

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)

2004

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning 2004, and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: AID TO ADOPTION OF SPECIAL KIDS/ARIZONA. D Employer identification number: 86-0611935. E Telephone number: (602) 254-2275. F Accounting method: Accrual.

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

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

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

I Group Exemption Number

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

G Website: WWW.AASK-AZ.ORG

J Organization type (check only one) 501(c) (3) 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 4,204,850.

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

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Includes Revenue (lines 1-12), Expenses (lines 13-17), and Net Assets (lines 18-21). Total revenue is 4,180,622 and total expenses is 3,351,899.

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SCANNED OCT 24 2005

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 (See page 22 of the instructions )

Table with 5 columns: (A) Total, (B) Program services, (C) Management and general, (D) Fundraising. Rows include Grants and allocations, Specific assistance to individuals, Benefits paid to or for members, Compensation of officers, directors, etc, Other salaries and wages, Pension plan contributions, Other employee benefits, Payroll taxes, Professional fundraising fees, Accounting fees, Legal fees, Supplies, Telephone, Postage and shipping, Occupancy, Equipment rental and maintenance, Printing and publications, Travel, Conferences, conventions, and meetings, Interest, Depreciation, depletion, etc, Other expenses not covered above, and Total functional expenses.

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 [X] No
If "Yes," enter (i) the aggregate amount of these joint costs \$ , (ii) the amount allocated to Program services \$ , (iii) the amount allocated to Management and general \$ , and (iv) the amount allocated to Fundraising \$

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

What is the organization's primary exempt purpose? [ ] STMT 5

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 )

Table with 2 columns: Description of program service accomplishments and Program Service Expenses. Rows include STMT 6, STMT 7, and Total of Program Service Expenses.

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

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

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>45</b> Cash - non-interest-bearing . . . . .	374,356.	<b>45</b>	156,310.
	<b>46</b> Savings and temporary cash investments . . . . .	1,012,947.	<b>46</b>	1,592,810.
	<b>47a</b> Accounts receivable . . . . .	<b>47a</b> 881,916.		
	<b>b</b> Less allowance for doubtful accounts . . . . .	<b>47b</b> 460,587.	868,743.	<b>47c</b> 421,329.
	<b>48a</b> Pledges receivable . . . . .	<b>48a</b> 853,719.		
	<b>b</b> Less allowance for doubtful accounts . . . . .	<b>48b</b> 30,400.	114,786.	<b>48c</b> 823,319.
	<b>49</b> Grants receivable . . . . .		<b>49</b>	
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>50</b>	
	<b>51a</b> Other notes and loans receivable (attach schedule) . . . . .	<b>51a</b>		
	<b>b</b> Less: allowance for doubtful accounts . . . . .	<b>51b</b>		<b>51c</b>
	<b>52</b> Inventories for sale or use . . . . .		<b>52</b>	
	<b>53</b> Prepaid expenses and deferred charges . . . . .		13,445.	<b>53</b> 16,238.
	<b>54</b> Investments - securities (attach schedule) . . . . .	▶ <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	51,624.	<b>54</b> NONE
	<b>55a</b> Investments - land, buildings, and equipment, basis . . . . .	<b>55a</b> 15,000.		
	<b>b</b> Less accumulated depreciation (attach schedule) . . . . .	<b>55b</b>	15,000.	<b>55c</b> 15,000.
<b>56</b> Investments - other (attach schedule) . . . . .			<b>56</b>	
<b>57a</b> Land, buildings, and equipment, basis . . . . .	<b>57a</b> 1,489,556.			
<b>b</b> Less accumulated depreciation (attach schedule) . . . . .	<b>57b</b> 353,315.	1,154,217.	<b>57c</b> 1,136,241.	
<b>58</b> Other assets (describe ▶ _____)			<b>58</b>	
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .		3,605,118.	<b>59</b> 4,161,247.	
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses . . . . .	116,189.	<b>60</b>	202,921.
	<b>61</b> Grants payable . . . . .		<b>61</b>	
	<b>62</b> Deferred revenue . . . . .	88,982.	<b>62</b>	25,146.
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		<b>63</b>	
	<b>64a</b> Tax-exempt bond liabilities (attach schedule) . . . . .		<b>64a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) . . . . .	\$TMT 8 . . . . .	180,000.	<b>64b</b> 180,000.
	<b>65</b> Other liabilities (describe ▶ _____)			<b>65</b>
<b>66 Total liabilities</b> (add lines 60 through 65) . . . . .		385,171.	<b>66</b> 408,067.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74			
	<b>67</b> Unrestricted . . . . .	3,205,561.	<b>67</b>	3,556,948.
	<b>68</b> Temporarily restricted . . . . .	NONE	<b>68</b>	181,846.
	<b>69</b> Permanently restricted . . . . .	14,386.	<b>69</b>	14,386.
	<b>Organizations that do not follow SFAS 117, check here</b> ▶ <input type="checkbox"/> and complete lines 70 through 74.			
	<b>70</b> Capital stock, trust principal, or current funds . . . . .		<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund . . . . .		<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds . . . . .		<b>72</b>	
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19; column (B) must equal line 21) . . . . .		3,219,947.	<b>73</b> 3,753,180.
	<b>74 Total liabilities and net assets / fund balances</b> (add lines 66 and 73) . . . . .		3,605,118.	<b>74</b> 4,161,247.

