

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)

2005

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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 and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization THE LEXINGTON INSTITUTE		D Employer identification number 54-1880642
		Number and street (or P O box if mail is not delivered to street address) 1600 WILSON BLVD.		Room/suite 900
		City or town, state or country, and ZIP + 4 ARLINGTON, VA 22209		E Telephone number 703-522-5809

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

G Website: WWW.LEXINGTONINSTITUTE.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.

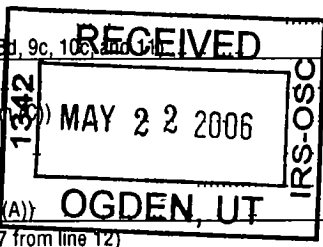
L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **2,406,850.**

I Group Exemption Number N/A

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

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

Revenue	1	Contributions, gifts, and similar amounts received:					
	a	Direct public support	1a	2,209,446.			
	b	Indirect public support	1b				
	c	Government contributions (grants)	1c				
	d	Total (add lines 1a through 1c) (cash \$ 2,209,446. noncash \$)	1d		2,209,446.		
	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	Dividends and interest from securities	5		52,568.		
	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 OTHER INCOME)	7		878.			
Expenses	8a	Gross amount from sales of assets other than inventory	(A) Securities	143,958.	8a	(B) Other	
	b	Less cost or other basis and sales expenses		145,918.	8b		
	c	Gain or (loss) (attach schedule)		-1,960.	8c		
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))				8d	-1,960.
	9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>					
	a	Gross revenue (not including \$ of contributions reported on line 1a)	9a				
	b	Less direct expenses other than fundraising expenses	9b				
	c	Net income or (loss) from special events (subtract line 9b from line 9a)				9c	
	10a	Gross sales of inventory, less returns and allowances	10a				
	b	Less cost of goods sold	10b				
Net Assets	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	2,260,932.
	13	Program services (from line 44, column (B))				13	1,755,707.
	14	Management and general (from line 44, column (B))				14	235,803.
	15	Fundraising (from line 44, column (D))				15	187,113.
	16	Payments to affiliates (attach schedule)				16	
	17	Total expenses (add lines 16 and 44, column (A))				17	2,178,623.
	18	Excess or (deficit) for the year (subtract line 17 from line 12)				18	82,309.
19	Net assets or fund balances at beginning of year (from line 73, column (A))				19	3,027,491.	
20	Other changes in net assets or fund balances (attach explanation)			SEE STATEMENT 2	20	-8,071.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)				21	3,101,729.	



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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"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc. **	885,000.	665,000.	102,500.	117,500.
26 Other salaries and wages	508,333.	420,550.	63,825.	23,958.
27 Pension plan contributions				
28 Other employee benefits	40,156.	31,057.	4,919.	4,180.
29 Payroll taxes	57,413.	44,403.	7,033.	5,977.
30 Professional fundraising fees				
31 Accounting fees	11,279.		11,279.	
32 Legal fees	200.		200.	
33 Supplies	21,904.	16,941.	2,683.	2,280.
34 Telephone	31,063.	24,024.	3,805.	3,234.
35 Postage and shipping	9,945.	7,692.	1,218.	1,035.
36 Occupancy	114,356.	88,443.	14,009.	11,904.
37 Equipment rental and maintenance	2,072.	1,602.	254.	216.
38 Printing and publications	79,181.	61,238.	9,700.	8,243.
39 Travel	33,363.	25,803.	4,087.	3,473.
40 Conferences, conventions, and meetings	81,372.	81,372.		
41 Interest	10.		10.	
42 Depreciation, depletion, etc. (attach schedule)	9,804.	7,582.	1,201.	1,021.
43 Other expenses not covered above (itemize):				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g SEE STATEMENT 3	293,172.	280,000.	9,080.	4,092.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,178,623.	1,755,707.	235,803.	187,113.

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 4

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 5	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 THE INSTITUTE SUPPORTS AND PROVIDES RESEARCH REGARDING ISSUES OF PUBLIC POLICY HAVING EFFECTS ON THE RIGHTS, FREEDOM, SECURITY, AND QUALITY OF LIFE OF AMERICAN CITIZENS.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,755,707.
b	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	1,755,707.

