

# Return of Organization Exempt From Income Tax

**2001**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

**A** For the 2001 calendar year, or tax year period beginning **OCT 1, 2001** and ending **SEP 30, 2002**

<b>B</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	<b>C</b> Name of organization <b>CRADLE OF HOPE ADOPTION CENTER, INC.</b>		<b>D</b> Employer identification number <b>52-1729434</b>	
		Number and street (or P O box if mail is not delivered to street address) <b>8630 FENTON STREET</b>		Room/suite <b>310</b>	<b>E</b> Telephone number <b>(301)587-4400</b>
		City or town, state or country, and ZIP + 4 <b>SILVER SPRING, MD 20910</b>		<b>F</b> 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** Web site **WWW.CRADLEHOPE.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.

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 **1,579,603.**

**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? **N/A**  Yes  No (If "No," attach a list)

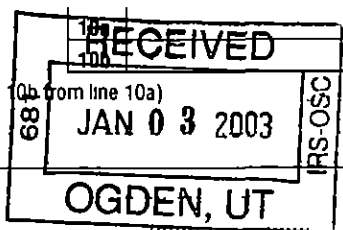
**H(d)** Is this a separate return filed by an organization covered by a group ruling?  Yes  No

**I** Enter 4-digit GEN **\_\_\_\_\_**

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

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

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received			
	<b>a</b> Direct public support	<b>1a</b>	<b>226,903.</b>	
	<b>b</b> Indirect public support	<b>1b</b>	<b>30,316.</b>	
	<b>c</b> Government contributions (grants)	<b>1c</b>		
	<b>d</b> Total (add lines 1a through 1c) (cash \$ <b>257,219.</b> noncash \$ _____)	<b>1d</b>		<b>257,219.</b>
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		<b>1,262,320.</b>
	<b>3</b> Membership dues and assessments	<b>3</b>		
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>		<b>39,265.</b>
	<b>5</b> Dividends and interest from securities	<b>5</b>		
	<b>6 a</b> Gross rents	<b>6a</b>		
	<b>b</b> Less rental expenses	<b>6b</b>		
	<b>c</b> Net rental income or (loss) (subtract line 6b from line 6a)	<b>6c</b>		
<b>7</b> Other investment income (describe _____)	<b>7</b>			
<b>8 a</b> Gross amount from sale of assets other than inventory	(A) Securities	<b>8a</b>		
	<b>19,897.</b>	<b>8a</b>		
	<b>b</b> Less cost or other basis and sales expenses	<b>8b</b>		
	<b>23,247.</b>	<b>8b</b>		
<b>c</b> Gain or (loss) (attach schedule)	<b>8c</b>			
<b>d</b> Net gain or (loss) (combine line 8c, columns (A) and (B))	<b>8d</b>	<b>STMT 1</b>	<b>&lt;3,350.&gt;</b>	
<b>9</b> Special events and activities (attach schedule)	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1a)	<b>9a</b>		
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>		
	<b>c</b> Net income or (loss) from special events (subtract line 9b from line 9a)	<b>9c</b>		
<b>10 a</b> Gross sales of inventory, less returns and allowances	<b>b</b> Less cost of goods sold	<b>10b</b>		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	<b>10c</b>	<b>902.</b>	
	<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>		
<b>12</b> Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	<b>12</b>		<b>1,556,356.</b>	
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>	<b>1,097,782.</b>	
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>	<b>282,630.</b>	
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>	<b>24,408.</b>	
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>		
	<b>17</b> Total expenses (add lines 16 and 44, column (A))	<b>17</b>		<b>1,404,820.</b>
Net Assets	<b>18</b> Excess or (deficit) for the year (subtract line 17 from line 12)	<b>18</b>	<b>151,536.</b>	
	<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>	<b>514,682.</b>	
	<b>20</b> Other changes in net assets or fund balances (attach explanation) <b>SEE STATEMENT 2</b>	<b>20</b>	<b>&lt;13,820.&gt;</b>	
	<b>21</b> Net assets or fund balances at end of year (combine lines 18, 19, and 20)	<b>21</b>		<b>652,398.</b>



