

Return of Organization Exempt From Income Tax

2005

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2005 calendar year, or tax year beginning OCT 1, 2005 **and ending** SEP 30, 2006

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

C Name of organization NEIGHBORHOOD MINISTRIES INC.

D Employer identification number 86-0809052

Number and street (or P.O. box if mail is not delivered to street address) 1918 WEST VAN BUREN STREET Room/suite

E Telephone number 602-252-5225

City or town, state or country, and ZIP + 4 PHOENIX, AZ 85009

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 I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates N/A

H(c) Are all affiliates included? N/A Yes No (If "No," attach a list.)

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

I Group Exemption Number N/A

G Website: WWW.NEIGHBORHOODMINISTRIES.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 1,825,162.

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

SCANNED JUL 25 2007

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	<u>1,225,843.</u>		
	b Indirect public support	1b			
	c Government contributions (grants)	1c	<u>199,910.</u>		
	d Total (add lines 1a through 1c) (cash \$ <u>1,425,753.</u> noncash \$ <u></u>)	1d		<u>1,425,753.</u>	
	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		<u>9,139.</u>	
	5 Dividends and interest from securities	5			
	6 a Gross rents SEE STATEMENT 1	6a	<u>177,985.</u>		
	b Less: rental expenses SEE STATEMENT 2	6b	<u>93,769.</u>		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		<u>84,216.</u>	
	7 Other investment income (describe <u></u>)	7			
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b Less: cost or other basis and sales expenses	8a			
	c Net gain or (loss) (attach schedule)	8b			
	d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
Revenue	9 a Gross revenue (not including \$ <u>0.</u> of contributions reported on line 1a)	9a	<u>38,810.</u>		
	b Less: direct expenses other than fundraising expenses	9b	<u>7,289.</u>		
	c Net income or (loss) from special events (subtract line 9b from line 9a) SEE STATEMENT 3	9c		<u>31,521.</u>	
	10 a Gross sales of inventory, less returns and allowances	10a			
Revenue	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		<u>173,475.</u>	
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		<u>1,724,104.</u>	
Expenses	13 Program services (from line 44, column (B))	13		<u>1,264,773.</u>	
	14 Management and general (from line 44, column (C))	14		<u>358,066.</u>	
	15 Fundraising (from line 44, column (D))	15		<u>113,544.</u>	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses (add lines 16 and 44, column (A))	17		<u>1,736,383.</u>	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		<u><12,279.></u>	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		<u>2,888,592.</u>	
	20 Other changes in net assets or fund balances (attach explanation)	20		<u>0.</u>	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		<u>2,876,313.</u>	

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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.

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 \$ <u>0</u> . noncash \$ <u>0</u> . If this amount includes foreign grants, check here <input type="checkbox"/> 22	22				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc **	25	221,552.	172,811.	39,880.	8,861.
26 Other salaries and wages	26	452,639.	355,011.	81,064.	16,564.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	56,282.	43,940.	10,236.	2,106.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	128,401.	95,431.	20,508.	12,462.
34 Telephone	34				
35 Postage and shipping	35				
36 Occupancy	36	136,942.	107,856.	27,942.	1,144.
37 Equipment rental and maintenance	37	44,132.	29,615.	14,381.	136.
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42				
43 Other expenses not covered above (itemize)					
a _____	43a				
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
f _____	43f				
g SEE STATEMENT 4	43g	696,435.	460,109.	164,055.	72,271.
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,736,383.	1,264,773.	358,066.	113,544.

