

Return of Organization Exempt From Income Tax

2006

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

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

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

C Name of organization: FRANK FOUNDATION CHILD ASSISTANCE INTERNATIONAL, INC. 5550 FRIENDSHIP BLVD. CHEVY CHASE MD 20815-7201

D Employer Identification Number: 52-1763512 E Telephone number: (240) 395-0360 F Accounting method: Accrual

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

- H and I are not applicable to section 527 organizations H (a) Is this a group return for affiliates? H (b) If 'Yes,' enter number of affiliates H (c) Are all affiliates included? H (d) Is this a separate return filed by an organization covered by a group ruling?

G Web site: N/A

J Organization type (check only one): 501(c) 3

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.

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 3,977,999.

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

Table with 21 rows detailing revenue (1-12), expenses (13-17), and net assets (18-21). Includes sub-rows for contributions, program revenue, membership, interest, dividends, rental income, investment income, sales of assets, special events, and inventory.

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Part I Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (att sch) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc listed in Part V-A (attach sch) See L-25a Stmt	25a	525,633.	323,385.	110,277.
b Compensation of former officers, directors, key employees, etc listed in Part V-B (attach sch)	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	262,066.	178,660.	83,406.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28	98,553.	62,813.	24,233.
29 Payroll taxes	29	45,905.	29,258.	11,287.
30 Professional fundraising fees	30			
31 Accounting fees	31	15,995.	0.	15,995.
32 Legal fees	32	34,829.	9,495.	25,334.
33 Supplies	33	17,405.	10,041.	6,946.
34 Telephone	34	58,968.	41,278.	11,793.
35 Postage and shipping	35	52,631.	45,263.	3,684.
36 Occupancy	36	103,151.	59,622.	40,021.
37 Equipment rental and maintenance	37	21,785.	16,992.	4,357.
38 Printing and publications	38	6,005.	0.	2,402.
39 Travel	39	234,289.	220,115.	11,715.
40 Conferences, conventions, and meetings	40			
41 Interest	41	10,535.	0.	10,535.
42 Depreciation, depletion, etc (attach schedule)	42	48,787.	29,272.	14,636.
43 Other expenses not covered above (itemize):				
a <u>ADVERTISING & PUBLIC RELATIONS</u>	43a	26,437.	0.	21,863.
b <u>APOSTOLICALS, CERTIFICATIONS, ETC.</u>	43b	17,897.	17,897.	0.
c <u>BANK & PAYROLL CHARGES</u>	43c	9,278.	971.	8,129.
d <u>HUMANITARIAN ASSISTANCE</u>	43d	207,442.	207,442.	0.
e <u>COMPUTER NETWORKING AND SUPPORT</u>	43e	11,786.	0.	11,786.
f <u>CONSULTING</u>	43f	38,238.	7,250.	30,988.
g See Other Expenses Stmt	43g	717,920.	627,134.	88,978.
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	2,565,535.	1,886,888.	538,365.

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

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

What is the organization's primary exempt purpose? <u>SEE EXEMPT PURPOSE STATEMENT</u> 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) organizations and 4947(a)(1) trusts, but optional for others.)
a THE ORGANIZATION THROUGH LICENSED ADOPTION AGENCIES HELP PLACE APPROXIMATELY 250 RUSSIAN ORPHANS WITH ADOPTIVE FAMILIES. IN ADDITION, THE ORGANIZATION'S CHILD ASSISTANCE ENDEAVORS INCLUDE PROVIDING MEDICAL SUPPLIES AND TREATMENT, FOOD AND OTHER CHARITABLE AND HUMANITARIAN AID PRIMARILY IN THE FORMER SOVIET STATES ----- ----- (Grants and allocations \$ 0.) If this amount includes foreign grants, check here <input type="checkbox"/>	1,886,888.
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 (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)	1,886,888.

