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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)

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

A For the 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

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

C Name of organization: **BOXERWOOD EDUCATION ASSOCIATION**
 Number and street (or P O box if mail is not delivered to street address): **963 ROSS ROAD**
 City or town, state or country, and ZIP + 4: **LEXINGTON, VA 24450**

D Employer identification number: **54-1937944**

E Telephone number: **540-463-2697**

F Accounting method: Cash, Accrual, Other (Specify) _____

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

H and I are not applicable to section 527 organizations.

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

H(b) If "Yes," enter number of affiliates: _____

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.BOXERWOOD.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 received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: **298,426.**

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

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	164,780.		
b	Indirect public support	1b	76,123.		
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 111,963. noncash \$ 128,940.)	1d		240,903.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		21,605.	
3	Membership dues and assessments	3		26,520.	
4	Interest on savings and temporary cash investments	4		127.	
5	Dividends and interest from securities	5		7.	
6 a	Gross rents	6a	2,850.		
b	Less: rental expenses	6b	612.		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		2,238.	
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 basis and sales expenses	8a			
c	Gain or (loss) (attach schedule)	8b			
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c			
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	8d			
a	Gross revenue (not including \$ 0. of contributions reported on line 1a)	9a	6,165.		
b	Less: direct expenses other than fundraising expenses	9b	1,949.		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		4,216.	
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)	10c			
11	Other revenue (from Part VII, line 103)	11		249.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		295,865.	
13	Program services (from line 44, column (B))	13		117,044.	
14	Management and general (from line 44, column (C))	14		12,084.	
15	Fundraising (from line 44, column (D))	15		15,795.	
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17		144,923.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		150,942.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		46,129.	
20	Other changes in net assets or fund balances (attach explanation)	20		12,980.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		210,051.	

SCANNED OCT 20 2005

60 Revenue

60 Expenses

Net Assets

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 Page 2

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc	25	0.	0.	0.
26 Other salaries and wages	26	77,212.	71,587.	5,375.
27 Pension plan contributions	27			250.
28 Other employee benefits	28	317.	282.	35.
29 Payroll taxes	29	6,233.	5,792.	421.
30 Professional fundraising fees	30	12,025.		12,025.
31 Accounting fees	31	280.		280.
32 Legal fees	32	23.		23.
33 Supplies	33	2,998.	568.	562.
34 Telephone	34	1,245.	595.	150.
35 Postage and shipping	35	1,046.	270.	213.
36 Occupancy	36	9,600.	9,139.	261.
37 Equipment rental and maintenance	37	1,418.	1,146.	192.
38 Printing and publications	38	4,289.	3,719.	371.
39 Travel	39	698.	698.	
40 Conferences, conventions, and meetings	40	2,500.	1,000.	1,500.
41 Interest	41	127.		127.
42 Depreciation, depletion, etc (attach schedule)	42	3,106.	2,980.	126.
43 Other expenses not covered above (itemize)				
a _____	43a			
b _____	43b			
c _____	43c			
d _____	43d			
e SEE STATEMENT 6	43e	21,806.	19,268.	2,448.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	144,923.	117,044.	12,084.

Joint Costs. Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? ▶	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others)
EDUCATE ENVIRONMENTALLY RESPONSIBLE STEWARDS OF THE EARTH 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 GARDENS & PHYSICAL FACILITIES-ARBORETUM & HORTICULTURAL LEGACY OF ROBERT S MUNGER MD. ASSOCIATION HAS ADDED NATURE EMULATING WASTE TREATMENT SYSTEM (NEWTS). (Grants and allocations \$ _____)	31,693.
b EDUCATION PROGRAMS-PARTNERED WITH LOCAL PUBLIC SCHOOL SYSTEMS, COLLEGES AND ADULT EDUCATION PROGRAMS TO REACH 5,447 INDIVIDUALS IN 10,919 CONTACTS. (Grants and allocations \$ _____)	70,058.
c OUTREACH PROGRAMS -ACTIVITIES, PRESENTATIONS, EXHIBITS, SPECIAL EVENTS, INTERNET(45,000 HITS) AND PUBLICATIONS (1,200 NEWSLETTERS) (Grants and allocations \$ _____)	9,771.
d VOLUNTEER PROGRAMS-331 INDIVIDUALS VOLUNTEERED 3,212 HOURS IN BOXERWOOD GARDENS & ON WOODS CREEK PROJECT. (Grants and allocations \$ _____)	5,522.
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	117,044.

Part IV Balance Sheets

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	1,400.	45	
	46 Savings and temporary cash investments	22,171.	46	25,245.
	47 a Accounts receivable	47a 2,503.		
	b Less allowance for doubtful accounts	47b	47c	2,503.
	48 a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	187.
	54 Investments - securities STMT 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		0.	54 540.
	55 a Investments - land, buildings, and equipment basis	55a		
b Less accumulated depreciation	55b		55c	
56 Investments - other SEE STATEMENT 8		0.	56 10,007.	
57 a Land, buildings, and equipment basis	57a 191,350.			
b Less accumulated depreciation STMT 9	57b 7,188.	37,192.	57c 184,162.	
58 Other assets (describe <input type="checkbox"/>)			58	
59 Total assets (add lines 45 through 58) (must equal line 74)		60,763.	59	222,644.
Liabilities	60 Accounts payable and accrued expenses	263.	60	2,594.
	61 Grants payable		61	
	62 Deferred revenue	9,200.	62	7,947.
	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 <input type="checkbox"/> PAYROLL TAXES PAYABLE)		5,171.	65	2,052.
66 Total liabilities (add lines 60 through 65)		14,634.	66	12,593.
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	46,129.	67	210,051.
	68 Temporarily restricted		68	
	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)		46,129.	73	210,051.
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		60,763.	74	222,644.

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

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

Table with 5 rows (a-e) and 2 columns (description, amount). Row a: 298,426. Row b: 2,561. Row c: 295,865. Row d: 0. Row e: 295,865.

