

Return of Organization Exempt from Income Tax

2004

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 2004 calendar year, or tax year beginning Oct 1, 2004, and ending Sep 30, 2005

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: Reaching Out Thru International Adoption, Inc. D Employer Identification Number: 22-3569848. E Telephone number: (856) 321-0777. F Accounting method: Cash, Accrual, Other.

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ). 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): [X] 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. I Group Exemption Number. M Check if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 1,845,948.

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

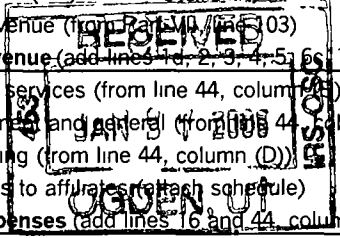
Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities;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

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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.

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 (att sch) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals (att sch) . . .	23				
24 Benefits paid to or for members (att sch) . . .	24				
25 Compensation of officers, directors, etc	25	108,537.	108,537.	0.	0.
26 Other salaries and wages	26	239,402.	239,402.	0.	0.
27 Pension plan contributions	27				
28 Other employee benefits	28	4,741.	4,741.	0.	0.
29 Payroll taxes	29	34,678.	34,678.	0.	0.
30 Professional fundraising fees	30				
31 Accounting fees	31	21,747.	0.	21,747.	0.
32 Legal fees	32				
33 Supplies	33	9,237.	0.	9,237.	0.
34 Telephone	34				
35 Postage and shipping	35	10,886.	10,886.	0.	0.
36 Occupancy	36	11,400.	11,400.	0.	0.
37 Equipment rental and maintenance	37	26,248.	26,248.	0.	0.
38 Printing and publications	38				
39 Travel	39	16,431.	16,431.	0.	0.
40 Conferences, conventions, and meetings	40	4,947.	4,947.	0.	0.
41 Interest	41	2,975.	0.	2,975.	0.
42 Depreciation, depletion, etc (attach schedule)	42	3,386.	3,386.	0.	0.
43 Other expenses not covered above (itemize).					
a <u>See Schedule</u>	43a	66,956.	59,159.	7,797.	0.
b <u>Country Fees</u>	43b	925,426.	925,426.	0.	0.
c <u>International Orphanage Donations</u>	43c	28,307.	28,307.	0.	0.
d	43d				
e	43e				
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	1,515,304.	1,473,548.	41,756.	0.

Joint Costs. Check if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____, (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? <u>Placement of Orphans with adoptive families</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) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others.)
a <u>Corporation aided in the placement of 105 infants with adoptive families in FYE 9-30-05.</u> (Grants and allocations \$ _____)	1,473,548.
b (Grants and allocations \$ _____)	
c (Grants and allocations \$ _____)	
d (Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	1,473,548.

Part IV Balance Sheets (See Instructions)

		(A) Beginning of year		(B) End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only				
ASSETS	45 Cash – non-interest-bearing	412,972.	45	495,765.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a 847,284.		
	b Less: allowance for doubtful accounts	47b	47c	847,284.
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments – securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55a Investments – land, buildings, & equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
	56 Investments – other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	57a 56,912.		
	b Less: accumulated depreciation (attach schedule) L-57 Stmt	57b 52,592.	7,088.	57c 4,320.
58 Other assets (describe ▶ Undeposited Funds)		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	1,019,851.	59	1,347,369.	
LIABILITIES	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule).	35,551.	63	35,551.
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶)		65	
66 Total liabilities (add lines 60 through 65)	35,551.	66	35,551.	
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	984,300.	67	1,311,818.
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19, column (B) must equal line 21)	984,300.	73	1,311,818.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	1,019,851.	74	1,347,369.

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.

