Business income limitation. Line 12: Section 179 expense deduction. Line 13: Carryover of disallowed deduction to 2007.

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.)

Table with 3 rows for Special Depreciation Allowance. Line 14: Special allowance for qualified New York Liberty or Gulf Opportunity Zone property. Line 15: Property subject to section 168(f)(1) election. Line 16: Other depreciation (including ACRS).

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

Section A

Table with 2 rows for MACRS deductions. Line 17: MACRS deductions for assets placed in service in tax years beginning before 2006. Line 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.

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

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year property, Residential rental property, and Nonresidential real property.

Section C - Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

Table with 6 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method, (e) Depreciation deduction. Rows include 12-year and 40-year class life.

Part IV Summary (see instructions)

Table with 3 rows for Summary. Line 21: Listed property. Line 22: Total. Line 23: For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs.

Federal Supporting Statements

2006 PG01

Name(s) as shown on return

Your Social Security Number

THE ADOPTION RESOURCE CENTER INC

52-1714171

LINE 8 - FORM 990 (PAGE 1)

STMT 100

Unformatted Statement

SALE OF ASSETS

DESCRIPTION	COST BASIS	SALE PRICE	GAIN/(LOSS)
FURNITURE & FIXTURES	\$51,756	\$46684	(-\$5,072)

Federal Supporting Statements

2006 PG 01

Your Social Security Number

52-1714171

Statement #101

Name(s) as shown on return

THE ADOPTION RESOURCE CENTER INC

FORM 990, PART 1, LINE 9 SPECIAL EVENTS SCHEDULE

Event	Gross Receipts	Contributions	Gross Revenue	Direct Expenses	Net Income
TOY DRIVE	915	-----	915	-----	915
TOTAL	915	-----	915	-----	915

4797

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

OMB No 1545-0184

2006

Department of the Treasury
Internal Revenue Service (99)

Attach to your tax return. See separate instructions.

Attachment
Sequence No 27

(s) shown on return

HE ADOPTION RESOURCE CENTER INC

Identifying number
52-171417

Enter the gross proceeds from sales or exchanges reported to you for 2006 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft -- Most Property Held More Than 1 Year (see instructions)

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss). Rows include FURNHITURE & FIXTURE and LEASEHOLD IMPROVEMEN.

Summary table with 2 columns: Description and Amount. Rows 3-7: Gain, if any, from Form 4684, line 42; Section 1231 gain from installment sales; Section 1231 gain or (loss) from like-kind exchanges; Gain, if any, from line 32; Combine lines 2 through 6.

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

Summary table with 2 columns: Description and Amount. Rows 8-9: Nonrecaptured net section 1231 losses; Subtract line 8 from line 7.

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Table with 7 columns: (a) Description of property, (b) Date acquired, (c) Date sold, (d) Gross sales price, (e) Depreciation allowed or allowable since acquisition, (f) Cost or other basis, plus improvements and expense of sale, (g) Gain or (loss).

Summary table with 2 columns: Description and Amount. Rows 11-17: Loss, if any, from line 7; Gain, if any, from line 7 or amount from line 8; Gain, if any, from line 31; Net gain or (loss) from Form 4684; Ordinary gain from installment sales; Ordinary gain or (loss) from like-kind exchanges; Combine lines 10 through 16.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

Summary table with 2 columns: Description and Amount. Rows 18a-18b: If the loss on line 11 includes a loss from Form 4684, line 38; Redetermine the gain or (loss) on line 17 excluding the loss.

For Paperwork Reduction Act Notice, see separate instructions.