M2

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

		N/A
a	Total revenue, gains, and other support per audited financial statements	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

		N/A
a	Total expenses and losses per audited financial statements	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 and deferred compensation plans	(E) Expense account and other allowances
NINA KOSTINA, PHD 5550 FRIENDSHIP BLVD. #230 CHEVY CHASE, MD 20815-7201	PRESIDENT 60	276,056.	0.	0.
GARY SILVERSMITH, ESQ. 5550 FRIENDSHIP BLVD. #230 CHEVY CHASE, MD 20815-7201	DIRECTOR 1-2	0.	0.	0.
NATASHA MISHINA 5550 FRIENDSHIP BLVD. #230 CHEVY CHASE, MD 20815-7201	V-PRESIDENT 50	117,563.	0.	0.
MICHAEL MAZO 5550 FRIENDSHIP BLVD. #230 CHEVY CHASE, MD 20815-7201	V-PRESIDENT 40	40,480.	0.	0.
JULIE HORGAN 5550 FRIENDSHIP BLVD. #230 CHEVY CHASE, MD 20815-7201	V-PRESIDENT 40	91,534.	0.	0.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82 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.)		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83 b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84 b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	
85 b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	N/A	
	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.		
85 c	Dues, assessments, and similar amounts from members	N/A	
85 d	Section 162(e) lobbying and political expenditures	N/A	
85 e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85 f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85 g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
85 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	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	N/A	
86 b	Gross receipts, included on line 12, for public use of club facilities.	N/A	
87	501(c)(12) organizations Enter a Gross income from members or shareholders	N/A	
87 b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	N/A	
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX		X
88 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 ▶ _____		
89 b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction		X
89 c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958. ▶ _____ 0.		
89 d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ _____ 0.		
89 e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89 f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89 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?		N/A
90 a	List the states with which a copy of this return is filed ▶ <u>MARYLAND</u>		
90 b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	16	
91 a	The books are in care of ▶ <u>ORGANIZATION</u> Telephone number ▶ <u>(240) 395-0360</u> Located at ▶ <u>5550 FRIENDSHIP BLVD. CHEVY CHASE, MD</u> ZIP + 4 ▶ <u>20815-0360</u>		
91 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 ▶ _____		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		

Part VI Other Information (continued)

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

If 'Yes,' enter the name of the foreign country RUSSIA

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.

	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	
93 Program service revenue					
a CHILD PLACEMENT ASSISTANCE FEES					1,786,171.
b VISA & DOCUMENTATION FEES					331,235.
c DOSSIER VERIFICATION & IDENT FEES					50,629.
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	17,001.	
96 Dividends & interest from securities			14	18,824.	
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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			01	-39,427.	
101 Net income or (loss) from special events			01	38,925.	
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))				35,323.	2,168,035.
105 Total (add line 104, columns (B), (D), and (E))					2,203,358.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	FEES FOR LOCATING AND IDENTIFYING ORPHANED CHILDREN AVAILABLE FOR ADOPTION IN FOREIGN COUNTRIES
93B	INCIDENTAL FEES AND CHARGES RELATED TO LINE 93A
93C	INCIDENTAL FEES AND CHARGES RELATED TO LINE 93A

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

(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).

N/A	
Yes	No

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

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

Yes	No

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

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

Yes	No

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?

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: *Julie K. Hogan* Date: 11/15/07

Type or print name and title: Julie K. Hogan, Vice President

Paid Preparer's Use Only

Preparer's signature: *James R. Turner* Date: 11/15/07

Check if self-employed:

Preparer's SSN or PTIN (See General Instruction W):

Firm's name (or yours if self-employed), address, and ZIP + 4: James R. Turner & Company, PC
1950 Old Gallows Road, Suite 440
Vienna VA 22182

EIN: Phone no: (703) 506-0198

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

**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

Supplementary Information— (See separate instructions.)

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

OMB No 1545 0047

2006

Name of the organization: **FRANK FOUNDATION CHILD ASSISTANCE INTERNATIONAL, INC.**
Employer identification number: **52-1763512**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See 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 and deferred compensation	(e) Expense account and other allowances
ELENA ZELENOVE 5550 FRIENDSHIP BLVD. CHEVY CHASE, MD	COORDINATOR 40	52,127.	0.	0.