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 VI Other Information (See page 28 of the instructions.)

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78 a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78 b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement
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?
80 b If "Yes," enter the name of the organization
81 a Enter direct and indirect political expenditures See line 81 instructions.
81 b Did the organization file Form 1120-POL for this year?
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?
82 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)
83 a Did the organization comply with the public inspection requirements for returns and exemption applications?
83 b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84 a Did the organization solicit any contributions or gifts that were not tax deductible?
84 b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85 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.
85 c Dues, assessments, and similar amounts from members
85 d Section 162(e) lobbying and political expenditures
85 e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85 f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85 g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85 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?
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12
86 b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) orgs Enter a Gross income from members or shareholders
87 b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX
89 a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911
89 b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction
89 c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958
89 d Enter Amount of tax on line 89c, above, reimbursed by the organization
90 a List the states with which a copy of this return is filed
90 b Number of employees employed in the pay period that includes March 12, 2004 (See instructions)
91 The books are in care of
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year

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

Note: Enter gross amounts unless otherwise indicated

Table with 5 main columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include 93 Program service revenue (ADOPTION FEES, RESPITE FEES, PRIVATE PLACEMENT), 94 Membership dues and assessments, 95 Interest on savings and temporary cash investments, 96 Dividends and interest from securities, 97 Net rental income or (loss) from real estate, 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 (MISCELLANEOUS, BAD DEBT RECOVERY), 104 Subtotal, 105 Total.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Table with 2 columns: 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). Entry: STMT 13.

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

Table with 5 columns: (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. Entry: N/A.

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

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

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

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

Please Sign Here

Signature of officer: [Handwritten Signature]

Date: 9-30-05

CEO

Date: 9/28/2005, Check if self-employed [ ], Preparer's SSN or PTIN (See Gen Inst W)

**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

**2004**

Name of the organization

**AID TO ADOPTION OF SPECIAL KIDS/ARIZONA**

Employer identification number

**86-0611935**

**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
MEGAN LARSEN 2320 N. 20TH ST. PHOENIX, AZ 85006	CONTROLLER  40	62,250.	10,378.	NONE
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-----				
-----				
-----				
-----				
-----				
-----				
-----				
Total number of other employees paid over \$50,000 . . . . . ▶	NONE			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

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

**Part III Statements About Activities (See page 2 of the instructions.)** Yes No

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>NONE</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) . . . . .</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	1		X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)</p>			
<p>a Sale, exchange, or leasing of property? . . . . . STMT 14</p>	2a	X	
<p>b Lending of money or other extension of credit? . . . . .</p>	2b		X
<p>c Furnishing of goods, services, or facilities? . . . . . STMT 15</p>	2c	X	
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . . STMT 16</p>	2d	X	
<p>e Transfer of any part of its income or assets? . . . . .</p>	2e		X
<p>3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments) . . . . .</p>	3a		X
<p>b Do you have a section 403(b) annuity plan for your employees? . . . . .</p>	3b		X
<p>4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? . . . . .</p>	4a		X
<p>b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? . . . . .</p>	4b		X