Table with 5 rows (a-e) and 2 columns (description, amount). Row a: 147,484. Row b: 2,561. Row c: 144,923. Row d: 0. Row e: 144,923.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

Table with 5 columns: (A) Name and address, (B) Title and average hours per week, (C) Compensation, (D) Contributions to employee benefit plans, (E) Expense account and other allowances. Row 1: SEE STATEMENT 12, 0, 0, 0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? If "Yes," attach schedule. [] Yes [X] No

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct or indirect political expenditures See line 81 instructions <input type="text" value="0."/> 81a		
b	Did the organization file Form 1120-POL for this year?		X
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) <input type="text" value=""/> 82b		
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 <input type="text" value="N/A"/> 85c		
d	Section 162(e) lobbying and political expenditures <input type="text" value="N/A"/> 85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices <input type="text" value="N/A"/> 85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) <input type="text" value="N/A"/> 85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? <input type="text" value="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? <input type="text" value="N/A"/> 85h		
86	501(c)(7) organizations. Enter a Initiation fees and capital contributions included on line 12 <input type="text" value="N/A"/> 86a		
b	Gross receipts, included on line 12, for public use of club facilities <input type="text" value="N/A"/> 86b		
87	501(c)(12) organizations. Enter a Gross income from members or shareholders <input type="text" value="N/A"/> 87a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) <input type="text" value="N/A"/> 87b		
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 <input type="text" value="0."/> , section 4912 <input type="text" value="0."/> , section 4955 <input type="text" value="0."/> 89a		
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 <input type="text" value="0."/> 89c		
d	Enter Amount of tax on line 89c, above, reimbursed by the organization <input type="text" value="0."/> 89d		
90 a	List the states with which a copy of this return is filed <input type="text" value="VIRGINIA"/> 90a		
b	Number of employees employed in the pay period that includes March 12, 2004 <input type="text" value="7"/> 90b		
91	The books are in care of <input type="text" value="HUNTER MOHRING"/> Telephone no <input type="text" value="540-463-2697"/> 91		
	Located at <input type="text" value="963 ROSS ROAD, LEXINGTON, VA"/> ZIP + 4 <input type="text" value="24450"/> 91		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <input type="text" value="N/A"/> 92		

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

	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 PROGRAM FEES SCHOOLS			06	15,502.	
b CAMP FEES CHILDREN			06	4,420.	
c TOUR INCOME			06	1,388.	
d GARDEN INCOME			06	295.	
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments			03	26,520.	
95 Interest on savings and temporary cash investments			14	127.	
96 Dividends and interest from securities			14	7.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	2,238.	
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			02	4,216.	
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a MISCELLANEOUS INCOME			01	235.	
b MARKUP INCOME			01	14.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))			0.	54,962.	0.
105 Total (add line 104, columns (B), (D), and (E))					54,962.

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 page 34 of 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 page 34 of the instructions.)

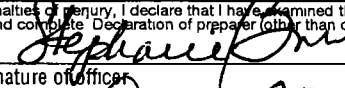
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			


Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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 information of which preparer has any knowledge.

Please Sign Here:  Date: 8/25/05 Type or print name and title: STEPHANIE BOND = Vice President

Paid Preparer's Use Only: Preparer's signature:  Date: 9/26/05 Check if self-employed: Preparer's SSN or PTIN: P00084879

Firm's name (or yours if self-employed), address, and ZIP + 4: RAETZ & HAWKINS PC CPAS, 128 SOUTH RANDOLPH STREET, LEXINGTON, VIRGINIA 24450-0916

EIN: 54-1298267 Phone no: 540-463-7121

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)

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

OMB No 1545-0047

2004

Name of the organization BOXERWOOD EDUCATION ASSOCIATION	Employer identification number 54 1937944
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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 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 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)?	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
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) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2) (See section 509(a)(3))

Provide the following information about the supported organizations (See page 5 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 5 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	101,755.	95,222.	61,474.	39,836.	298,287.
16 Membership fees received	24,535.	31,995.	30,890.	18,685.	106,105.
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	26,703.	18,654.	20,015.	6,565.	71,937.
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	253.	261.	140.	431.	1,085.
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			SEE STATEMENT 13	200.	200.
23 Total of lines 15 through 22	153,246.	146,132.	112,519.	65,717.	477,614.
24 Line 23 minus line 17	126,543.	127,478.	92,504.	59,152.	405,677.
25 Enter 1% of line 23	1,532.	1,461.	1,125.	657.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a N/A
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b N/A
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c N/A
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____					26d N/A
e Public support (line 26c minus line 26d total)					26e N/A
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f N/A %
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: (2003) 0. (2002) 0. (2001) 0. (2000) 0.					
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 11, 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: (2003) 0. (2002) 0. (2001) 0. (2000) 0.					
c Add: Amounts from column (e) for lines 15 298,287. 16 106,105. 17 71,937. 20 _____ 21 _____					27c 476,329.
d Add: Line 27a total 0. and line 27b total 0.					27d 0.
e Public support (line 27c total minus line 27d total)					27e 476,329.
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)					27f 477,614.
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g 99.7310%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h .2272%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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?	32a	
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) _____	32d	
33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) _____ _____	33h	
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b	
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35	

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

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 (The term "expenditures" means amounts paid or incurred)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount Enter the amount from the following table - If the amount on line 40 is - 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	
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 (e) Total
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	
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 11 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

Table with 2 columns: Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. All 'No' boxes are checked with an 'X'.

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. N/A

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. The table is currently empty.

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 [X] No

b If "Yes," complete the following schedule. N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. The table is currently empty.

FORM 990 RENTAL INCOME STATEMENT 2

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
GARDEN RENTAL	1	2,850.
TOTAL TO FORM 990, PART I, LINE 6A		2,850.

FORM 990 RENTAL EXPENSES STATEMENT 3

DESCRIPTION	ACTIVITY NUMBER	AMOUNT	TOTAL
GARDEN PROJECT		287.	
OTHER GARDEN EXPENSES		190.	
GARDEN REPAIRS		120.	
GARDEN MAINTENANCE		15.	
- SUBTOTAL -	1		612.
TOTAL TO FORM 990, PART I, LINE 6B			612.

FORM 990 SPECIAL EVENTS AND ACTIVITIES STATEMENT 4

DESCRIPTION OF EVENT	GROSS RECEIPTS	CONTRIBUT. INCLUDED	GROSS REVENUE	DIRECT EXPENSES	NET INCOME
EVENING UNDER STARS 04	6,165.		6,165.	1,949.	4,216.
TO FM 990, PART I, LINE 9	6,165.		6,165.	1,949.	4,216.