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;
 (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

** SEE STATEMENT 5

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? ▶ TO PROVIDE INNER CITY MINISTRY TO YOUTHS.	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a IGLESIA DE NEIGHBORHOOD MINISTRIES - APPROXIMATELY 250 WEEKLY ATTENDEES ATTEND BI-LINGUAL (SPANISH/ENGLISH) SERMON.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	193,828.
b EDUCATION PROGRAMS - CHILDREN FROM PRESCHOOL THROUGH HIGH SCHOOL ENROLL IN PROGRAMS DESIGNED TO TUTOR, MENTOR AND PROVIDE INCENTIVES TO STAY IN SCHOOL AND LEARN AT THEIR FULL POTENTIAL.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	224,156.
c YOUTH DEVELOPMENT PROGRAMS - RELIGIOUS ACTIVITIES, BIBLE CLASSES, CAMPS AND VARIOUS OTHER ACTIVITIES TO ENCOURAGE YOUTH AND PROVIDE TRAINING.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	279,032.
d LEADERSHIP AND DEVELOPMENT TRAINING - TO PROVIDE LEADERSHIP AND OPPORTUNITIES FOR INTERNS, VOLUNTEERS AND OTHERS TO HELP THEM WORK WITH INDIVIDUALS IN POVERTY SITUATIONS.	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	254,138.
e Other program services (attach schedule) SEE STATEMENT 6	
(Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	313,619.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	1,264,773.

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	297,374.	45	80,242.
	46 Savings and temporary cash investments	45,411.	46	26,808.
	47 a Accounts receivable	47a 155,121.		
	b Less allowance for doubtful accounts	47b	87,685.	47c 155,121.
	48 a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable			49
	50 Receivables from officers, directors, trustees, and key employees			50
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use			52
	53 Prepaid expenses and deferred charges			53
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV		54
	55 a Investments - land, buildings, and equipment basis	55a		
	b Less accumulated depreciation	55b		55c
56 Investments - other		8,998.	56	
57 a Land, buildings, and equipment basis	57a 3,637,464.			
b Less accumulated depreciation	57b 470,827.	3,003,309.	57c 3,166,637.	
58 Other assets (describe <input type="checkbox"/> SEE STATEMENT 7)		62,850.	58 49,005.	
59 Total assets (must equal line 74). Add lines 45 through 58		3,505,627.	59 3,477,813.	
Liabilities	60 Accounts payable and accrued expenses	30,701.	60	50,982.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	586,334.	64b	550,518.
	65 Other liabilities (describe <input type="checkbox"/>)		65	
66 Total liabilities. Add lines 60 through 65)		617,035.	66 601,500.	
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	2,603,242.	67	2,784,615.
	68 Temporarily restricted	285,350.	68	91,698.
	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)		2,888,592.	73 2,876,313.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		3,505,627.	74 3,477,813.	

Part VI Other Information (continued)

Yes No

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?

82a

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)

82b

83 a Did the organization comply with the public inspection requirements for returns and exemption applications?

83a

X

b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?

83b

X

84 a Did the organization solicit any contributions or gifts that were not tax deductible?

84a

X

b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?

84b

N/A

85 501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?

85a

N/A

b Did the organization make only in-house lobbying expenditures of \$2,000 or less?

85b

N/A

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.

c Dues, assessments, and similar amounts from members

85c

N/A

d Section 162(e) lobbying and political expenditures

85d

N/A

e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices

85e

N/A

f Taxable amount of lobbying and political expenditures (line 85d less 85e)

85f

N/A

g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?

85g

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?

85h

N/A

86 501(c)(7) organizations Enter a Initiation fees and capital contributions included on line 12

86a

N/A

b Gross receipts, included on line 12, for public use of club facilities

86b

N/A

87 501(c)(12) organizations Enter. a Gross income from members or shareholders

87a

N/A

b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)

87b

N/A

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

88

X

89 a 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) organizations 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

89b

X

c Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958

0.

d Enter Amount of tax on line 89c, above, reimbursed by the organization

0.

90 a List the states with which a copy of this return is filed AZ

b Number of employees employed in the pay period that includes March 12, 2005

90b

22

91 a The books are in care of THE ORGANIZATION Telephone no. 602-252-5225 Located at 1918 WEST VAN BUREN STREET, PHOENIX, AZ ZIP + 4 85009

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)?

Yes No

91b

X

If "Yes," enter the name of the foreign country N/A

See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts

c At any time during the calendar year, did the organization maintain an office outside of the United States?

