

*A Children's Charity
Changing the World...
One Child at a Time*



CAROLINA ADOPTION SERVICES
2007 ANNUAL REPORT
SEPTEMBER 1, 2006 — AUGUST 31, 2007



Dear Friends of Carolina Adoption Services,

I'm pleased to share this report of our recently completed fiscal year, another year marked by continued growth and activity. A record number of 367 applications were received from families in 31 states. A near record of 188 children found their "forever" families. Through the initiation of an interactive computer based program, families throughout the United States now participate in live CAS informational seminars. Donations reached an all time high, thanks to the fundraising efforts of a very active board of directors. An informal partnership with Children's Home Society of North Carolina (CHS) was established, enabling Carolina Adoption Services (CAS) to have greater exposure throughout North Carolina.

Thanks to the hospitality of CHS, we opened a Raleigh office in January. This represented the fulfillment of a long term goal to better serve families in the fast growing eastern half of North Carolina. The Raleigh office now offers monthly information seminars, as well as educational and social offerings.

Vietnam was our most active program, accounting for 47% of CAS placements. We hosted two separate delegations of Vietnamese visitors and strengthened the relationships between CAS and the IAD-adoption arm of the Vietnamese government. CAS families with children from Vietnam gathered for receptions honoring the Vietnamese officials. CAS staff twice visited our Vietnamese orphanages and met with local officials. Additional families from Gladney and Lifelink utilized our Vietnam program through formal partnerships.

Slowdowns in Guatemala and China indicate future placements from these countries will be at lower levels than in prior years. Fewer placements are taking longer periods of time, thus increasing agency operating costs. Hopefully, Russian re-accreditation will be forthcoming shortly, helping increase Russian placement numbers. While we place independently in three regions now, accreditation will enable us to work in a larger number of regions. On September 30, we joined other JCICS agencies and stopped accepting applications for Guatemala until such time as adoption favorable legislation is passed by the Guatemalan congress. On a positive note, the first children came home from our new programs in Kenya and Peru. We expect these programs to become more active. We anticipate developing new programs in Hague countries once the United States becomes a Hague country on April 1, 2008.

The board of director's annual retreat in February produced the board commitment to strengthen fundraising efforts for CAS. The board sponsored Gala Fundraiser was a great success, both financially and in terms of having a good time. A net profit of \$60 K was raised to benefit the agency programs and services. As a result, we were able to continue and increase overseas humanitarian efforts.

In August, CAS underwent a two day onsite review for Hague accreditation. This has resulted in implementing new and additional procedures to be in compliance for start of Hague on April 1.

I am indebted to our hardworking and dedicated staff and board - without their efforts our work would be impossible. Many thanks to our benefactors for supporting our work.

Sincerely,

A handwritten signature in cursive script that reads "Rosemary Martin". The ink is dark and the signature is written in a fluid, personal style.

Rosemary Martin, LCSW
President/CEO

MISSION AND PURPOSE



Carolina Adoption Services, Inc. (CAS) is an international adoption agency committed to finding stable, loving adoptive homes for children in need of permanent families.

Carolina Adoption Services recognizes the rights of every child throughout the world to have a loving, life-long family. The agency is dedicated to provide supportive and personalized services to the adoptive family before, during and after placement. CAS is also committed to making a difference for children remaining in institutional care through ongoing humanitarian relief efforts.

Carolina Adoption Services strongly advocates that adoption is a life-long process and that Carolina Adoption Service's role is to be a resource for meeting the educational, culture, social and other needs of the international adoptive family.

HIGHLIGHTS

- **367** Record number of applications received
- Raleigh office opened in January
- **8000** Education hours provided
- Webinars initiated
- First Kenyan placements
- First Peruvian placements
- **188** number of children placed with 177 families
- Partnership agreement signed with Children's Home Society of NC
- Delegation from Tuyen Quang province visit
- Directors of Vietnam IAD visit
- **\$60,000** net of Gala Fundraiser

ABC Adoption Services

Informational seminars for both domestic and international placement continued to be held in various cities of Virginia. Contract social workers located throughout the state provide pre-placement assessments, known as home studies. A day long in-service training was held in Richmond for contract workers. This past year some 42 home study applications were received, including 34 international applications. There was a noticeable downturn in the number of domestic placements, going from 9 down to 2. Some 17 parental placement studies were done for families pursuing independent placements through private attorneys. An advisory board was established to support Executive Director, Gloria Reiske, in her efforts to develop the agency.

