

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)

2006

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the **2006** calendar year, or tax year beginning 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, NC		D Employer identification number 58-2153959
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2840 PLAZA PLACE 325		E Telephone number 919-510-9135
		City or town, state or country, and ZIP + 4 RALEIGH, NC 27612		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).

H and I are not applicable to section 527 organizations.

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

H(b) If "Yes," enter number of affiliates ▶ **N/A**

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

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

I Group Exemption Number ▶ **N/A**

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

G Website: ▶ **FRANKADOPT.ORG**

J Organization type (check only one) ▶ 501(c)(3) (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,049,476.**

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

1 Contributions, gifts, grants, and similar amounts received:					
a Contributions to donor advised funds		1a			
b Direct public support (not included on line 1a)		1b			
c Indirect public support (not included on line 1a)		1c			
d Government contributions (grants) (not included on line 1a)		1d			
e Total (add lines 1a through 1d) (cash \$ _____ noncash \$ _____)				1e	0.
2 Program service revenue including government fees and contracts (from Part VII, line 93)				2	1,046,690.
3 Membership dues and assessments				3	
4 Interest on savings and temporary cash investments				4	2,564.
5 Dividends and interest from securities				5	222.
6 a Gross rents		6a			
b Less: rental expenses		6b			
c Net rental income or (loss). Subtract line 6b from line 6a				6c	
7 Other investment income (describe ▶ _____)				7	
8 a Gross amount from sales of assets other than inventory		(A) Securities	(B) Other		
		8a			
b Less: cost or other basis and sales expenses		8b			
c Gain or (loss) (attach schedule)		8c			
d Net gain or (loss). Combine line 8c, columns (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 1b)		9a			
b Less: direct expenses other than fundraising expenses		9b			
c Net income or (loss) from special events. Subtract line 9b from line 9a				9c	
10 a Gross sales of inventory, less returns and allowances		10a			
b Less: cost of goods sold		10b			
11 Other revenue (from Part VII, line 103)				11	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	1,049,476.
13 Program services (from line 44, column (B))				13	1,096,662.
14 Management and general (from line 44, column (C))				14	211,219.
15 Fundraising (from line 44, column (D))				15	20,507.
16 Payments to affiliates (attach schedule)				16	
17 Total expenses. Add lines 16 and 44, column (A)				17	1,328,388.
18 Excess or (deficit) for the year. Subtract line 17 from line 12				18	-278,912.
19 Net assets or fund balances at beginning of year (from line 73, column (A))				19	7,406.
20 Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1				20	16,317.
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20				21	-255,189.

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Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	55,625.	13,906.	30,594.	11,125.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	168,385.	128,129.	38,375.	1,881.
27 Pension plan contributions not included on lines 25a, b, and c				
28 Employee benefits not included on lines 25a - 27	23,658.	16,006.	6,438.	1,214.
29 Payroll taxes	18,176.	12,297.	4,946.	933.
30 Professional fundraising fees				
31 Accounting fees	11,420.		11,420.	
32 Legal fees	6,617.	6,617.		
33 Supplies				
34 Telephone	14,230.	11,384.	2,846.	
35 Postage and shipping	20,144.	16,115.	3,827.	202.
36 Occupancy	138,243.	107,138.	31,105.	
37 Equipment rental and maintenance	13,223.	8,595.	4,628.	
38 Printing and publications	7,372.		5,897.	1,475.
39 Travel	18,648.	16,524.	2,124.	
40 Conferences, conventions, and meetings	5,032.	3,296.	1,399.	337.
41 Interest				
42 Depreciation, depletion, etc (attach schedule)	4,088.	2,657.	1,431.	
43 Other expenses not covered above (itemize)				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g SEE STATEMENT 2	823,527.	753,998.	66,189.	3,340.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,328,388.	1,096,662.	211,219.	20,507.

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 \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

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

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

What is the organization's primary exempt purpose? ▶

INTERNATIONAL ADOPTION AGENCY

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

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.)

a THE CENTER ARRANGES FOR THE PLACEMENT AND ADOPTION OF ORPHANED CHILDREN FROM FOREIGN COUNTRIES. DURING THE YEAR 2006, THE AGENCY PLACED 82 CHILDREN WITH NEW FAMILIES.

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

1,096,662.

b (Grants and allocations \$) If this amount includes foreign grants, check here ▶

c (Grants and allocations \$) If this amount includes foreign grants, check here ▶

d (Grants and allocations \$) If this amount includes foreign grants, check here ▶

e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶ 1,096,662.