Total number of other employees paid over \$50,000 ▶	1			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See 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 ▶	None	

Part III 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 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 ▶	None	

Part III Statements About Activities (See instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?	X	
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		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.)		X
b Did the organization have a section 403(b) annuity plan for its employees?		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		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If 'Yes,' complete lines 4b through 4g. If 'No,' complete lines 4f and 4g.		X
b Did the organization make any taxable distributions under section 4966?		
c Did the organization make a distribution to a donor, donor advisor, or related person?		
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 ▶ _____		0
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____		0.

Part IV Reason for Non-Private Foundation Status (See 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)
- 11 a 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)
- 11 b 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 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 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.)	311,625.	308,611.	123,325.	211,628.	955,189.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc, purpose	2,336,018.	3,117,949.	3,949,221.	3,611,212.	13,014,400.
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	78,642.	65,645.	60,170.	39,492.	243,949.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	2,726,285.	3,492,205.	4,132,716.	3,862,332.	14,213,538.
24 Line 23 minus line 17	390,267.	374,256.	183,495.	251,120.	1,199,138.
25 Enter 1% of line 23	27,263.	34,922.	41,327.	38,623.	

26 Organizations described on lines 10 or 11:

a Enter 2% of amount in column (e), line 24 ▶ 26a

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 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** _____ ▶ 26d
22 _____ **26b** _____

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 (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** 955,189. **16** _____ ▶ 27c
17 13,014,400. **20** _____ **21** _____ ▶ 27d

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

e Public support (line 27c total minus line 27d total) ▶ 27e

f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶ 27f 14,213,538.

g **Public support percentage (line 27e (numerator) divided by line 27f (denominator)).** ▶ 27g 98.28 %

h **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ 27h 1.72 %

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

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----		
32	Does the organization maintain the following:		
32a	a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	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) ----- -----		
33	Does the organization discriminate by race in any way with respect to:		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	h Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----		
34a	a Does the organization receive any financial aid or assistance from a governmental agency?		
34b	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.		
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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See 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		(a) Affiliated group totals	(b) To be completed for all electing organizations												
(The term 'expenditures' means amounts paid or incurred)															
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— <table border="0" style="width: 100%; margin-top: 5px;"> <tr> <td style="width: 50%;">If the amount on line 40 is—</td> <td style="width: 50%;">The lobbying nontaxable amount is—</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	If the amount on line 40 is—	The lobbying nontaxable amount is—	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 40 is—	The lobbying nontaxable amount is—														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
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.)

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 non-taxable amount				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures				

Part VI-B Lobbying Activity by Nonelecting Public Charities (See instructions)
(For reporting only by organizations that did not complete Part VI-A)

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

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

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

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

**Schedule of Gains and Losses from
Sale of Assets Other than Inventory**

2006

▶ Attach to return

Name
FRANK FOUNDATION CHILD ASSISTANCE INTERNATIONAL, INC.

Employer Identification Number
52-1763512

Part I, Line 8, Column (A) Securities

Public Securities

Description	Gross Sales Price	Basis	
		Cost	
Publicly Traded Securities	1,527,119.	1,566,546.	
		Selling Expenses	
		Basis	1,566,546.

Nonpublic Securities

Description	Date Acquired and Method	Date Sold and to Whom	Gross Sales Price	Cost, other basis or FMV when donated (State which on top)
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----

Total Securities 1,527,119. 1,566,546.

Gain or (Loss) from Sale of Securities -39,427.

Part I, Line 8, Column (B) Other Assets

Description	Date Acquired and Method	Date Sold and to Whom	Gross Sales Price	Cost, other basis or FMV when donated	
				Cost	
-----	-----	-----	-----	Cost	-----
-----	-----	-----	-----	Depreciation	-----
-----	-----	-----	-----	Basis	-----
-----	-----	-----	-----	Donation FMV	-----
-----	-----	-----	-----	Cost	-----
-----	-----	-----	-----	Depreciation	-----
-----	-----	-----	-----	Basis	-----
-----	-----	-----	-----	Donation FMV	-----
-----	-----	-----	-----	Cost	-----
-----	-----	-----	-----	Depreciation	-----
-----	-----	-----	-----	Basis	-----
-----	-----	-----	-----	Donation FMV	-----