91c

X

If "Yes," enter the name of the foreign country N/A

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

N/A

Form 990 (2005)

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion 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					
95 Interest on savings and temporary cash investments			14	9,139.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property	531120	84,216.			
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					31,521.
102 Gross profit or (loss) from sales of inventory					
103 Other revenue					
a MISCELLANEOUS INCOME					3,270.
b INSURANCE SETTLEMENT					170,205.
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		84,216.		9,139.	204,996.
105 Total (add line 104, columns (B), (D), and (E))					298,351.

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).
93A	ALL

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: *[Signature]* Date: 6/15/07 Type or print name and title: Richard Speck Executive Director

Paid Preparer's Use Only: Preparer's signature: KATHY E. HOSTETLER, CPA Date: 05/15/07 Check if self-employed: Preparer's SSN or PTIN: _____
 Firm's name (or yours if self-employed), address, and ZIP + 4: HENRY & HORNE, LLP 7098 E. COCHISE RD., SUITE 100 SCOTTSDALE, AZ 85253 EIN: _____
 Phone no.: 480-483-1170

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No 1545-0047

2005

Name of the organization **NEIGHBORHOOD MINISTRIES INC.** Employer identification number **86 0809052**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
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
SERVANT LEADERS 2624 NORTH MYERS STREET, BURBANK, CA 91504	DEVELOPMENT FUNCTIONS	70,615.
Total number of others receiving over \$50,000 for professional services ▶	0	

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 ▶	0	

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 ► \$ _____ \$ _____ (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)? SEE PART V-A, FORM 990	2d	X
e Transfer of any part of its income or assets?	2e	X
3 a 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
4 a 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) sections 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.)	1,347,909.	1,280,306.	708,225.	1,154,032.	4,490,472.
16 Membership fees received					
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		16,076.	6,007.		22,083.
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	2,458.	4,637.	528.	1,838.	9,461.
19 Net income from unrelated business activities not included in line 18	102,264.	137,025.	117,352.	<61,096.>	295,545.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
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					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	1,452,631.	1,438,044.	832,112.	1,094,774.	4,817,561.
24 Line 23 minus line 17	1,452,631.	1,421,968.	826,105.	1,094,774.	4,795,478.
25 Enter 1% of line 23	14,526.	14,380.	8,321.	10,948.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 95,910.
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 469,380.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 4,795,478.
d Add: Amounts from column (e) for lines: 18 9,461. 19 295,545. 22 22 26b 469,380.					26d 774,386.
e Public support (line 26c minus line 26d total)					26e 4,021,092.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 83.8517%
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: N/A					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (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: N/A					
c Add: Amounts from column (e) for lines: 15 16 17 20 21					27c N/A
d Add: Line 27a total and line 27b total					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

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.

NONE

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		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?		
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?		
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.)		

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? 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?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		

34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
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.		
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		

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

N/A

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

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

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				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

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 c through 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 c through h.)

Yes	No	Amount
		0.

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

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box... Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868. If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

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

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Includes address: NEIGHBORHOOD MINISTRIES, INC., 1918 W. VAN BUREN STREET, PHOENIX, AZ 85009.

Check type of return to be filed (File a separate application for each return):

- Form 990, Form 990-T, Form 5227, Form 990-BL, Form 990-T, Form 6069, Form 990-EZ, Form 1041-A, Form 990-PF, Form 4720.

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

The books are in the care of THE COMPANY. Telephone No. 602-252-5225. FAX No. If the organization does not have an office or place of business in the United States, check this box. If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN).

I request an additional 3-month extension of time until AUGUST 15, 2007. For calendar year, or other tax year beginning OCTOBER 1, 2005, and ending SEPTEMBER 30, 2006. If this tax year is for less than 12 months, check reason: Initial return, Final return, Change in accounting period. State in detail why you need the extension: THE INFORMATION FOR A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE. WE RESPECTIVELY REQUEST THE ADDITIONAL TIME TO FILE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0.00. 8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868. \$ 0.00. 8c Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00.