Form 990 (2006)

Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	136,710.	45 8,632.
	46 Savings and temporary cash investments	231,255.	46 141,051.
	47 a Accounts receivable	47a	
	b Less: allowance for doubtful accounts	47b	47c
	48 a Pledges receivable	48a	
	b Less: allowance for doubtful accounts	48b	48c
	49 Grants receivable		49
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	9,110.	53 3,870.
	54 a Investments - publicly-traded securities STMT 4 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	0.	54a 16,318.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b
	55 a Investments - land, buildings, and equipment basis	55a	
	b Less: accumulated depreciation	55b	55c
	56 Investments - other		56
57 a Land, buildings, and equipment basis	57a 33,165.		
b Less: accumulated depreciation STMT 3	57b 25,407.	11,846.	
58 Other assets, including program-related investments (describe ▶ LOAN FROM AFFILIATE)		58 35,000.	
59 Total assets (must equal line 74) Add lines 45 through 58		59 423,921.	
Liabilities	60 Accounts payable and accrued expenses	10,295.	60 15,118.
	61 Grants payable		61
	62 Deferred revenue	406,220.	62 452,700.
	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 ▶)		65
	66 Total liabilities. Add lines 60 through 65		66 416,515.
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	7,406.	67 -255,189.
	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 and column (B) must equal line 21)		73 7,406.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73		74 423,921.

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

a	Total revenue, gains, and other support per audited financial statements		a	1,052,609.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1	3,133.	
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	3,133.
c	Subtract line b from line a		c	1,049,476.
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	Total revenue (Part I, line 12) Add lines c and d		e	1,049,476.

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

a	Total expenses and losses per audited financial statements		a	1,328,388.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify):	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	1,328,388.
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify):	d2		
	Add lines d1 and d2		d	0.
e	Total expenses (Part I, line 17) Add lines c and d		e	1,328,388.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
MICHALINA MILLER 2840 PLAZA PLACE RALEIGH, NC 27609	EXECUTIVE DIRECTOR 40.00	55,625.	0.	0.
NINA KOSTINA 2840 PLAZA PLACE RALEIGH, NC 27609	PRESIDENT 3.00	0.	0.	0.
NATASHA MISHINA 2840 PLAZA PLACE RALEIGH, NC 27609	SECRETARY/TREASURER 3.00	0.	0.	0.
GARY SILVERSMITH 2840 PLAZA PLACE RALEIGH, NC 27609	DIRECTOR 1.00	0.	0.	0.
THERESA JOHANSSON 2840 PLAZA PLACE RALEIGH, NC 27609	DIRECTOR 1.00	0.	0.	0.
MICHAEL MAZO 2840 PLAZA PLACE RALEIGH, NC 27609	VICE PRESIDENT 1.00	0.	0.	0.
CYDNE SHARPE 2840 PLAZA PLACE RALEIGH, NC 27609	DIRECTOR 1.00	0.	0.	0.
BETTY WILLIAMS 2840 PLAZA PLACE RALEIGH, NC 27609	DIRECTOR 1.00	0.	0.	0.

Part VI Other Information (continued)		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III.)		
	82b		N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		N/A
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		N/A
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		85c N/A
d	Section 162(e) lobbying and political expenditures		85d N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		85e N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		85f N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		N/A
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		N/A
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12		86a N/A
b	Gross receipts, included on line 12, for public use of club facilities		86b N/A
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders		87a N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		87b N/A
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		88a X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		88b X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 0.; section 4912 0.; section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		89b X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0.
e	All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		89e X
f	All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract?		89f X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? N/A		89g
90 a	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, 2006	90b	7
91 a	The books are in care of THE ORGANIZATION Telephone no. 919-510-9135		
	Located at 2840 PLAZA PLACE, RALEIGH, NC ZIP + 4 27612		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country N/A	91b	X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued) Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c
 If "Yes," enter the name of the foreign country N/A
 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here 92
 and enter the amount of tax-exempt interest received or accrued during the tax year N/A

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

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a PROGRAM SERVICE REVENUE					1,046,690.
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			14	2,564.	
96 Dividends and interest from securities			14	222.	
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.		2,786.	1,046,690.
105 Total (add line 104, columns (B), (D), and (E))					1,049,476.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	ADOPTION FEES CHARGED TO ELIGIBLE FAMILIES TO FACILITATE INTERNATIONAL ADOPTIONS

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

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

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

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity

	Yes	No

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

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	Yes	No

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

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

	Yes	No

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here

Signature of officer: *[Signature]* Date: *2-7-08*

Type or print name and title: *Michaela Miller - Executive Director*

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: *2/7/08* Check if self-employed:

Firm's name (do not use if self-employed), address, and ZIP + 4: **JONES & MCINTYRE, PLLC**
6225 BRANDON AVENUE, SUITE 307
SPRINGFIELD, VA 22150

Preparer's SSN or PTIN (See Gen Inst X): _____
 EIN: _____
 Phone no.: **703-866-4500**

Organization Exempt Under Section 501(c)(3)

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

2006

Department of the Treasury
Internal Revenue Service

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

Name of the organization FRANK ADOPTION CENTER, NC	Employer identification number 58 2153959
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

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

Total number of other employees paid over \$50,000 ▶	0	
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Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

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

Total number of others receiving over \$50,000 for professional services ▶	0	
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Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

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

Total number of other contractors receiving over \$50,000 for other services ▶	0	
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Part III Statements About Activities (See page 2 of the instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3 a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?	N/A	
c	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
d	Enter the total number of donor advised funds owned at the end of the tax year	►	0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	►	0.
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	►	0.
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	►	0.

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III-Functionally Integrated Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					▶

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	3,405.	5,585.	9,680.	13,500.	32,170.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	1,366,237.	1,570,529.	1,678,662.	2,085,589.	6,701,017.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	2,692.	1,402.	474.	433.	5,001.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	1,372,334.	1,577,516.	1,688,816.	2,099,522.	6,738,188.
24 Line 23 minus line 17	6,097.	6,987.	10,154.	13,933.	37,171.
25 Enter 1% of line 23	13,723.	15,775.	16,888.	20,995.	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	N/A
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	N/A
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	N/A
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	26d	N/A
e Public support (line 26c minus line 26d total)	26e	N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	N/A %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2005) 0. (2004) 0. (2003) 0. (2002) 0.		
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2005) 0. (2004) 0. (2003) 0. (2002) 0.		
c Add: Amounts from column (e) for lines: 15 32,170. 16 _____ 17 6,701,017. 20 _____ 21 _____	27c	6,733,187.
d Add: Line 27a total 0. and line 27b total 0.	27d	0.
e Public support (line 27c total minus line 27d total)	27e	6,733,187.
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) 27f 6,738,188.	27f	6,738,188.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g	99.9258%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h	.0742%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.
 NONE

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

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

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

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

Asset Number	Description of property							
	Date placed in service	Method/IRC sec.	Life or rate	Line No.	Cost or other basis	Basis reduction	Accumulated depreciation/amortization	Current year deduction
COMPUTER EQUIPMENT								
1	SCANNER							
	121699	SL	7.00	17	378.		351.	27.
2	COMPUTER							
	102500	SL	5.00	17	1,742.		1,742.	0.
3	COMPUTER							
	032002	SL	5.00	17	234.		145.	47.
4	NETWORK							
	083002	SL	5.00	17	3,211.		1,987.	642.
5	HP COMPUTER							
	010902	SL	5.00	17	1,225.		758.	245.
6	HP DESKJET							
	011002	SL	5.00	17	106.		65.	21.
7	COMPUTER							
	071502	SL	5.00	17	2,230.		1,761.	446.
8	COMPUTER							
	111903	SL	5.00	17	1,421.		648.	284.
9	COMPUTER							
	012902	SL	5.00	17	271.		168.	54.
10	DELL COMPUTER							
	040104	SL	5.00	17	1,194.		358.	239.
11	DELL COMPUTER							
	092804	SL	5.00	17	1,783.		535.	357.
12	DELL COMPUTER (4)							
	011005	SL	5.00	17	3,088.		309.	618.
13	HP COLOR LASER							
	010405	SL	5.00	17	630.		63.	126.
	* 990 PAGE 2 TOTAL - COMPUTER EQUIPMENT							
					17,513.	0.	8,890.	3,106.
FURNITURE AND FIXTURES								
16	FILE CABINET							
	091595	200DB	7.00	17	132.		132.	0.
17	OFFICE FURNITURE							
	062598	200DB	7.00	17	8,144.		8,144.	0.
18	OFFICE FURNITURE							
	072698	SL	7.00	17	1,649.		1,649.	0.
19	OFFICE FURNITURE							
	061699	SL	7.00	17	1,021.		944.	77.
20	FILE LATERAL							
	012902	SL	7.00	17	618.		334.	88.
21	RITZ CAMERA							
	040104	SL	5.00	17	1,942.		582.	388.
22	PORTABLE DISPLAY							
	120104	SL	5.00	17	1,191.		357.	238.
23	SHOWMAX							
	052804	SL	5.00	17	955.		287.	191.
	* 990 PAGE 2 TOTAL - FURNITURE AND FIXTURES							
					15,652.	0.	12,429.	982.
	* GRAND TOTAL 990 PAGE 2 DEPR							
					33,165.	0.	21,319.	4,088.