FORM 990 OTHER CHANGES IN NET ASSETS OR FUND BALANCES STATEMENT 5

DESCRIPTION	AMOUNT
CHANGE IN ACCOUNTING METHOD--SEE FORM 3115	5,068.
FORM 3115 SCHEDULE E CAPITALIZE ASSETS & DEPRECIATION	7,912.
TOTAL TO FORM 990, PART I, LINE 20	12,980.

FORM 990	OTHER EXPENSES			STATEMENT	6
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
GAS & ELECTRIC	2,200.	2,094.	81.	25.	
INFRASTRUCTURE	784.	784.			
LIABILITY INSURANCE	770.		770.		
PROPANE	692.	692.			
PROPERTY TAXES	32.		32.		
GRANT PROJECT	4,674.	4,674.			
OTHER PROGRAM					
EXPENSES	4,090.	4,090.			
NEWTS EDUCATION					
EXPENSES	1,574.	1,574.			
NEWTS MAINTENANCE &					
SUPPLIES	156.	156.			
VOLUNTEER AWARDS &					
RECOGNITION	1,582.	1,203.	379.		
ADVERTISING	901.		861.	40.	
INTERNET EXPENSES	1,274.	1,274.			
STAFF DEVELOPMENT	657.	657.			
COMPUTER REPAIRS	570.	570.			
EQUIPMENT PURCHASES	568.	568.			
OTHER OFFICE					
EQUIPMENT EXPENSE	361.	361.			
DUES & SUBSCRIPTIONS	263.	133.	130.		
REPAIRS	370.	280.	90.		
MISCELLANEOUS					
EXPENSE	208.	158.	25.	25.	
BANK SERVICE CHARGES	52.		52.		
LICENSES & PERMITS	25.		25.		
PENALTIES	3.		3.		
TOTAL TO FM 990, LN 43	21,806.	19,268.	2,448.	90.	

FORM 990	NON-GOVERNMENT SECURITIES				STATEMENT	7
SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES	
COMMON STOCK	FMV	540.			540.	
TO FORM 990, LINE 54, COL B		540.			540.	

FORM 990	OTHER INVESTMENTS	STATEMENT	8
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DESCRIPTION	VALUATION METHOD	AMOUNT
EDWARD JONES MONEY MARKET	MARKET VALUE	10,007.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		10,007.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	9
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
10.35 ACRES LAND	127,500.	0.	127,500.
NATURE EMULATING WASTE TREATMENT SYSTEM	51,597.	1,433.	50,164.
DESK/TABLE	259.	48.	211.
USED GREENHOUSE LAPTOP WITH CAMERA	568.	28.	540.
USED TABLE & CHAIRS	200.	50.	150.
USED ENGRAVER	8,984.	4,918.	4,066.
KITCHEN PLATES & GLASSES	156.	59.	97.
AUDIO VISUAL CART	169.	58.	111.
TENT	532.	209.	323.
TENT	705.	219.	486.
DISPLAY BOARD	106.	24.	82.
2 PICNIC TABLES	200.	42.	158.
DVD PLAYER	155.	52.	103.
VACUUM CLEANER	219.	48.	171.
TOTAL TO FORM 990, PART IV, LN 57		7,188.	184,162.

FORM 990	OTHER REVENUE NOT INCLUDED ON FORM 990	STATEMENT	10
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DESCRIPTION	AMOUNT
RENTAL EXPENSES	612.
SPECIAL FUND RAISING EVENTS EXPENSES	1,949.
TOTAL TO FORM 990, PART IV-A	2,561.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 11

DESCRIPTION	AMOUNT
RENTAL EXPENSES	612.
SPECIAL FUND RAISING EVENTS EXPENSES	1,949.
TOTAL TO FORM 990, PART IV-B	<u>2,561.</u>

FORM 990 PART V - LIST OF OFFICERS, DIRECTORS, STATEMENT 12
TRUSTEES AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN CONTRIB	EXPENSE ACCOUNT
FRANK A PARSONS 15 WHITMORE STREET LEXINGTON, VIRGINIA 24450	PRESIDENT 0	0.	0.	0.
STEVIE BOND 160 BLUE MOON WAY LEXINGTON, VIRGINIA 24450	VICE-PRESIDENT 0	0.	0.	0.
LYNDA BASSET DE MARIA 26 HIGH MEADOW LANE LEXINGTON, VIRGINIA 24450	SECRETARY/TREASURER 0	0.	0.	0.
GAIL BARGER 715 PLUNKETT STREET LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.
BECKY HILL 10 SIXTY WEST LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.
KIT HUFFMAN 1409 ROSS ROAD LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.
LARRY MANN 5 WEST WASHINGTON STREET LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.
ANNE MCTHENIA 114 LEE AVENUE LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.

BOXERWOOD EDUCATION ASSOCIATION

54-1937944

PAUL LEONHARD 645 MCCURDY LANE ROCKBRIDGE BATHS, VIRGINIA 24473	DIRECTOR 0	0.	0.	0.
BRYNN LEE CHANDLER 10 FRANK PARSONS WAY LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.
CHRISTINE GIORDANO 106 LEE AVENUE LEXINGTON, VIRGINIA 24450	DIRECTOR 0	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V		<u>0.</u>	<u>0.</u>	<u>0.</u>

SCHEDULE A

OTHER INCOME

STATEMENT 13

DESCRIPTION	2003 AMOUNT	2002 AMOUNT	2001 AMOUNT	2000 AMOUNT
MISCELLANEOUS INCOME	0.	0.	0.	200.
TOTAL TO SCHEDULE A, LINE 22	<u>0.</u>	<u>0.</u>	<u>0.</u>	<u>200.</u>

Application for Change in Accounting Method

Name of filer (name of parent corporation if a consolidated group) (see instructions)		Identification number (see instructions) 54-1937944
BOXERWOOD EDUCATION ASSOCIATION		Principal business activity code number (see instructions)
Number, street, and room or suite no If a P O box, see the instructions 963 ROSS ROAD		Tax year of change begins (MM/DD/YYYY) 07/01/2004
City or town, state, and ZIP code LEXINGTON, VA 24450		Tax year of change ends (MM/DD/YYYY) 06/30/2005
Name of applicant(s) (if different than filer) and identification number(s) (see instructions)		Name of contact person (see instructions) HUNTER MOHRING
		Contact person's telephone number 540-463-2697

If the applicant is a member of a consolidated group, check this box

If Form 2848, Power of Attorney and Declaration of Representative, is attached, check this box

Check the box to indicate the applicant.

