

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

**2005**

Department of the Treasury  
Internal Revenue Service

For calendar year 2005 or other tax year beginning **JUL 1, 2005**, and ending **JUN 30, 2006**

<p><b>A</b> <input type="checkbox"/> Check box if address changed</p> <p><b>B</b> Exempt under section  <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e)  <input type="checkbox"/> 408A <input type="checkbox"/> 530(a)  <input type="checkbox"/> 529(a)</p> <p><b>C</b> Book value of all assets at end of year <b>203,652,881.</b></p>	<p>Print or Type</p>	<p>Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.)  <b>Massachusetts Audubon Society, Inc.</b></p> <p>Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.)  <b>208 South Great Road</b></p> <p>City or town, state, and ZIP code  <b>Lincoln, MA 01773</b></p> <p><b>F</b> Group exemption number (see instructions for Block F) ▶</p> <p><b>G</b> Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust</p>	<p><b>D</b> Employer identification number (Employees' trust, see instructions for Block D on page 7.)  <b>04-2104702</b></p> <p><b>E</b> New unrelated bus. activity codes (See instructions for Block E on page 7.)  <b>541800 722320</b></p>
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**H** Describe the organization's primary unrelated business activity. ▶ **Facility Rental for Weddings**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subidiary controlled group? .....  Yes  No  
 If "Yes," enter the name and identifying number of the parent corporation. ▶

**J** The books are in care of ▶ **Bancroft Poor** Telephone number ▶ **(781) 259-9500**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales <b>108,800.</b>			
<b>b</b> Less returns and allowances <b>c</b> Balance ▶	<b>1c</b> 108,800.		
<b>2</b> Cost of goods sold (Schedule A, line 7)	<b>2</b>		
<b>3</b> Gross profit. Subtract line 2 from line 1c	<b>3</b> 108,800.		<b>108,800.</b>
<b>4a</b> Capital gain net income (attach Schedule D)	<b>4a</b>		
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	<b>4b</b>		
<b>c</b> Capital loss deduction for trusts	<b>4c</b>		
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)	<b>5</b> 70.		<b>70.</b>
<b>6</b> Rent income (Schedule C)	<b>6</b>		
<b>7</b> Unrelated debt-financed income (Schedule E)	<b>7</b>		
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Sch. F)	<b>8</b>		
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	<b>9</b>		
<b>10</b> Exploited exempt activity income (Schedule I)	<b>10</b>		
<b>11</b> Advertising income (Schedule J)	<b>11</b>		
<b>12</b> Other income (See instructions - attach schedule.)	<b>12</b>		
<b>13 Total.</b> Combine lines 3 through 12	<b>13</b> 108,870.		<b>108,870.</b>

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
<b>14</b> Compensation of officers, directors, and trustees (Schedule K)	<b>14</b>		
<b>15</b> Salaries and wages	<b>15</b>		<b>37,905.</b>
<b>16</b> Repairs and maintenance	<b>16</b>		<b>12,803.</b>
<b>17</b> Bad debts	<b>17</b>		
<b>18</b> Interest (attach schedule)	<b>18</b>		
<b>19</b> Taxes and licenses	<b>19</b>		
<b>20</b> Charitable contributions (See instructions for limitation rules.)	<b>20</b>		
<b>21</b> Depreciation (attach Form 4562)	<b>21</b>		
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return	<b>22a</b>		<b>22b</b>
<b>23</b> Depletion	<b>23</b>		
<b>24</b> Contributions to deferred compensation plans	<b>24</b>		
<b>25</b> Employee benefit programs	<b>25</b>		
<b>26</b> Excess exempt expenses (Schedule I)	<b>26</b>		
<b>27</b> Excess readership costs (Schedule J)	<b>27</b>		
<b>28</b> Other deductions (attach schedule) <b>See Statement 23</b>	<b>28</b>		<b>12,945.</b>
<b>29 Total deductions.</b> Add lines 14 through 28	<b>29</b>		<b>63,653.</b>
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	<b>30</b>		<b>45,217.</b>
<b>31</b> Net operating loss deduction (limited to the amount on line 30)	<b>31</b>		
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	<b>32</b>		<b>45,217.</b>
<b>33</b> Specific deduction (Generally \$1,000, but see instructions for exceptions)	<b>33</b>		<b>1,000.</b>
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	<b>34</b>		<b>44,217.</b>

Part III Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes rows for Organizations Taxable as Corporations (35), Trusts Taxable at Trust Rates (36), Proxy tax (37), Alternative minimum tax (38), and Total (39).

Part IV Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes rows for Foreign tax credit (40a-40e), Other taxes (42), Total tax (43), Payments (44a-44f), Estimated tax penalty (46), Tax due (47), and Overpayment (48).

Part V Statements Regarding Certain Activities and Other Information (See instructions on page 16.)