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

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

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

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

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

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

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

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

Table with columns: Calendar year (or fiscal year beginning in), (a) 2003, (b) 2002, (c) 2001, (d) 2000, (e) Total. Rows include: 15 Gifts, grants, and contributions received; 16 Membership fees received; 17 Gross receipts from admissions, merchandise sold or services performed; 18 Gross income from interest, dividends; 19 Net income from unrelated business activities; 20 Tax revenues levied; 21 Value of services or facilities furnished; 22 Other income; 23 Total of lines 15 through 22; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11; 27 Organizations described on line 12; 28 Unusual Grants.

**Part V Private School Questionnaire** (See page 7 of the instructions.) **NOT APPLICABLE**  
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

	Yes	No
<b>29</b> 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? . . . . .	<b>29</b>	
<b>30</b> 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? . . . . .	<b>30</b>	
<b>31</b> 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.) ----- ----- -----	<b>31</b>	
<b>32</b> Does the organization maintain the following.		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff? . . . . .	<b>32a</b>	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis? . . . . .	<b>32b</b>	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships? . . . . .	<b>32c</b>	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions? . . . . .	<b>32d</b>	
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement ) ----- -----		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges? . . . . .	<b>33a</b>	
<b>b</b> Admissions policies? . . . . .	<b>33b</b>	
<b>c</b> Employment of faculty or administrative staff? . . . . .	<b>33c</b>	
<b>d</b> Scholarships or other financial assistance? . . . . .	<b>33d</b>	
<b>e</b> Educational policies? . . . . .	<b>33e</b>	
<b>f</b> Use of facilities? . . . . .	<b>33f</b>	
<b>g</b> Athletic programs? . . . . .	<b>33g</b>	
<b>h</b> Other extracurricular activities? . . . . .	<b>33h</b>	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement ) ----- ----- -----		
<b>34 a</b> Does the organization receive any financial aid or assistance from a governmental agency? . . . . .	<b>34a</b>	
<b>b</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	<b>34b</b>	
<b>35</b> 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 . . . . .	<b>35</b>	

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

(To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying) . . . . .	<b>36</b>	
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying) . . . . .	<b>37</b>	
<b>38</b> Total lobbying expenditures (add lines 36 and 37) . . . . .	<b>38</b>	
<b>39</b> Other exempt purpose expenditures . . . . .	<b>39</b>	
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39) . . . . .	<b>40</b>	
<b>41</b> Lobbying nontaxable amount Enter the amount from the following table -		
<b>If the amount on line 40 is -                      The lobbying nontaxable amount is -</b>		
Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .	<b>41</b>	
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 . . . . .		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41) . . . . .	<b>42</b>	
<b>43</b> Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36 . . . . .	<b>43</b>	
<b>44</b> Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38 . . . . .	<b>44</b>	

**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				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
<b>45</b> Lobbying nontaxable amount . . . . .					
<b>46</b> Lobbying ceiling amount (150% of line 45(e)) . . . . .					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots nontaxable amount . . . . .					
<b>49</b> Grassroots ceiling amount (150% of line 48(e)) . . . . .					
<b>50</b> Grassroots lobbying expenditures . . . . .					

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

**NOT APPLICABLE**

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

	Yes	No	Amount
<b>a</b> Volunteers . . . . .			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h) . . . . .			
<b>c</b> Media advertisements . . . . .			
<b>d</b> Mailings to members, legislators, or the public . . . . .			
<b>e</b> Publications, or published or broadcast statements . . . . .			
<b>f</b> Grants to other organizations for lobbying purposes . . . . .			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body . . . . .			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means . . . . .			
<b>i</b> Total lobbying expenditures (Add lines c through h) . . . . .			

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 of the instructions.)

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

Table with 3 columns: Question, Yes, No. Rows include: Transfers from the reporting organization to a noncharitable exempt organization of (i) Cash, (ii) Other assets; Other transactions: (i) Sales or exchanges of assets, (ii) Purchases of assets, (iii) Rental of facilities, (iv) Reimbursement arrangements, (v) Loans or loan guarantees, (vi) Performance of services; Sharing of facilities, equipment, mailing lists, other assets, or paid employees.

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

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. First row contains 'N/A'.

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [ ] Yes [X] No

b If "Yes," complete the following schedule:

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. First row contains 'N/A'.

FORM 990, PART I - EXCLUDED CONTRIBUTIONS

=====

DESCRIPTION

-----

AMOUNT

-----

GOLF TOURNAMENT

40,896.

-----

TOTAL

40,896.

=====

FORM 990, PART I - SPECIAL FUNDRAISING EVENTS AND ACTIVITIES

DESCRIPTION	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
GOLF TOURNAMENT	19,604.	24,228.	-4,624.
TOTALS	19,604.	24,228.	-4,624.

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES  
=====

DESCRIPTION -----	AMOUNT -----
PRIOR YEAR AUDIT ADJUSTMENT	-295,490.
	-----
TOTAL	-295,490.
	=====

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
PROFESSIONAL SERVICES	150,725.	104,595.	43,341.	2,789.
ADVERTISING	55,213.	55,090.		123.
BAD DEBTS	167,498.	167,498.		
MISCELLANEOUS	31,431.	14,770.	16,624.	37.
INSURANCE	26,021.	188.	25,833.	52.
FAMILY RELATED SERVICES	420,937.	420,716.	169.	424.
FUNDRAISING EXPENSE	424.			
TOTALS	852,249.	762,857.	85,967.	3,425.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE  
=====

PROMOTE THE LEGAL ADOPTION OF SPECIAL NEEDS CHILDREN.

FORM 990, PART III - PROGRAM SERVICE ACCOMPLISHMENTS (A THROUGH D)

ITEM	DESCRIPTION	EXPENSES
----	-----	-----
A	FOSTER CARE PROVIDES FOSTER HOME CARE FOR OLDER CHILDREN, SIBLING GROUPS AND MEDICALLY FRAGILE AND SUSTANCE EXPOSED NEWBORNS. 285 CHILDREN WERE SERVED IN THIS PROGRAM.	867,922.
B	THE ADOPTION AND TODOS LOS NINOS PROGRAM PROVIDE HOME STUDY, PLACEMENT AND POST PLACEMENT SERVICES FOR ADOPTING CHILDREN FROM ARIZONA'S FOSTER CARE SYSTEM. 72 CHILDREN WERE PLACED INTO PERMANENT HOMES THROUGH THIS PROGRAM.	371,771.
C	RECRUITMENT ACTIVITIES ARE CONDUCTED TO BRING FORWARD POTENTIAL ADOPTIVE AND FOSTER FAMILIES. THESE ACTIVITIES ARE ACCOMPLISHED THROUGH MEDIA AND GRASS ROOTS EFFORTS. APPROPRIATE FAMILIES ARE PROVIDED TRAINING TO PREPARE THEM FOR THE PLACEMENT OF CHILDREN. RECRUITMENT EFFORTS GENERATED 1,652 INQUIRIES FROM POTENTIAL FAMILIES.	206,331.
D	FAMILY SUPPORT SERVICES PROVIDES POST PLACEMENT SERVICES TO ADOPTIVE & FOSTER FAMILIES INCLUDING RESPITE, HABILITATION, SUPPORT GROUPS, ADVANCED TRAINING, MENTORING AND CRISIS INTERVENTION. FAMILY SUPPORT SERVED 648 CHILDREN.	1,014,471.
TOTAL		2,460,495.

FORM 990, PART III - OTHER PROGRAM SERVICES (LINE E)

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
BIRTH PARENT COUNSELING		73,619.
LODESTAR FAMILY CONNECTIONS CENTER		190,073.
TODOS LOS NINOS		146,926.
TOTALS		410,618.

FORM 990, PART IV - MORTGAGES AND OTHER NOTES PAYABLE

```

=====
LENDER:      CITY OF PHOENIX
ORIGINAL AMOUNT:      180,000.
INTEREST RATE:      NONE
DATE OF NOTE:      03/31/2003
MATURITY DATE:      03/31/2023
REPAYMENT TERMS:      LOAN FORGIVEN OVER 20 YRS WITH CONTRACT COMPLIANCE
SECURITY PROVIDED:      REAL PROPERTY
PURPOSE OF LOAN:      ACQUISITION OF REAL PROPERTY
    
```

```

BEGINNING BALANCE DUE ..... 180,000.
ENDING BALANCE DUE ..... 180,000.
-----
    
```

```

TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE ..... 180,000.
=====
    
```

```

TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE ..... 180,000.
=====
    
```

FORM 990, PART IV-A - OTHER REVENUE ON RETURN BUT NOT ON BOOKS

DESCRIPTION	AMOUNT
-----	-----
SPECIAL EVENT EXPENSE	424.
	-----
TOTAL	424.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON RETURN BUT NOT ON BOOKS

DESCRIPTION	AMOUNT
SPECIAL EVENT EXPENSE	424.
TOTAL	424.

AID TO ADOPTION OF SPECIAL KIDS/ARIZONA

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
REBECCA KUHN 2320 N. 20TH ST. PHOENIX, AZ 85006	DIRECTOR 0.7	NONE	NONE	NONE
LINDA CHAMBLISS, M.D. SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
VEARLE JONES SAME AS ABOVE	TREASURER 0.7	NONE	NONE	NONE
RITA MEISER SAME AS ABOVE	CHAIRMAN 0.9	NONE	NONE	NONE
BOB CALTABIANO SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
JULIE CHASE SAME AS ABOVE	VICE CHAIRMAN 0.7	NONE	NONE	NONE
RON ADELSON SAME AS ABOVE	CEO 40	90,000.	11,328.	NONE
KEVIN F. WARREN SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
MARK A. SEALE SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
THERESE VALADEZ SAME AS ABOVE	SECRETARY 0.7	NONE	NONE	NONE

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
MICHAEL H. HILLMAN SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
TIM KAEHR SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
CECILIA CHAVEZ SAME AS ABOVE	DIRECTOR 0.7	NONE	NONE	NONE
GRAND TOTALS		90,000.	11,328.	NONE

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
-------------	--

93A& 93C	ADOPTION FEES AND PRIVATE PLACEMENT ARE GENERATED FROM THE PLACEMENT OF SPECIAL NEEDS CHILDREN FOR ADOPTION AND FOSTER CARE.
-------------	--

93B	THE AVAILABILITY OF SAFE, QUALIFIED RESPITE CARE IS A SIGNIFICANT CONTRIBUTING FACTOR IN THE PRESERVATION OF FAMILIES WITH SPECIAL NEEDS CHILDREN.
-----	--

SCHEDULE A, PART III - EXPLANATION FOR LINE 2A

=====

CERTAIN OFFICERS, DIRECTORS, KEY EMPLOYEES AND THEIR FAMILIES PURCHASE TICKETS TO FUNDRAISING EVENTS, MADE CONTRIBUTIONS TO THE ORGANIZATION, AND PROVIDED INSIGNIFICANT GOODS AND SERVICES TO THE ORGANIZATION DURING THE YEAR.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2C

=====

CERTAIN OFFICERS, DIRECTORS, KEY EMPLOYEES AND THEIR FAMILIES PURCHASED TICKETS TO FUNDRAISING EVENTS, MADE CONTRIBUTIONS TO THE ORGANIZATION, AND PROVIDED INSIGNIFICANT GOODS AND SERVICES TO THE ORGANIZATION DURING THE YEAR.

CERTAIN BOARD MEMBERS RECEIVED ADOPTION SERVICES AND RESPITE CARE FROM THE ORGANIZATION ON THE SAME TERMS AS THE GENERAL PUBLIC.

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D  
=====

FORM 990, PART V. IN ADDITION, JENNINGS, STROUSS & SALMON, PLC WAS PAID \$915 FOR LEGAL SERVICES PROVIDED BY RITA MIESER, AN AID TO ADOPTION OF SPECIAL KIDS/AZ BOARD MEMBER.

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2003	2002	2001	2000	TOTAL
OTHER REVENUE	9,140.	NONE	NONE	3,471.	12,611.
REFUNDS	NONE	NONE	NONE	2,570.	2,570.
TOTALS	9,140.	NONE	NONE	6,041.	15,181.

AASK Aid to Adoption of Special Kids  
Fixed Asset Schedule  
86-0611935  
12/31/2004

Form 990, Part IV, Line 57

<u>Asset</u>	<u>Cost</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Furniture & Equipment	\$321,627	\$19,322	\$281,361	\$40,266
Building	\$597,429	\$37,790	\$42,852	\$554,577
Construction in progress	\$570,500	\$19,161	\$29,102	\$541,398
Total	\$1,489,556			\$1,136,241
Land for investment	\$15,000			\$15,000
Total.	\$ 1,504,556	\$ 76,273	\$ 353,315	\$ 1,151,241

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

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

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

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

Type or print File by the extended due date for filing the return See instructions	Name of Exempt Organization <b>AID TO ADOPTION OF SPECIAL KIDS/ARIZONA</b>	Employer identification number <b>86-0611935</b>
	Number, street, and room or suite no. If a P.O. box, see instructions <b>2320 N. 20TH ST.</b>	For IRS use only
	City, town or post office, state, and ZIP code For a foreign address, see instructions <b>PHOENIX, AZ 85006</b>	

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(sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 4720	

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

- The books are in the care of **THE ORGANIZATION**  
Telephone No **602 254-2275** FAX No \_\_\_\_\_
- If the organization does **not** have an office or place of business in the United States, check this box, . . . . .
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the **whole** group, check this box  If it is for **part** of the group, check this box  and attach a list with the names and EINs of all members the extension is for

- I request an additional 3-month extension of time until **11/15/2005**
- For calendar year **2004**, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_
- If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period
- State in detail why you need the extension \_\_\_\_\_

**ADDITIONAL TIME IS REQUIRED IN ORDER TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.**

- If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits See instructions . . . . . \$ \_\_\_\_\_
- If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 . . . . . \$ \_\_\_\_\_
- Balance Due.** Subtract line 8b from line 8a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions . . . . . \$ \_\_\_\_\_

**Signature and Verification**

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

Signature  Title \_\_\_\_\_ Date **8/11/2005**

**Notice to Applicant - To Be Completed by the IRS**

- We **have** approved this application Please attach this form to the organization's return
- We **have not** approved this application However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions) This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return Please attach this form to the organization's return
- We **have not** approved this application After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file We are not granting a 10-day grace period
- We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested
- Other \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

**Alternate Mailing Address** - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Type or print	Name <b>CBIZ MILLER WAGNER, LLC</b>
	Number and street (include suite, room, or apt. no.) or a P.O. box number <b>3101 N. CENTRAL AVE., STE 300</b>
	City or town, province or state, and country (including postal or ZIP code) <b>PHOENIX, AZ 85012</b>

# Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

▶ 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)

**Form 990-T corporations** requesting an automatic 6-month extension - check this box and complete Part I only.

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

**Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit [www.irs.gov/efile](http://www.irs.gov/efile).

Type or print  File by the due date for filing your return. See instructions	Name of Exempt Organization <b>AID TO ADOPTION OF SPECIAL KIDS/ARIZONA</b>	Employer identification number <b>86-0611935</b>
	Number, street, and room or suite no. If a P O box, see instructions <b>2320 N. 20TH ST.</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>PHOENIX, AZ 85006</b>	

### 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 6069
<input type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- The books are in the care of ▶ **THE ORGANIZATION**

Telephone No ▶ **602 254-2275** FAX No. ▶ \_\_\_\_\_

- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the **whole** group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **08/15**, **2005**, to file the exempt organization return for the organization named above. The extension is for the organization's return for

▶  calendar year **2004** 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 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ \_\_\_\_\_

b 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. \$ \_\_\_\_\_

c **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. \$ \_\_\_\_\_

**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

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