<input type="checkbox"/> Individual	<input type="checkbox"/> Cooperative (Sec. 1381)
<input type="checkbox"/> Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> Controlled foreign corporation (Sec. 957)	<input type="checkbox"/> S corporation
<input type="checkbox"/> 10/50 corporation (Sec. 904(d)(2)(E))	<input type="checkbox"/> Insurance co. (Sec 816(a))
<input type="checkbox"/> Qualified personal service corporation (Sec 448(d)(2))	<input type="checkbox"/> Insurance co. (Sec 831)
<input checked="" type="checkbox"/> Exempt organization Enter Code section ▶ 501(C)(3)	<input type="checkbox"/> Other (specify) ▶

Check the appropriate box to indicate the type of accounting method change being requested. (see instructions)

<input checked="" type="checkbox"/> Depreciation or Amortization
<input type="checkbox"/> Financial Products and/or Financial Activities of Financial Institutions
<input checked="" type="checkbox"/> Other (specify) ▶ OVERALL ACCRUAL METHOD (IRC SECTION 446)

Caution: The applicant must provide the requested information to be eligible for approval of the requested accounting method change. The applicant may be required to provide information specific to the accounting method change such as an attached statement. The applicant must provide all information relevant to the requested accounting method change, even if not specifically requested by the Form 3115.

Part I Information For Automatic Change Request	Yes	No
1 Enter the requested designated accounting method change number from the List of Automatic Accounting Method Changes (see instructions). Enter only one method change number, except as provided for in the instructions. If the requested change is not included in that list, check "Other," and provide a description. ▶ (a) Change No. 30 (b) Other <input type="checkbox"/> Description ▶		
2 Is the accounting method change being requested one for which the scope limitations of section 4.02 of Rev Proc. 2002-9 (or its successor) do not apply? If "Yes," go to Part II.	X	
3 Is the tax year of change the final tax year of a trade or business for which the taxpayer would be required to take the entire amount of the section 481(a) adjustment into account in computing taxable income? If "Yes," the applicant is not eligible to make the change under automatic change request procedures.		

Note: Complete Part II below and then Part IV, and also Schedules A through E of this form (if applicable).

Part II Information For All Requests	Yes	No
4a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) under examination (see instructions)? If you answered "No," go to line 5		X
b Is the method of accounting the applicant is requesting to change an issue (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) either (i) under consideration or (ii) placed in suspense (see instructions)?		X

Signature (see instructions)

Under penalties of perjury, I declare that I have examined this application, including accompanying schedules and statements, and to the best of my knowledge and belief, the application contains all the relevant facts relating to the application, and it is true, correct, and complete. Declaration of preparer (other than applicant) is based on all information of which preparer has any knowledge.

Filer _____ Signature and date	Preparer (other than filer/applicant) Signature of individual preparing the application and date 9/20/05
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_____ Name and title (print or type)	DAVID B HAWKINS CPA Name of individual preparing the application (print or type)
_____ Name of firm preparing the application	RAETZ & HAWKINS PC CPAs Name of firm preparing the application

Part II Information For All Requests (continued)	Yes	No
4c Is the method of accounting the applicant is requesting to change an issue pending (with respect to either the applicant or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) for any tax year under examination (see instructions)?	X	
d Is the request to change the method of accounting being filed under the procedures requiring that the operating division director consent to the filing of the request (see instructions)? If "Yes," attach the consent statement from the director.	X	
e Is the request to change the method of accounting being filed under the 90-day or 120-day window period? . If "Yes," check the box for the applicable window period and attach the required statement (see instructions). <input type="checkbox"/> 90 day <input type="checkbox"/> 120 day	X	
f If you answered "Yes" to line 4a, enter the name and telephone number of the examining agent and the tax year(s) under examination. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____		
g Has a copy of this Form 3115 been provided to the examining agent identified on line 4f?		
5a Does the applicant (or any present or former consolidated group in which the applicant was a member during the applicable tax year(s)) have any Federal income tax return(s) before Appeals and/or a Federal court? . . . If "Yes," enter the name of the (check the box) <input type="checkbox"/> Appeals officer and/or <input type="checkbox"/> counsel for the government, and the tax year(s) before Appeals and/or a Federal court. Name ▶ _____ Telephone number ▶ _____ Tax year(s) ▶ _____	X	
b Has a copy of this Form 3115 been provided to the Appeals officer and/or counsel for the government identified on line 5a?		
c Is the method of accounting the applicant is requesting to change an issue under consideration by Appeals and/or a Federal court (for either the applicant or any present or former consolidated group in which the applicant was a member for the tax year(s) the applicant was a member)? If "Yes," attach an explanation.	X	
6 If the applicant answered "Yes" to line 4a and/or 5a with respect to any present or former consolidated group, provide each parent corporation's (a) name, (b) identification number, (c) address, and (d) tax year(s) during which the applicant was a member that is under examination, before an Appeals office, and/or before a Federal court.		
7 If the applicant is an entity (including a limited liability company) treated as a partnership or S corporation for Federal income tax purposes, is it requesting a change from a method of accounting that is an issue under consideration in an examination, before Appeals, or before a Federal court, with respect to a Federal income tax return of a partner, member, or shareholder of that entity? If "Yes," the applicant is not eligible to make the change.		
8 Is the applicant making a change to which audit protection does not apply (see instructions)?	X	
9a Has the applicant, its predecessor, or a related party requested or made (under either an automatic change procedure or a procedure requiring advance consent) a change in accounting method within the past 5 years (including the year of the requested change)?	X	
b If "Yes," attach a description of each change and the year of change for each separate trade or business and whether consent was obtained.		
c If any application was withdrawn, not perfected, or denied, or if a Consent Agreement was sent to the taxpayer but was not signed and returned to the IRS, or if the change was not made or not made in the requested year of change, include an explanation.		
10a Does the applicant, its predecessor, or a related party currently have pending any request (including any concurrently filed request) for a private letter ruling, change in accounting method, or technical advice?	X	
b If "Yes," for each request attach a statement providing the name(s) of the taxpayer, identification number(s), the type of request (private letter ruling, change in accounting method, or technical advice), and the specific issue(s) in the request(s).		
11 Is the applicant requesting to change its overall method of accounting? If "Yes," check the appropriate boxes below to indicate the applicant's present and proposed methods of accounting. Also, complete Schedule A on page 4 of the form. Present method: <input type="checkbox"/> Cash <input type="checkbox"/> Accrual <input checked="" type="checkbox"/> Hybrid (attach description) Proposed method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Hybrid (attach description)	X	
12 If the applicant is not changing its overall method of accounting, attach a detailed and complete description for each of the following:		
a The item(s) being changed.		
b The applicant's present method for the item(s) being changed.		
c The applicant's proposed method for the item(s) being changed.		
d The applicant's present overall method of accounting (cash, accrual, or hybrid).		

