

Form **990**Department of the Treasury
Internal Revenue Service**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)

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

OMB No 1545-0047

2005Open to Public
Inspection**A** For the 2005 calendar year, or tax year beginning , and ending**B** Check if applicable☐ Address change☐ Name change☐ Initial return☐ Final return☐ Amended return☐ Application pendingPlease
use IRS
label or
print or
type
See
Specific
Instruc-
tions.**C** Name of organization**VA ASSOCIATION OF FREE CLINICS, INC**

Number and street (or P O box if mail is not delivered to street address)

10231 TELEGRAPH ROAD, SUITE B

Room/suite

B

City or town, state or country, and ZIP + 4

GLEN ALLEN**VA 23059****D** Employer identification no.**54-1802019****E** Telephone number**804-340-3434****F** Accounting method: ☐ Cash☒ Accrual ☐ Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and are not applicable to section 527 organizations I

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? ☐ Yes ☐ No

(If "No," attach a list See instr)

H(d) Is this a separate return filed by anorganization 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.VAFREECLINICS.ORG****J** Organization type(check only one) ☒ 501(c) (**3**) (insert no) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **1,866,614****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	11,079		
b	Indirect public support	1b	188,096		
c	Government contributions (grants)	1c	1,518,362		
d	Total (add lines 1a through 1c) (cash \$ 1,717,537 noncash \$)			1d	1,717,537
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	
3	Membership dues and assessments			3	145,282
4	Interest on savings and temporary cash investments			4	3,795
5	Dividends and interest from securities			5	
6a	Gross rents	6a			
b	Less rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	
7	Other investment income (describe)			7	
8a	Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
b	Less cost or other basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>			8d	
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a			
b	Less direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
10a	Gross sales of inventory, less returns and allowances	10a			
b	Less cost of goods sold	10b			
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
11	Other revenue (from Part VII, line 103)			11	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	1,866,614
13	Program services (from line 44, column (B))			13	1,816,750
14	Management and general (from line 44, column (C))			14	73,304
15	Fundraising (from line 44, column (D))			15	40,966
16	Payments to affiliates (attach schedule)			16	
17	Total expenses (add lines 16 and 44, column (A))			17	1,931,020
18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	-64,406
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	257,126
20	Other changes in net assets or fund balances (attach explanation)			20	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	192,720

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

Form 990 (2005)

P 13

**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
22	Grants and allocations (attach schedule) STMT 1 (cash \$ <u>1,597,581</u> non-cash \$) If this amount includes foreign grants, check here <input type="checkbox"/>	22 <u>1,597,581</u>	<u>1,597,581</u>		
23	Specific assistance to individuals (attach schedule) <input type="checkbox"/>	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc	25 <u>72,838</u>	<u>36,419</u>	<u>21,851</u>	<u>14,568</u>
26	Other salaries and wages	26 <u>73,582</u>	<u>44,891</u>	<u>18,024</u>	<u>10,667</u>
27	Pension plan contributions	27			
28	Other employee benefits	28 <u>19,866</u>	<u>9,933</u>	<u>5,960</u>	<u>3,973</u>
29	Payroll taxes	29 <u>11,497</u>	<u>5,748</u>	<u>3,450</u>	<u>2,299</u>
30	Professional fundraising fees	30			
31	Accounting fees	31 <u>4,089</u>		<u>4,089</u>	
32	Legal fees	32 <u>540</u>	<u>270</u>	<u>270</u>	
33	Supplies	33 <u>3,016</u>	<u>1,509</u>	<u>905</u>	<u>602</u>
34	Telephone	34 <u>5,229</u>	<u>2,614</u>	<u>1,569</u>	<u>1,046</u>
35	Postage and shipping	35 <u>3,430</u>	<u>1,715</u>	<u>1,029</u>	<u>686</u>
36	Occupancy	36 <u>8,796</u>	<u>4,398</u>	<u>2,639</u>	<u>1,759</u>
37	Equipment rental and maintenance	37			
38	Printing and publications	38 <u>9,946</u>	<u>4,973</u>	<u>2,984</u>	<u>1,989</u>
39	Travel	39 <u>13,422</u>	<u>7,765</u>	<u>3,394</u>	<u>2,263</u>
40	Conferences, conventions, and meetings	40 <u>78,304</u>	<u>78,304</u>		
41	Interest	41			
42	Depreciation, depletion, etc (attach schedule)	42			
43	Other expenses not covered above (itemize)				
a	SEE STATEMENT 2	43a <u>28,884</u>	<u>20,630</u>	<u>7,140</u>	<u>1,114</u>
b		43b			
c		43c			
d		43d			
e		43e			
f		43f			
g		43g			
44	Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 <u>1,931,020</u>	<u>1,816,750</u>	<u>73,304</u>	<u>40,966</u>

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?

