

Return of Organization Exempt From Income Tax

2002

Department of the Treasury
Internal Revenue Service

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

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

Open to Public Inspection

A For the 2002 calendar year, or tax year period beginning and ending

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

C Name of organization: **REACHING ARMS INTERNATIONAL, INC**

D Employer identification number: **41-1737622**

E Telephone number: **763-591-0791**

F Accounting method: Cash Accrual

G Web site: **WWW.RAIADOPT.ORG**

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

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

L Gross receipts: Add lines 6b, 8b, 9b and 10b to line 12: **606,400.**

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

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: **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list)

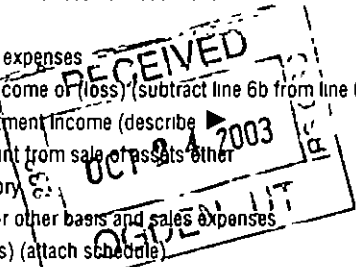
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Enter 4-digit GEN: **▶**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received					
	a	Direct public support	1a	73,418.			
	b	Indirect public support	1b				
	c	Government contributions (grants)	1c				
	d	Total (add lines 1a through 1c) (cash \$ 73,418. noncash \$)	1d	73,418.			
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	532,969.			
	3	Membership dues and assessments	3				
	4	Interest on savings and temporary cash investments	4	13.			
	5	Dividends and interest from securities	5				
	6a	Gross rents	6a				
	6b	Less rental expenses	6b				
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c				
7	Other investment income (describe)	7					
Revenue	8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other			
	8b	Less cost or other basis and sales expenses	8a	8b			
	8c	Gain or (loss) (attach schedule)	8c				
	8d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
Revenue	9	Special events and activities (attach schedule)					
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a				
	b	Less direct expenses other than fundraising expenses	9b				
9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c					
Revenue	10a	Gross sales of inventory, less returns and allowances	10a				
	b	Less cost of goods sold	10b				
	10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c				
Expenses	11	Other revenue (from Part VII, line 103)	11				
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	606,400.			
	13	Program services (from line 44, column (B))	13	565,004.			
	14	Management and general (from line 44, column (C))	14	147,712.			
	15	Fundraising (from line 44, column (D))	15	6,154.			
	16	Payments to affiliates (attach schedule)	16				
	17	Total expenses (add lines 16 and 44, column (A))	17	718,870.			
	Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	<112,470.>		
		19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	80,892.		
		20	Other changes in net assets or fund balances (attach explanation)	20	0.		
		21	Net assets or fund balances at end of year (combine lines 18, 19 and 20)	21	<31,578.>		

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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others Page 2

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	40,250.	0.	40,250.	0.
26	Other salaries and wages	122,855.	73,514.	49,341.	
27	Pension plan contributions				
28	Other employee benefits	8,932.	3,573.	5,359.	
29	Payroll taxes	14,149.	5,660.	8,489.	
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees	300.		300.	
33	Supplies	7,854.	6,254.	1,600.	
34	Telephone	16,803.	15,963.	840.	
35	Postage and shipping	9,244.	9,244.		
36	Occupancy	10,576.	8,462.	1,057.	1,057.
37	Equipment rental and maintenance	3,726.	2,980.	373.	373.
38	Printing and publications	6,860.		3,430.	3,430.
39	Travel	20,380.	20,380.		
40	Conferences, conventions, and meetings				
41	Interest	34,698.	34,338.	360.	
42	Depreciation, depletion, etc (attach schedule)	28,718.	26,389.	2,329.	
43	Other expenses not covered above (itemize)				
a	SCHEDULE	393,525.	358,247.	33,984.	1,294.
b					
c					
d					
e					
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D) carry these totals to lines 13-15	718,870.	565,004.	147,712.	6,154.

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

What is the organization's primary exempt purpose? SEE STATEMENT 1	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts but optional for others)
a A LICENSED CHILD PLACEMENT AGENCY-PLACING ORPHANED CHILDREN PRIMARILY FROM RUSSIA AND UKRAINE, A TOTAL OF 51 CHILDREN WERE PLACED IN 2002.	
(Grants and allocations \$ 0.)	445,259.
b ORGANIZATION OF ORPHANAGE IN THE UKRAINE.	
(Grants and allocations \$ 0.)	88,416.
c PROVIDER OF HUMANITARIAN AID-FOOD, CLOTHING, ETC.	
(Grants and allocations \$ 0.)	31,329.
d	
(Grants and allocations \$)	
e Other program services (attach schedule)	(Grants and allocations \$)
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	565,004.