Signature and Verification

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

Signature: [Handwritten Signature] Title: C.P.A. Date: 5/8/07

Notice to Applicant—To Be Completed by the IRS

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

Director By Date

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

Table with 2 columns: Type or print, Name, Number and street (include suite, room, or apt. no.) or a P.O. box number, City or town, province or state, and country (including postal or ZIP code). Includes address: HENRY & HORNE, LLP, 7098 E. COCHISE ROAD, SUITE 100, SCOTTSDALE, AZ 85253.

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ▶
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form). **Do not complete Part II unless** you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only ▶
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

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

Type or print <small>File by the due date for filing your return. See instructions.</small>	Name of Exempt Organization NEIGHBORHOOD MINISTRIES, INC.	Employer identification number 86-0809052
	Number, street, and room or suite no. If a P.O. box, see instructions. 1918 W. VAN BUREN STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. PHOENIX, AZ 85009	

Check type of return to be filed (file a separate application for each return):

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

• The books are in the care of ▶ THE COMPANY

Telephone No. ▶ 602-252-5225 FAX No. ▶ _____

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

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until MAY 15, 2007 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 20__ or
 ▶ tax year beginning OCTOBER 1, 2005 and ending SEPTEMBER 30, 2006

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ 0.00

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ 0.00

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.00

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

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

Form **8868** (Rev. 12-2004)

FORM 990	RENTAL INCOME	STATEMENT	1
KIND AND LOCATION OF PROPERTY		ACTIVITY NUMBER	GROSS RENTAL INCOME
REAL PROPERTY IN PHOENIX ARIZONA		1	177,985.
TOTAL TO FORM 990, PART I, LINE 6A			177,985.

FORM 990	RENTAL EXPENSES	STATEMENT	2
DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
SEE FORM 990T RENTAL EXPENSES		93,769.	
- SUBTOTAL -	1		93,769.
TOTAL TO FORM 990, PART I, LINE 6B			93,769.

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	3
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
GOLF TOURNAMENT	38,810.		38,810.	7,289.	31,521.	
TO FM 990, PART I, LINE 9	38,810.		38,810.	7,289.	31,521.	

FORM 990	OTHER EXPENSES				STATEMENT	4
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
TRANSPORTATION EXPENSE	33,658.	33,513.	145.			
PROFESSIONAL SERVICES	185,568.	70,419.	44,500.	70,649.		
EMPLOYEE RELATED COSTS	56,816.	40,268.	16,128.	420.		
INSURANCE	234,105.	158,342.	69,251.	6,512.		
ACTIVITY EXPENSES	127,539.	126,069.	951.	519.		

DEPRECIATION AND INTEREST	152,518.	100,887.	50,896.	735.
LESS: RENTAL EXPENSE	<93,769.>	<69,389.>	<17,816.>	<6,564.>
TOTAL TO FM 990, LN 43	696,435.	460,109.	164,055.	72,271.

FORM 990

OFFICER COMPENSATION ALLOCATION
PART II, LINE 25

STATEMENT 5

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MARY DANLEY	54,417.			54,417.
A. PROGRAM SERVICES	42,445.			42,445.
B. MANAGEMENT AND GENERAL	9,795.			9,795.
C. FUNDRAISING	2,177.			2,177.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
RICHARD SPECK	63,600.			63,600.
A. PROGRAM SERVICES	49,608.			49,608.
B. MANAGEMENT AND GENERAL	11,448.			11,448.
C. FUNDRAISING	2,544.			2,544.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
BILL THRALL	53,992.			53,992.
A. PROGRAM SERVICES	42,114.			42,114.
B. MANAGEMENT AND GENERAL	9,719.			9,719.
C. FUNDRAISING	2,159.			2,159.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JORGE MACIAS	49,543.			49,543.
A. PROGRAM SERVICES	38,644.			38,644.
B. MANAGEMENT AND GENERAL	8,918.			8,918.
C. FUNDRAISING	1,981.			1,981.

TOTAL PROGRAM SERVICES				172,811.
TOTAL MANAGEMENT AND GENERAL				39,880.
TOTAL FUNDRAISING				8,861.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				221,552.

