Form **990**

Department of the Treasury
Internal Revenue Service

# 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)**

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

OMB No. 1545-0047

**2006**

**Open to Public Inspection**

**A For the 2006 calendar year, or tax year beginning** JUL 1, 2006 **and ending** JUN 30, 2007

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

Please use IRS label or print or type. See Specific Instructions.

**C** Name of organization: PROJECT RETURN, INC.

Number and street (or P.O. box if mail is not delivered to street address): 1200 DIVISION STREET — Room/suite: 200

City or town, state or country, and ZIP + 4: NASHVILLE, TN 37203

**D Employer identification number**: 62-1058325

**E Telephone number**: (615)327-9654

**F** Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

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

**H** *and* **I** *are not applicable to section 527 organizations.*

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

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

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

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

**I** Group Exemption Number ▶ N/A

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

**G Website:** ▶WWW.PROJECTRETURNINC.ORG

**J Organization type** (check only one) ▶ ☒ 501(c) ( 3 ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

**K** Check here ▶ ☐ if the organization is not a 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 487,744.

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

### Revenue

| | | | | | |
|---|---|---|---|---|---|
| 1 | Contributions, gifts, grants, and similar amounts received: | | | | |
| a | Contributions to donor advised funds | 1a | | | |
| b | Direct public support (not included on line 1a) | 1b | 86,497. | | |
| c | Indirect public support (not included on line 1a) | 1c | | | |
| d | Government contributions (grants) (not included on line 1a) | 1d | 399,543. | | |
| e | **Total** (add lines 1a through 1d) (cash $ 486,040. noncash $ ) | | | 1e | 486,040. |
| 2 | Program service revenue including government fees and contracts (from Part VII, line 93) | | | 2 | |
| 3 | Membership dues and assessments | | | 3 | |
| 4 | Interest on savings and temporary cash investments | | | 4 | 1,704. |
| 5 | Dividends and interest from securities | | | 5 | |
| 6 a | Gross rents | 6a | | | |
| b | Less: rental expenses | 6b | | | |
| c | Net rental income or (loss). Subtract line 6b from line 6a | | | 6c | |
| 7 | Other investment income (describe ▶ ) | | | 7 | |

| | | (A) Securities | | (B) Other |
|---|---|---|---|---|
| 8 a | Gross amount from sales of assets other than inventory | | 8a | |
| b | Less: cost or other basis and sales expenses | | 8b | |
| c | Gain or (loss) (attach schedule) | | 8c | |

| | | | | | |
|---|---|---|---|---|---|
| d | Net gain or (loss). Combine line 8c, columns (A) and (B) | | | 8d | |
| 9 | Special events and activities (attach schedule). If any amount is from **gaming**, check here ▶ ☐ | | | | |
| a | Gross revenue (not including $ of contributions reported on line 1b) | 9a | | | |
| b | Less: direct expenses other than fundraising expenses | 9b | | | |
| c | Net income or (loss) from special events. Subtract line 9b from line 9a | | | 9c | |
| 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 | |
| 12 | **Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 | | | 12 | 487,744. |

### Expenses

| | | | |
|---|---|---|---|
| 13 | Program services (from line 44, column (B)) | 13 | 411,705. |
| 14 | Management and general (from line 44, column (C)) | 14 | 36,624. |
| 15 | Fundraising (from line 44, column (D)) | 15 | 32,231. |
| 16 | Payments to affiliates (attach schedule) | 16 | |
| 17 | **Total expenses.** Add lines 16 and 44, column (A) | 17 | 480,560. |

### Net Assets

| | | | |
|---|---|---|---|
| 18 | Excess or (deficit) for the year. Subtract line 17 from line 12 | 18 | 7,184. |
| 19 | Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 | 111,630. |
| 20 | Other changes in net assets or fund balances (attach explanation) | 20 | 0. |
| 21 | Net assets or fund balances at end of year. Combine lines 18, 19, and 20 | 21 | 118,814. |