Part IV Balance Sheets

Note Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	16,876.	45	5,648.
	46 Savings and temporary cash investments		46	
	47 a Accounts receivable	35,616.		
	b Less allowance for doubtful accounts			
		74,518.	47c	35,616.
	48 a Pledges receivable			
	b Less allowance for doubtful accounts			
			48c	
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees	4,745.	50	500.
	51 a Other notes and loans receivable			
	b Less allowance for doubtful accounts			
			51c	
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges	2,108.	53	2,418.
54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
55 a Investments - land, buildings, and equipment basis				
b Less accumulated depreciation				
		55c		
56 Investments - other			56	
57 a Land, buildings, and equipment basis	408,230.			
b Less accumulated depreciation	106,787.			
	326,666.	57c	301,443.	
58 Other assets (describe ▶ _____)			58	
59 Total assets (add lines 45 through 58) (must equal line 74)	424,913.	59	345,625.	
Liabilities	60 Accounts payable and accrued expenses	44,089.	60	50,639.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	299,932.	64b	326,564.
	65 Other liabilities (describe ▶ _____)		65	
66 Total liabilities (add lines 60 through 65)	344,021.	66	377,203.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	77,728.	67	<31,684.>
	68 Temporarily restricted	3,164.	68	106.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	80,892.	73	<31,578.>	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	424,913.	74	345,625.	

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a	Total revenue, gains and other support per audited financial statements	a	606,400.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	606,400.
d	Amounts included on line 12, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12 Form 990 (line c plus line d)	e	606,400.

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

a	Total expenses and losses per audited financial statements	a	718,870.
b	Amounts included on line a but not on line 17 Form 990		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	0.
c	Line a minus line b	c	718,870.
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	718,870.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

(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	(E) Expense account and other allowances
NILA NEUMILLER ----- MINNETONKA, MINNESOTA	EXECUTIVE DIRECTOR 40	40,250.	0.	0.
BILL NEUMILLER ----- MINNETONKA, MINNESOTA	DIRECTOR 1	0.	0.	0.
MARY POPE ----- WHITE BEAR LAKE, MINNESOTA	DIRECTOR 1	0.	0.	0.
CRAIG COOK ----- DAYTON, MINNESOTA	DIRECTOR 1	0.	0.	0.
JAN SCHNEIDER ----- BLOOMINGTON, MINNESOTA	DIRECTOR 1	0.	0.	0.
DALE SISAM ----- CHASKA, MINNESOTA	DIRECTOR 1	0.	0.	0.
SANDY SISAM ----- CHASKA, MINNESOTA	DIRECTOR 1	0.	0.	0.
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75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule Yes No Form 990 (2002)

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes	77	X
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? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	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 <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
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?	82a	X
b	If "Yes," you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions? N/A	83b	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	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	84b	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A	85b	
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
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	85h	
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 0., section 4912 0., section 4955 0.		
b	501(c)(3) and 501(c)(4) 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	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed MINNESOTA		
b	Number of employees employed in the pay period that includes March 12, 2002	90b	8
91	The books are in care of NILA NEUMILLER Telephone no 763-591-0791		
	Located at 3701 WINNETKA AVE., NEW HOPE, MN ZIP +4 55428		
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	N/A

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

	Unrelated business income		Excluded by section 512, 513 or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note Enter gross amounts unless otherwise indicated					
93 Program service revenue					
a ADOPTION FEES					293,068.
b PROGRAM FEES					190,865.
c HOME STUDY					47,073.
d OTHER INCOME					1,963.
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	13.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		13.	532,969.
105 Total (add line 104, columns (B), (D), and (E))					532,982.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 32 of the instructions)

Line No	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
▼	SEE STATEMENT 2

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

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

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

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

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

I, the preparer of this return, declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true and correct. Information of which preparer has any knowledge

Date: 10/24/02
 Type or print name and title: NILA NEMILLER, EXECUTIVE DIR
 Preparer's SSN or PTIN: [Redacted]

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 Section 4947(a)(1) Nonexempt Charitable Trust

2002

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization: **REACHING ARMS INTERNATIONAL, INC** Employer identification number: **41 1737622**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions List each one If there are none, enter "None")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE -----				

Total number of other employees paid over \$50,000 ▶	0			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions List each one (whether individuals or firms) If there are none, enter "None")

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

Total number of others receiving over \$50,000 for professional services ▶	0	

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 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)? SEE PART V, FORM 990	X	
e Transfer of any part of its income or assets?		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)		X
4 Do you have a section 403(b) annuity plan for your employees?	X	
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.		