New Jersey Office

Pat Gerke, Coordinator of the NJ office, continued to face difficulties locating meeting space for informational seminars. Pat offered phone support and information to inquiries and held meetings with individual families. She organized a successful and well attended picnic for CAS families at Washington's Crossing State Park. The increase of NJ applications from 7 to 12 is largely accounted for by Gladney Partner cases for Vietnam coming from New Jersey residents. CAS/NJ also exhibited at Adoption conferences in New Jersey and Long Island.

Raleigh Office

Judy Occhetti-Klohr, MSW, long time CAS employee, staffs the CAS office located in the CHS building in Raleigh. Judy works up to 40 hours per month in addition to information meetings, home studies and meetings with individual families. Monthly information meetings have been well attended. In April and May, joint information meetings with CHS were held at St. Francis Church, with some 33 attendees. Joint meetings offer attendees the opportunity to learn about adoption in general as well as domestic or international. An annual picnic was planned for the fall.

South Carolina Office

The office was moved from Charleston to Columbia when Jania Sommers retired and Jill Corrigan, MSW, was named new director of the SC office. Jill was a CAS contract social worker before assuming her new position. Jill is an experienced social worker in full time private practice, with a significant background in adoption work. Jill offers monthly information seminars in her office. Applications increased from 26 to 39 largely due to Lutheran Family Services of the Carolinas closing their SC adoption office. By agreement, CAS took over the families with Lutheran Family Services. An annual picnic was well attended and several educational programs were held.

HUMANITARIAN EFFORTS

Scholarships

\$10,000 was given in family scholarship support to help 6 families with adoption expense for older children or children with special challenges.

Armenia

- \$3,110 for a staff person and volunteer to travel to Armenia to visit orphanages, meet with officials and provide donations to orphanages for food, medicine, diapers, and other general needs.
- \$500 hand carried by family as donation for general use.
- \$1,500 donation to Gyumeri orphanage for older children. Each of the 88 children received a new warm blanket for their bed.
- \$500 of volunteer donated gifts to Gyumeri orphanage for babies to meet general needs
- \$750 donation to 3 baby orphanages for general support and needs

HUMANITARIAN EFFORTS

China

- \$200 to Half of Sky Foundation for a donation to the orphanage in Guandong Province

Georgia

- \$192 for Georgia Circle of Friends for general relief purposes

Guatemala

- \$125 for the sponsorship of a young child
- \$50 birthday gift for older child in foster care
- \$2,000 to Montes Claros Hogar, an all girl orphanage, for school supplies for one year
- \$200 direct assistance to a needy family
- \$2,150 assistance in document processing for adoption
- \$250 in supplies donated directly from family
- \$2,500 for CAS staff person traveling to Guatemala to advocate for sound adoption legislation



Vietnam

- \$6,000 to Tuyen Quang orphanage care
- \$3,300 to Quan Nam orphanage care
- \$4,500 repair to bathroom and cooking area
- \$50 Typhoon help
- \$1,000 Da Nang
- \$400 Generator for Quang Nam orphanage
- \$550 Tet gifts for orphans/staff Tam Ky orphanage
- \$700 Furnishings for Murphy orphanage Da Nang
- \$9,515 donated to Children of Vietnam's milk supplement and parasite eradication program
- \$10,771 Support and education for government officials visiting the United States
- \$40,700 General orphanage care
- \$1,800 Motor bike purchase for orphanage staff use
- \$2,830 Furnishings for orphanage
- \$1,200 Orphanage staff support and gifts

Before



After



HUMANITARIAN EFFORTS

Moldova

- \$1,000 for the Christmas celebration for needy children and families in December 2006
- \$1,000 for poor families with multiple children to help buy food and wood for heat
- \$900 to Child Protection Department
- \$500 to Chisinau orphanages
- \$300 for medical testing for sick children
- \$500 to Streseni orphanage for medical supplies
- \$2,000 for conferences for our in-country representative
- \$2,000 for National Adoption Committee director to attend a conference and visit with adoptive families.
- 11 families traveled and donated between \$500 and \$1,500 each for a total of \$11,500 for the ongoing needs in their child's orphanage. This covers expenses such as medicines, heating bills, clothing, detergent, and other necessary supplies.
- \$2,009 donations to Balti, Streseni, Hinchesti, and two orphanages in Chisinau for identified orphanage needs.