Total Other Assets

Gain or (Loss) from Sale of Other Assets

Form 990
Part II, Line 25a

**Compensation of Current Officers, Directors,
Key Employees, Etc.**

2006

Name as Shown on Return FRANK FOUNDATION CHILD ASSISTANCE INTERNATIONAL, INC.	Employer Identification No 52-1763512
--	--

Compensation

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
NINA KOSTINA, PHD	276,056.	110,422.	82,817.	82,817.
NATASHA MISHINA	117,563.	117,563.	0.	0.
MICHAEL MAZO	40,480.	40,480.	0.	0.
JULIE HORGAN	91,534.	54,920.	27,460.	9,154.
Total Compensation Received	525,633.	323,385.	110,277.	91,971.

Contributions to Employee Benefit Plans & Deferred Compensation Plans

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Total Contributions to Employee Benefit Plans & Deferred Compensation Plans				

Expense Account and Other Allowances

Name	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Total Expense Account and Other Allowances				
Total to Part II, Line 25a ▶	525,633.	323,385.	110,277.	91,971.

Additional Information

EXEMPT PURPOSE STATEMENT

PROVIDE HUMANITARIAN AID TO ORPHANED AND DISADVANTAGED CHILDREN IN FOREIGN COUNTRIES. HUMANITARIAN AID INCLUDES MEDICAL AND PSYCHOLOGICAL ASSISTANCE, EDUCATIONAL AND CULTURAL PROGRAMS AND THE PROVISION OF NEEDED MATERIAL GOODS. THE ORGANIZATION IDENTIFIES CHILDREN IN FOREIGN ORPHANGES INTERNATIONAL ADOPTION BY PARENTS IN THE UNITED STATES OF AMERICA AND OTHER COUNTRIES. DURING 2006, THE ORGANIZATION ASSISTED WITH THE PLACEMENT OF OVER 225 CHILDREN WITH ADOPTIVE PARENTS.

Additional Information

PAGE G QUESTION 80 B

ORGANIZATION	EXEMPT	NONEXEMPT
FRANK ADOPTION CENTER, NORTH CAROLINA	X	
FOR THE LOVE OF A CHILD	X	
ADOPTION OPTIONS	X	
CLEO, INC. T/A ENROUTE TRAVEL		X

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
MISCELLANEOUS	38,362.	31,105.	5,449.	1,808.
INSURANCE	14,536.	0.	14,536.	0.
INVESTMENT MANAGEMENT FEE	10,603.	0.	10,603.	0.
FOREIGN OFFICE EXPENSE	335,533.	290,828.	44,705.	0.
TRAVEL VISAS EXPENSE	223,720.	223,720.	0.	0.
LICENSES & TAXES	10,504.	0.	10,504.	0.
INTERNET & WEB SITE	3,181.	0.	3,181.	0.
AFFILIATE SUPPORT	81,481.	81,481.	0.	0.
Total	<u>717,920.</u>	<u>627,134.</u>	<u>88,978.</u>	<u>1,808.</u>

Form 990, Page 1, Part I, Line 9

Special Events and Activities Statement

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
EVENT HONORING M GORBACHEV	7,502.	0.	7,502.	1,329.	6,173.
RUSSIAN CHRISTMAS EVENT & GOLF TOURNAMENT	114,561.	60,000.	54,561.	41,749.	12,812.
	23,133.	0.	23,133.	3,193.	19,940.
Total	<u>145,196.</u>	<u>60,000.</u>	<u>85,196.</u>	<u>46,271.</u>	<u>38,925.</u>

Form 990, Page 4, Part IV, Line 54a

Investments - Publicly-Traded Securities Statement

Line 54a – Investments - Publicly-Traded Securities:	Beginning of Year	End of Year
INVESTMENTS EQUITIES	329,659.	373,248.
INVESTMENTS PUBLICLY TRADED MUTUAL FUNDS	672,048.	0.
INVESTMENTS IN US TREASURY OBLIGATIONS	174,090.	103,613.
ADJUST TO MARKET VALUES	16,958.	39,012.
CD MARSHAL BANK	187,500.	196,000.
Total	<u>1,380,255.</u>	<u>711,873.</u>