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

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

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

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

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see 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	(E) Expense account and other allowances
Amy Steele 16 Lewisburg Rd, Laffayette, NJ 07848	President 5	0.	0.	0.
Martin, Jeffrey 574 West End Ave, #45 NYC, NY 10024	Director 5	0.	0.	0.
Smith, Jeannene 312 S. Lincoln Ave. Cherry Hill, NJ	Founder 40	70,567.	0.	0.
Spivack, Debbie 2332B Fairmount Ave Philadelphia, PA 19103	Executive Director 40	37,970.	0.	0.
Vag, Andrea 366 Montrose Ave South Orange, NJ 07079	Director 5	0.	0.	0.
See List of Officers, Etc. Statement		0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

Yes No

If 'Yes,' attach schedule - see instructions.

Part VI Other Information (See instructions.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return or Form 990-T for this year?		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? If 'Yes,' enter the name of the organization		X
----- and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?		
85b	b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	c Dues, assessments, and similar amounts from members	85c	
85d	d Section 162(e) lobbying and political expenditures	85d	
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	
86b	b Gross receipts, included on line 12, for public use of club facilities.	86b	
87a	501(c)(12) organizations Enter a Gross income from members or shareholders	87a	
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
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
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.		
89b	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		
90a	List the states with which a copy of this return is filed		
90b	b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	90b	14
91	The books are in care of Jeanene Smith Telephone number (856) 321-0777 Located at 312 South Lincoln Avenue, Cherry Hill NJ ZIP + 4 08002		
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 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 Homestudy Revenue			03	148,310.	
b Meeting / Conference Revenue			03	0.	
c Miscellaneous Revenue			03	0.	
d Program Revenue			03	1,652,199.	
e See Program Service Revenue Stmt				40.	
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			003	3,508.	
96 Dividends & 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 pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			003	38,765.	
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))				1,842,822.	
105 Total (add line 104, columns (B), (D), and (E))					1,842,822.

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 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)
▼	N/A

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

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: *Jeannene Smith* Signature of officer, Date: 1/19/06
 Jeannene Smith, President / Founder Type of print name and title

Paid Preparer's Use Only: Preparer's signature: James A. Hillman, CPA Date: 12/08/05 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 A. Hillman, CPA P.O. Box 2270 Southamptn NJ 08088 EIN:
 Phone no: (609) 859-8316

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

2004

Department of the Treasury
Internal Revenue Service

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

Name of the organization Reaching Out Thru International Adoption, Inc.	Employer identification number 22-3569848
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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
'None'				
Total number of other employees paid over \$50,000 ▶	None			

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 Statements About Activities (See instructions)

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities. \blacktriangleright \$ _____ 0.</p> <p>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.</p>		X
2a Sale, exchange, or leasing of property?		X
2b Lending of money or other extension of credit?		X
2c Furnishing of goods, services, or facilities?		X
2d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
2e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.)		X
3b Do you have a section 403(b) annuity plan for your employees?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
4b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See 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** \blacktriangleright _____
- 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 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 instructions)

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

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

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
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	1,772,479.	1,323,203.	584,322.	1,278,085.	4,958,089.
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	2,290.	1,518.	1,125.	882.	5,815.
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			-1,401.	7,623.	6,222.
23 Total of lines 15 through 22	1,774,769.	1,324,721.	584,046.	1,286,590.	4,970,126.
24 Line 23 minus line 17	2,290.	1,518.	-276.	8,505.	12,037.
25 Enter 1% of line 23	17,748.	13,247.	5,840.	12,866.	