Part II Information For All Requests (continued)				Yes	No						
13	Attach a detailed and complete description of the applicant's trade(s) or business(es), and the principal business activity code for each. If the applicant has more than one trade or business as defined in Regulations section 1.446-1(d), describe: whether each trade or business is accounted for separately; the goods and services provided by each trade or business and any other types of activities engaged in that generate gross income; the overall method of accounting for each trade or business; and which trade or business is requesting to change its accounting method as part of this application or a separate application.										
14	Will the proposed method of accounting be used for the applicant's books and records and financial statements? For insurance companies, see the instructions If "No," attach an explanation.	X									
15a	Has the applicant engaged, or will it engage, in a transaction to which section 381(a) applies (e.g., a reorganization, merger, or liquidation) during the proposed tax year of change determined without regard to any potential closing of the year under section 381(b)(1)?			X							
b	If "Yes," for the items of income and expense that are the subject of this application, attach a statement identifying the methods of accounting used by the parties to the section 381(a) transaction immediately before the date of distribution or transfer and the method(s) that would be required by section 381(c)(4) or (c)(5) absent consent to the change(s) requested in this application.										
16	Does the applicant request a conference of right with the IRS National Office if the IRS proposes an adverse response?				X						
17	If the applicant is changing to or from the cash method or changing its method of accounting under sections 263A, 448, 460, or 471, enter the gross receipts of the 3 tax years preceding the year of change.										
	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border-right: 1px solid black; padding: 2px;">1st preceding year ended mo JUNE yr 2004</td> <td style="width: 33%; border-right: 1px solid black; padding: 2px;">2nd preceding year ended mo JUNE yr 2003</td> <td style="padding: 2px;">3rd preceding year ended mo JUNE yr 2002</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;">\$ 153,246</td> <td style="border-right: 1px solid black; padding: 2px;">\$ 146,132</td> <td style="padding: 2px;">\$ 112,519</td> </tr> </table>	1st preceding year ended mo JUNE yr 2004	2nd preceding year ended mo JUNE yr 2003	3rd preceding year ended mo JUNE yr 2002	\$ 153,246	\$ 146,132	\$ 112,519				
1st preceding year ended mo JUNE yr 2004	2nd preceding year ended mo JUNE yr 2003	3rd preceding year ended mo JUNE yr 2002									
\$ 153,246	\$ 146,132	\$ 112,519									
Part III Information For Advance Consent Request				Yes	No						
18	Is the applicant's requested change described in any revenue procedure, revenue ruling, notice, regulation, or other published guidance as an automatic change request? If "Yes," attach an explanation describing why the applicant is submitting its request under advance consent request procedures.										
19	Attach a full explanation of the legal basis supporting the proposed method for the item being changed. Include a detailed and complete description of the facts that explains how the law specifically applies to the applicant's situation and that demonstrates that the applicant is authorized to use the proposed method. Include all authority (statutes, regulations, published rulings, court cases, etc.) supporting the proposed method. The applicant should include a discussion of any authorities that may be contrary to its use of the proposed method.										
20	Attach a copy of all documents related to the proposed change (see instructions).										
21	Attach a statement of the applicant's reasons for the proposed change										
22	If the applicant is a member of a consolidated group for the year of change, do all other members of the consolidated group use the proposed method of accounting for the item being changed? If "No," attach an explanation.										
23a	Enter the amount of user fee attached to this application (see instructions). ► \$ _____										
b	If the applicant qualifies for a reduced user fee, attach the necessary information or certification required by Rev. Proc. 2003-1 (or its successor) (see instructions).										
Part IV Section 481(a) Adjustment				Yes	No						
24	Do the procedures for the accounting method change being requested require the use of the cut-off method? If "Yes," do not complete lines 25, 26, and 27 below.	X									
25	Enter the section 481(a) adjustment. Indicate whether the adjustment is an increase (+) or a decrease (-) in income. ► \$ _____ Attach a summary of the computation and an explanation of the methodology used to determine the section 481(a) adjustment. If it is based on more than one component, show the computation for each component. If more than one applicant is applying for the method change on the same application, attach a list of the name, identification number, principal business activity code (see instructions), and the amount of the section 481(a) adjustment attributable to each applicant.										
26	If the section 481(a) adjustment is an increase to income of less than \$25,000, does the applicant elect to take the entire amount of the adjustment into account in the year of change?										
27	Is any part of the section 481(a) adjustment attributable to transactions between members of an affiliated group, a consolidated group, a controlled group, or other related parties? If "Yes," attach an explanation.										

Schedule A — Change in Overall Method of Accounting (If Schedule A applies, Part I below must be completed.)

Part I Change in Overall Method (see instructions)

1 Enter the following amounts as of the close of the tax year preceding the year of change. If none, state "None." Also, attach a statement providing a breakdown of the amounts entered on lines 1a through 1g

	Amount
a Income accrued but not received	\$ 5,300
b Income received or reported before it was earned. Attach a description of the income and the legal basis for the proposed method	
c Expenses accrued but not paid	(232)
d Prepaid expenses previously deducted	
e Supplies on hand previously deducted and/or not previously reported	
f Inventory on hand previously deducted and/or not previously reported. Complete Schedule D, Part II	
g Other amounts (specify) ▶	
h Net section 481(a) adjustment (Combine lines 1a – 1g.)	\$ 5,068.00

- 2** Is the applicant also requesting the recurring item exception under section 461(h)(3)? Yes No
- 3** Attach copies of the profit and loss statement (Schedule F (Form 1040) for farmers) and the balance sheet, if applicable, as of the close of the tax year preceding the year of change. On a separate sheet, state the accounting method used when preparing the balance sheet. If books of account are not kept, attach a copy of the business schedules submitted with the Federal income tax return or other return (e.g., tax-exempt organization returns) for that period. If the amounts in Part I, lines 1a through 1g, do not agree with those shown on both the profit and loss statement and the balance sheet, explain the differences on a separate sheet.