Form 990, Page 4, Part IV, Line 56

Investments - Other Statement

Line 56 – Investments - Other:	Beginning of Year	End of Year
DEVELOPMENT LAND-ALDIE, VA	2,861,104.	3,350,534.
Total	<u>2,861,104.</u>	<u>3,350,534.</u>

Form 990, Page 4, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
LAND	220,000.	0.	220,000.
BUILDING	1,340,767.	321,604.	1,019,163.
OFFICE FURNITURE & EQUIPMENT	194,133.	194,133.	0.
TRANSPORTATION EQUIPMENT	144,425.	144,425.	0.
LEASEHOLD IMPROVEMENTS	79,823.	79,823.	0.
Total	<u>1,979,148.</u>	<u>739,985.</u>	<u>1,239,163.</u>

Form 990, Page 4, Part IV, Line 58

Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
DEPOSITS	3,982.	9,375.
CASH SURRENDER VALUE OF LIFE INSURANCE	70,869.	24,401.
Total	<u>74,851.</u>	<u>33,776.</u>

Explanation Statement

Form/Line: Form 990, Part V-Aline 75bExplanation of: Relationship of Officers, Trustees, & Highly Compensated Employees

THE PRESIDENT OF THE ORGANIZATION (SEE PART V-A) RECEIVED A SALARY FROM THE ORGANIZATION OF \$276,056 (PLUS OTHER REPORTED INCOME OF \$56,200) AND WAS ALSO PAID A SALARY FROM CLEO, INC, A REGULAR CORPORATION OWNED 100% BY THE PRESIDENT OF THE ORGANIZATION AS FOLLOWS:

COLUMN C COMPANSTION \$95,000COLUMN D NONECOLUMN E NONE

Supporting Statement of:

Form 990 p 1/Line 20

Description	Amount
UNREALIZED GAIN ON SECURITIES	22,054.
ROUNDING	-5.
Total	<u>22,049.</u>

Supporting Statement of:

Form 990 p 4/Line 50a, column (A)

Description	Amount
TRAVEL ADVANCES TO BE APPLIED TO FUTURE TRAVEL AND EXPENSES	117,566.
Total	<u>117,566.</u>

Supporting Statement of:

Form 990 p 4/Line 50a, column (B)

Description	Amount
TRAVEL ADVANCES TO BE APPLIED TO FUTURE TRAVEL AND EXPENSES	97,640.
Total	<u>97,640.</u>

Supporting Statement of:

Form 990 p 4/Line 51a

Description	Amount
START-UP AND OPERATING LOANS AND ADVANCES TO NOT FOR PROFIT ADOPTION AGENCIES IN THE UNITE STATES	22,140.
Total	<u>22,140.</u>

Supporting Statement of:

Form 990 p 4/Line 64b, column (A)

Description	Amount
LOAN PAYABLE TO BANK INTEREST ONLY THROUGH DECEMBER 2010 INTEREST RATE 7.25% COLLATERALIZED BY PROPERTY UNDER DEVELOPMENT AND LAND AND BUILDING	2,500,000.

Continued

Supporting Statement of:

Form 990 p 4/Line 64b, column (A)

Description	Amount
Total	<u>2,500,000.</u>

Supporting Statement of:

Form 990 p 4/Line 64b, column (B)

Description	Amount
LOAN PAYABLE TO BANK INTEREST ONLY THRU DECEMBER 2010 INTEREST RATE 7.25% COLLATERALIZED BY PROPERTY UNDER DEVELOPMENT AND LAND & BUILDING Loan Payable-Marshal Bank	<u>2,500,000.</u>
Total	<u>2,500,000.</u>

Additional Information

SCHEDULE A QUESTION 2B

AMOUNTS REPRESENT UNRECONCILED INTERNATIONAL AND DOMESTIC TRAVEL ADVANCES TO BE BE
PAID AND OR CHARGED TO FUTURE ACTIVITIES AFTER RECONCILIATION.