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<b>Part II Statement of Functional Expenses</b>		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 (attach schedule)				
	cash \$ _____ noncash \$ _____				
23	Specific assistance to individuals (attach schedule)	23,516.	23,516.	STATEMENT 5	
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	121,861.	91,396.	24,372.	6,093.
26	Other salaries and wages	590,212.	456,915.	120,938.	12,359.
27	Pension plan contributions	14,283.	11,057.	2,927.	299.
28	Other employee benefits	24,794.	19,195.	5,080.	519.
29	Payroll taxes	54,563.	42,240.	11,180.	1,143.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	15,904.	15,904.		
34	Telephone	35,143.	35,143.		
35	Postage and shipping	21,140.	21,140.		
36	Occupancy	165,906.	128,436.	33,996.	3,474.
37	Equipment rental and maintenance	858.	293.	557.	8.
38	Printing and publications	12,696.	12,696.		
39	Travel	4,461.	4,461.		
40	Conferences, conventions, and meetings	14,628.	14,628.		
41	Interest				
42	Depreciation, depletion, etc (attach schedule)	21,662.		21,662.	
43	Other expenses not covered above (itemize)				
a	_____				
b	_____				
c	_____				
d	_____				
e	SEE STATEMENT 3	283,193.	220,762.	61,918.	513.
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D) carry these totals to lines 13-15.	1,404,820.	1,097,782.	282,630.	24,408.

**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 \$ \_\_\_\_\_

<b>Part III Statement of Program Service Accomplishments</b>		Program Service Expenses
What is the organization's primary exempt purpose? <b>SEE STATEMENT 4</b>		(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a	CRADLE OF HOPE SOLICITED AND DISTRIBUTED AID TO ORPHANS AND ARRANGED FOR THE PLACEMENT AND ADOPTION OF 238 ORPHANS. APPROXIMATELY 42 HOME STUDIES WERE PERFORMED TO ASSESS AND PREPARE POTENTIAL ADOPTIVE PARENTS (Grants and allocations \$ _____)	1,097,782.
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)	1,097,782.

**Part IV Balance Sheets**

Note		(A)		(B)		
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year		
Assets	45	Cash - non-interest-bearing	52,989.	45	68,750.	
	46	Savings and temporary cash investments	976,034.	46	950,134.	
	47 a	Accounts receivable	12,600.			
		b Less allowance for doubtful accounts		268.	47c	12,600.
	48 a	Pledges receivable				
		b Less allowance for doubtful accounts			48c	
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees			50	
	51 a	Other notes and loans receivable				
		b Less allowance for doubtful accounts			51c	
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges	3,152.	53	12,841.	
	54	Investments - securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	1,026,757.	54	983,972.	
	55 a	Investments - land, buildings, and equipment basis				
		b Less accumulated depreciation			55c	
56	Investments - other			56		
57 a	Land, buildings, and equipment basis	173,051.				
	b Less accumulated depreciation STMT 7	109,922.	89,891.	57c	63,129.	
58	Other assets (describe <b>▶ DEPOSITS</b> )		5,744.	58	5,744.	
59	<b>Total assets (add lines 45 through 58) (must equal line 74)</b>	<b>2,154,835.</b>	<b>59</b>	<b>2,097,170.</b>		
Liabilities	60	Accounts payable and accrued expenses	53,073.	60	68,311.	
	61	Grants payable		61		
	62	Deferred revenue	919.	62		
	63	Loans from officers, directors, trustees, and key employees		63		
	64 a	Tax-exempt bond liabilities		64a		
		b Mortgages and other notes payable		64b		
	65	Other liabilities (describe <b>▶ SEE STATEMENT 8</b> )	1,586,161.	65	1,376,461.	
66	<b>Total liabilities (add lines 60 through 65)</b>	<b>1,640,153.</b>	<b>66</b>	<b>1,444,772.</b>		
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	431,232.	67	502,563.	
	68	Temporarily restricted	83,450.	68	149,835.	
	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	<b>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)</b>	<b>514,682.</b>	<b>73</b>	<b>652,398.</b>	
	74	<b>Total liabilities and net assets / fund balances (add lines 66 and 73)</b>	<b>2,154,835.</b>	<b>74</b>	<b>2,097,170.</b>	

