

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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 JUL 1, 2005 **and ending** JUN 30, 2006

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 <u>SOUTHEASTERN LEGAL FOUNDATION, INC.</u>	D Employer identification number <u>58-1247027</u>	
		Number and street (or P.O. box if mail is not delivered to street address) <u>6100 LAKE FORREST DRIVE, NW</u>	Room/suite <u>520</u>	E Telephone number <u>(404) 257-9667</u>
		City or town, state or country, and ZIP + 4 <u>ATLANTA, GA 30328</u>		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> 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: N/A

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 1,263,473.

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		Expenses		Net Assets	
1	Contributions, gifts, grants, and similar amounts received:						
a	Direct public support	1a	1,199,996.				
b	Indirect public support	1b					
c	Government contributions (grants)	1c					
d	Total (add lines 1a through 1c) (cash \$ <u>1,199,996.</u> noncash \$ _____)	1d				1,199,996.	
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				39,845.	
5	Dividends and interest from securities	5					
6 a	Gross rents	6a					
b	Less: rental expenses	6b					
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c					
7	Other investment income (describe _____)	7					
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	Gain or (loss) (attach schedule)	8b					
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c					
8d							
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>						
a	Gross revenue (not including \$ <u>53,961.</u> of contributions reported on line 1a)	9a	17,540.				
b	Less: direct expenses other than fundraising expenses	9b	38,101.				
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				<20,561.>	
10 a	Gross sales of inventory, less returns and allowances	10a					
b	Less: cost of goods sold	10b					
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)						
11	Other revenue (from Part VII, line 103)	11				6,092.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12				1,225,372.	
13	Program services (from line 44, column (B))	13				971,924.	
14	Management and general (from line 44, column (C))	14				88,627.	
15	Fundraising (from line 44, column (D))	15				96,926.	
16	Payments to affiliates (attach schedule)	16					
17	Total expenses (add lines 16 and 44, column (A))	17				1,157,477.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18				67,895.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19				1,853,097.	
20	Other changes in net assets or fund balances (attach explanation)	20				13,949.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21				1,934,941.	

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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. **	414,527.	321,469.	64,740.	28,318.
26 Other salaries and wages				
27 Pension plan contributions	11,969.	9,282.	1,869.	818.
28 Other employee benefits	59,824.	46,394.	9,343.	4,087.
29 Payroll taxes	15,778.	12,236.	2,464.	1,078.
30 Professional fundraising fees	101,500.	96,250.	3,750.	1,500.
31 Accounting fees				
32 Legal fees	43,134.	43,134.		
33 Supplies	3,747.	3,185.	262.	300.
34 Telephone	8,186.	6,958.	819.	409.
35 Postage and shipping	3,963.	3,369.	277.	317.
36 Occupancy				
37 Equipment rental and maintenance	40,633.	34,537.	4,064.	2,032.
38 Printing and publications	2,134.	1,814.	107.	213.
39 Travel	2,948.	2,948.		
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	3,067.	2,453.	307.	307.
43 Other expenses not covered above (itemize).				
a _____				
b _____				
c _____				
d _____				
e _____				
f _____				
g SEE STATEMENT 3	446,067.	387,895.	625.	57,547.
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,157,477.	971,924.	88,627.	96,926.

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 SEE ATTACHED STATEMENT 	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	971,924.
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) ►	971,924.