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION			AMOUNT
UNREALIZED GAIN ON INVESTMENTS - 2006			3,133.
PRIOR PERIOD ADJUSTMENT - RECORD INVESTMENTS			13,184.
TOTAL TO FORM 990, PART I, LINE 20			16,317.

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
ADVERTISING	43,810.	35,048.	8,324.	438.	
APOSTILLING, CERTIFIC TIONS, VISAS, & REGISTRATION FEES	664,097.	664,097.			
CONTRACTED SERVICES	29,428.	29,428.			
OFFICE	29,017.	8,705.	17,410.	2,902.	
INSURANCE	23,239.		23,239.		
CREDIT CARD FEES & BANK CHARGES	8,455.		8,455.		
MEMBER DUES & SUBSCRIPTIONS	5,517.	5,517.			
HUMANITARIAN AID	4,694.	4,694.			
MISCELLANEOUS	4,618.		4,618.		
COMPUTER CONSULTING	4,143.		4,143.		
TRANSLATION	3,730.	3,730.			
STAFF TRAINING	2,779.	2,779.			
TOTAL TO FM 990, LN 43	823,527.	753,998.	66,189.	3,340.	

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT			STATEMENT	3
DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE		
SCANNER	378.	378.	0.		
COMPUTER	1,742.	1,742.	0.		
COMPUTER	234.	192.	42.		
NETWORK	3,211.	2,629.	582.		
HP COMPUTER	1,225.	1,003.	222.		
HP DESKJET	106.	86.	20.		

COMPUTER	2,230.	2,207.	23.
COMPUTER	1,421.	932.	489.
COMPUTER	271.	222.	49.
DELL COMPUTER	1,194.	597.	597.
DELL COMPUTER	1,783.	892.	891.
DELL COMPUTER (4)	3,088.	927.	2,161.
HP COLOR LASER	630.	189.	441.
FILE CABINET	132.	132.	0.
OFFICE FURNITURE	8,144.	8,144.	0.
OFFICE FURNITURE	1,649.	1,649.	0.
OFFICE FURNITURE	1,021.	1,021.	0.
FILE LATERAL	618.	422.	196.
RITZ CAMERA	1,942.	970.	972.
PORTABLE DISPLAY	1,191.	595.	596.
SHOWMAX	955.	478.	477.
TOTAL TO FORM 990, PART IV, LN 57	33,165.	25,407.	7,758.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 4

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
CORPORATE STOCK	FMV	16,318.			16,318.
TO FORM 990, LINE 54A, COL B		16,318.			16,318.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS PART VI, LINE 80B STATEMENT 5

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
FRANK FOUNDATION CHILD ASSISTANCE INTERNATIONAL	X	

FORM 990

EXPLANATION OF RELATIONSHIP
PART V-A, LINE 75B

STATEMENT 6

INDIVIDUAL'S NAME

TITLE OR ROLE

NINA KOSTINA

PRESIDENT

INDIVIDUAL'S NAME

TITLE OR ROLE

MICHAEL MAZO

DIRECTOR

EXPLANATION OF RELATIONSHIP

MICHAEL MAZO IS THE ADULT SON OF PRESIDENT, NINA KOSTINA.

Form **8868**

(Rev. April 2007)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1700

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c) corporations required to file Form 990-T and requesting an automatic 3-month extension - check this box and complete Part I only

All other corporations (including 1120-C firms), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 9068, or 9870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization FRANK ADOPTION CENTER - NC C/O WALTER JOHNSON	Employer identification number 58-2153959
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 2840 PLAZA PLACE, SUITE 325, NO. 325	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. RALEIGH, NC 27612	

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

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 9068 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 9870 |

- The books are in the care of ▶ **MICHALINA MILLER**
Telephone No. ▶ **919-510-9137** FAX No. ▶ **919-510-9137**
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GIEN) _____ . If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a section 501(c) corporation required to file Form 990-T) extension of time until **AUGUST 15, 2007** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2006** or
 ▶ tax year beginning _____, and ending _____

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 9068, enter the tentative tax, less any nonrefundable credits. See instructions.	\$	
3b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	\$	
3c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	\$	N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2007)

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