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

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

a	Total revenue, gains, and other support per audited financial statements	a	1,549,336.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ <13,820.>		
(2)	Donated services and use of facilities \$ 6,800.		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) \$		
	Add amounts on lines (1) through (4)	b	<7,020.>
c	Line a minus line b	c	1,556,356.
d	Amounts included on line 12 Form 990 but not on line a		
(1)	Investment expenses not included on line 6b Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	1,556,356.

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

a	Total expenses and losses per audited financial statements	a	1,411,620.
b	Amounts included on line a but not on line 17, Form 990		
(1)	Donated services and use of facilities \$ 6,800.		
(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	6,800.
c	Line a minus line b	c	1,404,820.
d	Amounts included on line 17, Form 990 but not on line a		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify) \$		
	Add amounts on lines (1) and (2)	d	0.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	1,404,820.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
LINDA PERILSTEIN SILVER SPRING, MD	EXEC DIRECTOR 50	121,861.	8,061.	840.
STEVE ZALEZNICK WASHINGTON, DC	PRESIDENT .25	0.	0.	0.
KAY LARCOM WASHINGTON, DC	SECRETARY .25	0.	0.	0.
SHERRI BALE CHEVY CHASE, MD	SECRETARY .25	0.	0.	0.
CHRISTINE WECHSLER BETHESDA, MD	DIRECTOR .25	0.	0.	0.
ELIZABETH LYONS CHEVY CHASE, MD	DIRECTOR .25	0.	0.	0.
JEFFERY MOORE WASHINGTON, DC	DIRECTOR .25	0.	0.	0.
MARY ANN MICHEL GAMBRILLS, MD	DIRECTOR .25	0.	0.	0.
PAUL NOLAN JESSUP, MD	DIRECTOR .25	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? If "Yes" attach schedule  Yes  No Form 990 (2001)

Part VI Other Information

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		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
78 a	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? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions <input type="checkbox"/> 81a <input type="checkbox"/> 0.		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	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) <input type="checkbox"/> 82b <input type="checkbox"/> 6,800.		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
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? N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year		
c	Dues, assessments, and similar amounts from members <input type="checkbox"/> 85c <input type="checkbox"/> N/A		
d	Section 162(e) lobbying and political expenditures <input type="checkbox"/> 85d <input type="checkbox"/> N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="checkbox"/> 85e <input type="checkbox"/> N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="checkbox"/> 85f <input type="checkbox"/> N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A		
86	501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12 <input type="checkbox"/> 86a <input type="checkbox"/> N/A		
b	Gross receipts, included on line 12, for public use of club facilities <input type="checkbox"/> 86b <input type="checkbox"/> N/A		
87	501(c)(12) organizations Enter a Gross income from members or shareholders <input type="checkbox"/> 87a <input type="checkbox"/> N/A		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) <input type="checkbox"/> 87b <input type="checkbox"/> N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes" complete Part IX		X
89 a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> 0., section 4912 <input type="checkbox"/> 0., section 4955 <input type="checkbox"/> 0.		
b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/> 0.		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/> 0.		
90 a	List the states with which a copy of this return is filed <input type="checkbox"/> DISTRICT OF COLUMBIA		
b	Number of employees employed in the pay period that includes March 12, 2001 <input type="checkbox"/> 90b <input type="checkbox"/> 25		
91	The books are in care of <input type="checkbox"/> CRADLE OF HOPE ADOPTION CENTER Telephone no <input type="checkbox"/> 301-587-4400		
	Located at <input type="checkbox"/> 8630 FENTON ST., STE. 310 SILVER SPRING, MD ZIP + 4 <input type="checkbox"/> 20910		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="checkbox"/> 92 <input type="checkbox"/> N/A		

