

Form **990**

OMB No 1545-0047

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

2003

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 2003 calendar year, or tax year beginning , and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions.	C Name of organization FRANK ADOPTION CENTER, NORTH CAROLINA		D Employer ID number 58-2153959
		Number and street (or P O box if mail is not delivered to street address) 2840 PLAZA PLACE		Room/suite 325
		City or town, state or country, and ZIP + 4 RALEIGH NC 27609		E Telephone number 919-510-9135
				F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

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

G Website: ▶ WWW.FRANKADOPT.ORG

J Organization type
 (check only one) ▶ 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.**

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? Yes No (If "No," att a list See instr)

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

I Group Exemption Number ▶

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

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,627,216**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

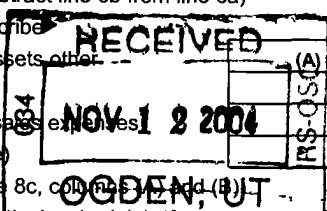
1 Contributions, gifts, grants, and similar amounts received: a Direct public support b Indirect public support c Government contributions (grants) d Total (add lines 1a through 1c) (cash \$ <u>9,680</u> noncash \$ _____)	1a	9,680	1d	9,680	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,617,062	2	1,617,062
	3 Membership dues and assessments	3		3	
	4 Interest on savings and temporary cash investments	4	474	4	474
	5 Dividends and interest from securities	5		5	
	6a Gross rents	6a		6c	
	b Less rental expenses	6b		6c	
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	
	7 Other investment income (describe)	7		7	
	8a Gross amount from sales of assets other than inventory	8a		8d	
	b Less cost or other basis and sales expenses	8b		8d	
	c Gain or (loss) (attach schedule)	8c		8d	
d Net gain or (loss) (combine line 8c, column (A) and (B))			8d		
9 Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a		9c		
b Less: direct expenses other than fundraising expenses	9b		9c		
c Net income or (loss) from special events (subtract line 9b from line 9a)			9c		
10a Gross sales of inventory, less returns and allowances	10a		10c		
b Less: cost of goods sold	10b		10c		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c		
11 Other revenue (from Part VII, line 103)	11		11		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	1,627,216	12	1,627,216	
13 Program services (from line 44, column (B))	13	1,465,800	13	1,465,800	
14 Management and general (from line 44, column (C))	14	256,352	14	256,352	
15 Fundraising (from line 44, column (D))	15	8,147	15	8,147	
16 Payments to affiliates (attach schedule)	16		16		
17 Total expenses (add lines 16 and 44, column (A))	17	1,730,299	17	1,730,299	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	-103,083	18	-103,083	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	-37,822	19	-37,822	
20 Other changes in net assets or fund balances (attach explanation)	20		20		
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	-140,905	21	-140,905	

EXPENSES

NET ASSETS

For Paperwork Reduction Act Notice, see the separate instructions.

SCANNED NOV 18 2004



Part II Statement of

All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others (See page 22 of the instructions)

Functional Expenses

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 \$ _____ non-cash \$ _____)	22			
23 Specific assistance to individuals	23			
24 Benefits paid to or for members	24			
25 Compensation of officers, directors, etc	25 59,139	38,440	20,699	
26 Other salaries and wages	26 168,372	109,442	58,930	
27 Pension plan contributions	27			
28 Other employee benefits	28 19,291	12,539	6,752	
29 Payroll taxes	29 19,672	12,787	6,885	
30 Professional fundraising fees	30			
31 Accounting fees	31 6,443	2,255	4,188	
32 Legal fees	32 24,580	8,571	16,009	
33 Supplies	33 8,771		8,771	
34 Telephone	34 37,012	29,610	7,402	
35 Postage and shipping	35 15,136	9,081	4,541	1,514
36 Occupancy	36 90,057	69,794	20,263	
37 Equipment rental and maintenance	37 13,421	8,724	4,697	
38 Printing and publications	38 6,327		5,062	1,265
39 Travel	39 8,414	7,909	505	
40 Conferences, conventions, and meetings	40 34,368	22,511	9,554	2,303
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42 2,620	1,703	917	
43 Other expenses not covered above (itemize):a	43a			
b SEE STATEMENT 1	43b 1,216,676	1,132,434	81,177	3,065
c	43c			
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 1,730,299	1,465,800	256,352	8,147