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		45
	46 Savings and temporary cash investments	2,533,279.	46 2,634,285.
	47 a Accounts receivable	47a 188,767.	
	b Less: allowance for doubtful accounts	47b	47c 188,767.
	48 a Pledges receivable	48a	48c
	b Less: allowance for doubtful accounts	48b	
	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	17,918.	53 17,689.
	54 Investments - securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	302,824.	54 251,719.
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment: basis	57a 109,184.		
b Less: accumulated depreciation STMT 7	57b 73,494.	57c 35,690.	
58 Other assets (describe ▶ SECURITY DEPOSITS)	9,137.	58 9,137.	
59 Total assets (must equal line 74). Add lines 45 through 58	3,074,988.	59 3,137,287.	
Liabilities	60 Accounts payable and accrued expenses	47,497.	60 35,558.
	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		64b
	65 Other liabilities (describe ▶)		65
66 Total liabilities. Add lines 60 through 65)	47,497.	66 35,558.	
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	2,743,991.	67 2,906,729.
	68 Temporarily restricted	283,500.	68 195,000.
	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)	3,027,491.	73 3,101,729.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	3,074,988.	74 3,137,287.

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements		a	2,252,861.
b	Amounts included on line a but not on Part I, line 12:			
1	Net unrealized gains on investments	b1	-8,071.	
2	Donated services and use of facilities	b2		
3	Recoveries of prior year grants	b3		
4	Other (specify): _____	b4		
	Add lines b1 through b4		b	-8,071.
c	Subtract line b from line a		c	2,260,932.
d	Amounts included on Part I, line 12, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify): _____	d2		
	Add lines d1 and d2		d	0.
e	Total revenue (Part I, line 12). Add lines c and d		e	2,260,932.

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

a	Total expenses and losses per audited financial statements		a	2,178,623.
b	Amounts included on line a but not on Part I, line 17:			
1	Donated services and use of facilities	b1		
2	Prior year adjustments reported on Part I, line 20	b2		
3	Losses reported on Part I, line 20	b3		
4	Other (specify): _____	b4		
	Add lines b1 through b4		b	0.
c	Subtract line b from line a		c	2,178,623.
d	Amounts included on Part I, line 17, but not on line a:			
1	Investment expenses not included on Part I, line 6b	d1		
2	Other (specify): _____	d2		
	Add lines d1 and d2		d	0.
e	Total expenses (Part I, line 17). Add lines c and d		e	2,178,623.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
MERRICK CAREY 4135 LORCOM LANE ARLINGTON, VA 22207	CEO / EXEC. CHAIRMAN 40.00	325,000.	0.	0.
JAMES COURTER 17 MOCKINGBIRD LANE HACKETTSTOWN, NJ 07840	DIRECTOR AND CHAIRMAN 2.00	35,000.	0.	0.
DONALD SOIFER 3032 Q STREET, NW, APT. 5 WASHINGTON, VA 20007	EXEC. VICE-PRESIDENT 40.00	200,000.	0.	0.
LOREN THOMPSON 807 LAWTON STREET MCLEAN, VA 22101	COO / PRESIDENT 40.00	325,000.	0.	0.
RUSSELL G. REDENBAUGH P.O. BOX 58668 PHILADELPHIA, PA 19102	DIRECTOR 0.50	0.	0.	0.
DANIEL STRICKBERGER 30 PETERSVILLE ROAD MT KISCO, NY 10549	DIRECTOR 0.50	0.	0.	0.

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?		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		N/A
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
			N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
			N/A
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
			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?		
			N/A
85g			
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
			N/A
85h			
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		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		X
89b			
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 ▶ VA		
b	Number of employees employed in the pay period that includes March 12, 2005	90b	9
91 a	The books are in care of ▶ THE INSTITUTE Telephone no ▶ 703-522-5809 Located at ▶ 1600 WILSON BOULEVARD, SUITE 900, ARLINGTON, VA ZIP + 4 ▶ 22209		
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 ▶ N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	Yes	No
		91b	X
c	At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ N/A		X
91c			
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

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					
96 Dividends and interest from securities			14	52,568.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income			41	878.	
100 Gain or (loss) from sales of assets other than inventory			18	-1,960.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		51,486.	0.
105 Total (add line 104, columns (B), (D), and (E))					51,486.

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)
▼	

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

- (a) Did the organization, during the year, receive any funds, directly or indirectly, from any individual?
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on any life insurance policy?
- 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 furnished to him.