**Part VII Analysis of Income-Producing Activities** (See Specific Instructions on page 32 )

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) Exclu- sion code	(D) Amount	
93 Program service revenue					
a <b>ADOPTION FEES</b>					1,165,660.
b <b>HOME STUDY REVENUE</b>					25,889.
c <b>POST PLACEMENT FEES</b>					22,123.
d <b>CLIENT REIMBURSEMENTS</b>					48,648.
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	39,265.	
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			18	<3,350.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a <b>OTHER</b>			01	902.	
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		36,817.	1,262,320.
105 Total (add line 104, columns (B), (D), and (E))					1,299,137.

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 Specific Instructions on page 32 )

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)
93	<b>FEES CHARGED FOR ADOPTION SERVICES INCLUDING APPLICATIONS, HOME STUDIES, POST PLACEMENT, AND OTHER EXPENSES OF LOCATING AND PLACING CHILDREN.</b>

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See Specific Instructions on page 33 )

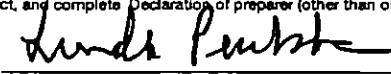
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

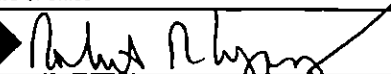
**Part X Information Regarding Transfers Associated with**

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a

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 furnished by taxpayer.

Please Sign Here:  Date: 12/1

Paid Preparer's Use Only: Preparer's signature:   
 Firm's name (or yours if self-employed), address, and ZIP + 4: RSM MCGLADREY, INC.  
 6701 DEMOCRACY BLVD, SU  
 BETHESDA, MD 20817

**SCHEDULE A**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Organization Exempt Under Section 501(c)(3)**

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

**Supplementary Information-(See separate instructions.)**  
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

**2001**

Name of the organization

CRADLE OF HOPE ADOPTION CENTER, INC.

Employer identification number

52 1729434

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

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

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
LESLIE NELSON ----- ROCKVILLE, MD	DIR SOC SERV  50	55,728.	1,471.	0.
-----	-----	-----	-----	-----
-----	-----	-----	-----	-----
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Total number of other employees paid over \$50,000 ▶

0

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

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE -----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
-----	-----	-----
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Total number of others receiving over \$50,000 for professional services ▶

0

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

	Yes	No
<b>1</b> 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 <b>▶</b> \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line 1 of Part VI-B ) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		X
<b>2</b> 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 )		
<b>a</b> Sale, exchange, or leasing of property?		X
<b>b</b> Lending of money or other extension of credit?		X
<b>c</b> Furnishing of goods, services, or facilities?		X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <b>SEE PART V, FORM 990</b>	X	
<b>e</b> Transfer of any part of its income or assets?		X
<b>3</b> Does the organization make grants for scholarships, fellowships, student loans, etc ? (See Note below )		X
<b>4</b> Do you have a section 403(b) annuity plan for your employees?		X
<b>Note</b> Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments		

**Part IV Reason for Non-Private Foundation Status** (See pages 3 through 6 of the instructions )

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

5	<input type="checkbox"/>	A church, convention of churches, or association of churches Section 170(b)(1)(A)(i)
6	<input type="checkbox"/>	A school Section 170(b)(1)(A)(ii) (Also complete Part V )
7	<input type="checkbox"/>	A hospital or a cooperative hospital service organization Section 170(b)(1)(A)(iii)
8	<input type="checkbox"/>	A Federal, state, or local government or governmental unit Section 170(b)(1)(A)(v)
9	<input type="checkbox"/>	A medical research organization operated in conjunction with a hospital Section 170(b)(1)(A)(iii) Enter the hospital's name, city, and state <b>▶</b> _____
10	<input type="checkbox"/>	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 <b>Support Schedule</b> in Part IV-A )
11a	<input type="checkbox"/>	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 <b>Support Schedule</b> in Part IV-A )
11b	<input type="checkbox"/>	A community trust Section 170(b)(1)(A)(vi) (Also complete the <b>Support Schedule</b> in Part IV-A )
12	<input checked="" type="checkbox"/>	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 <b>Support Schedule</b> in Part IV-A )
13	<input type="checkbox"/>	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) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	205,462.	243,992.	232,316.	141,364.	823,134.
<b>16</b> Membership fees received					
<b>17</b> 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	1,205,146.	1,077,850.	861,414.	1,071,959.	4,216,369.
<b>18</b> 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	83,049.	86,978.	63,608.	58,760.	292,395.
<b>19</b> Net income from unrelated business activities not included in line 18					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
<b>21</b> 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.					
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					
<b>23</b> Total of lines 15 through 22	1,493,657.	1,408,820.	1,157,338.	1,272,083.	5,331,898.
<b>24</b> Line 23 minus line 17	288,511.	330,970.	295,924.	200,124.	1,115,529.
<b>25</b> Enter 1% of line 23	14,937.	14,088.	11,573.	12,721.	
<b>26</b> Organizations described on lines 10 or 11	<p><b>a</b> Enter 2% of amount in column (e), line 24 <span style="float:right">▶ 26a</span> N/A</p> <p><b>b</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 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts <span style="float:right">▶ 26b</span> N/A</p> <p><b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e) <span style="float:right">▶ 26c</span> N/A</p> <p><b>d</b> Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____ <span style="float:right">▶ 26d</span> N/A</p> <p><b>e</b> Public support (line 26c minus line 26d total) <span style="float:right">▶ 26e</span> N/A</p> <p><b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator)) <span style="float:right">▶ 26f</span> N/A %</p>				
<b>27</b> Organizations described on line 12	<p><b>a</b> 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:</p> <p>(2000) 0. (1999) 0. (1998) 0. (1997) 0.</p> <p><b>b</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:</p> <p>(2000) 0. (1999) 0. (1998) 0. (1997) 0.</p> <p><b>c</b> Add: Amounts from column (e) for lines 15 823,134. 16 _____ 17 4,216,369. 20 _____ 21 _____ <span style="float:right">▶ 27c</span> 5,039,503.</p> <p><b>d</b> Add: Line 27a total 0. and line 27b total 0. <span style="float:right">▶ 27d</span> 0.</p> <p><b>e</b> Public support (line 27c total minus line 27d total) <span style="float:right">▶ 27e</span> 5,039,503.</p> <p><b>f</b> Total support for section 509(a)(2) test. Enter amount on line 23, column (e) <span style="float:right">▶ 27f</span> 5,331,898.</p> <p><b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator)) <span style="float:right">▶ 27g</span> 94.5161%</p> <p><b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) <span style="float:right">▶ 27h</span> 5.4839%</p>				
<b>28</b> Unusual Grants	<p>For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, 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.</p> <p style="text-align:center">NONE</p>				

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

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement )		
<hr/>			
<hr/>			
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? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement )	32d	
<hr/>			
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? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement )	33h	
<hr/>			
<hr/>			
34 a	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	

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 9 of the instructions) N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

**Caution** If there is an amount on either line 43 or line 44, you must file Form 4720

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions)

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 c through h)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h)

	Yes	No	Amount
a		X	
b		X	
c		X	
d		X	
e		X	
f		X	
g		X	
h		X	
i			0.

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



**Schedule B**  
(Form 990, 990-EZ, or  
990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

**2001**

Name of organization

CRADLE OF HOPE ADOPTION CENTER, INC.

Employer identification number

52-1729434

Organization type (check one)

Filers of

Section

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General rule** or a **Special rule** (Note Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General rule and a Special rule-see instructions )

**General Rule-**

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

**Special Rules-**

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose Do not complete any of the Parts unless the General rule applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year) ▶ \$ \_\_\_\_\_

**Caution** Organizations that are not covered by the General rule and/or the Special rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they must check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Schedule B (Form 990, 990-EZ, or 990-PF) (2001)

Name of organization <b>CRADLE OF HOPE ADOPTION CENTER, INC.</b>	Employer identification number <b>52-1729434</b>
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**Part I Contributors** (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>		\$ <u>28,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>2</u>		\$ <u>10,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>3</u>		\$ <u>15,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>4</u>		\$ <u>35,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>5</u>		\$ <u>6,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
<u>6</u>		\$ <u>5,000.</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

CRADLE OF HOPE ADOPTION CENTER, INC.

52-1729434

**Part I Contributors** (See Specific Instructions)

(a) No	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
8		\$ 5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
9		\$ 148,219.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
0		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)





FORM 990 GAIN (LOSS) FROM NON-PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
SALE OF INVESTMENTS			DONATED	
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
	19,897.	23,247.	0.	<3,350.>
TOTAL TO FM 990, PART I, LN 8	19,897.	23,247.	0.	<3,350.>

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 2

DESCRIPTION	AMOUNT
UNREALIZED LOSS ON INVESTMENTS	<13,820.>
TOTAL TO FORM 990, PART I, LINE 20	<13,820.>

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
ADVERTISING	13,774.		13,774.	
CEU EXPENSES	32.		32.	
DUES & SUBSCRIPTIONS	2,475.	2,475.		
DELIVERY	30,073.	30,073.		
OTHER	10,264.	2,054.	8,210.	
INSURANCE	24,498.	18,966.	5,019.	513.
PARKING	2,291.		2,291.	
TAXES & LICENSES	13,889.	10,031.	3,858.	
TEMPORARY HELP	5,627.	5,627.		
FOREIGN EXPENSES	5,664.	5,664.		
PROFESSIONAL FEES	25,994.	2,598.	23,396.	
EVENTS	5,533.	5,533.		
CLIENT RELATIONS	9,692.	9,692.		
CLIENT REIMBURSEMENT	4,975.	4,975.		
BRIDGE OF HOPE	123,074.	123,074.		
BAD DEBT EXPENSE	238.		238.	
LOSS ON DISPOSAL OF ASSET	5,100.		5,100.	
TOTAL TO FM 990, LN 43	283,193.	220,762.	61,918.	513.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 4  
PART III

EXPLANATION

TO SOLICIT AND DISTRIBUTE AID TO ORPHANS AND ARRANGE FOR THE PLACEMENT AND ADOPTION OF ORPHANED CHILDREN.

FORM 990 SPECIFIC ASSISTANCE TO INDIVIDUALS STATEMENT 5

DESCRIPTION	AMOUNT
ADOPTION SERVICES	4,800.
HUMANITARIAN AID TO ORPHANS	4,973.
ADOPTION ASSISTANCE TO FAMILIES ADOPTING SPECIAL NEEDS BOYS	13,500.
ADOPTION ASSISTANCE TO FAMILIES ADOPTING SPECIAL NEEDS CHILDREN	243.
TOTAL TO FORM 990, PART II, LINE 23	23,516.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	OTHER SECURITIES	TOTAL NON-GOV'T SECURITIES
MUTUAL FUNDS				983,972.	983,972.
TO 990, LN 54 COL B				983,972.	983,972.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE	5,460.	4,787.	673.
EQUIPMENT	101,129.	85,101.	16,028.
LEASEHOLD IMPROVEMENT	66,462.	20,034.	46,428.
TOTAL TO FORM 990, PART IV, LN 57	173,051.	109,922.	63,129.

FORM 990	OTHER LIABILITIES	STATEMENT	8
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DESCRIPTION	AMOUNT
ESCROW PAYABLE	1,298,402.
CAPITAL LEASE OBLIGATION	7,618.
DEFERRED RENT	70,441.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	1,376,461.