Russia

- \$3,000 to Kotelnich Orphanage for sensory development equipment
- \$3,600 "Keeping Kids at Home" Program to help 6 poor families keep their children at home through monthly subsidies for food and other essentials



- \$400 for post adoption information to country
- \$250 family donation to Kirov orphanage

Ukraine

- \$500 given to Kiev orphanage for general needs

Volunteers

We are indebted to the many volunteers and student interns from UNC-G, Elon University, Guilford College and several local businesses who donated many hours of time and talent to help us fulfill our mission.

HUMANITARIAN EFFORTS

Moldova Orphan Sponsorship Program

- \$24,889 provided to support youth/young adults while enrolled in advanced education
- \$7,110 paid to manage the program locally and in Moldova

During the 2006-2007 school year thirty-two students received a quarterly stipend through the support of twenty-seven sponsors. Three students graduated from their chosen fields and are now employed in Moldova. There is a waiting list for students to be sponsored. Students are referred to the program faster than new sponsors are secured.

The school year saw changes in the administration of the program. Both coordinators, in Greensboro and Moldova, left for personal reasons and two new coordinators were hired. Angela Cataraga joined the sponsorship program in Moldova serving as the liaison for students and facilitating the Student Club events. She lives in Chisinau and is on the faculty of Moldova State University. Angela accepted the position to “help the youth understand that they are not alone and that there are kindhearted people who think of them.” Amy Kreimer began serving as the U.S. coordinator of the sponsorship program during the summer. Her primary responsibilities include seeking new sponsors, communicating and administering all aspects of the program. Our Moldovan financial liaison, Angela Curtean, continues to ensure the flow of funds into student bank accounts goes smoothly.



Julie Glandt traveled to Moldova two times during the 2006-07 school year. She visited with the students, delivered gifts from sponsors, and hosted a pizza party.



Total Humanitarian Contributions

\$168,801

All contributions matter to CAS and to the children who desperately need our support. The financial support listed is in addition to all of the suitcases filled with donations taken by our adoptive families to give directly to their child’s orphanage! Other contributions have come from a local girl scout who collected supplies in the amount of \$1500, and one little boy gave his sunflower seeds to be sold for donations!

APPLICATIONS & PLACEMENTS

Applications by Type

| | | | |
|-----------------------|-----|---------------|----|
| Placement Only | 132 | Post Adoption | 12 |
| Homestudy Only | 19 | Partnership | 81 |
| Homestudy Update | 5 | Step-Parent | 2 |
| Homestudy & Placement | 116 | | |