Part II Change to the Cash Method For Advance Consent Request (see instructions)

Applicants requesting a change to the cash method must attach the following information:

- 1** A description of inventory items (items whose production, purchase, or sale is an income-producing factor) and materials and supplies used in carrying out the business.
- 2** An explanation as to whether the applicant is required to use the accrual method under any section of the Code or regulations.

Schedule B — Change in Reporting Advance Payments (see instructions)

- 1** If the applicant is requesting to defer advance payment for services under Rev. Proc. 71-21, 1971-2 C.B. 549, attach the following information:
 - a** Sample copies of all service agreements used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the service agreement that require the taxpayer to perform services
 - b** If any parts or materials are provided, explain whether the obligation to provide parts or materials is incidental (of minor or secondary importance) to an agreement providing for the performance of personal services.
 - c** If the change relates to contingent service contracts, explain how the contracts relate to merchandise that is sold, leased, installed, or constructed by the applicant and whether the applicant offers to sell, lease, install, or construct without the service agreement.
 - d** A description of the method the applicant will use to determine the amount of income earned each year on service contracts and why that method clearly reflects income earned and related expenses in each year.
 - e** An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See section 3.11 of Rev. Proc. 71-21.
- 2** If the applicant is requesting a deferral of advance payments for goods under Regulations section 1.451-5, attach the following information:
 - a** Sample copies of all agreements for goods or items requiring advance payments used by the applicant that are subject to the requested change in accounting method. Indicate the particular parts of the agreement that require the applicant to provide goods or items.
 - b** A statement providing that the entire advance payment is for goods or items. If not entirely for goods or items, a statement that an amount equal to 95% of the total contract price is properly allocable to the obligation to provide activities described in Regulations section 1.451-5(a)(1)(i) or (ii) (including services as an integral part of those activities).
 - c** An explanation of how the method the applicant will use to determine the amount of gross receipts each year will be no less than the amount included in gross receipts for purposes of its books and records. See Regulations section 1.451-5(b)(1).

Schedule C — Changes Within the LIFO Inventory Method (see instructions)**Part I General LIFO Information**

Complete this section if the requested change involves changes within the LIFO inventory method. Also, attach a copy of all **Forms 970, Application To Use LIFO Inventory Method**, filed to adopt or expand the use of the LIFO method.

- 1 Attach a description of the applicant's present and proposed LIFO methods and submethods for each of the following items:
 - a Valuing inventory (e.g., unit method or dollar-value method).
 - b Pooling (e.g., by line or type or class of goods, natural business unit, multiple pools, raw material content, simplified dollar-value method, inventory price index computation (IPIC) pools, etc.).
 - c Pricing dollar-value pools (e.g., double-extension, index, link-chain, link-chain index, IPIC method, etc.).
 - d Determining the current year cost of goods in the ending inventory (e.g., most recent purchases, earliest acquisitions during the year, average cost of purchases during the year, etc.).
- 2 If any present method or submethod used by the applicant is not the same as indicated on Form(s) 970 filed to adopt or expand the use of the method, attach an explanation
- 3 If the proposed change is not requested for all the LIFO inventory, specify the inventory to which the change is and is not applicable.
- 4 If the proposed change is not requested for all of the LIFO pools, specify the LIFO pool(s) to which the change is applicable.
- 5 Attach a statement addressing whether the applicant values any of its LIFO inventory on a method other than cost. For example, if the applicant values some of its LIFO inventory at retail and the remainder at cost, the applicant should identify which inventory items are valued under each method.
- 6 If changing to the IPIC method, attach a completed Form 970 and a statement indicating the indexes, tables, and categories the applicant proposes to use.

Part II Change in Pooling Inventories

- 1 If the applicant is proposing to change its pooling method or the number of pools, attach a description of the contents of, and state the base year for, each dollar-value pool the applicant presently uses and proposes to use.
- 2 If the applicant is proposing to use natural business unit (NBU) pools or requesting to change the number of NBU pools, attach the following information (to the extent not already provided) in sufficient detail to show that each proposed NBU was determined under Regulations section 1.472-8(b)(1) and (2):
 - a A description of the types of products produced by the applicant. If possible, attach a brochure.
 - b A description of the types of processes and raw materials used to produce the products in each proposed pool.
 - c If all of the products to be included in the proposed NBU pool(s) are not produced at one facility, the applicant should explain the reasons for the separate facilities, indicate the location of each facility, and provide a description of the products each facility produces.
 - d A description of the natural business divisions adopted by the taxpayer. State whether separate cost centers are maintained and if separate profit and loss statements are prepared.
 - e A statement addressing whether the applicant has inventories of items purchased and held for resale that are not further processed by the applicant, including whether such items, if any, will be included in any proposed NBU pool.
 - f A statement addressing whether all items including raw materials, goods-in-process, and finished goods entering into the entire inventory investment for each proposed NBU pool are presently valued under the LIFO method. Describe any items that are not presently valued under the LIFO method that are to be included in each proposed pool.
 - g A statement addressing whether, within the proposed NBU pool(s), there are items both sold to unrelated parties and transferred to a different unit of the applicant to be used as a component part of another product prior to final processing.
- 3 If the applicant is engaged in manufacturing and is proposing to use the multiple pooling method or raw material content pools, attach information to show that each proposed pool will consist of a group of items that are substantially similar. See Regulations section 1.472-8(b)(3).
- 4 If the applicant is engaged in the wholesaling or retailing of goods and is requesting to change the number of pools used, attach information to show that each of the proposed pools is based on customary business classifications of the applicant's trade or business. See Regulations section 1.472-8(c).

Schedule D — Change in the Treatment of Long-Term Contracts Under Section 460, Inventories, or Other Section 263A Assets (see instructions)

Part I Change in Reporting Income From Long-Term Contracts (Also complete Part III on pages 7 and 8.)