Signature of officer: *[Signature]* Date: 1/7/06

Paid Preparer's Use Only

Preparer's signature: *Paul D. Bunker*

Firm's name (or yours if self-employed), address, and ZIP + 4: SWART, LALANDE & ASSOCIATES, 11166 FAIRFAX BOULEVARD, FAIRFAX, VIRGINIA 22031

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

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

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 LEXINGTON INSTITUTE** Employer identification number **54 1880642**

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
PHILLIP PETERS 1600 N. CLEVELAND, ARLINGTON, VA	VICE-PRES. 40.00	100,000.	0.	
MONICA KERN 501 SLATER'S LANE, #106, ALEXANDRIA,	40.00	60,833.	8,500.	
DANIEL GOURE 708 NORTH JACKSON ST, ARLINGTON, VA	SENIOR FELLOW 40.00	250,000.	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 ▶	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		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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE STATEMENT 8	X	
e Transfer of any part of its income or assets?		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)		X
b Do you have a section 403(b) annuity plan for your employees?	X	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		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?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		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.)	2,206,820.	2,305,932.	1,867,291.	2,577,442.	8,957,485.
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					
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	24,920.	27,918.	44,022.	72,349.	169,209.
19 Net income from unrelated business activities not included in line 18					
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	2,231,740.	2,333,850.	1,911,313.	2,649,791.	9,126,694.
24 Line 23 minus line 17	2,231,740.	2,333,850.	1,911,313.	2,649,791.	9,126,694.
25 Enter 1% of line 23	22,317.	23,339.	19,113.	26,498.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					182,534.
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					4,014,587.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					9,126,694.
d Add: Amounts from column (e) for lines 18 <u>169,209.</u> 19 _____ 22 _____ 26b <u>4,014,587.</u>					4,183,796.
e Public support (line 26c minus line 26d total)					4,942,898.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					54.1587%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year	(2004) N/A	(2003) _____	(2002) _____	(2001) _____	
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger 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	(2004) N/A	(2003) _____	(2002) _____	(2001) _____	
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					N/A
d Add Line 27a total _____ and line 27b total _____					N/A
e Public support (line 27c total minus line 27d total)					N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					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 -														
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">If the amount on line 40 is -</td> <td style="width: 50%;">The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </table>	If the amount on line 40 is -	The lobbying nontaxable amount is -	Not over \$500,000	20% of the amount on line 40	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 40 is -	The lobbying nontaxable amount is -														
Not over \$500,000	20% of the amount on line 40														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
42	Grassroots nontaxable amount (enter 25% of line 41)	42													
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:	Yes	No	Amount
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.)			0.

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

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

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

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

(i) Cash

(ii) Other assets

b Other transactions:

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

(ii) Purchases of assets from a noncharitable exempt organization

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

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received

Table with columns 'Yes' and 'No'. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c.

N/A

Main schedule table with columns (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