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions about foreign accounts, foreign trusts, and tax-exempt interest.

Schedule A - Cost of Goods Sold. Enter method of inventory valuation N/A

Table with 3 columns: Line number, Description, and Amount. Includes rows for Inventory at beginning/end of year, Purchases, Cost of labor, Additional section 263A costs, and Total.

Sign Here section containing signature of Heidi E. MacLean, Title VP/ Asst. Treas., and Preparer's Use Only section with firm name Tonneson & Company CPAs PC.

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)** (See instr. on pg 17.)

**1** Description of property

(1)	
(2)	
(3)	
(4)	

2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	0.	Total 0.

**Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) **0.**

**Total deductions.** Enter here and on page 1, Part I, line 8, column (B) **0.**

**Schedule E - Unrelated Debt-Financed Income** (See instructions on page 17.)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
		(a) Straight-line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		

**Totals** Enter here and on page 1, Part I, line 7, column (A) **0.** Enter here and on page 1, Part I, line 7, column (B) **0.**

**Total dividends-received deductions** included in column 8 **0.**

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations** (See instructions on page 18.)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column (4) that is included in the controlling organization's gross income	6 Deductions directly connected with income in column (5)
(1)					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column (9) that is included in the controlling organization's gross income	11 Deductions directly connected with income in column (10)
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A) **0.**

Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B) **0.**

**Totals** **0.** **0.**

**Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(See instructions on page 19.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b>	0.			0.

**Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income**

(See instructions on page 19.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b>	0.	0.				0.

**Schedule J - Advertising Income** (See instructions on page 19.)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5))	0.	0.				0.

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b>	0.	0.				0.
<b>Totals, Part II (lines 1-5)</b>	0.	0.				0.

**Schedule K - Compensation of Officers, Directors, and Trustees** (See instructions on page 20.)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
<b>Total - Enter here and on page 1, Part II, line 14</b>			0.

# Underpayment of Estimated Tax by Corporations

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
▶ Attach to the corporation's tax return.

Form **990-T**

**2005**

Name <b>Massachusetts Audubon Society, Inc.</b>	Employer identification number <b>04-2104702</b>
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**Note:** Generally, the corporation is not required to file Form 2220. (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

<b>Part I Required Annual Payment</b>			
1 Total tax (see instructions) .....		<b>1</b>	<b>6,633.</b>
2a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1 .....			
b Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or of section 167(g) for depreciation under the income forecast method .....			
c Credit for Federal tax paid on fuels (see instructions) .....			
d Total. Add lines 2a through 2c .....		<b>2d</b>	
3 Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty .....		<b>3</b>	<b>6,633.</b>
4 Enter the tax shown on the corporation's 2004 income tax return (see instructions). <b>Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5</b> .....		<b>4</b>	<b>9,867.</b>
5 <b>Required Annual Payment.</b> Enter the <b>smaller</b> of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3 .....		<b>5</b>	<b>6,633.</b>

**Part II Reasons for Filing** - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

- 6  The corporation is using the adjusted seasonal installment method.
- 7  The corporation is using the annualized income installment method.
- 8  The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

**Part III Figuring the Underpayment**

	(a)	(b)	(c)	(d)	
9 <b>Installment due dates.</b> Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year .....	<b>9</b>	<b>11/15/05</b>	<b>12/15/05</b>	<b>03/15/06</b>	<b>06/15/06</b>
10 <b>Required installments.</b> If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column .....	<b>10</b>	<b>1,658.</b>	<b>1,659.</b>	<b>1,658.</b>	<b>1,658.</b>
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15 .....	<b>11</b>	<b>1,500.</b>	<b>1,500.</b>	<b>1,500.</b>	<b>1,500.</b>
<b>Complete lines 12 through 18 of one column before going to the next column.</b>					
12 Enter amount, if any, from line 18 of the preceding column .....	<b>12</b>				
13 Add lines 11 and 12 .....	<b>13</b>		<b>1,500.</b>	<b>1,500.</b>	<b>1,500.</b>
14 Add amounts on lines 16 and 17 of the preceding column .....	<b>14</b>		<b>158.</b>	<b>317.</b>	<b>475.</b>
15 Subtract line 14 from line 13. If zero or less, enter -0- .....	<b>15</b>	<b>1,500.</b>	<b>1,342.</b>	<b>1,183.</b>	<b>1,025.</b>
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- .....	<b>16</b>		<b>0.</b>	<b>0.</b>	
17 <b>Underpayment.</b> If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18 .....	<b>17</b>	<b>158.</b>	<b>317.</b>	<b>475.</b>	<b>633.</b>
18 <b>Overpayment.</b> If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column .....	<b>18</b>				

**Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.**

**Part IV Figuring the Penalty**

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19			
20 Number of days from due date of installment on line 9 to the date shown on line 19	20			
21 Number of days on line 20 after 4/15/2005 and before 10/1/2005	21			
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 6\%}{365}$	22	\$	\$	\$
23 Number of days on line 20 after 9/30/2005 and before 4/1/2006	23			
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 7\%}{365}$	24	\$	\$	\$
25 Number of days on line 20 after 3/31/2006 and before 7/1/2006	25			
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times \%}{365}$	26	\$	\$	\$
27 Number of days on line 20 after 6/30/2006 and before 10/1/2006	27	See Attached Worksheet		
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times \%}{365}$	28	\$	\$	\$
29 Number of days on line 20 after 9/30/2006 and before 1/1/2007	29			
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times \%}{365}$	30	\$	\$	\$
31 Number of days on line 20 after 12/31/2006 and before 2/16/2007	31			
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times \%}{365}$	32	\$	\$	\$
33 Add lines 22, 24, 26, 28, 30, and 32	33	\$	\$	\$
34 <b>Penalty.</b> Add columns (a) through (d), of line 33. Enter the total here and on Form 1120; line 33, Form 1120-A, line 29; or the comparable line for other income tax returns	34			\$ 35.

\* For underpayments paid after March 31, 2006: For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-4933 to get interest rate information.



**Depreciation and Amortization** 990  
 (Including Information on Listed Property)

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

Name(s) shown on return <b>Massachusetts Audubon Society, Inc.</b>	Business or activity to which this form relates	Identifying number <b>04-2104702</b>
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**Form 990 Page 2**

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

1 Maximum amount. See the instructions for a higher limit for certain businesses .....	1	105,000.
2 Total cost of section 179 property placed in service (see instructions) .....	2	
3 Threshold cost of section 179 property before reduction in limitation .....	3	420,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- .....	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions .....	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29 .....	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 .....	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8 .....	9	
10 Carryover of disallowed deduction from line 13 of your 2004 Form 4562 .....	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 .....	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 .....	12	
13 Carryover of disallowed deduction to 2006. Add lines 9 and 10, less line 12 .....	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

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

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

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2005 .....	17	247,809.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here .....	<input type="checkbox"/>	

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

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property		72,347.	3 Yrs	S/L	S/L	14,999.
b 5-year property		675,171.	5 Yrs	S/L	S/L	119,441.
c 7-year property		20,414.	8 Yrs	S/L	S/L	1,279.
d 10-year property		1,094,277.	10 Yrs	S/L	S/L	108,217.
e 15-year property						
f 20-year property		97,441.	20 Yrs	S/L	S/L	3,387.
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

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

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

**Part IV Summary (see instructions)**

21 Listed property. Enter amount from line 28 .....	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. ....	22	495,132.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs .....	23	

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

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

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

**24a** Do you have evidence to support the business/investment use claimed?  Yes  No **24b** If "Yes," is the evidence written?  Yes  No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>25</b> Special allowance for certain aircraft, certain property with a long production period, and qualified NYL or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use							<b>25</b>	
<b>26</b> Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
<b>27</b> Property used 50% or less in a qualified business use:								
		%			S/L -			
		%			S/L -			
		%			S/L -			
<b>28</b> Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							<b>28</b>	
<b>29</b> Add amounts in column (i), line 26. Enter here and on line 7, page 1								<b>29</b>

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

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

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

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

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

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

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

**Part VI Amortization**

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

Footnotes

Statement 22

Flag Private Equity II, L.P. Ordinary Income	-152.
Passive Activity Loss Limitation	152.
Flag Private Equity II, L.P. UBIT Portfolio Income	226.
Flag Private Equity II, L.P. UBIT Investment Interest	-156.
Flag Private Equity II, L.P. (Form 990T Part I Line 5)	70.

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Form 990-T	Other Deductions	Statement 23
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<u>Description</u>	<u>Amount</u>
Insurance	1,962.
Telephone	320.
Payroll expenses	5,651.
Advertising	625.
Postage	247.
Miscellaneous	4,140.
Total to Form 990-T, Page 1, line 28	<u>12,945.</u>

Form 990-T	Tax Computation	Statement 24
1. Taxable Income . . . . .		44,217
2. Lesser of Line 1 or First Bracket Amount .		44,217
3. Line 1 Less Line 2 . . . . .		0
4. Lesser of Line 3 or Second Bracket Amount .		0
5. Line 3 Less Line 4 . . . . .		0
6. Income Subject to 34% Tax Rate . . . . .		0
7. Income Subject to 35% Tax Rate . . . . .		0
8. 15 Percent of Line 2 . . . . .		6,633
9. 25 Percent of Line 4 . . . . .		0
10. 34 Percent of Line 6 . . . . .		0
11. 35 Percent of Line 7 . . . . .		0
12. Additional 5% Surtax. . . . .		0
13. Additional 3% Surtax . . . . .		0
14. Total of lines 8 through 13 to Form 990-T, Page 2, Line 35c		<u>6,633</u>