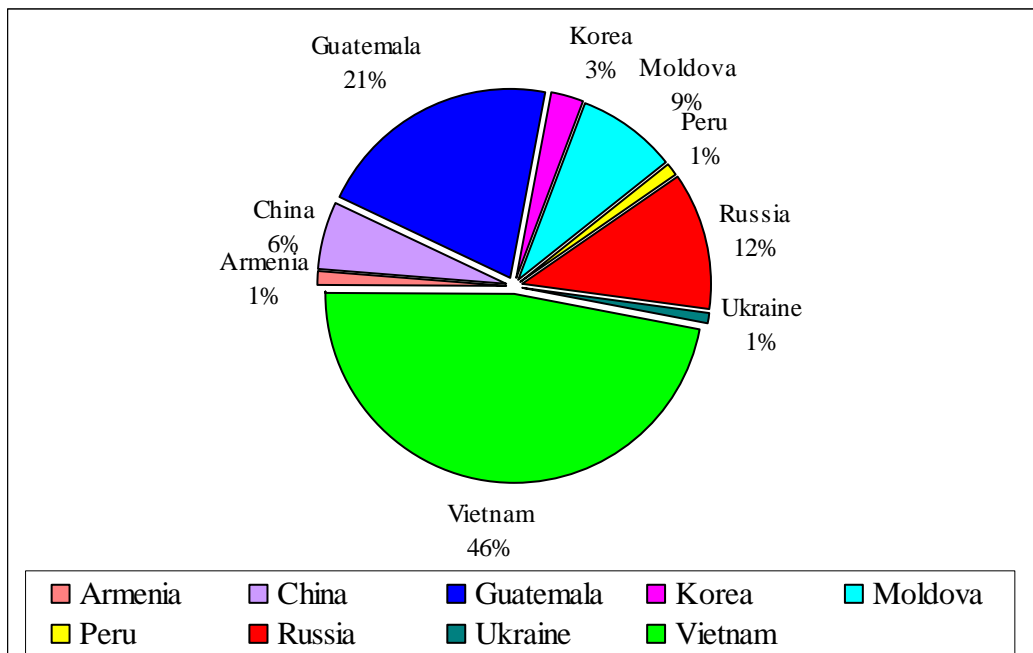
Total 367

Applications by State

| | | | | | |
|----|----|----|-----|----------------|----|
| AK | 1 | IN | 2 | OK | 1 |
| AR | 1 | KY | 1 | OR | 1 |
| AZ | 1 | MA | 4 | PA | 6 |
| CA | 18 | MD | 7 | SC | 39 |
| CO | 2 | MI | 3 | TN | 7 |
| CT | 10 | NC | 111 | TX | 22 |
| DC | 1 | NH | 2 | VA | 34 |
| FL | 4 | NJ | 12 | WA | 3 |
| GA | 3 | NY | 31 | WI | 6 |
| IL | 28 | OH | 5 | United Kingdom | 1 |

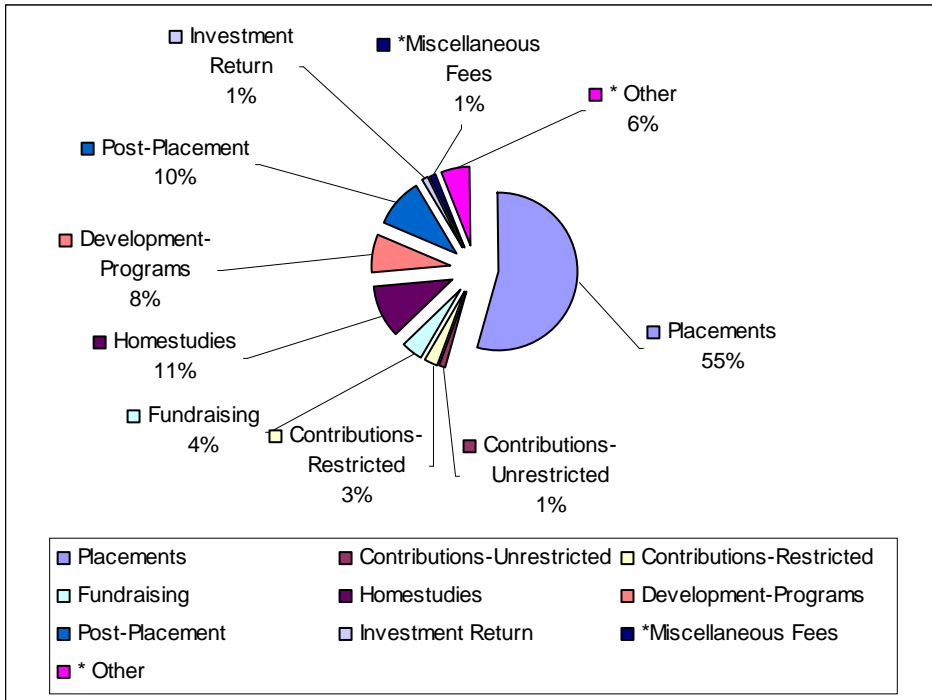
Placements by Country

We placed 188 children with “forever families.” This chart shows the number of placements by country. Vietnam, Guatemala, and Russia had the largest numbers of children placed in the 2006 fiscal year.



| | |
|-----------|----|
| Armenia | 2 |
| China | 11 |
| Guatemala | 40 |
| Korea | 5 |
| Moldova | 16 |
| Peru | 2 |
| Russia | 22 |
| Ukraine | 2 |
| Vietnam | 88 |

FUNDING REVENUES



| | |
|----------------------------|-----------|
| Placements | 1,162,321 |
| Contributions-Unrestricted | 27,229 |
| Contributions-Restricted | 60,126 |
| Fundraising | 91,267 |
| Homestudies | 233,481 |
| Development-Programs | 172,298 |
| Post Placement | 221,440 |
| Investment Return | 28,359 |
| *Miscellaneous Fees | 29,551 |
| **Other | 122,919 |