- 1 To the extent not already provided, attach a description of the applicant's present and proposed methods for reporting income and expenses from long-term contracts. If the applicant is a construction contractor, include a detailed description of its construction activities.
- 2a Are the applicant's contracts long-term contracts as defined in section 460(f)(1) (see instructions)? Yes No
- b If "Yes," do all the contracts qualify for the exception under section 460(e) (see instructions)? Yes No
If line 2b is "No," attach an explanation.
- c If line 2b is "Yes," is the applicant requesting to use the percentage-of-completion method using cost-to-cost under Regulations section 1.460-4(b)? Yes No
- d If line 2c is "No," is the applicant requesting to use the exempt-contract percentage-of-completion method under Regulations section 1.460-4(c)(2)? Yes No
If line 2d is "Yes," explain what cost comparison the applicant will use to determine a contract's completion factor.
If line 2d is "No," explain what method the applicant is using and the authority for its use.
- 3a Does the applicant have long-term manufacturing contracts as defined in section 460(f)(2)? Yes No
- b If "Yes," explain the applicant's present and proposed method(s) of accounting for long-term manufacturing contracts.
- c Describe the applicant's manufacturing activities, including any required installation of manufactured goods.
- 4 To determine a contract's completion factor using the percentage-of-completion method:
 - a Will the applicant use the cost-to-cost method in Regulations section 1.460-4(b)? Yes No
 - b If line 4a is "No," is the applicant electing the simplified cost-to-cost method (see section 460(b)(3) and Regulations section 1.460-5(c))? Yes No
- 5 Attach a statement indicating whether any of the applicant's contracts are either cost-plus long-term contracts or Federal long-term contracts.

Part II Change in Valuing Inventories Including Cost Allocation Changes (Also complete Part III on pages 7 and 8.)

- 1 Attach a description of the inventory goods being changed.
- 2 Attach a description of the inventory goods (if any) NOT being changed.
- 3 If the applicant is subject to section 263A, is its present inventory valuation method in compliance with section 263A (see instructions)? Yes No

4a Check the appropriate boxes below.

Identification methods:

- Specific identification
- FIFO
- LIFO
- Other (attach explanation)

Valuation methods:

- Cost
- Cost or market, whichever is lower
- Retail cost
- Retail, lower of cost or market
- Other (attach explanation)

Inventory Being Changed		Inventory Not Being Changed
Present method	Proposed method	Present method

- b Enter the value at the end of the tax year preceding the year of change
- 5 If the applicant is changing from the LIFO inventory method to a non-LIFO method, attach the following information (see instructions).
 - a Copies of Form(s) 970 filed to adopt or expand the use of the method.
 - b **Only for applicants requesting advance consent.** A statement describing whether the applicant is changing to the method required by Regulations section 1.472-6(a) or (b), or whether the applicant is proposing a different method.
 - c **Only for applicants requesting an automatic change.** Attach the statement required by section 10.01(4) of the Appendix of Rev Proc. 2002-9 (or its successor).

Part III Method of Cost Allocation (Complete this part if the requested change involves either property subject to section 263A or long-term contracts as described in section 460 (see instructions).)

Section A — Allocation and Capitalization Methods

Attach a description (including sample computations) of the present and proposed method(s) the applicant uses to capitalize direct and indirect costs properly allocable to real or tangible personal property produced and property acquired for resale, or to allocate and, where appropriate, capitalize direct and indirect costs properly allocable to long-term contracts. Include a description of the method(s) used for allocating indirect costs to intermediate cost objectives such as departments or activities prior to the allocation of such costs to long-term contracts, real or tangible personal property produced, and property acquired for resale. The description must include the following:

- 1 The method of allocating direct and indirect costs (i.e., specific identification, burden rate, standard cost, or other reasonable allocation method).
- 2 The method of allocating mixed service costs (i.e., direct reallocation, step-allocation, simplified service cost using the labor-based allocation ratio, simplified service cost using the production cost allocation ratio, or other reasonable allocation method).
- 3 The method of capitalizing additional section 263A costs (i.e., simplified production with or without the historic absorption ratio election, simplified resale with or without the historic absorption ratio election including permissible variations, the U.S. ratio, or other reasonable allocation method).

Section B — Direct and Indirect Costs Required To Be Allocated (Check the appropriate boxes in Section B showing the costs that are or will be fully included, to the extent required, in the cost of real or tangible personal property produced or property acquired for resale under section 263A or allocated to long-term contracts under section 460. Mark "N/A" in a box if those costs are not incurred by the applicant. If a box is not checked, it is assumed that those costs are not fully included to the extent required. Attach an explanation for boxes that are not checked.)

	Present method	Proposed method
1 Direct material		
2 Direct labor		
3 Indirect labor		
4 Officers' compensation (not including selling activities)		
5 Pension and other related costs		
6 Employee benefits		
7 Indirect materials and supplies		
8 Purchasing costs		
9 Handling, processing, assembly, and repackaging costs		
10 Offsite storage and warehousing costs		
11 Depreciation, amortization, and cost recovery allowance for equipment and facilities placed in service and not temporarily idle		
12 Depletion		
13 Rent		
14 Taxes other than state, local, and foreign income taxes		
15 Insurance		
16 Utilities		
17 Maintenance and repairs that relate to a production, resale, or long-term contract activity		
18 Engineering and design costs (not including section 174 research and experimental expenses)		
19 Rework labor, scrap, and spoilage		
20 Tools and equipment		
21 Quality control and inspection		
22 Bidding expenses incurred in the solicitation of contracts awarded to the applicant		
23 Licensing and franchise costs		
24 Capitalizable service costs (including mixed service costs)		
25 Administrative costs (not including any costs of selling or any return on capital)		
26 Research and experimental expenses attributable to long-term contracts		
27 Interest		
28 Other costs (Attach a list of these costs.)		

Part III Method of Cost Allocation (see instructions) (continued)

Section C — Other Costs Not Required To Be Allocated (Complete Section C only if the applicant is requesting to change its method for these costs.)

	Present method	Proposed method
1 Marketing, selling, advertising, and distribution expenses		
2 Research and experimental expenses not included on line 26 above		
3 Bidding expenses not included on line 22 above		
4 General and administrative costs not included in Section B above		
5 Income taxes		
6 Cost of strikes		
7 Warranty and product liability costs		
8 Section 179 costs		
9 On-site storage		
10 Depreciation, amortization, and cost recovery allowance not included on line 11 above		
11 Other costs (Attach a list of these costs.)		

Schedule E — Change in Depreciation or Amortization (see instructions)

Applicants requesting approval to change their method of accounting for depreciation or amortization complete this section. Applicants must provide this information for each item or class of property for which a change is requested.