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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____	26d	
22 _____ 26b _____	26e	
e Public support (line 26c minus line 26d total)	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	%

27 Organizations described on line 12:

a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person. Do not file this list with your return. Enter the sum of such amounts for each year:

(2003) _____ (2002) _____ (2001) _____ (2000) _____

b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals. Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year

(2003) _____ (2002) _____ (2001) _____ (2000) _____

c Add. Amounts from column (e) for lines: 15 _____ 16 _____

17 4,958,089. 20 _____ 21 _____

	27c	4,958,089.
d Add: Line 27a total _____ and line 27b total _____	27d	
e Public support (line 27c total minus line 27d total)	27e	4,958,089.
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	27f	4,970,126.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	99.76 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	0.12 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15

Part V Private School Questionnaire (See 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	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)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked 'a' and 'limited control' provisions apply

Limits on Lobbying Expenditures (The term 'expenditures' means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0.												
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37													
38	Total lobbying expenditures (add lines 36 and 37)	38	0.												
39	Other exempt purpose expenditures	39													
40	Total exempt purpose expenditures (add lines 38 and 39)	40	0.												
41	Lobbying nontaxable amount. Enter the amount from the following table— <table border="0" style="width: 100%; border-collapse: collapse;"> <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	41	0.
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	0.												
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.												
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.												
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)

	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(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
 (For reporting only by organizations that did not complete Part VI-A) (See 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:

- 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

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

**Depreciation and Amortization
(Including Information on Listed Property)**

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

2004
67

Name(s) shown on return
Reaching Out Thru International Adoption, Inc.

Identifying number
22-3569848

Business or activity to which this form relates
Form 990 / Form 990EZ

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount See instructions for a higher limit for certain businesses	1	\$102,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$410,000.
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2003 Form 4562	10	
11	Business income limitation Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2004	17	3,386.
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	3,386.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A - Depreciation and Other Information (Caution: See instructions for limits for passenger automobiles)

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost. Includes rows 25-29.

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other 'more than 5% owner,' or related person. You provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

Table with 6 columns: (a) Vehicle 1, (b) Vehicle 2, (c) Vehicle 3, (d) Vehicle 4, (e) Vehicle 5, (f) Vehicle 6. Includes rows 30-36.

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

Table with 2 columns: Yes, No. Includes rows 37-41.

Part VI Amortization

Table with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year. Includes rows 42-44.

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)
2004 Entertainment Books	120.	0.	120.	0.	120.
2004 Walkathon Revenue	4,640.	0.	4,640.	303.	4,337.
2005 Walkathon Revenue	4,440.	0.	4,440.	1,779.	2,661.
Child Sponsorship	1,000.	0.	1,000.	0.	1,000.
DVD Fundraising Revenue	1,310.	0.	1,310.	1,044.	266.
General Fund Revenue	15,070.	0.	15,070.	0.	15,070.
Guatemala Assistance Progr	1,000.	0.	1,000.	0.	1,000.
Nepal Dassai Festival	1,615.	0.	1,615.	0.	1,615.
Nepal Orphanage Drive	12,696.	0.	12,696.	0.	12,696.
Total	<u>41,891.</u>	<u>0.</u>	<u>41,891.</u>	<u>3,126.</u>	<u>38,765.</u>

Form 990, Page 3, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Leasehold Improvements	5,081.	4,781.	300.
Furniture & Fixtures	8,420.	7,156.	1,264.
Office Equipment	43,411.	40,655.	2,756.
Total	<u>56,912.</u>	<u>52,592.</u>	<u>4,320.</u>

Form 990, Page 4, Part V

List of Officers, Etc. Statement

(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	(E) Expense account and other allowances
Sheila Kowit 3220 Riding Court Chalfont, PA 18914	Director 5	0.	0.	0.
Ian Grodman 26 Oberlin Street, Suite 170 Maplewood, NJ 07040	Director 5	0.	0.	0.
Amy Montemarano 113 N. Lambert Street Philadelphia, PA	Director 5	0.	0.	0.

Total

0. 0. 0.

