

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

**2005**Open to Public  
Inspection**A** For the 2005 calendar year, or tax year beginning 9/01/05, and ending 8/31/06**B** Check if applicable☐ Address change☐ Name change☐ Initial return☐ Final return☐ Amended return☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

**C** Name of organization

The Literacy Alliance, Inc

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

709 Clay Street

Room/suite

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

Fort Wayne

IN 46802

**D** Employer identification no.

35-1710780

**E** Telephone number

260-426-7323

**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).****G** Website: ▶ ftliteracyalliance.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.****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 an organization covered by a group ruling? ☐ Yes ☐ No**I** Group Exemption Number ▶**M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF)**L** Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 661,389**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** 491,014**b** Indirect public support**1b** 55,550**c** Government contributions (grants)**1c** 105,021**d** Total (add lines 1a through 1c) (cash \$ 651,585 noncash \$           )**1d** 651,585**2** Program service revenue including government fees and contracts (from Part VII, line 93)**2****3** Membership dues and assessments**3****4** Interest on savings and temporary cash investments**4** 5,010**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

**8a****b** Less: cost or other basis and sales expenses**8b** 300**c** Gain or (loss) (attach schedule)**8c** -300**d** Net gain or (loss) (combine line 8c, columns (A) and (B))

See Stmt 1

**8d** -300**9** Special events and activities (attach schedule). If any amount is from gaming, check here ☐**a** Gross revenue (not including \$            of contributions reported on line 1a)**9a** 4,794**b** Less: direct expenses other than fundraising expenses**9b** 1,203**c** Net income or (loss) from special events (subtract line 9b from line 9a)**9c** 3,591**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** 659,886

Expenses

**13** Program services (from line 44, column (B))**13** 485,872**14** Management and general (from line 44, column (C))**14** 39,390**15** Fundraising (from line 44, column (D))**15** 60,282**16** Payments to affiliates (attach schedule)**16****17** Total expenses (add lines 16 and 44, column (A))**17** 585,544

Net Assets

**18** Excess or (deficit) for the year (subtract line 17 from line 12)**18** 74,342**19** Net assets or fund balances at beginning of year (from line 73, column (A))**19** 157,044**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** 231,386

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

DAA

Form **990** (2005)

GHN 2

SCANNED JAN 25 2007

RECEIVED

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CODEN, UT

IRS-OSC

**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) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22				
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	66,300	26,520	19,890	19,890
26 Other salaries and wages	26	243,831	231,265	3,047	9,519
27 Pension plan contributions	27				
28 Other employee benefits	28	24,125	18,357	2,812	2,956
29 Payroll taxes	29	26,946	22,652	1,888	2,406
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	9,133	7,141	1,052	940
34 Telephone	34	2,897	2,228	348	321
35 Postage and shipping	35	6,381	1,290	408	4,683
36 Occupancy	36	44,692	36,120	4,931	3,641
37 Equipment rental and maintenance	37				
38 Printing and publications	38	2,667	1,191	194	1,282
39 Travel	39	1,060	982		78
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	17,890	12,907	1,480	3,503
43 Other expenses not covered above (itemize): a See Statement 2	43a	139,622	125,219	3,340	11,063
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	585,544	485,872	39,390	60,282

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?

► See Statement 3

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 See Statement 4

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

213,340

b READ TO ME - NEW AND GENTLY USED CHILDREN'S BOOKS ARE GIVEN TO PRE-SCHOOL CHILDREN IN LOW INCOME FAMILIES BY PIGGYBACKING ON THE SERVICE DELIVERY SYSTEMS OF OTHER LOCAL SOCIAL SERVICE ORGANIZATIONS. 31,060 NEW AND 4,798 GENTLY USED BOOKS WERE DISTRIBUTED.

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

63,342

c FAMILY LITERACY - INTERVENES IN THE INTERGENERATIONAL CYCLE OF ILLITERACY BY SUPPORTING PARENTS IN THEIR ROLE AS THEIR CHILD'S FIRST TEACHER. 89 FAMILIES PARTICIPATED WITH PARENTS COMPLETING 11,191 HOURS OF STUDY.