► CHARITABLE & EDUCATIONAL

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.)

Program Service Expenses

(Required for 501(c)(3) & (4) orgs. & 4947(a)(1) trusts, but optional for others.)

- a THE ASSOCIATION ADMINISTERED FUNDING FROM THE COMMONWEALTH OF VIRGINIA AND MADE GRANTS TO ITS MEMBER CLINICS FOR THE PURPOSE OF PROVIDING ACCESS TO PRESCRIPTION MEDICATIONS FOR THEIR PATIENTS.**

(Grants and allocations \$ **1,597,581**)

If this amount includes foreign grants, check here ► ☐

1,597,581

- b THE ASSOCIATION PLANNED AND CONDUCTED AN ANNUAL CONFERENCE OF VIRGINIA'S FREE CLINICS, AN EXECUTIVE DIRECTORS RETREAT, MEDICAL DIRECTORS COUNCIL MEETINGS, A CLINICAL COORDINATORS WORKDAY, AND GOVERNANCE TRAINING**

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

78,304

c

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

d

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

- e Other program services (attach schedule) SEE STMT 3**

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

140,865

- f Total of Program Service Expenses (should equal line 44, column (B), Program services)**

1,816,750

Form **990** (2005)

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	128,434	45	30,865
	46 Savings and temporary cash investments	101,631	46	105,424
	47a Accounts receivable	59,559		
	b Less allowance for doubtful accounts		47c	59,559
	48a Pledges receivable			
	b Less allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments-securities SEE STATEMENT 4 <input type="checkbox"/> Cost <input type="checkbox"/> FMV	1,052	54	1,054
	55a Investments-land, buildings, and equipment basis			
	b Less accumulated depreciation (attach schedule)		55c	
	56 Investments-other (attach schedule)		56	
	57a Land, buildings, and equipment basis			
	b Less accumulated depreciation (attach schedule)		57c	
58 Other assets (describe)		58		
59 Total assets (must equal line 74) Add lines 45 through 58	260,860	59	196,902	
Liabilities	60 Accounts payable and accrued expenses	3,734	60	4,182
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe)		65	
	66 Total liabilities. Add lines 60 through 65	3,734	66	4,182
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	51,367	67	18,793
	68 Temporarily restricted	205,759	68	173,927
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	257,126	73	192,720
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	260,860	74	196,902

Part IV-A	Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)
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a	Total revenue, gains, and other support per audited financial statements		a	1,870,545
b	Amounts included on line a but not on Part I, line 12			
1	Net unrealized gains on investments	b1		
2	Donated services and use of facilities	b2	3,931	
3	Recoveries of prior year grants	b3		
4	Other (specify)	b4		
	Add lines b1 through b4		b	3,931
c	Subtract line b from line a		c	1,866,614
d	Amounts included on Part I, line 12, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify)	d2		
	Add lines d1 and d2		d	
e	Total revenue (Part I, line 12) Add lines c and d		e	1,866,614

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

a	Total expenses and losses per audited financial statements		a	1,934,951
b	Amounts included on line a but not Part I, line 17.			
1	Donated services and use of facilities	b1	3,931	
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify)	b4		
	Add lines b1 through b4		b	3,931
c	Subtract line b from line a		c	1,931,020
d	Amounts included on Part I, line 17, but not on line a :			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify)	d2		
	Add lines d1 and d2		d	
e	Total expenses (Part I, line 17) Add lines c and d		e	1,931,020

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

[illegible]

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 ▶

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)

75b

X

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 this organization through common supervision or common control?

75c

X

Note. Related organizations include section 509(a)(3) supporting organizations

If "Yes," attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization

d Does the organization have a written conflict of interest policy?

75d

X

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.)

[illegible]**Part VI** **Other Information (See 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

76

x

77 Were any changes made in the organizing or governing documents but not reported to the IRS?
If "Yes," attach a conformed copy of the changes.

77

x

78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?

78a

x

b If "Yes," has it filed a tax return on **Form 990-T** for this year?

78b

79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement

79

X

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?

80a

X

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)

81a

b Did the organization file **Form 1120-POL** for this year?