Form 990, Page 6, Part VII, Line 93

Program Service Revenue Stmt

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusn code	(D) Amount	
Program service revenue:					
Subscriptions			03	40.	
Humanitarian Aid Fees			03	0.	
Corporate Travel Rebates			03	0.	
Returned Customer Checks			03	0.	
Total				<u>40.</u>	

Supporting Statement of:

Form 990 p 2/Line 26 column (B)

Description	Amount
Consulting	32,450.
Temporary Help	7,760.
Payroll	199,192.
Total	<u>239,402.</u>

Supporting Statement of:

Form 990 p 2/Line 28 column (B)

Description	Amount
Employer Portion of Medical Insurance	4,741.
Total	<u>4,741.</u>

Supporting Statement of:

Form 990 p 2/Line 29 column (B)

Description	Amount
Payroll Taxes	31,038.
Unemployment	2,800.
Workman's Comp	840.
Total	<u>34,678.</u>

Supporting Statement of:

Form 990 p 2/Line 31 column (C)

Description	Amount
Accounting Fees	1,182.
Bookkeeping	20,565.
Total	<u>21,747.</u>

Supporting Statement of:

Form 990 p 2/Line 35 column (B)

Description	Amount
Postage	8,497.
Postage Equipment Lease	1,260.
Express Shipping	1,129.
Total	<u>10,886.</u>

Supporting Statement of:

Form 990 p 2/Line 36 column (B)

Description	Amount
Rent	11,400.
Total	<u>11,400.</u>

Supporting Statement of:

Form 990 p 2/Line 37 column (B)

Description	Amount
Software Support	19,022.
Computer Repairs	1,629.
Computer Upgrades	1,757.
Office Equipment Repairs	1,033.
Office Equipment Upgrades	478.
Office Repairs	2,329.
Total	<u>26,248.</u>

Supporting Statement of:

Form 990 p 2/Line 39 column (B)

Description	Amount
Airfare	7,530.
Lodging	4,470.
Meals	1,184.
Misc. Travel	2,001.
Automobile Expense	1,246.
Total	<u>16,431.</u>

Supporting Statement of:

Form 990 p 2/Line 43 Column (B)-1

Description	Amount
Advertising & Client Promotions	13,566.
Clearances	1,210.
Commissions	10,288.
Cooperative Agency Fees	10,715.
Documentation & Certification Fees	952.
Dues & Subscriptions	840.
Education & Training	
Finder Fees	250.
General Fund Expense	
Insurance - General Liability	1,339.
Internet Service Fee	2,376.
Licenses & Permits	135.
Merchant Account Expense	5,627.
Telephone Expense	10,840.
Translation Fees	21.
Misc.	1,000.
Total	59,159.

Supporting Statement of:

Form 990 p 2/Line 43 Column (C)-1

Description	Amount
Bank Service Charge	1,019.
Employment Advertising	398.
Insurance - Director & Officer	3,839.
Payroll Processing Fees	2,264.
Credit Card Charge	277.
Total	7,797.

Supporting Statement of:

Form 990 p 2/Line 43 Column (B)-2

Description	Amount
Taiwan	6,500.
Bulgaria	2,016.
Kazakhstan	128,060.
Nepal	45,028.
Azerbaijan	2,000.
China	3,755.
Guatamala	715,567.
Russia	22,500.
Total	925,426.

Supporting Statement of:

Form 990 p 2/Line 43 Column (B)-3

Description	Amount
Guatemala Assistance Program	1,000.
2004 Entertainment Books	120.
DVD Fundraising Donations	500.
2004 Walkathon Donations	5,608.
General Fund Donations	7,900.
Dassai Festival	1,615.
Nepal Orphanage Drive	11,564.
Total	<u>28,307.</u>

Supporting Statement of:

Form 990 p 3/Line 45, column (A)

Description	Amount
Wachovia Main Checking	133,627.
Wachovia Fund Checking	25,583.
First Union Bond Account	13,455.
First Union Money Market	240,207.
Petty Cash	100.
Total	<u>412,972.</u>

Supporting Statement of:

Form 990 p 3/Line 45, column (B)

Description	Amount
Wachovia Main Checking	168,818.
Wachovia Fund Checking	32,677.
First Union Bond Account	20,490.
First Union Money Market Account	273,680.
Petty Cash	100.
Total	<u>495,765.</u>