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

The organization is not a private foundation because it is (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **▶** _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

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

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

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting
 Note You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Calendar year (or fiscal year beginning in)	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants and contributions received (Do not include unusual grants See line 28)	110,809.	66,145.	40,197.	25,900.	243,051.
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	760,864.	846,728.	618,164.	604,203.	2,829,959.
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	88.	93.	190.	149.	520.
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	871,761.	912,966.	658,551.	630,252.	3,073,530.
24 Line 23 minus line 17	110,897.	66,238.	40,387.	26,049.	243,571.
25 Enter 1% of line 23	8,718.	9,130.	6,586.	6,303.	
26 Organizations described on lines 10 or 11	a Enter 2% of amount in column (e), line 24				25a N/A
	b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a Do not file this list with your return Enter the sum of all these excess amounts				26b N/A
	c Total support for section 509(a)(1) test Enter line 24, column (e)				26c N/A
	d Add Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____				26d N/A
	e Public support (line 26c minus line 26d total)				26e N/A
	f Public support percentage (line 26e (numerator) divided by line 26c (denominator))				26f N/A %
27 Organizations described on line 12	a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return Enter the sum of such amounts for each year (2001) 0. (2000) 0. (1999) 0. (1998) 0.				
	b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5 000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year (2001) 0. (2000) 0. (1999) 0. (1998) 0.				
	c Add Amounts from column (e) for lines 15 243,051. 16 _____ 17 2,829,959. 20 _____ 21 _____				27c 3,073,010.
	d Add Line 27a total 0. and line 27b total 0.				27d 0.
	e Public support (line 27c total minus line 27d total)				27e 3,073,010.
	f Total support for section 509(a)(2) test Enter amount on line 23, column (e)				27f 3,073,530.
	g Public support percentage (line 27e (numerator) divided by line 27f (denominator))				27g 99.9831%
	h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))				27h .0169%

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

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

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe if "No," please explain (If you need more space, attach a separate statement)		
32	Does the organization maintain the following		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
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 page 9 of the instructions)

N/A

(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)	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
	N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table -		
If the amount on line 40 is -	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 on page 11 of the instructions)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A (e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			0.

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions)

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

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

(i) Cash

(ii) Other assets

b Other transactions

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

(II) Purchases of assets from a noncharitable exempt organization

(III) Rental of facilities, equipment or other assets

(IV) Reimbursement arrangements

(V) Loans or loan guarantees

(VI) Performance of services or membership or fundraising solicitations

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

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

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

N/A

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

52 a 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 **N/A**

(a) Name of organization	(b) Type of organization	(c) Description of relationship

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 1
PART III

EXPLANATION

TO PLACE ORPHANED CHILDREN INTO HOMES AND PROVIDE HUMANITARIAN AID SUCH AS FOOD, MEDICINE AND CLOTHING TO SICK AND NEEDY CHILDREN.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 2
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	ASSIST IN THE ADOPTION OF ORPHANED CHILDREN AND PROVIDE RELATED ADOPTION SERVICES
93B	ASSIST IN THE ADOPTION OF ORPHANED CHILDREN AND PROVIDE RELATED ADOPTION SERVICES
93C	ASSIST IN THE ADOPTION OF ORPHANED CHILDREN AND PROVIDE RELATED ADOPTION SERVICES
93D	ASSIST IN THE ADOPTION OF ORPHANED CHILDREN AND PROVIDE RELATED ADOPTION SERVICES