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

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

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,

(iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

ADOPTION AGENCY

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others)

Program Service Expenses
(Required for 501(c)(3) & (4) orgs , & 4947(a)(1) trusts, but optional for others)

a SEE STATEMENT 2	(Grants and allocations \$ _____)	1,465,800
b	(Grants and allocations \$ _____)	
c	(Grants and allocations \$ _____)	
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)		1,465,800

Part IV Balance Sheets (See page 25 of the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A)		(B)	
		Beginning of year		End of year	
45	Cash-non-interest-bearing	166,019	45	62,680	
46	Savings and temporary cash investments	70,714	46	187,033	
47a	Accounts receivable	250			
b	Less allowance for doubtful accounts		47c	250	
48a	Pledges receivable				
b	Less allowance for doubtful accounts		48c		
49	Grants receivable		49		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
51a	Other notes and loans receivable (attach schedule)				
b	Less allowance for doubtful accounts		51c		
52	Inventories for sale or use		52		
53	Prepaid expenses and deferred charges	8,686	53	7,867	
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54		
55a	Investments-land, buildings, and equipment: basis				
b	Less accumulated depreciation (attach schedule)		55c		
56	Investments-other (attach schedule)		56		
57a	Land, buildings, and equipment: basis	22,504			
b	Less: accumulated depreciation (attach schedule)		57c		
58	Other assets (describe SEE STMT 3)	15,138	57c	7,366	
		9,131	58		
59	Total assets (add lines 45 through 58) (must equal line 74)	263,610	59	265,196	
60	Accounts payable and accrued expenses	19,703	60	62,772	
61	Grants payable		61		
62	Deferred revenue SEE STMT 4	205,300	62	266,900	
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63		
64a	Tax-exempt bond liabilities (attach schedule)		64a		
b	Mortgages and other notes payable (attach schedule)		64b		
65	Other liabilities (describe SEE STMT 5)	76,429	65	76,429	
66	Total liabilities (add lines 60 through 65)	301,432	66	406,101	
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
67	Unrestricted	-37,822	67	-140,905	
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)	-37,822	73	-140,905	
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	263,610	74	265,196	

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 (See page 27 of the instructions.)

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

a	Total revenue, gains, and other support per audited financial statements	a	1,627,216
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	1,627,216
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	1,627,216

a	Total expenses and losses per audited financial statements	a	1,730,299
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	1,730,299
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	1,730,299

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 of the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
WALTER L. JOHNSON 2840 PLAZA PLACE RALEIGH NC 27609	EXECUTIVE DI 40	59,139	0	0
NINA KOSTINA 10317 SAINT ALBA BETHESDA MD 20814	PRESIDENT 3	0	0	0
LORRAINE J LANGDON 2801 CAMFIELD PLACE GARNER NC 27529	VICE-PRESIDE 3	0	0	0
NATASH MISHINA 20333 SWALLOW PO MONTGOMERY MD 20879	SECRETARY/TR 3	0	0	0
GARY SILVERSMITH 2600 VIRGINIA AV WASHINGTON DC 20037	DIRECTOR 1	0	0	0
THERESA JOHANSSON 510 RYAN ROAD CARY NC 27511	DIRECTOR 1	0	0	0
TERESA KREBS 518 DOGWOOD LANE WILMINGTON NC 28409	DIRECTOR 1	0	0	0
CYDNE SHARPE 280 SUNSET AVENU HENDERSON NC 27536	DIRECTOR 1	0	0	0
BETTY WILLIAMS 400 SOUTH FEDERA BOYNTON BE FL 33435	DIRECTOR 1	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 page 28 of the instructions.