Note: See the *List of Automatic Accounting Method Changes* in the instructions for information regarding automatic changes under sections 56, 167, 168, 197, 1400I, 1400L, or former section 168. Do not file Form 3115 with respect to certain late elections and election revocations (see instructions).

- 1 Is depreciation for the property determined under Regulations section 1.167(a)-11 (CLADR)? Yes No
If "Yes," the only changes permitted are under Regulations section 1.167(a)-11(c)(1)(iii)
- 2 Is any of the depreciation or amortization required to be capitalized under any Code section (e.g., section 263A)? Yes No
If "Yes," enter the applicable section ►
- 3 Has a depreciation or amortization election been made for the property (e.g., the election under section 168(f)(1))? Yes No
If "Yes," state the election made ►
- 4a To the extent not already provided, attach a statement describing the property being changed. Include in the description the type of property, the year the property was placed in service, and the property's use in the applicant's trade or business or income-producing activity. SEE LANDSCAPE BAR SCHEDULE ATTACHED.
- b If the property is residential rental property, did the applicant live in the property before renting it? Yes No
- c Is the property public utility property? Yes No
- 5 To the extent not already provided in the applicant's description of its present method, explain how the property is treated under the applicant's present method (e.g., depreciable property, inventory property, supplies under Regulations section 1.162-3, nondepreciable section 263(a) property, property deductible as a current expense, etc.).
- 6 If the property is not currently treated as depreciable or amortizable property, provide the facts supporting the proposed change to depreciate or amortize the property. AUTOMATIC ACCOUNTING METHOD CHANGE #7
- 7 If the property is currently treated and/or will be treated as depreciable or amortizable property, provide the following information under both the present (if applicable) and proposed methods:
 - a The Code section under which the property is or will be depreciated or amortized (e.g., section 168(g)).
 - b The applicable asset class from Rev. Proc. 87-56, 1987-2 C.B. 674, for each asset depreciated under section 168 (MACRS) or under section 1400L; the applicable asset class from Rev. Proc. 83-35, 1983-1 C.B. 745, for each asset depreciated under former section 168 (ACRS); an explanation why no asset class is identified for each asset for which an asset class has not been identified by the applicant.
 - c The facts to support the asset class for the proposed method.
 - d The depreciation or amortization method of the property, including the applicable Code section (e.g., 200% declining balance method under section 168(b)(1)).
 - e The useful life, recovery period, or amortization period of the property
 - f The applicable convention of the property. SEE LANDSCAPE BAR SCHEDULE ATTACHED.

FOOTNOTES

STATEMENT 1

FORM 3115, PAGE 2, PART II, QUESTION 11

PRESENT METHOD

TAXPAYER INITIALLY ADOPTED THE CASH METHOD OF ACCOUNTING IN FISCAL YEAR ENDED JUNE 30, 2000. AT JUNE 30, 2002 TAXPAYER UNWITTINGLY BEGAN TO USE A HYBRID METHOD THAT REPORTED EXPENSES FOR UNPAID PAYROLL TAXES. BY JUNE 30, 2004 TAXPAYER ALSO DEFERRED THE REVENUE ASSOCIATED WITH A GRANT RECEIVED JUST BEFORE YEAR END. SEE AMOUNTS AT LINES 62 AND 65, COLUMN A, FORM 990, PAGE 3, PART IV.

FORM 3115, PAGE 3, PART II, QUESTION 13
TAXPAYER IS A PUBLIC CHARITY, EXEMPT UNDER IRC SECTION 501(C)(3)

FORM 3115, PAGE 4, SCHEDULE A, PART I
FORM 990 PAGES 1 AND 3 AT JUNE 30, 2005 HAVE BEEN PRESENTED ON THE OVERALL ACCRUAL BASIS OF ACCOUNTING. THE ADJUSTMENT SHOWN AT LINE 1(H) IS ALSO SHOWN AT FORM 990, PAGE 1, LINE 20.

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
2	BUILDINGS NATURE EMULATING WASTE TREATMENT SYSTEM * 990 PAGE 2 TOTAL BUILDINGS	082904SL	30.00SL	30.00	16	51,597.		0.	51,597.		0.	1,433.
3	FURNITURE & FIXTURES DESK/TABLE	090503SL	10.00SL	10.00	16	259.			259.	22.		26.
5	USED TABLE & CHAIRS KITCHEN PLATES & GLASSES	063001SL	10.00SL	10.00	16	200.			200.	30.		20.
7	PICNIC TABLES	110201SL	10.00SL	10.00	16	156.			156.	43.		16.
12	VACUUM CLEANER * 990 PAGE 2 TOTAL FURNITURE & FIXTURES	061303SL	10.00SL	10.00	16	200.			200.	22.		20.
14	MACHINERY & EQUIPMENT USED GREENHOUSE LAPTOP WITH CAMERA	052304SL	5.00SL	5.00	16	219.			219.	4.		44.
4	ENGRAVER	032605SL	5.00SL	5.00	16	568.		0.	1,034.	121.	0.	126.
6	AUDIO VISUAL CART	082101SL	7.00SL	7.00	16	8,984.			8,984.	3,635.		1,283.
8	TENT	031302SL	10.00SL	10.00	16	169.			169.	41.		17.
9	TENT	100102SL	7.00SL	7.00	16	532.			532.	133.		76.
10	DISPLAY BOARD	042103SL	7.00SL	7.00	16	705.			705.	118.		101.
11	PLAYER	042103SL	10.00SL	10.00	16	106.			106.	13.		11.
13	PLAYER	110303SL	5.00SL	5.00	16	155.			155.	21.		31.

2004 DEPRECIATION AND AMORTIZATION REPORT FORM 990 PAGE 2 990

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
	* 990 PAGE 2 TOTAL MACHINERY & EQUIPMENT					11,219.		0.	11,219.	3,961.	0.	1,547.
	LAND					127,500.			127,500.			0.
	110.35 ACRES LAND	021805L				127,500.		0.	127,500.	0.	0.	0.
	* 990 PAGE 2 TOTAL LAND					191,350.		0.	191,350.	4,082.	0.	3,106.
	* GRAND TOTAL 990 PAGE 2 DEPR											

428102 10-08-04 (D) - Asset disposed * ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction