

# Return of Organization Exempt From Income Tax

**2007**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

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

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

**A For the 2007 calendar year, or tax year beginning** 07/01, 2007, and ending 06/30/2008

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print type. See Specific Instructions.	<b>C Name of organization</b> AID TO ADOPTION OF SPECIAL KIDS/ARIZONA		<b>D Employer identification number</b> 86-0611935
		Number and street (or P O box if mail is not delivered to street address) Room/suite 2320 N. 20TH ST.		<b>E Telephone number</b> (602) 254-2275
		City or town, state or country, and ZIP + 4 PHOENIX, AZ 85006		<b>F Accounting method:</b> <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).		<b>H and I are not applicable to section 527 organizations</b> <b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>H(b)</b> If "Yes," enter number of affiliates: _____ <b>H(c)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No (If "No," attach a list. See instructions.) <b>H(d)</b> Is this a separate return filed by an organization covered by a group ruling? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <b>I</b> Group Exemption Number: _____

**G Website:** WWW.AASK-AZ.ORG

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

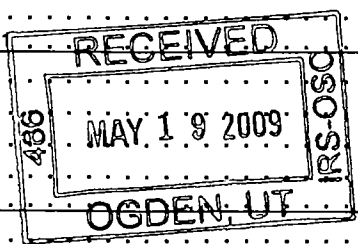
**K** Check here  if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 9,113,530.

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

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

Revenue	<b>1</b> Contributions, gifts, grants, and similar amounts received			
	<b>a</b> Contributions to donor advised funds	<b>1a</b>		
	<b>b</b> Direct public support (not included on line 1a)	<b>1b</b>	623,484.	
	<b>c</b> Indirect public support (not included on line 1a)	<b>1c</b>	148,567.	
	<b>d</b> Government contributions (grants) (not included on line 1a)	<b>1d</b>		
	<b>e</b> Total (add lines 1a through 1d) (cash \$ <u>772,051.</u> noncash \$ _____)	<b>1e</b>		772,051.
	<b>2</b> Program service revenue including government fees and contracts (from Part VII, line 93)	<b>2</b>		8,119,572.
	<b>3</b> Membership dues and assessments	<b>3</b>		
	<b>4</b> Interest on savings and temporary cash investments	<b>4</b>		196,558.
	<b>5</b> Dividends and interest from securities	<b>5</b>		
	<b>6a</b> Gross rents	<b>6a</b>		
	<b>b</b> Less rental expenses	<b>6b</b>		
<b>c</b> Net rental income or (loss) Subtract line 6b from line 6a	<b>6c</b>			
<b>7</b> Other investment income (describe _____)	<b>7</b>			
<b>8a</b> Gross amount from sales of assets other than inventory	(A) Securities	<b>8a</b>	14,552.	
	(B) Other	<b>8b</b>	15,148.	
	Less cost or other basis and sales expenses	<b>8c</b>	-596.	
	<b>d</b> Net gain or (loss) Combine line 8c, columns (A) and (B)	<b>8d</b>		-596.
<b>9</b> Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>	<b>a</b> Gross revenue (not including \$ _____ of contributions reported on line 1b)	<b>9a</b>		
	<b>b</b> Less direct expenses other than fundraising expenses	<b>9b</b>		
	<b>c</b> Net income or (loss) from special events Subtract line 9b from line 9a	<b>9c</b>		
<b>10a</b> Gross sales of inventory, less returns and allowances		<b>10a</b>		
	<b>b</b> Less cost of goods sold	<b>10b</b>		
	<b>c</b> Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	<b>10c</b>		
<b>11</b> Other revenue (from Part VII, line 103)	<b>11</b>		10,797.	
<b>12</b> Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	<b>12</b>		9,098,382.	
Expenses	<b>13</b> Program services (from line 44, column (B))	<b>13</b>		6,891,893.
	<b>14</b> Management and general (from line 44, column (C))	<b>14</b>		704,118.
	<b>15</b> Fundraising (from line 44, column (D))	<b>15</b>		192,476.
	<b>16</b> Payments to affiliates (attach schedule)	<b>16</b>		
	<b>17</b> Total expenses Add lines 16 and 44, column (A)	<b>17</b>		7,788,487.
<b>18</b> Excess or (deficit) for the year Subtract line 17 from line 12	<b>18</b>		1,309,895.	
<b>19</b> Net assets or fund balances at beginning of year (from line 73, column (A))	<b>19</b>		7,290,215.	
<b>20</b> Other changes in net assets or fund balances (attach explanation)	<b>20</b>			
<b>21</b> Net assets or fund balances at end of year Combine lines 18, 19, and 20	<b>21</b>		8,600,110.	



SCANNED JUN 17 2009

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form 990 (2007)

5 on

**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 the instructions)

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
<b>22a</b> Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>22b</b> Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
<b>23</b> Specific assistance to individuals (attach schedule)				
<b>24</b> Benefits paid to or for members (attach schedule)				
<b>25a</b> Compensation of current officers, directors, key employees, etc listed in Part V-A	144,640.	108,480.	36,160.	NONE
<b>b</b> Compensation of former officers, directors, key employees, etc. listed in Part V-B				
<b>c</b> 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)				
<b>26</b> Salaries and wages of employees not included on lines 25a, b, and c	4,079,242.	3,619,372.	317,797.	142,073.
<b>27</b> Pension plan contributions not included on lines 25a, b, and c	23,702.	20,437.	3,265.	NONE
<b>28</b> Employee benefits not included on lines 25a - 27	134,825.	109,455.	18,287.	7,083.
<b>29</b> Payroll taxes	346,462.	307,783.	27,114.	11,565.
<b>30</b> Professional fundraising fees				
<b>31</b> Accounting fees				
<b>32</b> Legal fees				
<b>33</b> Supplies	125,682.	61,926.	58,491.	5,265.
<b>34</b> Telephone	40,987.	26,785.	13,698.	504.
<b>35</b> Postage and shipping	13,594.	10,655.	2,124.	815.
<b>36</b> Occupancy	218,646.	178,060.	38,839.	1,747.
<b>37</b> Equipment rental and maintenance				
<b>38</b> Printing and publications	10,447.	8,461.	187.	1,799.
<b>39</b> Travel	80,446.	76,533.	863.	3,050.
<b>40</b> Conferences, conventions, and meetings	8,013.	3,102.	3,352.	1,559.
<b>41</b> Interest				
<b>42</b> Depreciation, depletion, etc (attach schedule)	87,287.		87,287.	
<b>43</b> Other expenses not covered above (itemize)				
<b>a</b> FAMILY RELATED SERVICES	1,891,142.	1,890,860.	141.	141.
<b>b</b> PROFESSIONAL SERVICES	228,783.	160,522.	55,028.	13,233.
<b>c</b> ADVERTISING	69,159.	64,414.	1,312.	3,433.
<b>d</b> BAD DEBTS	215,592.	215,592.		
<b>e</b> INSURANCE	39,122.		39,122.	
<b>f</b> OTHER	30,716.	29,456.	1,051.	209.
<b>g</b>				
<b>44</b> Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	7,788,487.	6,891,893.	704,118.	192,476.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If "Yes," enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_, (ii) the amount allocated to Program services \$ \_\_\_\_\_,  
 (iii) the amount allocated to Management and general \$ \_\_\_\_\_, and (iv) the amount allocated to Fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments** (See 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? <b>SEE STATEMENT 3</b> 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.)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs, and 4947(a)(1) trusts, but optional for others)
<b>a FOSTER CARE PROVIDES FOSTER HOME CARE FOR OLDER CHILDREN, SIBLING GROUPS AND MEDICALLY FRAGILE AND SUBSTANCE EXPOSED NEWBORNS. 688 CHILDREN WERE SERVED IN THIS PROGRAM.</b>  (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	2,486,929.
<b>b FAMILY SUPPORT SERVICES PROVIDES POST PLACEMENT SERVICES TO ADOPTIVE &amp; FOSTER FAMILIES INCLUDING RESPIRE, HABILITATION, SUPPORT GROUPS, ADVANCED TRAINING, MENTORING AND CRISIS INTERVENTION. FAMILY SUPPORT SERVED 192 FAMILIES.</b>  (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	2,369,077.
<b>c THE ADOPTION AND TODOS LOS NINOS PROGRAM PROVIDE HOME STUDY, PLACEMENT AND POST PLACEMENT SERVICES FOR ADOPTING CHILDREN FROM ARIZONA'S FOSTER CARE SYSTEM. 38 CHILDREN WERE PLACED INTO PERMANENT HOMES THROUGH THIS PROGRAM.</b>  (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	1,084,392.
<b>d 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 2,835 INQUIRIES FROM POTENTIAL FAMILIES.</b> (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	704,617.
<b>e Other program services (attach schedule) SEE STATEMENT 4</b> (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here <input type="checkbox"/>	246,878.
<b>f Total of Program Service Expenses (should equal line 44, column (B), Program services) . . . . .</b>	<b>6,891,893.</b>

**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 . . . . .	673,456.	1,093,680.
	46 Savings and temporary cash investments . . . . .	4,238,018.	5,249,595.
	47a Accounts receivable . . . . .	1,636,482.	
	b Less allowance for doubtful accounts . . . . .	684,800.	951,682.
	48a Pledges receivable . . . . .	919,236.	
	b Less allowance for doubtful accounts . . . . .	10,000.	909,236.
	49 Grants receivable . . . . .		
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule) . . . . .		
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule) . . . . .		
	51a Other notes and loans receivable (attach schedule) . . . . .		
	b Less allowance for doubtful accounts . . . . .		
	52 Inventories for sale or use . . . . .		
	53 Prepaid expenses and deferred charges . . . . .	11,454.	15,356.
	54a Investments - publicly-traded securities . . . . .	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	
	b Investments - other securities (attach schedule) . . . . .	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	
	55a Investments - land, buildings, and equipment basis . . . . .	15,000.	
	b Less accumulated depreciation (attach schedule) . . . . .		15,000.
	56 Investments - other (attach schedule) . . . . .		
	57a Land, buildings, and equipment basis . . . . .	1,468,465.	
b Less accumulated depreciation (attach schedule) . . . . .	434,972.	1,033,493.	
58 Other assets, including program-related investments (describe <input type="checkbox"/> STMT 5 ) . . . . .	16,566.	33,788.	
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58 . . . . .	8,240,979.	9,301,830.	
Liabilities	60 Accounts payable and accrued expenses . . . . .	690,264.	410,233.
	61 Grants payable . . . . .		
	62 Deferred revenue . . . . .	80,500.	111,487.
	63 Loans from officers, directors, trustees, and key employees (attach schedule) . . . . .		
	64a Tax-exempt bond liabilities (attach schedule) . . . . .		
	b Mortgages and other notes payable (attach schedule) . . . . . STMT 6 . . . . .	180,000.	180,000.
	65 Other liabilities (describe <input type="checkbox"/> ) . . . . .		
66 <b>Total liabilities.</b> Add lines 60 through 65 . . . . .	950,764.	701,720.	
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 . . . . .	6,456,953.	7,574,470.
	68 Temporarily restricted . . . . .	823,262.	1,015,640.
	69 Permanently restricted . . . . .	10,000.	10,000.
	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 . . . . .		
	71 Paid-in or capital surplus, or land, building, and equipment fund . . . . .		
	72 Retained earnings, endowment, accumulated income, or other funds . . . . .		
	73 <b>Total net assets or fund balances.</b> Add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21) . . . . .	7,290,215.	8,600,110.
	74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73 . . . . .	8,240,979.	9,301,830.



Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

- 75a Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 10
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)
c Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.
d Does the organization have a written conflict of interest policy?

Table with 2 columns: Yes, No. Rows 75b, 75c, 75d with 'X' marks in the No column.

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Table with 5 columns: (A) Name and address, (B) Loans and Advances, (C) Compensation, (D) Contributions to employee benefit plans & deferred compensation plans, (E) Expense account and other allowances. Row 1 contains dashes and -0- values.

Part VI Other Information (See the instructions.)

- 76 Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
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
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt
81a Enter direct and indirect political expenditures (See line 81 instructions.) NONE
b Did the organization file Form 1120-POL for this year?

Table with 2 columns: Yes, No. Rows 76, 77, 78a, 78b, 79, 80a, 81a, 81b with 'X' marks in the No column.

Part VI Other Information (continued)

Yes No

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?
82b NONE
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b X
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b N/A
85a 501(c)(4), (5), or (6) Were substantially all dues nondeductible by members?
85b N/A
85c Dues, assessments, and similar amounts from members N/A
85d Section 162(e) lobbying and political expenditures N/A
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices N/A
85f Taxable amount of lobbying and political expenditures (line 85d less 85e) N/A
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A
85h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A
86 501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12 N/A
86b Gross receipts, included on line 12, for public use of club facilities N/A
87 501(c)(12) orgs Enter a Gross income from members or shareholders N/A
87b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them) N/A
88a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX X
88b 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 X
89a 501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 NONE, section 4912 NONE, section 4955 NONE
89b 501(c)(3) and 501(c)(4) orgs Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction X
89c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 NONE
89d Enter Amount of tax on line 89c, above, reimbursed by the organization NONE
89e All organizations At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? X
89f All organizations Did the organization acquire a direct or indirect interest in any applicable insurance contract? X
89g 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? X

90a List the states with which a copy of this return is filed ARIZONA
90b Number of employees employed in the pay period that includes March 12, 2007 (See instructions) 210
91a The books are in care of THE ORGANIZATION Telephone no 602-254-2275
Located at 2320 N. 20TH ST PHOENIX, AZ ZIP + 4 85006

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
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)**

c At any time during the calendar year, did the organization maintain an office outside of the United States? . . . . . **91c**  Yes  No  
 If "Yes," enter the name of the foreign country ▶ \_\_\_\_\_  
**92** Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here . . . . .   
 and enter the amount of tax-exempt interest received or accrued during the tax year . . . . ▶ **92** | NONE

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
<b>93</b> Program service revenue					
a <b>ADOPTION FEES</b>					45,191.
b <b>RESPIRE FEES</b>					16,645.
c _____					
d _____					
e _____					
f Medicare/Medicaid payments . . . . .					
g Fees and contracts from government agencies . . . . .					8,057,736.
<b>94</b> Membership dues and assessments . . . . .					
<b>95</b> Interest on savings and temporary cash investments . . . . .			14	196,558.	
<b>96</b> Dividends and interest from securities . . . . .					
<b>97</b> Net rental income or (loss) from real estate					
a debt-financed property . . . . .					
b not debt-financed property . . . . .					
<b>98</b> Net rental income or (loss) from personal property . . . . .					
<b>99</b> Other investment income . . . . .					
<b>100</b> Gain or (loss) from sales of assets other than inventory . . . . .			26	-596.	
<b>101</b> Net income or (loss) from special events . . . . .					
<b>102</b> Gross profit or (loss) from sales of inventory . . . . .					
<b>103</b> Other revenue a _____					
b <b>MISCELLANEOUS</b>			01	10,797.	
c _____					
d _____					
e _____					
<b>104</b> Subtotal (add columns (B), (D), and (E)) . . . . .				206,759.	8,119,572.
<b>105</b> Total (add line 104, columns (B), (D), and (E)) . . . . . ▶					8,326,331.

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)
▼	STMT 9

**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
	%			
	%			
	%			
	%			

**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).

**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	-----			
<b>Totals</b>				

**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	-----			
<b>Totals</b>				

**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

**Please Sign Here** 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

Signature of officer: Ron Adelson Date: 5-14-09

Type or print name and title: Ron Adelson CEO

**Paid Preparer's Use Only**

Preparer's signature: [Signature] Date: 5/1/2009 Check if self-employed:

Firm's name (or yours if self-employed), address, and ZIP + 4: CBIZ MHM, LLC  
3101 N. CENTRAL AVE., STE 300  
PHOENIX, AZ 85012

EIN: 34-1884125 Phone no: 602-264-6835

**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 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

**2007**

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
SEE STATEMENT 10				
Total number of other employees paid over \$50,000 . . ▶		NONE		

**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 . . . . . ▶		NONE

**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
SEE STATEMENT 11		
Total number of other contractors receiving over \$50,000 for other services . . . . . ▶		NONE

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 ▶ \$ NONE (Must equal amounts on line 38, Part VI-A, or line I of Part VI-B)

1 X

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

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?

2a X

b Lending of money or other extension of credit?

2b X

c Furnishing of goods, services, or facilities?

2c X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? .STMT. 12

2d X

e Transfer of any part of its income or assets?

2e X

3a 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)

3a X

b Did the organization have a section 403(b) annuity plan for its employees?

3b 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

3c X

d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?

3d X

4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g If "No," complete lines 4f and 4g

4a X

b Did the organization make any taxable distributions under section 4966?

4b N/A

c Did the organization make a distribution to a donor, donor advisor, or related person?

4c N/A

d Enter the total number of donor advised funds owned at the end of the tax year ▶

e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶

f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts ▶

NONE

g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶

NONE

**Part IV Reason for Non-Private Foundation Status** (See pages 4 through 8 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 8 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	
<b>Total</b> .....					

- 14  An organization organized and operated to test for public safety Section 509(a)(4) (See page 8 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) 2006, (b) 2005, (c) 2004, (d) 2003, (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, amounts received from payments on securities loans; 19 Net income from unrelated business activities; 20 Tax revenues levied for the organization's benefit; 21 The value of services or facilities furnished to the organization by a governmental unit 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; 24 Line 23 minus line 17; 25 Enter 1% of line 23; 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 NOT APPLICABLE; b Prepare a list for your records to show the name of and amount contributed by each person; c Total support for section 509(a)(1) test; d Add Amounts from column (e) for lines 18, 19, 22, 26b; e Public support (line 26c minus line 26d total); f Public support percentage (line 26e (numerator) divided by line 26c (denominator)); 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"; 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; c Add Amounts from column (e) for lines 15, 16, 17, 20, 21; d Add Line 27a total, NONE and line 27b total, NONE; e Public support (line 27c total minus line 27d total); f Total support for section 509(a)(2) test; g Public support percentage (line 27e (numerator) divided by line 27f (denominator)); h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)); 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant Do not file this list with your return. Do not include these grants in line 15

Part V Private School Questionnaire (See page 9 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

Table with 3 columns: Question, Yes, No. Rows include questions 29-35 regarding racial nondiscrimination policies, record keeping, and financial aid.

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See page 11 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 - If the amount on line 40 is - The lobbying nontaxable amount is -			
Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .			
Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000			
Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000	<b>41</b>		
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 13 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(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 13 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 14 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?

a Transfers from the reporting organization to a noncharitable exempt organization of:

Table with 3 columns: Description, Yes, No. Rows include: (i) Cash, (ii) Other assets, b 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, c 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. Row 1 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. Row 1 contains 'N/A'.

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. You must file original and one copy.**

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

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

**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

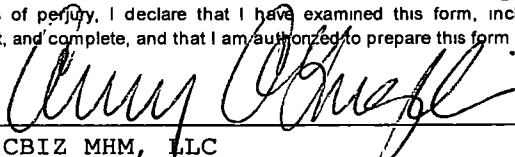
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is for part of the group, check this box  and attach a list with the names and EINs of all members the extension is for

- 4 I request an additional 3-month extension of time until 05/15/2009
- 5 For calendar year \_\_\_\_\_, or other tax year beginning 07/01/2007 and ending 06/30/2008
- 6 If this tax year is for less than 12 months, check reason  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension ADDITIONAL TIME IS NEEDED IN ORDER TO GATHER THE INFORMATION NECESSARY TO PREPARE A COMPLETE AND ACCURATE RETURN.

<b>8a</b> 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>8a</b>	\$
<b>b</b> 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	<b>8b</b>	\$
<b>c Balance Due.</b> 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	<b>8c</b>	\$

**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  2-16-09

CBIZ MHM, LLC  
3101 N. CENTRAL AVE., STE 300  
PHOENIX, AZ 85012

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

▶ 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  **X**
  - 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).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including 1120-C filers), 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 a corporation 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, 6069, or 8870, 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](http://www.irs.gov/efile) and click on *e-file for Charities & Nonprofits*

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 corporation required to file Form 990-T) extension of time until 02/16, 2009, to file the exempt organization return for the organization named above The extension is for the organization's return for

▶  calendar year \_\_\_\_\_ or  
▶  tax year beginning 07/01, 2007, and ending 06/30, 2008

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

<b>3a</b> 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>3a</b>	\$
<b>b</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	<b>3b</b>	\$
<b>c Balance Due.</b> 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	<b>3c</b>	\$

**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.**

FORM 990 - GENERAL EXPLANATION ATTACHMENT  
=====

## FIXED ASSET SCHEDULE

## FORM 990 - PART IV: PROPERTY, PLANT, AND EQUIPMENT DETAIL

ASSETS:	COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE	NET BOOK VALUE
BUILDING	579,876	92,053	19,695	487,823
BUILDING IMP.	572,230	179,676	38,079	392,554
EQUIPMENT	287,191	160,845	27,600	126,346
FURNITURE	29,168	2,398	1,913	26,770
	-----	-----	-----	-----
TOTAL:	1,468,465	434,972	87,287	1,033,493

FORM 990 - GENERAL EXPLANATION ATTACHMENT

INVESTMENTS SCHEDULE  
FORM 990 - PART IV: INVESTMENTS DETAIL

	COST	ACCUMULATED DEPRECIATION	DEPRECIATION EXPENSE	NET BOOK VALUE
LAND	15,000	-	-	15,000
	-----	-----	-----	-----
	15,000	-	-	15,000

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

=====

PROMOTE THE LEGAL ADOPTION OF SPECIAL NEEDS CHILDREN.

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

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
LODESTAR FAMILY CONNECTIONS CENTER		164,127.
BIRTH PARENT COUNSELING		82,751.
TOTALS		246,878.

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION -----	ENDING BOOK VALUE -----
EMPLOYEE ADVANCES	18,141.
DEPOSITS	15,647.
	-----
TOTALS	33,788.
	=====

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: AQUISITION 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 V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SCOTT REHORN 2320 N. 20TH ST. PHOENIX, AZ 85006	BOARD CHAIR 1.40	NONE	NONE	NONE
JULIE CHASE SAME AS ABOVE	VICE CHAIR & SECRETARY 0.50	NONE	NONE	NONE
SUSAN CASE SAME AS ABOVE	DIRECTOR 0.30	NONE	NONE	NONE
MARJORIE HANTMAN SAME AS ABOVE	DIRECTOR 0.60	NONE	NONE	NONE
TIMOTHY KAEHR SAME AS ABOVE	TREASURER 0.90	NONE	NONE	NONE
RITA MEISER SAME AS ABOVE	PAST CHAIR 0.60	NONE	NONE	NONE
MICHAEL HILLMAN SAME AS ABOVE	DIRECTOR 0.40	NONE	NONE	NONE
DOMINIC WYCKLENDT SAME AS ABOVE	DIRECTOR 0.70	NONE	NONE	NONE
CAROLINE BERGER SAME AS ABOVE	DIRECTOR 0.80	NONE	NONE	NONE
STEVEN RENDELL SAME AS ABOVE	DIRECTOR 0.20	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
RON ADELSON SAME AS ABOVE	CHIEF EXECUTIVE OFFICER 40.00	128,462.	16,178.	NONE
GRAND TOTALS		128,462.	16,178.	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	ADOPTION FEES ARE GENERATED FROM THE PLACEMENT OF SPECIAL NEEDS CHILDREN FOR ADOPTION AND FOSTER CARE.
93B	FEES CHARGED TO PROVIDE RESPITE CARE FOR SPECIAL NEEDS CHILDREN
93G	FEES PAID BY THE STATE OF ARIZONA TO PROVIDE FOSTER CARE, TRAINING AND SPECIALTY NURSING CARE TO SPECIAL NEEDS CHILDREN.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCOUNT
WEZE CULLEN 2320 N. 20TH ST PHOENIX, AZ 85006	CONTROLLER 40.00	55,000.	8,168.	NONE
DIANE WALKER SAME AS ABOVE	DEVELOPMENT DIRECTOR 40.00	58,500.	6,843.	NONE
KAREN DALY SAME AS ABOVE	ADOPTION DIRECTOR 40.00	56,154.	NONE	NONE
CYNTHIA STALEY SAME AS ABOVE	NURSE 40.00	71,183.	8,830.	NONE
DEBRA RICKEY SAME AS ABOVE	DIR SPEC FOSTER CARE 40.00	51,000.	8,310.	NONE
	TOTAL COMPENSATION	291,837.	32,151.	NONE

SCH. A, PART II-B COMPENSATION OF THE 5 HIGHEST PAID FOR OTHER SERV.

NAME AND ADDRESS -----	TYPE OF SERVICE -----	COMPENSATION -----
DIANE FRIEBERG 4921 N. 129TH AVE LITCHFIELD PARK, AZ 85340	FOSTER CARE	93,451.
LILLIAN TEUBNER 1852 E. FAIRFIELD MESA, AZ 85203	FOSTER CARE	63,880.
KAREN WILLIAMS 1419 N. ALLEN MESA, AZ 85203	FOSTER CARE	72,096.
MICHELLE STRANGE 5435 E. VIRGINIA PHOENIX, AZ 85008	FOSTER CARE	65,138.
LETICIA GONZALES 10717 W. SELLS DR. PHOENIX, AZ 85037	FOSTER CARE	59,978.
TOTAL COMPENSATION		----- 354,543. =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D  
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FORM 990, PART V. IN ADDITION, JENNINGS STROUSS & SALMON, PLC WAS PAID \$1,183 FOR LEGAL SERVICES PROVIDED BY RITA MIESER, AN AID TO ADOPTION SPECIAL KIDS/AZ BOARD MEMBER.

SCHEDULE A, PART IV-A - OTHER INCOME

DESCRIPTION	2006	2005	2004	2003	TOTAL
OTHER REVENUE	4,533.	14,788.	21,387.	8,842.	49,550.
TOTALS	4,533.	14,788.	21,387.	8,842.	49,550.