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	447,955.	46	335,483.
	47 a Accounts receivable	47a		
	b Less allowance for doubtful accounts	47b	3,381.	47c
	48 a Pledges receivable	48a	120,500.	
	b Less allowance for doubtful accounts	48b	127,300.	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		7,537.	53
	54 Investments - securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		926,150.	54
	55 a Investments - land, buildings, and equipment: basis	55a	68,128.	
	b Less accumulated depreciation	55b	63,022.	55c
56 Investments - other		0.	56	
57 a Land, buildings, and equipment: basis	57a			
b Less accumulated depreciation	57b		57c	
58 Other assets (describe PLEDGES RECEIVABLE)		580,108.	58	
59 Total assets (must equal line 74) Add lines 45 through 58		2,098,537.	59	
60 Accounts payable and accrued expenses		223,557.	60	
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 ACCRUED EXPENSES)		21,883.	65	
66 Total liabilities. Add lines 60 through 65)		245,440.	66	
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	1,213,809.	67	1,392,497.
	68 Temporarily restricted	639,288.	68	542,444.
	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)		1,853,097.	73	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73		2,098,537.	74	

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?		
	N/A		
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85	501(c)(4), (5), or (6) organizations		
a	Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
	N/A		
c	Dues, assessments, and similar amounts from members		
	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		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86	501(c)(7) 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		
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 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>		
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
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		SEE STATEMENT 10
b	Number of employees employed in the pay period that includes March 12, 2005	90b	5
91 a	The books are in care of		MS. JOSALYN H. SPIVEY Telephone no. (404) 257-9667
	Located at		6100 LAKE FORREST DRIVE, NW, SUITE 520, ATLANTA, GA ZIP + 4 30328
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		
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
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			11	39,845.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			01	<20,561.>	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MAILING LIST ROYALTIES			15	6,092.	
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		25,376.	0.
105 Total (add line 104, columns (B), (D), and (E))					25,376.

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, to
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a
- Note: If "Yes" to (b), file Form 8878 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: 11/11

Paid Preparer's Use Only

Preparer's signature: *[Signature]*

Firm's name (or yours if self-employed), address, and ZIP + 4: ENNIS, BELLUM & ASSOCIATES, 5150 BELFORD ROAD SOUTH, JACKSONVILLE, FL 32256

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

SOUTHEASTERN LEGAL FOUNDATION, INC.

Employer identification number

58 1247027

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
DECISIONMAKERS, INC. 250 WILLOW SPRINGS DRIVE, ROSWELL, GA 30075	LEGAL POLICY CONSULTING	90,000.
BMW DIRECT, INC. 1155 15TH ST NW, SUITE 614, WASHINGTON, DC 20005	FUNDRAISING CONSULTING	73,472.
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
NOT APPLICABLE	

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.)	766,114.	1,440,798.	2,552,162.	2,389,463.	7,148,537.
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	26,378.	14,243.	11,279.	18,797.	70,697.
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	146,668.	267,312.	SEE STATEMENT 11 1,429,282.	184,327.	2,027,589.
23 Total of lines 15 through 22	939,160.	1,722,353.	3,992,723.	2,592,587.	9,246,823.
24 Line 23 minus line 17	939,160.	1,722,353.	3,992,723.	2,592,587.	9,246,823.
25 Enter 1% of line 23	9,392.	17,224.	39,927.	25,926.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 184,936.
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 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 9,246,823.
d Add: Amounts from column (e) for lines: 18 70,697. 19 _____ 22 2,027,589. 26b _____					26d 2,098,286.
e Public support (line 26c minus line 26d total)					26e 7,148,537.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 77.3080%
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					
(2004) (2003) (2002) (2001)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger 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					
(2004) (2003) (2002) (2001)					
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.

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 border="0" style="width: 100%;"> <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	41	
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.

Mission Statement:

The Organization's primary purpose is: as a public interest law firm, to provide legal representation for plaintiffs in federal and state courts in cases involving issues of constitutional law or significant public interest on a non-fee basis, and to make grants for such purposes; the Organization also conducts nonpartisan studies and research and collects, compiles, and publishes full and fair presentations of facts, information, and statistics concerning the effects of government activities upon the social and economic institutions of the people of the United States.

Southeastern Legal Foundation Cases - FY 2006

Greater Atlanta Homebuilders, Inc. and National Association of Office and Industrial Properties, Inc. v. City of Atlanta, Georgia, (federal court lawsuit challenging the manner in which the City of Atlanta implements its Development Impact Fee Ordinance; a case of first impression in the federal courts, potential precedent-setting value on this important issue).

H. B. Rowe Co., Inc. v. North Carolina DOT et al., Civ. Action No. 5:03-CV-278-BO(3) (E.D. N.C.), (challenging the state of North Carolina's minority contracting program for public roads, the first such challenge against the state).

Greater Atlanta Home Builders Assoc. v. City of McDonough (challenging illegal assessment of impact fees on new developments in the city).

Cherry, et al v. City of Destin, et al. - (SLF represents a group of beachfront property owners against government encroachment and "takings" without just compensation).

Cole, et al. v. Alabama Gov. Bob Riley, et al.- (SLF represents a group of Alabama citizens challenging the constitutionality of the state's program offering driver's license examinations in multiple languages – a matter of public safety and state constitutional law).

Ohio Civil Rights Commission and Housing Opportunities Made Equal, Inc. v. Pleasure Inn, Inc. (defending First Amendment freedom of speech rights related to the use of the English language as "discriminatory.")

Meeks v. City of Stockbridge, Georgia (defending property rights against illegal eminent domain used to seize property for other private uses, violating constitutional due process rights.)

Illegal Immigration - (multiple studies on specific topics, including state-sanctioned driver's licenses for illegal aliens; the use of Mexican consular (matricula consular) identification; and the economic and legal impact of proposed amnesty programs).

Traditional Marriage Protection project (development of policy and legislative blueprints for federal and state amendments to the appropriate constitutions; policy papers in support of same, including extensive legal research on same).

Civil Justice Reform – (SLF organized and hosted a symposium of business, policy and legislative leaders in Georgia on the subject of comprehensive civil justice/tort reform. As a result, SLF formed the Civil Justice Reform Working Group made up of SLF representatives and corporate and policy leaders to develop public policy and legislative educational materials. A second symposium, followed by the production and distribution of civil justice reform materials to lawmakers, will follow. SLF is also developing an amicus/intervenor effort in this area to enable intervention in cases across the U S., identified by SLF General Counsel and Legal Advisory Board)

Property Rights Reform – (At the request of state legislative leadership in Georgia and through the American Legislative Exchange Council (ALEC), SLF is developing comprehensive property rights legislation and policy background, including legislative testimony, in the following areas: eminent domain for economic development purposes; inverse condemnation; impact fees; tree ordinances; and stream buffers.)

School Choice – (SLF is researching legal intervention in an ongoing lawsuit filed by a consortium of special interest groups and local school districts alleging that the state of Georgia has under-funded certain public school districts. Intervention will involve advocacy on school choice issues and the limitation on the courts to order tax increases.)

American Religious & Legal Heritage Protection Project - Researching and drafting legislative and policy proposals underscoring the constitutionality of public manifestations of religious and legal heritage unique to the American system of laws, including the Ten Commandments, holiday displays, ceremonial prayer, and the development of constitutional jurisprudence.

FORM 990	SPECIAL EVENTS AND ACTIVITIES				STATEMENT	1
DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME	
CELEBRATE AMERICA DINNER RECEPTION - 2006	65,000.	53,961.	11,039.	31,314.	<20,275.>	
NEWSLETTER	6,501.		6,501.	6,787.	<286.>	
TOTAL TO FM 990, PART I, LINE 9	71,501.	53,961.	17,540.	38,101.	<20,561.>	

FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	2
DESCRIPTION		AMOUNT	
UNREALIZED GAIN		13,949.	
TOTAL TO FORM 990, PART I, LINE 20		13,949.	

FORM 990	OTHER EXPENSES				STATEMENT	3
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING		
DIRECT MAIL PROGRAM	424,337.	367,338.		56,999.		
LIBRARY EXPENSE	3,277.	3,277.				
INTERNET DEVELOPMENT PROGRAM	1,638.	1,638.				
INSURANCE	8,223.	8,223.				
MISCELLANEOUS EXPENSE	4,883.	4,001.	431.	451.		
BANK FEES	1,942.	1,651.	194.	97.		
STAFF DEVELOPMENT	1,767.	1,767.				
TOTAL TO FM 990, LN 43	446,067.	387,895.	625.	57,547.		

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JOSALYN SPIVEY	63,600.			63,600.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL	57,240.			57,240.
C. FUNDRAISING	6,360.			6,360.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JAY WITKOWSKI	6,142.			6,142.
A. PROGRAM SERVICES				
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING	6,142.			6,142.

NAME OF OFFICER, ETC.	COMPENSATION	EMPLOYEE BEN. PLANS	EXPENSE ACCOUNTS	TOTALS
JOVETTE AYERS	47,700.			47,700.
A. PROGRAM SERVICES	47,700.			47,700.
B. MANAGEMENT AND GENERAL				
C. FUNDRAISING				

TOTAL PROGRAM SERVICES				321,469.
TOTAL MANAGEMENT AND GENERAL				64,740.
TOTAL FUNDRAISING				28,318.
TOTAL OFFICER, ETC., COMPENSATION INCLUDED ON PARTS V-A AND V-B				<u>414,527.</u>

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

EXPLANATION

THE ORGANIZATION'S PRIMARY PURPOSE IS: AS A PUBLIC INTEREST LAW FIRM, TO PROVIDE LEGAL REPRESENTATION FOR PLAINTIFFS IN FEDERAL AND STATE COURTS IN CASES INVOLVING ISSUES OF CONSTITUTIONAL LAW OR SIGNIFICANT PUBLIC INTEREST ON A NON-FEE BASIS, AND TO MAKE GRANTS FOR SUCH PURPOSES; THE ORGANIZATION ALSO CONDUCTS TO NONPARTISAN STUDIES AND RESEARCH AND COLLECTS, COMPILES AND PUBLISHES FULL AND FAIR PRESENTATIONS OF FACTS, INFORMATION, AND STATISTICS CONCERNING THE EFFECTS OF GOVERNMENT ACTIVITIES UPON THE SOCIAL AND ECONOMIC INSTITUTIONS OF THE PEOPLE OF THE UNITED STATES.

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
TOOTSIE ROLL INDUST	FMV	30.			30.
SEI CONSERVATIVE	FMV				
STRATEGY FUND CL A		1,112,551.			1,112,551.
TO FORM 990, LINE 54, COL B		1,112,581.			1,112,581.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 7

DESCRIPTION	AMOUNT
EXPENSES DIRECTLY RELATED TO SPECIAL EVENTS	38,101.
TOTAL TO FORM 990, PART IV-A	38,101.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 8

DESCRIPTION	AMOUNT
EXPENSES DIRECTLY RELATED TO SPECIAL EVENTS	38,101.
TOTAL TO FORM 990, PART IV-B	38,101.

FORM 990

PART V-A - LIST OF OFFICERS, DIRECTORS,
TRUSTEES AND KEY EMPLOYEES

STATEMENT 9

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE	
			BEN PLAN CONTRIB	EXPENSE ACCOUNT
KATHY BARCO 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	CHAIRMAN/TREASURER/MEMBER 0.00	0.	0.	0.
JOE ARNALL 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT/CHAIRMAN 0.00	0.	0.	0.
VIVIAN DUBOSE 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	SECRETARY/MEMBER/BOT 0.00	0.	0.	0.
EDWIN MEESE, III 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 0.00	0.	0.	0.
JOSEPH MOSS 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 0.00	0.	0.	0.
RICHARD W. RAHN 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 0.00	0.	0.	0.
JOSALYN SPIVEY 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	FIN DIR/ASST SEC/ASST TREA 40.00	63,600.	3,180.	0.
H. ERIC DIAL 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	DIRECTOR, DEVELOPMENT 40.00	83,160.	0.	0.
JOVETTE AYERS 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	PARALEGAL 40.00	47,700.	2,385.	0.
KATE JORDAN 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	SENIOR COUNSEL 40.00	63,925.	0.	0.
HAROLD CUNLIFFE 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 0.00	0.	0.	0.