Yes No

b If "Yes," complete the following schedule

N/A

Table with columns (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
	LEASEHOLD IMPROVEMENTS											
43	LEASEHOLD IMPROVEMENTS	080102	SL	5.00	16	837.			837.	404.		167.
	* 990 PAGE 2 TOTAL - LEASEHOLD IMPROVEMENTS					837.		0.	837.	404.	0.	167.
	FURNITURE & FIXTURES											
23	DESKS & 6 CHAIRS	062398	SL	7.00	16	1,698.			1,698.	1,580.		118.
14	FURNITURE	081699	SL	7.00	16	1,249.			1,249.	979.		178.
16	FURNITURE	093099	SL	7.00	16	448.			448.	352.		64.
	(D)5 DRAWER FILE											
26	CABINET	010901	SL	7.00	16	104.			104.	60.		11.
27	5 DRAWER LATERAL FILE	010901	SL	7.00	16	464.			464.	264.		66.
28	2 48" WALNUT BOOKCASES	010901	SL	7.00	16	198.			198.	112.		28.
29	DESK & TABLE	020801	SL	7.00	16	1,462.			1,462.	818.		209.
	(D)5 DRAWER FILE											
30	CABINET	121901	SL	7.00	16	348.			348.	150.		37.
	(D)5 DRAWER FILE											
32	CABINET	011801	SL	7.00	16	104.			104.	59.		11.
33	5 DRAWER LATERAL FILE	011801	SL	7.00	16	464.			464.	259.		66.
34	2 48" WALNUT BOOKCASES	011801	SL	7.00	16	198.			198.	110.		28.
36	5 DRAWER LATERAL FILE	081501	SL	7.00	16	829.			829.	403.		118.
40	DESK	081202	SL	7.00	16	494.			494.	171.		71.
44	2 BOOKCASES 76"	011503	SL	7.00	16	585.			585.	168.		84.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
45	BOOKCASE 84"	011503	SL	7.00	16	312.			312.	90.		45.
46	END TABLE	011503	SL	7.00	16	454.			454.	130.		65.
47	COMPUTER DESK	011503	SL	7.00	16	988.			988.	282.		141.
48	LOVESEAT	011503	SL	7.00	16	1,073.			1,073.	306.		153.
49	CONFERENCE TABLE	032003	SL	7.00	16	2,159.			2,159.	539.		308.
50	12 CONFERENCE TABLE CHAIRS	032003	SL	7.00	16	3,480.			3,480.	870.		497.
51	MAHOGANY CHAIR	032003	SL	7.00	16	244.			244.	61.		35.
53	2 MAHOGANY CHAIRS	052403	SL	7.00	16	488.			488.	111.		70.
	* 990 PAGE 2 TOTAL - FURNITURE & FIXTURES					17,843.		0.	17,843.	7,874.	0.	2,403.
	MACHINERY & EQUIPMENT											
10	OFFICE EQUIPMENT	060198	SL	5.00	16	15,000.			15,000.	14,750.		0.
3	PRINTER	072198	SL	5.00	16	1,225.			1,225.	1,225.		0.
4	(D) GC COMPUTER	082198	SL	5.00	16	1,909.			1,909.	1,909.		0.
5	COPIER	100198	SL	5.00	16	2,391.			2,391.	2,391.		0.
6	TELEPHONE SYSTEM	010499	SL	5.00	16	4,084.			4,084.	3,677.		0.
7	TELEPHONE SYSTEM	030199	SL	5.00	16	4,152.			4,152.	3,873.		0.
8	COMPUTER EQUIPMENT	030199	SL	5.00	16	3,560.			3,560.	3,323.		0.
9	OFFICE EQUIPMENT	041199	SL	5.00	16	1,387.			1,387.	1,316.		0.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
10	COMPUTER EQUIPMENT	042999	SL	5.00	16	1,735.			1,735.	1,678.		0.
11	TELEPHONE SYSTEM	072099	SL	5.00	16	4,553.			4,553.	4,553.		0.
13	COMPUTER EQUIPMENT	081099	SL	5.00	16	2,995.			2,995.	2,995.		0.
15	TELEPHONE SYSTEM	081699	SL	5.00	16	4,353.			4,353.	4,353.		0.
17	FAX MACHINE	100799	SL	5.00	16	852.			852.	852.		0.
18	TELEPHONE SYSTEM	110399	SL	5.00	16	2,398.			2,398.	2,398.		0.
24	(D)2 DELL COMPUTERS	081500	SL	5.00	16	3,108.			3,108.	2,747.		361.
25	(D)DELL COMPUTER	121600	SL	5.00	16	1,450.			1,450.	1,160.		193.
31	DELL DESKTOP	022701	SL	5.00	16	1,439.			1,439.	1,104.		288.
35	DELL COMPUTER	063001	SL	5.00	16	1,287.			1,287.	900.		257.
37	COMPUTER EQUIPMENT	092601	SL	5.00	16	1,594.			1,594.	1,037.		319.
38	COMPUTER	020702	SL	5.00	16	1,654.			1,654.	965.		331.
39	SOFTWARE, QUICKBOOKS PRO 2002	052202	SL	3.00	16	264.			264.	227.		37.
41	SPEAKERPHONE W/ LCD	090502	SL	7.00	16	585.			585.	196.		84.
42	COMPUTER	122602	SL	5.00	16	3,714.			3,714.	1,486.		743.
52	DELL COMPUTER	022503	SL	5.00	16	1,380.			1,380.	506.		276.
54	DELL COMPUTER	102703	SL	5.00	16	927.			927.	216.		185.
55	MONITOR	112503	SL	5.00	16	611.			611.	132.		122.