Tax Asset Detail 1/01/02 - 12/31/02

FYE 12/31/2002

Asset #	Property Description	Date In Service	Cost	Sec 179 Exp Current = c	Salvage Value	Prior Depreciation	Current Depreciation	End Depreciation	Net Book Value	Method	Period
Group building											
68	office building	3/01/00	280,590.06	0.00	0.00	12,860.38	7,014.75	19,875.13	260,714.93	S/L	40.0
69	sign	3/14/00	1,965.50	0.00	0.00	360.34	196.55	556.89	1,408.61	S/L	10.0
	building		282,555.56	0.00c	0.00	13,220.72	7,211.30	20,432.02	262,123.54		
Group computer equipment											
43		9/09/96	1,066.00	0.00	0.00	1,066.00	0.00	1,066.00	0.00	S/L	5.0
44		1/01/97	2,812.00	0.00	0.00	2,812.00	0.00	2,812.00	0.00	S/L	5.0
45		4/15/97	669.95	0.00	0.00	636.45	33.50	669.95	0.00	S/L	5.0
46		6/20/97	3,805.00	0.00	0.00	3,424.50	380.50	3,805.00	0.00	S/L	5.0
47		6/21/97	1,260.00	0.00	0.00	1,134.00	126.00	1,260.00	0.00	S/L	5.0
48		7/15/97	2,171.00	0.00	0.00	1,953.90	217.10	2,171.00	0.00	S/L	5.0
49		8/06/97	1,025.00	0.00	0.00	905.42	119.58	1,025.00	0.00	S/L	5.0
50		8/28/97	507.00	0.00	0.00	439.41	67.59	507.00	0.00	S/L	5.0
51		12/03/97	610.70	0.00	0.00	498.74	111.96	610.70	0.00	S/L	5.0
52	computer & monitor	3/04/98	3,114.65	0.00	0.00	2,387.90	622.93	3,010.83	103.82	S/L	5.0
53	key board	5/22/98	85.19	0.00	0.00	61.07	17.04	78.11	7.08	S/L	5.0
54	laptop computer	7/02/98	3,398.55	0.00	0.00	2,378.99	679.71	3,058.70	339.85	S/L	5.0
55	zip disks	7/16/98	53.24	0.00	0.00	36.39	10.65	47.04	6.20	S/L	5.0
56	mac computer	9/01/98	1,561.42	0.00	0.00	1,040.94	312.28	1,353.22	208.20	S/L	5.0
57	server	11/13/98	670.00	0.00	0.00	424.33	134.00	558.33	111.67	S/L	5.0
58	computer	11/22/98	833.56	0.00	0.00	514.02	166.71	680.73	152.83	S/L	5.0
59	zip disk	12/05/98	99.99	0.00	0.00	81.67	20.00	81.67	18.32	S/L	5.0
60	computer equipment	1/09/99	136.26	0.00	0.00	81.75	27.25	109.00	27.26	S/L	5.0
61	desktop 34	1/30/99	365.35	0.00	0.00	213.12	73.07	286.19	79.16	S/L	5.0
62	laser writer	3/22/99	275.84	0.00	0.00	151.72	55.17	206.89	68.95	S/L	5.0
63	deli dimension mini	3/06/00	2,488.15	0.00	0.00	912.32	497.63	1,409.95	1,078.20	S/L	5.0
64	software	3/14/00	466.37	0.00	0.00	285.01	155.46	440.47	25.90	S/L	3.0
65	mac computer	4/17/00	605.20	0.00	0.00	201.73	121.04	322.77	282.43	S/L	5.0
95		8/07/02	211.69	0.00c	0.00	0.00	17.64	17.64	194.05	S/L	5.0
96	Software Upgrade	9/21/02	311.49	0.00c	0.00	0.00	25.96	25.96	285.53	S/L	3.0
	computer equipment		28,603.60	0.00c	0.00	21,621.38	3,992.77	25,614.15	2,989.45		
Group equipment											
7	paper shredder	1/04/98	199.99	0.00	0.00	160.00	39.99	199.99	0.00	S/L	5.0
8	camera	3/13/98	399.96	0.00	0.00	306.63	79.99	386.62	13.34	S/L	5.0
9	Ext warranty	5/23/98	119.99	0.00	0.00	86.01	24.00	110.01	9.98	S/L	5.0
10	color TV	7/24/98	244.91	0.00	0.00	167.35	48.98	216.33	28.58	S/L	5.0
11	Overhead	7/31/98	213.99	0.00	0.00	146.23	42.80	189.03	24.96	S/L	5.0
12	coffee maker	10/27/98	139.99	0.00	0.00	88.67	28.00	116.67	23.32	S/L	5.0
13	portable radio	4/15/99	179.73	0.00	0.00	98.86	35.95	134.81	44.92	S/L	5.0
15	typewriter	9/02/99	99.99	0.00	0.00	46.67	20.00	66.67	33.32	S/L	5.0
16	slide projector	11/14/99	662.53	0.00	0.00	287.11	132.51	419.62	242.91	S/L	5.0
18	telephone	2/25/00	180.00	0.00	0.00	66.00	36.00	102.00	78.00	S/L	5.0
19		12/14/96	849.00	0.00	0.00	669.11	121.29	790.40	58.60	S/L	7.0
20		6/12/97	1,230.00	0.00	0.00	1,127.50	102.50	1,230.00	0.00	S/L	5.0