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

209,190

d

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

e Other program services (attach schedule)

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

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

485,872

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
<b>Assets</b>	45 Cash-non-interest-bearing	50	45	50
	46 Savings and temporary cash investments	109,529	46	143,226
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable	9,713	49	15,425
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	2,117
	54 Investments-securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55a Investments-land, buildings and equipment, basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
56 Investments-other (attach schedule)	See Stmt 5	2,000	56	52,000
57a Land, buildings, and equipment basis	141,268			
b Less: accumulated depreciation (attach schedule) See Statement 6	117,917	40,203	57c	23,351
58 Other assets (describe <input type="checkbox"/> )		58		
59 <b>Total assets</b> (must equal line 74) Add lines 45 through 58	161,495	59		236,169
<b>Liabilities</b>	60 Accounts payable and accrued expenses	4,451	60	4,783
	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 <input type="checkbox"/> )		65	
66 <b>Total liabilities.</b> Add lines 60 through 65	4,451	66		4,783
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74</b>			
	67 Unrestricted	51,740	67	123,354
	68 Temporarily restricted	105,304	68	108,032
	69 Permanently restricted		69	
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74</b>			
	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 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	157,044	73		231,386
74 <b>Total liabilities and net assets/fund balances.</b> Add lines 66 and 73	161,495	74		236,169





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

		Yes	No
<b>75a</b>	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings <span style="float: right;">▶ 14</span>		
<b>b</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)	<b>75b</b>	X
<b>c</b>	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? <b>Note.</b> Related organizations include section 509(a)(3) supporting organizations.	<b>75c</b>	X
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			
<b>d</b>	Does the organization have a written conflict of interest policy?	<b>75d</b>	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.)

(A) Name and address	(B) Loans and Advances	(C) Compensation	(D) Contrib to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
N/A				

**Part VI Other Information (See the instructions.)**

		Yes	No
<b>76</b>	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	<b>76</b>	X
<b>77</b>	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.	<b>77</b>	X
<b>78a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>	X
<b>b</b>	If "Yes," has it filed a tax return on Form 990-T for this year?	<b>78b</b>	
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	<b>79</b>	X
<b>80a</b>	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>80a</b>	X
<b>b</b>	If "Yes," enter the name of the organization <span style="float: right;">▶</span> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
<b>81a</b>	Enter direct and indirect political expenditures (See line 81 instructions)	<b>81a</b>	
<b>b</b>	Did the organization file Form 1120-POL for this year?	<b>81b</b>	X

**Part VI Other Information (continued)**

		Yes	No
<b>82a</b> 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?	<b>82a</b>	X	
<b>b</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.)	<b>82b</b>		
	32,921		
<b>83a</b> Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	X	
<b>b</b> Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>		
	N/A		
<b>84a</b> Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>		
	N/A		
<b>85</b> 501(c)(4), (5), or (6) organizations. <b>a</b> Were substantially all dues nondeductible by members?	<b>85a</b>		
	N/A		
<b>b</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?	<b>85b</b>		
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.			
<b>c</b> Dues, assessments, and similar amounts from members	<b>85c</b>		
<b>d</b> Section 162(e) lobbying and political expenditures	<b>85d</b>		
<b>e</b> Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85e</b>		
<b>f</b> Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>		
<b>g</b> Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85g</b>		
	N/A		
<b>h</b> 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?	<b>85h</b>		
	N/A		
<b>86</b> 501(c)(7) orgs. Enter: <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>		
<b>b</b> Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>		
<b>87</b> 501(c)(12) orgs. Enter: <b>a</b> Gross income from members or shareholders	<b>87a</b>		
<b>b</b> Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>87b</b>		
<b>88</b> 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	<b>88</b>		X
<b>89a</b> 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <span style="margin-left: 20px;">0</span> ; section 4912 <span style="margin-left: 20px;">0</span> , section 4955 <span style="margin-left: 20px;">0</span>			
<b>b</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	<b>89b</b>		X
<b>c</b> Enter: Amount of tax imposed on the organization managers or disqualified persons during the year sections 4912, 4955, and 4958 <span style="float: right;">▶ 0</span>			
<b>d</b> Enter: Amount of tax on line 89c, above, reimbursed by the organization <span style="float: right;">▶ 0</span>			
<b>90a</b> List the states with which a copy of this return is filed <span style="margin-left: 20px;">▶ IN</span>			
<b>b</b> Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	<b>90b</b>		22
<b>91a</b> The books are in care of <span style="margin-left: 20px;">▶ JUDITH STABELLI</span> 709 CLAY STREET Located at <span style="margin-left: 20px;">▶ FORT WAYNE, IN</span>			
			Telephone no. <span style="margin-left: 20px;">▶ 260-426-7323</span> ZIP + 4 <span style="margin-left: 20px;">▶ 46802</span>
<b>b</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 <span style="margin-left: 20px;">▶</span> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. At any time during the calendar year, did the organization maintain an office outside of the United States?	<b>91b</b>	Yes	No
			X
<b>c</b> If "Yes," enter the name of the foreign country <span style="margin-left: 20px;">▶</span>	<b>91c</b>		X
<b>92</b> Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <span style="float: right;">▶ <input type="checkbox"/></span> and enter the amount of tax-exempt interest received or accrued during the tax year <span style="float: right;">▶ 92</span>			