ANNE ELDRIDGE 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 0.00	0.	0.	0.
SHANNON GOESSLING 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT/EX. DIRECTOR 40.00	150,000.	6,250.	0.
DENNY JONES 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 0.00	0.	0.	0.
JAY WITKOWSKI 6100 LAKE FORREST DRIVE, #520 ATLANTA, GA 30328	MEMBER/BOT 15.00	6,142.	154.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		414,527.	11,969.	0.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN STATEMENT 10
PART VI, LINE 90

STATES

AL, AK, AR, AZ, CA, CO, CT, GA, FL, IL, KS, KY, LA, MD, MA, MI, MN, MO, MS, NH, NJ, NM, NY, NC, ND
OH, OK, OR, PA, RI, SC, TN, TX, VA, WA, WV, WI

SCHEDULE A	OTHER INCOME				STATEMENT 11
DESCRIPTION	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	
DONATED FACILITIES	0.	222,299.	37,269.	29,644.	
DONATED PROFESSIONAL SERVICES	0.	0.	1,352,000.	25,000.	
MAILING LIST ROYALTIES	32,912.	44,913.	39,220.	50,939.	
OTHER INCOME	0.	100.	793.	78,744.	
SPECIAL EVENTS & ACTIVITIES	113,756.	0.	0.	0.	
TOTAL TO SCHEDULE A, LINE 22	146,668.	267,312.	1,429,282.	184,327.	

Southeastern Legal Foundation, Inc
Fixed Asset Schedule
6/30/06

Asset		Year Acquired	Asset Life (yrs)	Historical Cost	AD 6/30/06	BV 2006	Annual Depreciation
F&E							
1	Refrigerator	1995	10	352	352		-
2	Telephone System	1995	10	6,724	6,724		-
3	Desks (5)	1995	10	3,155	3,155		-
4	Office Chairs (24) & Misc	1995	10	5,184	5,184		-
5	Credenzas (5)	1995	10	2,696	2,696		-
6	Hutch	1995	10	422	422		-
7	Bookcases (4)	1995	10	1,022	1,022		-
8	File Cabinet (4)	1995	10	1,598	1,598		-
9	Computer Table	1995	10	89	89		-
10	Office Misc	1995	10	223	223		-
11	Office Sofas & Pictures	1995	10	2,658	2,658		-
13	Table	1997	10	400	380	20	40
14	VCR	1997	10	238	226	12	24
15	Bookshelves	1998	10	1,500	1,275	225	150
17	Desk & Office Furniture	1998	10	2,482	2,110	372	248
18	Misc. (Valle's desk & 4050 printer)	2000	10	4,395	2,857	1,538	440
19	Ricoh Fax Machine (02)	2002	10	2,028	811	1,217	203
Total F&E				35,166	31,782	3,384	1,104
	Computer 12/1/97	1998	3	1,098	1,098		
	Computer 12/15/97	1998	3	1,716	1,716		
	Computer 1/13/98	1998	3	1,447	1,447		
	Computer	2001	3	1,549	1,549		
	Miscellaneous (99)	1999	3	6,393	6,393		
	Miscellaneous (99)	1999	3	4,668	4,669		
	Miscellaneous (00)	2000	3	5,965	5,965		
	Laptop Computer Dell Insp 4000	2002	3	2,236	2,236		
	File Server (CY)	2003	3	5,823	5,823	-	1,618
	Computer SN 7110110500790	Jan-06	3	689	115	574	115
	Computer SN 7110110500782	Jan-06	3	689	115	574	115
	Computer SN 7110110500718	Jan-06	3	689	115	574	115
Total Computers				32,962	31,241	1,722	1,962
Totals				68,128	63,022	5,106	3,067