Tax Asset Detail 1/01/02 - 12/31/02

FYE 12/31/2002

Asset #	Property Description	Date In Service	Cost	Sec 179 Exp Current = c	Salvage Value	Prior Depreciation	Current Depreciation	End Depreciation	Net Book Value	Method	Period
Group equipment (continued)											
22		7/15/97	863.00	0.00	0.00	776.70	86.30	863.00	0.00	S/L	50
23		8/28/97	2,034.00	0.00	0.00	1,762.81	271.19	2,034.00	0.00	S/L	50
24		10/25/97	665.63	0.00	0.00	554.71	110.92	665.63	0.00	S/L	50
92	RAI Camera	6/08/01	799.63	0.00	0.00	93.29	159.93	253.22	546.41	S/L	50
93	Cam Corder	3/11/02	1,113.49	0.00c	0.00	0.00	185.58	185.58	927.91	S/L	50
94	Compact Bag	3/11/02	750.00	0.00c	0.00	0.00	89.29	89.29	660.71	S/L	70
	equipment		10,745.83	0.00c	0.00	6,437.65	1,615.22	8,052.87	2,692.96		
Group: furniture and fixtures											
1		1/01/94	974.00	0.00	0.00	974.00	0.00	974.00	0.00	S/L	50
2		6/12/97	2,336.00	0.00	0.00	2,141.33	194.67	2,336.00	0.00	S/L	50
3		7/11/97	1,499.00	0.00	0.00	1,499.00	0.00	1,499.00	0.00	S/L	50
4		7/15/97	2,667.00	0.00	0.00	2,400.30	266.70	2,667.00	0.00	S/L	50
5		8/28/97	4,834.00	0.00	0.00	4,189.47	644.53	4,834.00	0.00	S/L	50
6		9/17/97	2,294.00	0.00	0.00	1,949.90	344.10	2,294.00	0.00	S/L	50
14	fire cabinet drawer	8/25/99	1,676.00	0.00	0.00	782.13	335.20	1,117.33	558.67	S/L	50
21		11/28/97	2,124.41	0.00	0.00	1,734.94	389.47	2,124.41	0.00	S/L	50
25	pictures and frames	2/15/98	846.21	0.00	0.00	662.86	169.24	832.10	14.11	S/L	50
26	desk	3/11/98	1,061.19	0.00	0.00	813.59	212.24	1,025.83	35.36	S/L	50
27	framed picture	3/19/98	616.00	0.00	0.00	462.00	123.20	585.20	30.80	S/L	50
28	office furniture	3/30/98	1,330.40	0.00	0.00	997.80	266.08	1,263.88	66.52	S/L	50
29	office picture	4/27/98	335.00	0.00	0.00	245.67	67.00	312.67	0.00	S/L	50
30	chair/futon	7/23/98	467.97	0.00	0.00	319.78	93.59	413.37	54.60	S/L	50
31	Dayton's	8/12/98	655.80	0.00	0.00	448.13	131.16	579.29	76.51	S/L	50
32	desk	2/14/00	657.60	0.00	0.00	252.08	131.52	383.60	274.00	S/L	50
33	chair	2/14/00	143.40	0.00	0.00	54.97	28.68	83.65	59.75	S/L	50
34	2 drawer file	2/14/00	430.80	0.00	0.00	165.14	86.16	251.30	179.50	S/L	50
35	desk	3/10/00	946.00	0.00	0.00	346.87	189.20	536.07	409.93	S/L	50
36	2 chairs	3/16/00	580.26	0.00	0.00	203.09	116.05	319.14	261.12	S/L	50
37	3 files	3/16/00	1,275.00	0.00	0.00	446.25	255.00	701.25	573.75	S/L	50
38	seating	3/22/00	318.26	0.00	0.00	111.39	63.65	175.04	143.22	S/L	50
39	wall panels	4/12/00	51.68	0.00	0.00	18.09	10.34	28.43	23.25	S/L	50
41	2 desks	4/28/00	501.60	0.00	0.00	167.20	100.32	267.52	234.08	S/L	50
42	chair	4/28/00	143.40	0.00	0.00	47.80	28.68	76.48	66.92	S/L	50
74	2 file-lat	7/10/00	1,192.12	0.00	0.00	357.63	238.42	596.05	596.07	S/L	50
75	2 folding tables -8ft	7/13/00	63.98	0.00	0.00	19.20	12.80	32.00	31.98	S/L	50
76	20 stacking chairs	7/13/00	699.80	0.00	0.00	209.94	139.96	349.90	349.90	S/L	50
77	4 folding tables-6ft	7/18/00	119.96	0.00	0.00	33.99	23.99	57.98	61.98	S/L	50
81	refrigerator	6/11/01	557.49	0.00	0.00	65.04	111.50	176.54	380.95	S/L	50
97		3/26/02	672.00	0.00c	0.00	0.00	72.00	72.00	600.00	S/L	70
98		3/26/02	436.00	0.00c	0.00	0.00	46.71	46.71	389.29	S/L	70
	furniture and fixtures		32,506.33	0.00c	0.00	21,969.68	5,042.06	27,011.74	5,494.59		
Group Ukraine											
17	copier	2/17/00	889.58	0.00	0.00	326.18	177.92	504.10	385.48	S/L	50
66	computer-orphanage	4/23/99	1,430.00	0.00	0.00	681.67	286.00	967.67	462.33	S/L	50

Asset *	Property Description	Date in Service	Cost	Sec 179 Exp Current = C	Salvage Value	Prior Depreciation	Current Depreciation	End Depreciation	Net Book Value	Method	Period
Ukraine (continued)											
71	Computer	5/25/00	789 00	0 00	0 00	249 85	157 80	407 65	381 35	S/L	5 0
72	Monitor 17"	6/05/00	639 00	0 00	0 00	202 35	127 80	330 15	308 85	S/L	5 0
73	Stereo	7/25/00	115 01	0 00	0 00	32 58	23 00	55 58	59 43	S/L	5 0
78	KIA Cars 2	1/13/99	2,030 00	0 00	0 00	1,218 00	406 00	1,624 00	406 00	S/L	5 0
79	furniture, blinds	3/18/00	3,337 00	0 00	0 00	1,167 95	667 40	1,835 35	1,501 65	S/L	5 0
80	furniture blinds, carpet, chairs	3/21/00	3,568 00	0 00	0 00	1,248 80	713 60	1,962 40	1,605 60	S/L	5 0
82	piano	3/19/01	100 00	0 00	0 00	15 00	20 00	35 00	65 00	S/L	5 0
83	mier	4/11/01	156 73	0 00	0 00	23 51	31 35	54 86	101 87	S/L	5 0
84	furniture	4/11/01	442 38	0 00	0 00	66 36	88 48	154 84	287 54	S/L	5 0
85	printer	5/17/01	132 71	0 00	0 00	15 48	26 54	42 02	90 69	S/L	5 0
86	TV	6/05/01	414 91	0 00	0 00	48 41	82 98	131 39	283 52	S/L	5 0
87	childrens furniture	7/16/01	386 57	0 00	0 00	32 21	77 31	109 52	277 05	S/L	5 0
88	washing machine	9/04/01	453 54	0 00	0 00	30 24	90 71	120 95	332 59	S/L	5 0
89	fireproof cabinet,sofa,table	9/04/01	520 30	0 00	0 00	34 69	104 06	138 75	381 55	S/L	5 0
90	armchairs & sofa	9/04/01	250 00	0 00	0 00	16 67	50 00	66 67	183 33	S/L	5 0
91	refrigirator	9/04/01	209 73	0 00	0 00	13 98	41 95	55 93	153 80	S/L	5 0
	Ukraine		15 864 46	0 00c	0 00	5 423 93	3,172 90	8 596 83	7 267 63		
Group vehicles											
67	2001 Honda vehicles	10/02/00	37 953 89	0 00	0 00	9,488 47	7 590 78	17 079 25	20 874 64	S/L	5 0
			37 953 89	0 00c	0 00	9 488 47	7,590 78	17 079 25	20 874 64		
	Grand Total		408,229 67	0 00c	0 00	78,161 83	28,625 03	106,786 86	301,442 81		