81b

X

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?	X	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III)		
	SEE STMT 6 82b 3,931		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	
c	Dues, assessments, and similar amounts from members		
d	Section 162(e) lobbying and political expenditures		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) orgs Enter a Initiation fees and capital contributions included on line 12		
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		
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		X
89a	501(c)(3) organizations. Enter Amount of tax imposed on the organization during the year under section 4911 0 , section 4912 0 , section 4955 0		
b	501(c)(3) and 501(c)(4) 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
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed VA, AK		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions)	90b 3	
91a	The books are in care of THE ORGANIZATION	Telephone no 804-340-3434	
	Located at GLEN ALLEN, VA	ZIP + 4 23059	
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.	91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c	X
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	

Part VII Analysis of Income-Producing Activities (See the instructions.)**Note:** Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by sec 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					145,282
95 Interest on savings and temporary cash investments					3,795
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		0	149,077
105 Total (add line 104, columns (B), (D), and (E))					149,077

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 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)
N/A	

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

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

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

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No
- Note:** If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

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 <i>Mark R. Cruise</i>		Date 5/15/06	
Paid Preparer's Use Only	Type or print name and title MARK R. CRUISE, EXECUTIVE DIRECTOR			
	Preparer's signature <i>[Signature]</i>	Date 5/12/06	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Instr W) P00433349
Firm's name (or yours if self-employed), address, and ZIP + 4 RYAN & AMES, CPA 5012 MONUMENT AVENUE, SUITE 100 RICHMOND, VA 23230-3429		EIN 54-1691458	Phone no 804-359-8111	

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

OMB No 1545-0047

2005Department of the Treasury
Internal Revenue Service**Supplementary Information-(See separate instructions.)**
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

VA ASSOCIATION FREE CLINICS, INC.

Employer identification number
54-1802019**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) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

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 ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

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

For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2005

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 ► \$ <u>34,222</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities	1 X	
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?	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)?	2d	X
e Transfer of any part of its income or assets?	2e	X
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)	3a	X
b Do you have a section 403(b) annuity plan for your employees?	3b	X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c	X
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?	4a	X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	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) Check the box that describes the type of supporting organization ► ☐ Type 1 ☐ Type 2 ☐ Type 3

Provide the following information about the supported organizations (See page 6 of the instructions.)

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

- 14 ☐ An organization organized and operated to test for public safety Section 509(a)(4) (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12) Use cash method of accounting.**Note:** You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	1,208,591	985,257	1,265,605	1,161,080	4,620,533
16 Membership fees received	110,567	103,349	96,921	99,557	410,394
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					0
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	340	427	2,634	7,526	10,927
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	1,319,498	1,089,033	1,365,160	1,268,163	5,041,854
24 Line 23 minus line 17	1,319,498	1,089,033	1,365,160	1,268,163	5,041,854
25 Enter 1% of line 23	13,195	10,890	13,652	12,682	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	100,837
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e)	26c	5,041,854
d Add: Amounts from column (e) for lines 18 <u>10,927</u> 19 _____	26d	10,927
22 _____ 26b _____	26e	5,030,927
e Public support (line 26c minus line 26d total)	26f	99.7833%
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." Do not file this list with your return. Enter the sum of such amounts for each year	(2004)	(2003)	(2002)	(2001)	
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 the amount on line 25 for the year or of (1) (2) \$5,000 (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year	(2004)	(2003)	(2002)	(2001)	
c Add: Amounts from column (e) for lines 15 _____ 16 _____	17 _____	20 _____	21 _____		27c -
d Add: Line 27a total _____ and line 27b total _____					27d
e Public support (line 27c total minus line 27d total)					27e
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, 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 7 of the instructions.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)

	N/A	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31		
32 Does the organization maintain the following			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33 Does the organization discriminate by race in any way with respect to			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768)

Check <input type="checkbox"/> a	if the organization belongs to an affiliated group	Check <input type="checkbox"/> b	if you checked "a" and "limited control" provisions apply
---	--	---	---

Limits on Lobbying Expenditures		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term "expenditures" means amounts paid or incurred)															
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	10,634												
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	23,588												
38	Total lobbying expenditures (add lines 36 and 37)	38	34,222												
39	Other exempt purpose expenditures	39	1,896,798												
40	Total exempt purpose expenditures (add lines 38 and 39)	40	1,931,020												
41	Lobbying nontaxable amount. Enter the amount from the following table-														
<table border="0"> <tr> <td>If the amount on line 40 is-</td> <td>The lobbying nontaxable amount is-</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>		If the amount on line 40 is-	The lobbying nontaxable amount is-	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000	41	246,551
If the amount on line 40 is-	The lobbying nontaxable amount is-														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42	Grassroots nontaxable amount (enter 25% of line 41)	42	61,638												
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0												
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0												

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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount	246,551	192,581	177,655	201,466	818,253
46 Lobbying ceiling amount (150% of line 45(e))					1,227,380
47 Total lobbying expenditures	34,222	13,411	14,792	10,686	73,111
48 Grassroots nontaxable amount	61,638	48,145	44,414	50,367	204,564
49 Grassroots ceiling amount (150% of line 48(e))					306,846
50 Grassroots lobbying expenditures	10,634	6,302	9,590	7,219	33,745

Part VI-B Lobbying Activity by Nonelecting Public Charities(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

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

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

Yes	No	Amount

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 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

(1) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

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.