Asset No	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
56	CANON COPIER	121803	SL	7.00	16	12,269.			12,269.	1,753.		1,753.
57	DELL COMPUTER	060804	SL	5.00	16	549.			549.	64.		110.
58	DELL COMPUTER	060904	SL	5.00	16	1,024.			1,024.	119.		205.
59	LAPTOP COMPUTER, DELL	081704	SL	5.00	16	2,083.			2,083.	139.		417.
60	VOICE MAIL EQUIPMENT	111104	SL	7.00	16	2,779.			2,779.	66.		397.
61	DELL COMPUTER	122204	SL	5.00	16	1,227.			1,227.			245.
62	LAPTOP COMPUTER, DELL-LT	080105	SL	5.00	16	1,555.			1,555.			130.
63	WINFAX COMPUTER, DELL	030105	SL	5.00	16	1,044.			1,044.			174.
64	DS COMPUTER, DELL	090105	SL	5.00	16	1,227.			1,227.			82.
65	LCD PROJECTOR	060105	SL	5.00	16	1,249.			1,249.			146.
66	DG COMPUTER, DELL	050105	SL	5.00	16	1,044.			1,044.			139.
67	2ND WINFAX COMPUTER, DELL	080105	SL	5.00	16	1,435.			1,435.			120.
68	ACCOUNTING COMPUTER	080105	SL	5.00	16	1,435.			1,435.			120.
	* 990 PAGE 2 TOTAL - MACHINERY & EQUIPMENT					97,527.		0.	97,527.	62,110.	0.	7,234.
	* GRAND TOTAL 990 PAGE 2 DEPR					116,207.		0.	116,207.	70,388.	0.	9,804.

FORM 990 GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
AIM INVT SECS FUND, 10678.05 SHARES	108,683.	110,563.	0.	-1,880.
EXXON, 338 SHARES	20,013.	20,037.	0.	-24.
EXXON, 267 SHARES	15,262.	15,318.	0.	-56.
TOTAL TO FORM 990, PART I, LINE 8	143,958.	145,918.	0.	-1,960.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 2

DESCRIPTION	AMOUNT
UNREALIZED LOSSES ON INVESTMENTS	-8,071.
TOTAL TO FORM 990, PART I, LINE 20	-8,071.

FORM 990 OTHER EXPENSES STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONSULTANTS	220,915.	220,915.		
LOCAL TAXES	1,776.		1,776.	
INSURANCE	6,815.	5,271.	835.	709.
DUES & SUBSCRIPTIONS	13,956.	13,956.		
BANK CHARGES	678.		678.	
RESEARCH	14,722.	14,722.		
PARKING	9,695.	7,498.	1,188.	1,009.
MEALS EXPENSE	12,201.	9,436.	1,495.	1,270.
REPAIRS AND MAINTENANCE	10,605.	8,202.	1,299.	1,104.
CONTRIBUTIONS	1,809.		1,809.	
TOTAL TO FM 990, LN 43	293,172.	280,000.	9,080.	4,092.

FORM 990 OFFICER COMPENSATION ALLOCATION STATEMENT 4
 PART II, LINE 25

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
MERRICK CAREY	325,000.			325,000.
A. PROGRAM SERVICES	227,500.			227,500.
B. MANAGEMENT AND GENERAL	32,500.			32,500.
C. FUNDRAISING	65,000.			65,000.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
LOREN THOMPSON	325,000.			325,000.
A. PROGRAM SERVICES	292,500.			292,500.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING	32,500.			32,500.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
DONALD SOIFER	200,000.			200,000.
A. PROGRAM SERVICES	110,000.			110,000.
B. MANAGEMENT AND GENERAL	70,000.			70,000.
C. FUNDRAISING	20,000.			20,000.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JAMES COURTER	35,000.			35,000.
A. PROGRAM SERVICES	35,000.			35,000.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				
TOTAL PROGRAM SERVICES				665,000.
TOTAL MANAGEMENT AND GENERAL				102,500.
TOTAL FUNDRAISING				117,500.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				885,000.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
PART III