Reaching Arms International, Inc
New Hope, Minnesota

41-1737622

December 31, 2002

Part II — Schedule of Other Functional Expenses

	(A) <u>Total</u>	(B) <u>Program Services</u>	(C) <u>Mgmt & General</u>	(D) <u>Fund- raising</u>
Overseas adoption costs	205,581	205,581		
Domestic adoption costs	50,840	50,840		
Childrens of Cradle of Hope	70,639	70,639		
Contract labor	4,983	4,819	164	
Ministries donations	19,037	19,037		
Professional fees	11,244		11,244	
Promotion	5,189	3,895		1,294
Equipment	992	348	644	
Automobile expense	2,832	1,215	1,617	
Training	697		697	
Meeting expense	1,315	1,315		
Bank service charges	2,584		2,584	
Insurance	12,297		12,297	
Repairs	1,230		1,230	
Dues and subscriptions	1,116	558	558	
Other	2,949		2,949	
Totals	<u><u>393,525</u></u>	<u><u>358,247</u></u>	<u><u>33,984</u></u>	<u><u>1,294</u></u>

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization REACHING ARMS INTERNATIONAL, INC	Employer identification number 41-1737622
	Number, street, and room or suite no. If a PO box see instructions 3701 WINNWTKA AVENUE	For IRS use only
	City, town or post office state and ZIP code For a foreign address see instructions NEW HOPE, MN 55428	

Check type of return to be filed (File a separate application for each return)

Form 990
 Form 990-EZ
 Form 990-T (sec 401(a) or 408(a) trust)
 Form 1041-A
 Form 5227
 Form 8870
 Form 990-BL
 Form 990-PF
 Form 990-T (trust other than above)
 Form 4720
 Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

• If the organization does not have an office or place of business in the United States, check this box

• If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____ If this is for the **whole group**, check this box If it is for **part of the group**, check this box and attach a list with the names and EINs of all members the extension is for

4 I request an additional 3-month extension of time until NOVEMBER 15, 2003

5 For calendar year 2002, or other tax year beginning _____, 20____ and ending _____, 20____

6 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

7 State in detail why you need the extension AUDITED FINANCIAL STATEMENTS TO BE ATTACHED TO THE RETURN WILL NOT AVAILABLE UNTIL AFTER AUGUST 15, 2003.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due** Subtract line 8b from line 8a Include your payment with this form, or if required, deposit with FTD coupon or, if required by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ _____

Signature and Verification

Under penalties of perjury I declare that I have examined this form including accompanying schedules and statements and to the best of my knowledge and belief it is true correct and complete and that I am authorized to prepare this form

Signature *Michael Walsh* Title CPA Date 8/8/03

Notice to Applicant — To Be Completed by the IRS

We have approved this application Please attach this form to the organization's return

We have not approved this application However we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension or time for elections otherwise required to be made on a timely return Please attach this form to the organization's return

We have not approved this application After considering the reasons stated in item 7 we cannot grant your request for an extension of time to file We are not granting a 10-day grace period

We cannot consider this application because it was filed after the due date of the return for which an extension was requested

Other _____

Director _____ By _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an returned to an address different than the one entered above

Type or print	Name WOLF ETTER AND COMPANY
	Number and street (include suite, room, or apt. no.) Or a PO box number 15650 36TH AVENUE NORTH, SUITE 110
	City or town, province or state, and country (including postal or ZIP code) PLYMOUTH, MN 55446

EXTENSION APPROVED

AUG 14 2003

LINDA WEISKOPF, FIELD DIRECTOR,
SUBMISSION PROCESSING, OGDEN

Form 8868 2 2000