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

[illegible]

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 ☒ No

b If "Yes," complete the following schedule

[illegible]

Federal Statements

Statement 1 - Form 990, Part II, Line 22 - Grants, Allocations and Contributions

Name Address	Date of Gift	Description of Property	Relationship to Org	Class of Activity		Book Value	BV Explantn	FMV Explantn
				Cash Contrib	NonCash Contrib			
FY 2005 FUND			\$	460,700	\$			
FY 2006 FUND				606,750				
MEDCO SETTLEMENT				422,123				
COPN CHARITY FUND				108,008				
TOTAL			\$	1,597,581	\$	0	0	0

Federal Statements**Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
EXPENSES				
STAFF DEVELOPMENT	1,724	862	517	345
WORKERS COMP INSURANCE	526	263	158	105
BOARD & COMMITTEE SUPPORT	4,518	2,711	1,355	452
OFFICE EQUIPMENT	494	247	148	99
OFFICE EQUIPMENT MAINT.	260	130	78	52
DUES, FEES & PUBLICATIONS	1,479		1,479	
INSURANCE	2,313		2,313	
RECOGNITION	446	446		
PUBLIC RELATIONS/MARKETING	8,518	8,518		
GOVERNMENT RELATIONS	7,300	7,300		
STRATEGIC PLANNING	1,000		1,000	
MISCELLANEOUS	306	153	92	61
TOTAL	\$ 28,884	\$ 20,630	\$ 7,140	\$ 1,114

Federal Statements**Statement 3 - Form 990, Part III, Line e - Other Program Services**Description

OTHER UNALLOCATED EXPENSES

Federal Statements**Statement 4 - Form 990, Part IV, Line 54 - Investments in Securities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
CORPORATE STOCK			
EDWARD JONES INVESTMENT ACCOUNT	<u>1,052</u>	<u>1,054</u>	
	<u>1,052</u>	<u>1,054</u>	

Federal Statements

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Statement 5 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name	City, State, Zip	Address	Title	Average Hours	Compensation	Benefits	Expenses
MARK R. CRUSE	GLEN ALLEN VA 23059	10231 TELEGRAPH RD - SUITE B	EXEC DIRECT.	0	0	0	0
WARD W. STEVENS	BLACKSBURG VA 24060	3700 SOUTH MAIN ST	PRESIDENT	0	0	0	0
DELL B. SOUTH	ALEXANDRIA VA 22310	6409 GLADYS MAY LANE	VICE-PRES	0	0	0	0
MARGE ROWE	FRONT ROYAL VA 22630	316 NORTH ROYAL AVE	TREASURER	0	0	0	0
ELLY SWECKER	HARRISONBURG VA 22801	25 WEST WATER ST	SECRETARY	0	0	0	0
N. THOMAS CONNALLY	ARLINGTON VA 22207	3563 NORTH ABINGDON ST	DIRECTOR	0	0	0	0
JOSEPH M DOHERTY	RICHMOND VA 23235	10619 JOUSTING LANE	DIRECTOR	0	0	0	0
KAREN DULANEY	FREDERICKSBURG VA 22401	435 HUNTER ST	DIRECTOR	0	0	0	0
RUSSELL A. FOWLER	WINCHESTER VA 22601	29 N. BRADDOCK ST	DIRECTOR	0	0	0	0
L. TRICE GRAVATTE, IV	WARRENTON VA 20186	493 BLACKWELL RD #202	DIRECTOR	0	0	0	0
V. DIANE KELLY	ROANOKE VA 24004	PO BOX 592	DIRECTOR	0	0	0	0
MEL LEAMAN	MARION VA 24354	PO BOX 1273	DIRECTOR	0	0	0	0
BENN H. LEGUM	STAUNTON VA 24401	1204 WESTMORELAND DR	DIRECTOR	0	0	0	0
REV. RICHARD C. MALLORY	MONETA VA 24121	P.O. BOX 477	DIRECTOR	0	0	0	0
JEAN NELSON	KILMARNOCK VA 22482	PO BOX 1694	DIRECTOR	0	0	0	0
KAREN REMLEY	VIRGINIA BEACH VA 23452	884 BISHOPSGATE LANE	DIRECTOR	0	0	0	0
BROOKE TAYLOR	RICHMOND VA 23279	PO BOX 27401 - 46D	DIRECTOR	0	0	0	0

Federal Statements**Statement 6 - Form 990, Part VI, Line 82b - Donated Services**

<u>Description</u>	<u>Amount</u>
PFIZER'S RESERVATION-LESS TELECONFERENCE SERVICE	\$ 676
PROGRAM PRESENTATION AT CLINICAL COORDINATORS WORKDAY	1,755
PROGRAM PRESENTATIONS AT GOVERNANCE TRAINING	<u>1,500</u>
TOTAL	<u>\$ 3,931</u>