FORM 990	OTHER PROGRAM SERVICES	STATEMENT	6
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DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
ADULT DEVELOPMENT PROGRAMS, ASSISTANCE PROGRAMS, HOPE HOUSE, AND LEADERSHIP DEVELOPMENT PROGRAMS - OVER 100 PARENT VOLUNTEERS WHO DEVELOP TRUSTING RELATIONSHIPS WITH THE YOUTH THAT WILL LET THEM GROW PERSONALLY AND WITH JESUS, WHICH INCREASED PARTICIPATION IN BOTH THE CHURCH AND THE COMMUNITY.		313,619.
TOTAL TO FORM 990, PART III, LINE E		313,619.

FORM 990	OTHER ASSETS	STATEMENT	7
DESCRIPTION		AMOUNT	
DEFERRED RENTAL INCOME RECEIVABLE		49,005.	
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B		49,005.	

FORM 990	PART V-A - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES	STATEMENT	8
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NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN-SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
MARY K. DANLEY 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	PRESIDENT 40.00	54,417.	0.	0.
RICHARD F. SPECK 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	EXECUTIVE DIRECTOR 40.00	63,600.	0.	0.
RICK MALOUF 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	CHAIRMAN 6.00	0.	0.	0.
DENNIS HUSTEAD 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	VICE PRESIDENT 3.00	0.	0.	0.
DICK CREW 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	TREASURER 5.00	0.	0.	0.
BILL THRALL 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	SECRETARY/PASTOR 40.00	53,992.	0.	0.
JOSEPH LINDER 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	BOARD MEMBER 3.00	0.	0.	0.
JORGE MACIAS 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	BOARD MEMBER/PASTOR 40.00	49,543.	0.	0.

NEIGHBORHOOD MINISTRIES INC.

86-0809052

ISIAH OAKES 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	BOARD MEMBER 6.00	0.	0.	0.
ORBI GONZALES 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	BOARD MEMBER 1.00	0.	0.	0.
WILLIAM THRALL 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	BOARD MEMBER 2.00	0.	0.	0.
JONATHON VENTO 1918 WEST VAN BUREN STREET PHOENIX, AZ 85009	BOARD MEMBER 1.00	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>221,552.</u>	<u>0.</u>	<u>0.</u>