Part VI Other Information (See page 28 of the 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
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
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?	X	
b	If "Yes," enter the name of the organization SEE STATEMENT 6 and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures See line 81 instructions		
b	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
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)		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
b	Gross receipts, included on line 12, for public use of club facilities		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under: section 4911 <u>0</u> ; section 4912 <u>0</u> ; section 4955 <u>0</u>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed NC		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions.)		8
91	The books are in care of WALTER L. JOHNSON Located at RALEIGH, NC		
	Telephone no 919-510-9135 ZIP + 4 27609		
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		<input type="checkbox"/>

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by sec 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 PROGRAM SERVICE REVENUE					1,617,062
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					474
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		0	1,617,536
105 Total (add line 104, columns (B), (D), and (E))					1,617,536

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 34 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)
N/A	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 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 34 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).

Under penalties of perjury, I declare that I have examined this return, including attachments, and believe it is true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: *Walter L. Johnson*
 Type or print name and title: **WALTER L. JOHNSON**

Paid Preparer's Use Only

Preparer's signature: *John T. Cecil Jr.*
 Firm's name (or yours if self-employed), address, and ZIP + 4: **JOHN T. CECIL JR.,
 182 THOMAS JOHNSON
 FREDERICK, MD 2170**

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

OMB No 1545-0047

2003

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

**FRANK ADOPTION CENTER,
NORTH CAROLINA**

Employer identification number

58-2153959

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 ben plans & deferred compensation	(e) Expense account and other allowances
NONE				

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

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 ▶

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2003

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

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	1	X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>		
<p>a Sale, exchange, or leasing of property?</p>	2a	X
<p>b Lending of money or other extension of credit?</p>	2b	X
<p>c Furnishing of goods, services, or facilities?</p>	2c	X
<p>d Payment of compensation (or payment or reimbursement of expiration if more than \$1,000)?</p>	2d	X
<p>e Transfer of any part of its income or assets?</p>	2e	X
<p>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.)</p>	3a	X
<p>3b Do you have a section 403(b) annuity plan for your employees?</p>	3b	X
<p>4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?</p>	4	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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 6 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) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants See line 28.)	13,500	21,826	25,140	14,427	74,893
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	2,085,589	1,839,457	1,967,568	2,955,662	8,848,276
18 Gross income from interest, dividends, amounts received from payment 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	433	668	13,063	10,658	24,822
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefits and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	2,099,522	1,861,951	2,005,771	2,980,747	8,947,991
24 Line 23 minus line 17	13,933	22,494	38,203	25,085	99,715
25 Enter 1% of line 23	20,995	18,620	20,058	29,807	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶ 26a 0

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶ 26b

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c

d Add Amounts from column (e) for lines: 18 _____ 19 _____
22 _____ 26b _____ ▶ 26d

e Public support (line 26c minus line 26d total) ▶ 26e

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶ 26f %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year:

(2002)	(2001)	(2000)	(1999)
--------	--------	--------	--------

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.

(2002)	(2001)	(2000)	(1999)
--------	--------	--------	--------

c Add Amounts from column (e) for lines: 15 74,893 16 _____
17 8,848,276 20 _____ 21 _____ ▶ 27c 8,923,169

d Add. Line 27a total _____ and line 27b total _____ ▶ 27d

e Public support (line 27c total minus line 27d total) ▶ 27e 8,923,169

f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f 8,947,991

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶ 27g 99.7226%

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶ 27h 0.2774%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, 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.)

(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:			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
	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?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	33h		
	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?	34a		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Statement 1 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
EXPENSES				
ADVERTISING EXPENSE	34,674	28,987	5,548	139
APOSTILLING, CERTIFICATIONS, VISAS, REGISTRATION FEES	1,077,380	1,077,380		
BAD DEBT EXPENSE	5,965	5,965		
BANK CHARGES	1,351		1,351	
COMPUTER CONSULTING	2,172		2,172	
HUMANITARIAN AIDE	9,350	8,836		514
INSURANCE EXPENSE	28,055		28,055	
MEMBERSHIP DUES & SUBSCRIPTIONS	3,398	1,699	1,699	
MISCELLANEOUS EXPENSE	1,672		1,672	
OFFICE EXPENSE	24,123	7,237	14,474	2,412
PARENTING WORKSHOP EXPENSE	1,880	1,880		
PERSONNEL - CONTRACTUAL	24,234		24,234	
PERSONNEL - TEMPORARY	1,220	300	920	
STAFF RECRUITMENT	1,052		1,052	
TRANSLATION COSTS	150	150		
TOTAL	<u>\$ 1,216,676</u>	<u>\$ 1,132,434</u>	<u>\$ 81,177</u>	<u>\$ 3,065</u>

Statement 2 - Form 990, Part III, Line a - Statement of Program Service Accomplishments

THE ORGANIZATION ARRANGES FOR THE PLACEMENT AND ADOPTION OF ORPHANED CHILDREN FROM FOREIGN COUNTRIES. DURING THE YEAR 2003, THE AGENCY PLACED 123 CHILDREN WITH NEW FAMILIES.

Federal Statements

FYE: 12/31/2003

Statement 3 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
SECURITY DEPOSIT	\$ 3,595	\$
TOTAL	<u>\$ 3,595</u>	<u>\$ 0</u>

Statement 4 - Form 990, Part IV, Line 62 - Deferred Revenue

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
TOTAL	\$ 205,300	\$ 266,900
	<u>\$ 205,300</u>	<u>\$ 266,900</u>

Statement 5 - Form 990, Part IV, Line 65 - Other Liabilities

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DUE TO FRANK FOUNDATION	\$ 76,429	\$ 76,429
TOTAL	<u>\$ 76,429</u>	<u>\$ 76,429</u>

Statement 6 - Form 990, Part VI, Line 80b - Name of Related Organization(s)

<u>Name of related organization(s)</u>	<u>Type</u>
FRANK FOUNDATION CHILD ASSISTANCE INTERNATIONAL	EXEMPT

Depreciation and Amortization

OMB No 1545-0172

Form **4562**

(Including Information on Listed Property)

2003

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

▶ Attach to your tax return.

Attachment
Sequence No **67**

Name(s) shown on return **FRANK ADOPTION CENTER,
NORTH CAROLINA**

Identifying number
58-2153959

Business or activity to which this form relates

INDIRECT DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

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

1 Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	100,000
2 Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	400,000
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 page 2 of the instructions	5	
(a) Description of property (b) Cost (business use only) (c) Elected cost		
6		
7 Listed property Enter the amount from line 29	7	
8 Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2004. 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 prop (other than listed prop) placed in service during the tax year (see pg 3 of the instr)	14	
15 Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16 Other depreciation (including ACRS) (see page 4 of the instructions)	16	2,620

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2003	17	0
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 2003 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	
i Nonresidential real property			27 5 yrs.	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2003 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 page 6 of the instructions)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return Partnerships and S corporations-see instr	22	2,620
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2003)

FRANK ADOPTION CENTER,

58-2153959

Form 4562 (2003)

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 page 7 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?				Yes	No	24b If "Yes," is the evidence written?		Yes	No
(a) Type of prop (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 6 of the instructions)							25		
26 Property used more than 50% in a qualified business use (see page 6 of the instructions).									
		%							
		%							
27 Property used 50% or less in a qualified business use (see page 6 of the instructions)									
		%				S/L-			
		%				S/L-			
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1								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

If 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

30 Total business/investment miles driven during the year (do not include commuting miles-see page 2 of the instructions)	(a)	(b)	(c)	(d)	(e)	(f)
	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4	Vehicle 5	Vehicle 6
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No
36 Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No

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 page 8 of the instructions)

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions)		
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year	
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions)						
43 Amortization of costs that began before your 2003 tax year					43	0
44 Total. Add amounts in column (f) See page 9 of the instructions for where to report					44	