**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

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

Name of the organization

The Literacy Alliance, Inc

Employer identification number  
35-1710780**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
JUDITH STABELLI 709 CLAY STREET FORT WAYNE IN 46802	EXECUTIVE DIRECTOR 40	66,300	0	0
Total number of other employees paid over \$50,000 ▶	0			

**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
<b>1</b> During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B ) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	<b>1</b>	X
<b>2</b> 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 )		
<b>a</b> Sale, exchange, or leasing of property?	<b>2a</b>	X
<b>b</b> Lending of money or other extension of credit?	<b>2b</b>	X
<b>c</b> Furnishing of goods, services, or facilities?	<b>2c</b>	X
<b>d</b> Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	<b>2d</b>	X
<b>e</b> Transfer of any part of its income or assets?	<b>2e</b>	X
<b>3a</b> 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 )	<b>3a</b>	X
<b>b</b> Do you have a section 403(b) annuity plan for your employees?	<b>3b</b>	X
<b>c</b> During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	<b>3c</b>	X
<b>4a</b> Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	<b>4a</b>	X
<b>b</b> Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	<b>4b</b>	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
<b>15</b> Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	465,933	714,899	670,020	887,682	2,738,534
<b>16</b> Membership fees received					0
<b>17</b> 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
<b>18</b> 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	1,427	1,265	1,351	3,868	7,911
<b>19</b> Net income from unrelated business activities not included in line 18					0
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
<b>21</b> 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
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. Stmt 8	21,821	9,852	70,255		101,928
<b>23</b> Total of lines 15 through 22	489,181	726,016	741,626	891,550	2,848,373
<b>24</b> Line 23 minus line 17	489,181	726,016	741,626	891,550	2,848,373
<b>25</b> Enter 1% of line 23	4,892	7,260	7,416	8,916	
<b>26 Organizations described on lines 10 or 11:</b>	a Enter 2% of amount in column (e), line 24				
					26a 56,967
<b>b</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 1,230,657
<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 2,848,373
<b>d</b> Add: Amounts from column (e) for lines:	18 7,911	19			
	22 101,928	26b 1,230,657			
<b>e</b> Public support (line 26c minus line 26d total)					26e 1,507,877
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 52.9382%
<b>27 Organizations described on line 12:</b>	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)	N/A
<b>b</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)	N/A
<b>c</b> Add: Amounts from column (e) for lines	15	16			
	17	20	21		
<b>d</b> Add: Line 27a total.		and line 27b total			
<b>e</b> Public support (line 27c total minus line 27d total)					27e
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27f
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h %
<b>28 Unusual Grants:</b> 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) N/A

Check <b>a</b>	if the organization belongs to an affiliated group.	Check <b>b</b>	if you checked "a" and "limited control" provisions apply
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<b>Limits on Lobbying Expenditures</b>		(a) Affiliated group totals	(b) To be completed for ALL electing organizations												
(The term "expenditures" means amounts paid or incurred )															
<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-															
<table style="width:100%; border: none;"> <tr> <td style="width:30%;"><b>If the amount on line 40 is-</b></td> <td style="width:70%;"><b>The lobbying nontaxable amount is-</b></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>	<b>If the amount on line 40 is-</b>	<b>The lobbying nontaxable amount is-</b>	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	<b>41</b>		
<b>If the amount on line 40 is-</b>	<b>The lobbying nontaxable amount is-</b>														
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														
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>														
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	<b>43</b>														
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	<b>44</b>														

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720.

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the instructions for lines 45 through 50 on page 11 of the instructions )

Calendar year (or fiscal year beginning in) ►	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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**

(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







Federal Statements

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Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc		How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
INTERNET CABLE/PHONE LINES		Purchase		11/18/98	10/01/05	\$	199	\$ 199	\$
WORKSTATION									
POSTAL SCALE		Purchase		6/11/99	12/01/05		198	184	-14
ENDURA COMPUTER WORKSTATION		Purchase		6/28/01	12/01/05		75	47	-28
(2) MOBILE COMPUTER WORKSTATIONS		Purchase		7/31/01	10/01/05		215	128	-87
Total		Purchase		11/30/00	10/01/05		551	380	-171
						\$ 0	\$ 1,238	\$ 938	\$ -300



## Federal Statements

### Statement 2 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
MISCELLANEOUS				
SPECIAL EVENT EXPENSES	4,248			4,248
Expenses				
STAFF DEVELOPMENT	7,692	7,139		553
INSTRUCTION	24,043	24,043		
RESOURCE MATERIAL	31,765	31,765		
ADVERTISING AND PROMOTION	9,026	3,738	1,077	4,211
PROFESSIONAL FEES	35,516	31,748	1,911	1,857
INSURANCE	2,349	2,091	164	94
DUES AND SUBSCRIPTIONS	1,217	929	188	100
MISC STUDENT EXPENSE	10,109	10,109		
CHILDCARE	13,657	13,657		
Total	\$ 139,622	\$ 125,219	\$ 3,340	\$ 11,063

## Federal Statements

### Statement 3 - Form 990, Part III - Organization's Primary Exempt Purpose

THE LITERACY ALLIANCE STRIVES TO END ILLITERACY BY TEACHING ADULTS THROUGH LEARNING CENTERS, LITERACY PROGRAMS AND TUTORING SERVICES THAT EMPOWER INDIVIDUALS TO SUCCEED AT WORK, AT HOME, AND IN THE COMMUNITY. TO THAT END, THE ORGANIZATION PROVIDES INSTRUCTION FOR ADULTS THROUGH ONE-ON-ONE TUTORING, ADULT LEARNING CENTERS, A WORK SKILLS COMPUTER LAB, AND A COLLABORATIVE FAMILY LITERACY PROJECT. THE LITERACY ALLIANCE ALSO CONDUCTS THE READ TO ME CAMPAIGN THAT ENCOURAGES ADULTS TO READ TO CHILDREN BY DISTRIBUTING NEW CHILDREN'S BOOKS TO LOW-INCOME FAMILIES.

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### Statement 4 - Form 990, Part III, Line a - Statement of Program Service Accomplishments

#### Description

ADULT INSTRUCTION - ADULT LEARNERS STUDY BASIC SKILLS IN READING, WRITING AND MATH UNDER THE GUIDANCE OF LICENSED TEACHERS AND VOLUNTEER TUTORS. INSTRUCTION OCCURS THROUGH ONE-ON-ONE TUTORING, IN LEARNING CENTER CLASSROOMS AND IN A COMPUTER LAB EQUIPPED WITH WORK SKILLS SOFTWARE. 56 ADULTS STUDIED 1565 HOURS WITH TUTORS, 107 ADULTS STUDIED 2089 HOURS IN THE COMPUTER LAB; AND 357 ADULTS COMPLETED 17,020 HOURS OF STUDY IN LEARNING CENTERS.



## Federal Statements

### Statement 5 - Form 990, Part IV, Line 56 - Other Investments

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
Ft Wayne Community Foundation	\$ 2,000	\$ 52,000	Cost
Total	<u>\$ 2,000</u>	<u>\$ 52,000</u>	

### Statement 6 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
EQUIPMENT & FURNITURE	\$ 141,168	\$ 100,965	\$ 141,268	\$ 117,917
Total	<u>\$ 141,168</u>	<u>\$ 100,965</u>	<u>\$ 141,268</u>	<u>\$ 117,917</u>

## Federal Statements

12/18/2006 9:16 AM

### Statement 7 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

Name	City, State, Zip	Title	Average Hours	Compensation	Benefits	Expenses
JAMES DAVIS	FORT WAYNE IN 46802	1200 SOUTH BARR ST DIRECTOR	0	0	0	0
KAREN FRANCISCO	FORT WAYNE IN 46802	600 WEST MAIN ST DIRECTOR	0	0	0	0
JIMELLA HARRIS	FORT WAYNE IN 46802	4609 WOODLYNN COURT DIRECTOR	0	0	0	0
WILLIAM HERX	FORT WAYNE IN 46802	1300 SOUTH CLINTON DIRECTOR	0	0	0	0
MIKE JENSEN	FORT WAYNE IN 46802	6119 STELLHORN ROAD DIRECTOR	0	0	0	0
TAMMIE MARLOWE	FORT WAYNE IN 46815	720 TAYLOR ST DIRECTOR	0	0	0	0
MARY MCDONALD	FORT WAYNE IN 46802	5904 PORT ROYAL DIRECTOR	0	0	0	0
MARY MUSSON	FORT WAYNE IN	515 STOCKDALE DRIVE DIRECTOR	0	0	0	0
CASEY SCHUERICH	FORT WAYNE IN 46825	1610 SPY RUN DIRECTOR	0	0	0	0
JACQUELYN SCOTT	FORT WAYNE IN 46802	329 W SHERWOOD TERRACE PRESIDENT	0	0	0	0
JAY SCOTT	FORT WAYNE IN 46807	3106 LAKE AVE DIRECTOR	0	0	0	0
JUDY STABELLI	FORT WAYNE IN 46805	709 CLAY STREET DIRECTOR	0	0	0	0
JOE SHADE	FORT WAYNE IN 46802	EXEC DIRECTO 40 6124 CHERRY HILL PARKWAY	40	66,300	0	0
JANELLA SPRINKLE	FORT WAYNE IN 46835	215 EAST BERRY ST SECRETARY	0	0	0	0
DOUGLAS E STEPHENS	FORT WAYNE IN 46801-2263	DIRECTOR	0	0	0	0
JEAN VRABEL	FORT WAYNE IN 46802	116 EAST BERRY ST TREASURER	0	0	0	0
	FORT WAYNE IN 46895	PO BOX 5508 DIRECTOR	0	0	0	0



## Federal Statements

### Statement 8 - Schedule A, Part IV-A, Line 22 - Other Income

Description	2004	2003	2002	2001
REIMBURSEMENTS	\$	\$	\$ 60,135	\$
SPECIAL EVENT	21,821	9,852	10,120	
Total	\$ 21,821	\$ 9,852	\$ 70,255	\$ 0

Form **4562**  
(Rev. January 2006)  
Department of the Treasury  
Internal Revenue Service

**Depreciation and Amortization**  
(Including Information on Listed Property)

OMB No. 1545-0172

**2005**Attachment  
Sequence No **67**

▶ See separate instructions. ▶ Attach to your tax return.

Name(s) shown on return

The Literacy Alliance, Inc

Identifying number

35-1710780

Business or activity to which this form relates

Indirect Depreciation

**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	102,000
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	420,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instr.	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7	Listed property. Enter the amount from line 29	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2004 Form 4562	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12	13

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14	Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	14,562

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)****Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2005	17	0
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B-Assets Placed in Service During 2005 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27 5 yrs	MM	S/L	
			27 5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

**Section C-Assets Placed in Service During 2005 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	14,562
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2005) (Rev. 1-2006)

DAA



**Part V Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable

**Section A-Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles.)

<b>24a</b> Do you have evidence to support the business/investment use claimed?					<b>Yes</b>	<b>No</b>	<b>24b</b> If "Yes," is the evidence written?			<b>Yes</b>	<b>No</b>
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
<b>25</b> Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							<b>25</b>				
<b>26</b> Property used more than 50% in a qualified business use:											
		%									
		%									
<b>27</b> Property used 50% or less in a qualified business use:											
		%				S/L-					
		%				S/L-					
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>				
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1								<b>29</b>			

**Section B-Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

<b>30</b> Total business/investment miles driven during the year (do not include commuting miles)	(a) Vehicle 1	(b) Vehicle 2	(c) Vehicle 3	(d) Vehicle 4	(e) Vehicle 5	(f) Vehicle 6
<b>31</b> Total commuting miles driven during the year						
<b>32</b> Total other personal (noncommuting) miles driven						
<b>33</b> Total miles driven during the year. Add lines 30 through 32						
<b>34</b> Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
<b>35</b> Was the vehicle used primarily by a more than 5% owner or related person?	Yes	No	Yes	No	Yes	No
<b>36</b> Is another vehicle available for personal use?	Yes	No	Yes	No	Yes	No

**Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	<b>Yes</b>	<b>No</b>
<b>37</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
<b>38</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
<b>39</b> Do you treat all use of vehicles by employees as personal use?		
<b>40</b> Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
<b>41</b> Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

**Note:** If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>42</b> Amortization of costs that begins during your 2005 tax year (see instructions)					
<b>43</b> Amortization of costs that began before your 2005 tax year				<b>43</b>	3,329
<b>44</b> Total. Add amounts in column (f). See the instructions for where to report				<b>44</b>	3,329