Depreciation Expense

Financial

10/01/2005 - 09/30/2006

System No.	S	Description	Date in Service	Method / Conv.	Life	Cost / Other Basis	Bus./ Inv. %	Sec. 179/ Bonus	Salvage/ Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
Buildings												
12		1918 W. Van E	12/1/2001	SL / N/A	39.0000	642,616.00	100.0000	0.00	0.00	63,163.10	16,477.33	79,640.43
23		Building impro	12/1/2001	SL / N/A	39.0000	719,028.00	100.0000	0.00	0.00	70,673.71	18,436.62	89,110.33
24		Building impro	9/1/2003	SL / N/A	39.0000	74,004.00	100.0000	0.00	0.00	3,953.21	1,897.54	5,850.75
27		1918 W Van B	12/1/2001	SL / N/A	39.0000	1,399,391.00	100.0000	0.00	0.00	137,546.98	35,881.82	173,428.80
29		1611 W Fillmo	10/17/2005	SL / N/A	39.0000	195,000.00	100.0000	0.00	0.00	0.00	4,583.33	4,583.33
37		Deposit for Plc	1/13/2006	SL / N/A	39.0000	12,800.00	100.0000	0.00	0.00	0.00	246.16	246.16
38		Draw #2 Buildi	5/17/2006	SL / N/A	39.0000	19,000.00	100.0000	0.00	0.00	0.00	162.39	162.39
39		Job # 200581:	7/19/2006	SL / N/A	39.0000	14,390.00	100.0000	0.00	0.00	0.00	61.50	61.50
Subtotal: Buildings						3,076,229.00		0.00	0.00	275,337.00	77,746.69	353,083.69
Less dispositions and exchanges:						0.00		0.00	0.00	0.00	0.00	0.00
Net for: Buildings						3,076,229.00		0.00	0.00	275,337.00	77,746.69	353,083.69
Computer Equipment												
1		Computer Equ	6/15/2001	SL / N/A	5.0000	1,082.00	100.0000	0.00	0.00	937.73	144.27	1,082.00
2		Computer Wor	8/15/2001	SL / N/A	5.0000	525.00	100.0000	0.00	0.00	437.50	87.50	525.00
4		Telephone Sys	1/15/2001	SL / N/A	5.0000	6,546.00	100.0000	0.00	0.00	6,218.70	327.30	6,546.00
7		Computer Equ	10/15/2001	SL / N/A	5.0000	510.00	100.0000	0.00	0.00	408.00	102.00	510.00
9		Security Syste	12/15/2001	SL / N/A	5.0000	12,224.00	100.0000	0.00	0.00	9,371.73	2,444.80	11,816.53
14		Computer prin	6/15/2003	SL / N/A	5.0000	1,286.00	100.0000	0.00	0.00	600.13	257.20	857.33
15		Telephone eqi	10/15/2003	SL / N/A	5.0000	1,354.00	100.0000	0.00	0.00	541.60	270.80	812.40
16		Dell Computer	2/15/2004	SL / N/A	5.0000	1,250.00	100.0000	0.00	0.00	416.67	250.00	666.67
17		Epson 74c LC	4/15/2004	SL / N/A	5.0000	1,946.00	100.0000	0.00	0.00	583.80	389.20	973.00
18		MiniDV-Supert	5/15/2004	SL / N/A	5.0000	895.00	100.0000	0.00	0.00	253.58	179.00	432.58
19		Computer equ	6/15/2004	SL / N/A	5.0000	4,954.00	100.0000	0.00	0.00	1,321.07	990.80	2,311.87
20		Computer equ	8/15/2004	SL / N/A	5.0000	4,190.00	100.0000	0.00	0.00	977.67	838.00	1,815.67
21		Dell servers ar	9/15/2004	SL / N/A	5.0000	26,004.00	100.0000	0.00	0.00	5,634.20	5,200.80	10,835.00
22		Sound system	7/1/2004	SL / N/A	5.0000	5,150.00	100.0000	0.00	0.00	1,287.50	1,030.00	2,317.50
26		Phone system	12/15/2004	SL / N/A	5.0000	2,000.00	100.0000	0.00	0.00	333.33	400.00	733.33
30		Latino Coalitio	2/15/2005	SL / N/A	5.0000	1,173.00	100.0000	0.00	0.00	136.85	234.60	371.45
31	D	Latino Coalitio	2/15/2005	SL / N/A	5.0000	1,173.00	100.0000	0.00	0.00	136.85	97.75	234.60
32	D	Latino Coalitio	2/15/2005	SL / N/A	5.0000	1,173.00	100.0000	0.00	0.00	136.85	97.75	234.60
33	D	Latino Coalitio	2/15/2005	SL / N/A	5.0000	1,173.00	100.0000	0.00	0.00	136.85	97.75	234.60
34		Latino Coalitio	2/15/2005	SL / N/A	5.0000	2,099.00	100.0000	0.00	0.00	244.88	419.80	664.68
35		Staff travel lap	2/15/2005	SL / N/A	5.0000	1,173.00	100.0000	0.00	0.00	136.85	234.60	371.45
36		Latino Coalitio	2/15/2005	SL / N/A	5.0000	1,173.00	100.0000	0.00	0.00	136.85	234.60	371.45
41		Firewalls	2/7/2006	SL / N/A	5.0000	4,209.00	100.0000	0.00	0.00	0.00	561.20	561.20
42		Kellogg - 2 Ser	2/20/2006	SL / N/A	5.0000	6,465.00	100.0000	0.00	0.00	0.00	754.25	754.25
43		Dell Computer	6/8/2006	SL / N/A	5.0000	4,367.00	100.0000	0.00	0.00	0.00	291.13	291.13
44		Laptop (Jorge)	6/16/2006	SL / N/A	5.0000	700.00	100.0000	0.00	0.00	0.00	35.00	35.00
Subtotal Computer Equipment						94,794.00		0.00	0.00	30,389.19	15,970.10	46,359.29
Less dispositions and exchanges:						3,519.00		0.00	0.00	410.55	0.00	703.80
Net for: Computer Equipment						91,275.00		0.00	0.00	29,978.64	15,970.10	45,655.49