EXPLANATION

THE INSTITUTE SUPPORTS AND PERFORMS RESEARCH INTO PUBLIC POLICY ISSUES WHICH AFFECT THE RIGHTS, FREEDOM, SECURITY AND QUALITY OF LIFE OF AMERICANS.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
SCHWAB INVESTMENT ACCOUNT	FMV	196,999.			196,999.
RIGGS INVESTMENT ACCOUNT	FMV			0.	
T. ROWE PRICE ACCOUNT	FMV			54,720.	54,720.
TO FORM 990, LINE 54, COL B		196,999.		54,720.	251,719.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
OFFICE EQUIPMENT	15,000.	14,750.	250.
3 DESKS & 6 CHAIRS	1,698.	1,698.	0.
PRINTER	1,225.	1,225.	0.
COPIER	2,391.	2,391.	0.
TELEPHONE SYSTEM	4,084.	3,677.	407.
TELEPHONE SYSTEM	4,152.	3,873.	279.
COMPUTER EQUIPMENT	3,560.	3,323.	237.
OFFICE EQUIPMENT	1,387.	1,316.	71.
COMPUTER EQUIPMENT	1,735.	1,678.	57.
TELEPHONE SYSTEM	4,553.	4,553.	0.
COMPUTER EQUIPMENT	2,995.	2,995.	0.
FURNITURE	1,249.	1,157.	92.
TELEPHONE SYSTEM	4,353.	4,353.	0.
FURNITURE	448.	416.	32.
FAX MACHINE	852.	852.	0.
TELEPHONE SYSTEM	2,398.	2,398.	0.
5 DRAWER LATERAL FILE	464.	330.	134.
2 48" WALNUT BOOKCASES	198.	140.	58.
DESK & TABLE	1,462.	1,027.	435.
DELL DESKTOP	1,439.	1,392.	47.
5 DRAWER LATERAL FILE	464.	325.	139.
2 48" WALNUT BOOKCASES	198.	138.	60.
DELL COMPUTER	1,287.	1,157.	130.
5 DRAWER LATERAL FILE	829.	521.	308.
COMPUTER EQUIPMENT	1,594.	1,356.	238.
COMPUTER	1,654.	1,296.	358.
SOFTWARE, QUICKBOOKS PRO 2002	264.	264.	0.
DESK	494.	242.	252.
SPEAKERPHONE W/ LCD	585.	280.	305.
COMPUTER	3,714.	2,229.	1,485.
LEASEHOLD IMPROVEMENTS	837.	571.	266.
2 BOOKCASES 76"	585.	252.	333.
BOOKCASE 84"	312.	135.	177.
END TABLE	454.	195.	259.
COMPUTER DESK	988.	423.	565.
LOVESEAT	1,073.	459.	614.
CONFERENCE TABLE	2,159.	847.	1,312.
12 CONFERENCE TABLE CHAIRS	3,480.	1,367.	2,113.
MAHOGANY CHAIR	244.	96.	148.
DELL COMPUTER	1,380.	782.	598.
2 MAHOGANY CHAIRS	488.	181.	307.
DELL COMPUTER	927.	401.	526.
MONITOR	611.	254.	357.
CANON COPIER	12,269.	3,506.	8,763.
DELL COMPUTER	549.	174.	375.
DELL COMPUTER	1,024.	324.	700.

LAPTOP COMPUTER, DELL	2,083.	556.	1,527.
VOICE MAIL EQUIPMENT	2,779.	463.	2,316.
DELL COMPUTER	1,227.	245.	982.
LAPTOP COMPUTER, DELL-LT	1,555.	130.	1,425.
WINFAX COMPUTER, DELL	1,044.	174.	870.
DS COMPUTER, DELL	1,227.	82.	1,145.
LCD PROJECTOR	1,249.	146.	1,103.
DG COMPUTER, DELL	1,044.	139.	905.
2ND WINFAX COMPUTER, DELL	1,435.	120.	1,315.
ACCOUNTING COMPUTER	1,435.	120.	1,315.
TOTAL TO FORM 990, PART IV, LN 57	<u>109,184.</u>	<u>73,494.</u>	<u>35,690.</u>

SCHEDULE A	EXPLANATION OF TRANSACTIONS PART III, LINE 2D	STATEMENT 8
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THE INSTITUTE ON OCCASION WILL HAVE EXPENSE REIMBURSEMENTS FOR ITS OFFICERS THAT EXCEED \$1,000.

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - 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	Name of Exempt Organization THE LEXINGTON INSTITUTE	Employer identification number 54-1880642
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 1600 WILSON BLVD., NO. 900	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ARLINGTON, VA 22209	

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 INSTITUTE
 Telephone No. ▶ 703-522-5809 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 AUGUST 15, 2006 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 2005 or
 ▶ tax year beginning _____, and ending _____.

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 \$ _____

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 \$ _____

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 \$ N/A

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.