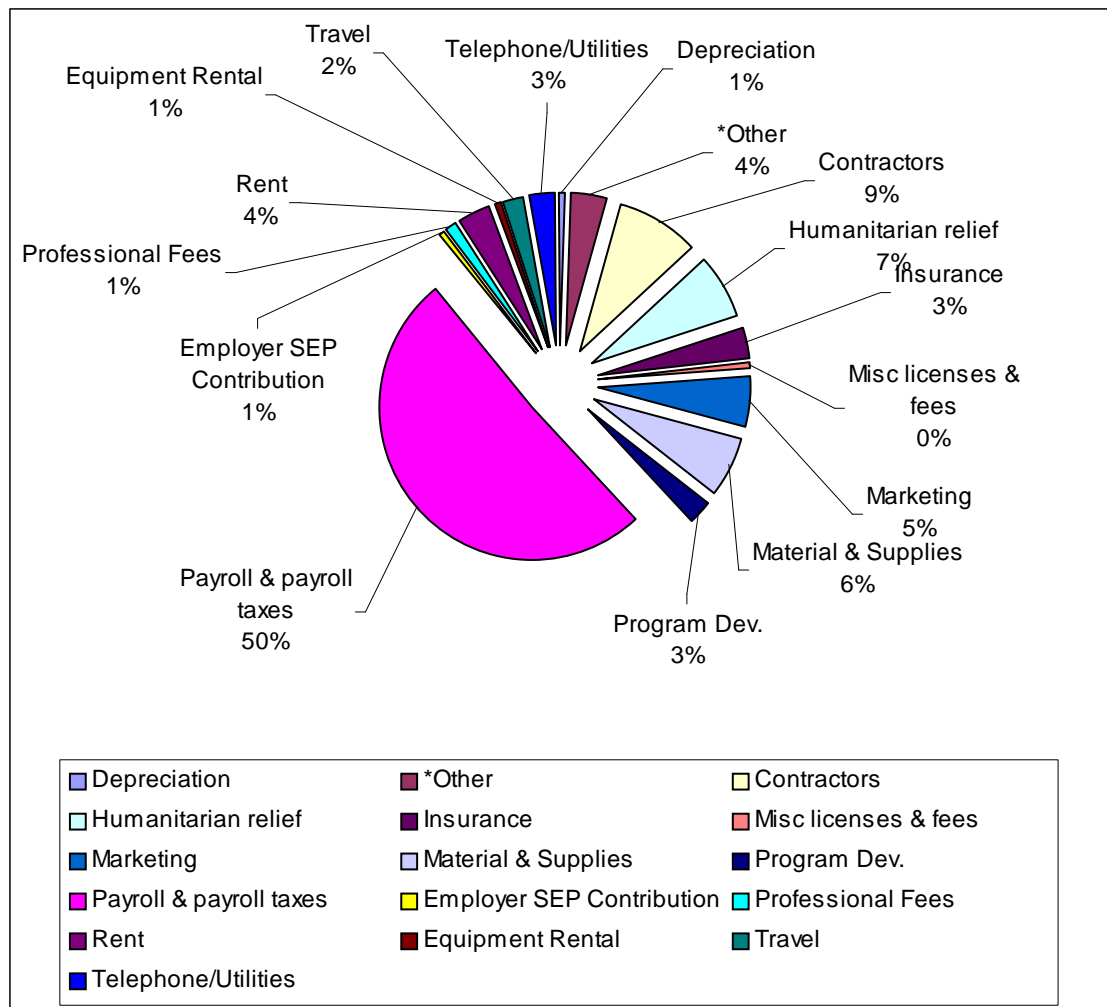
Total **2,148,991**

*Miscellaneous Fees include step-parent fees, inter-state fees, escort fees, etc.

**Other includes Admin Fees, inter-agency admin fees and consulting fees

EXPENSES

| | |
|-------------------------|------------------|
| Depreciation | 10,654 |
| *Other | 74,293 |
| Contractors | 164,584 |
| Humanitarian Relief | 127,510 |
| Insurance | 65,288 |
| Licenses & Fees | 9,309 |
| Marketing | 100,549 |
| Materials & Supplies | 118,658 |
| Program Development | 47,557 |
| Payroll & payroll taxes | 963,360 |
| SEP Contribution | 13,715 |
| Professional Fees | 16,121 |
| Rent | 68,666 |
| Equipment Rental | 12,767 |
| Travel | 42,018 |
| Telephone/Utilities | 51,817 |
| Total | 1,886,866 |



*Other includes meetings, conferences, educational, dues, subscriptions, contributions, and gifts

WE THANK OUR BENEFACTORS FOR THEIR GENEROUS SUPPORT

Corporate Donors

Bank of America



Reynolds American



WACHOVIA



LEHMAN BROTHERS

Donations \$5,000 – \$15,000

Anonymous CAS Family

Margaret Murphy

Leonard A. Wislow

Donations \$1,000 – \$4,999

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Bank of America
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Bolchalk, John & Carol
Coots, Dr. Norvell V.
Dinneen, Julie
Doktorczyk, Renee
Forgiel, Simon & Mary
Fuller, Helen
Holton, Martin & Melanie

Joklik, Vivien
Kreimer, Fritz & Amy
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Ostwalt, Conrad & Mary
Patterson Pope
Sroka, Daniel & Kelly
Technology Concepts & Design Inc.
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Vaughn, Robert & Marcia
Veazie, Waldemar & Pamela

Donations \$500—\$999

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 Markovics, Alfonz & Karen
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 Moore, Kristin
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 Sabarese, Theodore & Victoria
 Sentelle, William & Jane
 Simmons, Randy & Melanie
 Simon, Mary E. Preston
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 Waller, Martha
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Donations \$100—\$499

Abernathy, John & Laura
 Alexander, Janette
 Allen, Peter & Dana
 Alpha Delta Kappa
 Anderson, Richard & Robin
 Anderson, Sandra
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 Arrowood, Mary Elizabeth
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 Cowell, Matthew & Elizabeth
 Croom, Joy
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Dubois, Matthew & Lori
 Eanes, Ashley & Alesa
 Edison Media Research
 Emerson, John & Lisa Ford
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 Kreider, Jason & Christine
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 Lewis, Kevin
 Mahoney, Patrick & Cynthia
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 McGraw, Randall & Mary
 McHenry, Marcia
 McOmber, Martin & Susan
 Meagher, Suzanne
 Mohr, Christine
 Morgan, William & Michelle
 Munn, Carolyn
 Nestle Community Care Campaign
 Nicholson, Charles & Annette
 O'Hare, Patrick & Marti
 Peete, Bradley & Martha

Donations \$100—\$499 continued

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 Rastall, Jonathan & Jodi
 Rayfield, Dennis & Carol Winter
 Rhodes, Carolyn
 Rider, Benjamin & Jennifer
 Roberts, John & Page
 Rodriguez, Alexander
 Scott, Robert & Bernadette
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Sink, Joe & Dolores
 Smith, Alexander & Linda
 Smith, Bradford & Shawn
 Space, Sharon L.
 Spencer, James C.
 Steelman, Jack & Susan
 Stevens, Mark & Deborah
 Stevenson, David & Joan
 Stratton, George & Carol
 Travers, Debbie
 VanZandt, Keith & Dede

Viscomi, Frank & Shirley Heiman
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 Wald-Scott, Coridalia
 Waller, Anna
 Weeks, Michelle
 Weldon, Allie Hamel
 Wilson, Benjamin
 Wolfe, David & Susan
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Albertson, Zachary & Rebecca
 B J Brown Books
 Barnette, David & Lisa
 Bohannon, Susan
 Brown, Alexandra
 Brown, Dana & Melanie
 Byers, David & Laura
 Carder, Michael & Kelly
 Connolly, Margaret
 Cook, Dixon & Caroline
 Coren, Buzz
 Craig, Jeanne
 Crawford, Laniel & Tresa
 Everhart, Diane
 Foscato, Steven & Catherine
 Fuller, Rawley & Sandra
 Fuller, Wesley & Elizabeth
 Gasinski, Thaddeus & Danuta
 Gattos, Tara

Godshall, Cathy
 Golter, Gretchen
 Goodman, Carolyn P.
 Green, Scott & Lisa
 Hackman, Dianne
 Hays, Mary K.
 Henderson, Carole
 Higgins, Kay B.
 Hinson, Art & Terri
 Hubbard, Steve & Angela
 Inness, Larry & Gigi
 Isaksen, Richard & Lynne
 Kapitanovsky, Alexander and
 Irina
 Kelly, Katherine
 Kinross, Robert & Sheila
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 Lane, Bonnie
 Leander, Amy

Limber, Susan
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 Megel, Gerry
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 Powell, William & Amy
 Reid, Robyn
 Richardson, Lauren
 Roth, Carmela
 Sander, Darcelle
 Smith, E.C. & P.A.
 Smith, Stephen & Theresa
 Smith, William & Phyllis
 Stoto, David & Marlene
 Swiger, Kathleen
 Upton, Dorothy

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