EEA

Form 4797 (2006)

Federal Supporting Statements

2006 PG 01

Name(s) as shown on return

Your Social Security Number

THE ADOPTION RESOURCE CENTER INC

52-1714171

FORM 990, SCH FOR PART II, LINE 42
DEPRECIATION AND DEPLETION SCHEDULE

Statement #108

<u>Description</u>	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
FURNITURE & FIXTURES	2,048	2,048		
LEASEHOLD IMPROVEMEN	<u>168</u>	<u>168</u>		
TOTAL	<u><u>2,216</u></u>	<u><u>2,216</u></u>		

Federal Supporting Statements

2006 PG 01

Name(s) as shown on return

Your Social Security Number

THE ADOPTION RESOURCE CENTER INC

52-1714171

FORM 990, SCH FOR PART IV, LINE 57
LAND ETC. SCHEDULE

Statement #116

<u>Category or Item</u>	<u>BEG. OF YEAR</u> <u>Basis</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Basis</u> <u>End of Year</u> ①
FURNITURE & FIXTURES	45,915	39,785	-0-
IMPROVEMENTS	5,841	2,216	-0-
<hr/>			
TOTAL	<u>51,756</u>	<u>42,001</u>	<u>-0-</u>

① - All assets disposed during current year - see Form 4797

* Item was disposed of during current year

Depreciation Detail Listing

FORM 1120 - 1

PAGE 1

Support Stmt 116

Name(s) as shown on return															
THE ADOPTION RESOURCE CENTER, INC															
No	Description	Date	Cost	Salvage	Business percentage	Section 179	Depreciation Basis	Life	Method	Rate	Current depr	Accumulated Depreciation	Prior expense	Bonus depreciation	AMT Current
	Asset(s) Sold														
1	FURNITURE & FIXTURES	20020101	45,915	¥	100.00		45,915	7	200 DB HY	8.92	2,048	39,785			
2	LEASEHOLD IMPROVEMENT	20020101	5,841	¥	100.00		5,841	5	200 DB HY	5.76	168	2,216			
Totals			51,756				51,756				2,216	42,001			

Social security number/EIN

52-171417

Federal Supporting Statements

2006 PG 01

Name(s) as shown on return

Your Social Security Number

THE ADOPTION RESOURCE CENTER INC

52-1714171

FORM 990, SCH FOR PART IV, LINE 58
OTHER ASSETS SCHEDULE 2

Statement #117

<u>Description</u>	<u>Beginning of year</u>	<u>End of year</u>
DUE-ADOPTION PARTNER		13,385
PREPAID, INSURANCE		1,851
TOTAL		<u>15,236</u>

Federal Supporting Statements

2006 PG 01

Name(s) as shown on return

THE ADOPTION RESOURCE CENTER INC

Your Social Security Number

52-1714171

**FORM 990, SCH FOR PART IV, LINE 65
OTHER LIABILITIES SCHEDULE 2**

Statement #121

<u>Description</u>	<u>Beginning of year</u>	<u>End of year</u>
FOREIGN FEES PAYABLE	<u>43,361</u>	<u>43,455</u>
TOTAL	<u>43,361</u>	<u>43,455</u>

Federal Supporting Statements

2006 PG01

Name(s) as shown on return

Your Social Security Number

THE ADOPTION RESOURCE CENTER INC

52-1714171

990 PART II, LINE 43
OTHER EXPENSES (OVERFLOW)

Statement #167

<u>Description</u>	<u>Total</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
CONTRACT SERVICES	39,074	31,259	7,815	
BANK SERVICE CHARGES	2,445	1,956	489	
PROGRAM EXPENSES	40,300	32,240	8,060	
INSURANCE	7,734	6,187	1,547	
ADVERTISING/PROMOTIO	1,077	862	215	
OFFICE EXPENSE	1,496	1,229	267	
STORAGE EXPENSE	159	127	32	
LICENSES/PERMITS	961	769	192	
PROFESSIONAL FEES	258	206	52	
TOTAL	<u>93,504</u>	<u>74,835</u>	<u>18,669</u>	

Statement of Program Service Accomplishments

2006 01

Name(s) as shown on return

Your Social Security Number

THE ADOPTION RESOURCE CENTER INC

52-1714171

FORM 990, PART III (a)

Grants and Allocations \$0
Program Service Expenses \$137629
Includes Foreign Grants NO

Explanation

PRE ADOPTION SERVICES, HOME STUDIES, & COUNSELING