0503175 [0503175]
Depreciation Expense
Financial
10/01/2005 - 09/30/2006

System No.	S	Description	Date In Service	Method / Conv.	Life	Cost / Other Basis	Bus. / Inv. %	Sec. 179 / Bonus	Salvage / Basis Adj.	Beg. Accum. Depreciation	Current Depreciation	Total Depreciation
Furniture & Fixtures												
5		Kitchen Hood/	7/15/2001	SL / N/A	7.0000	10,000.00	100.0000	0.00	0.00	6,071.42	1,428.57	7,499.99
6		Walk-in Cooler	9/15/2001	SL / N/A	7.0000	12,389.00	100.0000	0.00	0.00	7,226.93	1,769.86	8,996.79
10		Kitchen Equip	12/15/2001	SL / N/A	7.0000	25,444.00	100.0000	0.00	0.00	13,933.63	3,634.86	17,568.49
11		Playground Ec	6/15/2002	SL / N/A	7.0000	34,668.00	100.0000	0.00	0.00	16,508.57	4,952.57	21,461.14
		Subtotal: Furniture & Fixtures				82,501.00		0.00	0.00	43,740.55	11,785.86	55,526.41
		Less dispositions and exchanges				0.00		0.00	0.00	0.00	0.00	0.00
		Net for: Furniture & Fixtures				82,501.00		0.00	0.00	43,740.55	11,785.86	55,526.41
Land												
28		Land	12/15/2002	No Calc / N/A	0.0000	346,700.00	100.0000	0.00	0.00	0.00	0.00	0.00
		Subtotal: Land				346,700.00		0.00	0.00	0.00	0.00	0.00
		Less dispositions and exchanges				0.00		0.00	0.00	0.00	0.00	0.00
		Net for: Land				346,700.00		0.00	0.00	0.00	0.00	0.00
Unassigned												
45				/	0.0000	0.00	100.0000	0.00	0.00	0.00	0.00	0.00
46				/	0.0000	0.00	100.0000	0.00	0.00	0.00	0.00	0.00
		Subtotal: Unassigned				0.00		0.00	0.00	0.00	0.00	0.00
		Less dispositions and exchanges:				0.00		0.00	0.00	0.00	0.00	0.00
		Net for: Unassigned				0.00		0.00	0.00	0.00	0.00	0.00
Vehicles												
3		Bus	1/15/1999	SL / N/A	5.0000	6,000.00	100.0000	0.00	0.00	6,000.00	0.00	6,000.00
13		Van	6/15/2003	SL / N/A	5.0000	11,094.00	100.0000	0.00	0.00	5,177.20	2,218.80	7,396.00
25		Bluebird bus	6/15/2004	SL / N/A	5.0000	4,864.00	100.0000	0.00	0.00	1,297.07	972.80	2,269.87
40		Van	5/17/2006	SL / N/A	7.0000	18,800.00	100.0000	0.00	0.00	0.00	895.24	895.24
		Subtotal: Vehicles				40,758.00		0.00	0.00	12,474.27	4,086.84	16,561.11
		Less dispositions and exchanges:				0.00		0.00	0.00	0.00	0.00	0.00
		Net for: Vehicles				40,758.00		0.00	0.00	12,474.27	4,086.84	16,561.11
		Subtotal:				3,640,982.00		0.00	0.00	361,941.01	109,589.49	471,530.50
		Less dispositions and exchanges:				3,519.00		0.00	0.00	410.55	0.00	703.80
		Grand Totals:				3,637,463.00		0.00	0.00	361,530.46	109,589.49	470,826.70