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

| *Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.* | | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|---|---|---|---|---|---|
| 22a Grants paid from donor advised funds (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐ | 22a | | | | |
| 22b Other grants and allocations (attach schedule) (cash $ 0. noncash $ 0.) If this amount includes foreign grants, check here ▶ ☐ | 22b | | | | |
| 23 Specific assistance to individuals (attach schedule) | 23 | | | | |
| 24 Benefits paid to or for members (attach schedule) | 24 | | | | |
| 25a Compensation of current officers, directors, key employees, etc. listed in Part V-A | 25a | 212,049. | 185,013. | 15,523. | 11,513. |
| b Compensation of former officers, directors, key employees, etc. listed in Part V-B | 25b | 0. | 0. | 0. | 0. |
| c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | 25c | | | | |
| 26 Salaries and wages of employees not included on lines 25a, b, and c | 26 | 43,058. | 37,564. | 3,140. | 2,354. |
| 27 Pension plan contributions not included on lines 25a, b, and c | 27 | | | | |
| 28 Employee benefits not included on lines 25a - 27 | 28 | 7,811. | 6,815. | 571. | 425. |
| 29 Payroll taxes | 29 | 20,760. | 18,113. | 1,519. | 1,128. |
| 30 Professional fundraising fees | 30 | | | | |
| 31 Accounting fees | 31 | 27,260. | 20,990. | 2,726. | 3,544. |
| 32 Legal fees | 32 | | | | |
| 33 Supplies | 33 | 6,165. | 4,747. | 617. | 801. |
| 34 Telephone | 34 | 5,567. | 4,287. | 556. | 724. |
| 35 Postage and shipping | 35 | 2,011. | 1,549. | 201. | 261. |
| 36 Occupancy | 36 | 42,000. | 36,527. | 2,918. | 2,555. |
| 37 Equipment rental and maintenance | 37 | 4,507. | 3,470. | 451. | 586. |
| 38 Printing and publications | 38 | 973. | 750. | 97. | 126. |
| 39 Travel | 39 | 5,798. | 5,525. | 271. | 2. |
| 40 Conferences, conventions, and meetings | 40 | 3,283. | 2,648. | 615. | 20. |
| 41 Interest | 41 | 3,274. | | 3,274. | |
| 42 Depreciation, depletion, etc. (attach schedule) | 42 | 6,119. | 4,895. | 612. | 612. |
| 43 Other expenses not covered above (itemize): | | | | | |
| a | 43a | | | | |
| b | 43b | | | | |
| c | 43c | | | | |
| d | 43d | | | | |
| e | 43e | | | | |
| f | 43f | | | | |
| g SEE STATEMENT 2 | 43g | 89,925. | 78,812. | 3,533. | 7,580. |
| 44 **Total functional expenses.** Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15) | 44 | 480,560. | 411,705. | 36,624. | 32,231. |

**Joint Costs.** Check ▶ ☐ if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in **(B)** Program services? ▶ ☐ **Yes** ☒ **No**

If "Yes," enter **(i)** the aggregate amount of these joint costs $ N/A ; **(ii)** the amount allocated to Program services $ N/A ;

**(iii)** the amount allocated to Management and general $ N/A ; and **(iv)** the amount allocated to Fundraising $ N/A

## Part III Statement of Program Service Accomplishments *(See the instructions.)*

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

| What is the organization's primary exempt purpose? ▶ COUNSELING AND TEACHING OF JOB SKILLS TO PRISONERS. 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.) | **Program Service Expenses** (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
|---|---|
| **a** SEE STATEMENT 3 (Grants and allocations $ ) If this amount includes foreign grants, check here ▶ ☐ | 411,705. |
| **b** (Grants and allocations $ ) If this amount includes foreign grants, check here ▶ ☐ | |
| **c** (Grants and allocations $ ) If this amount includes foreign grants, check here ▶ ☐ | |
| **d** (Grants and allocations $ ) If this amount includes foreign grants, check here ▶ ☐ | |
| **e** Other program services (attach schedule) (Grants and allocations $ ) If this amount includes foreign grants, check here ▶ ☐ | |
| **f** **Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶ | 411,705. |

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623021
01-18-07

**Part IV Balance Sheets** *(See the instructions.)*

**Note:** *Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.*

| | | | | | (A) Beginning of year | | (B) End of year |
|---|---|---|---|---|---|---|---|
| Assets | 45 | Cash - non-interest-bearing | | | 769. | 45 | 5,740. |
| | 46 | Savings and temporary cash investments | | | 5,963. | 46 | 63,263. |
| | 47 a | Accounts receivable | 47a | | | | |
| | b | Less: allowance for doubtful accounts | 47b | | | 47c | |
| | 48 a | Pledges receivable | 48a | 63,848. | | | |
| | b | Less: allowance for doubtful accounts | 48b | | 105,755. | 48c | 63,848. |
| | 49 | Grants receivable | | | 53,585. | 49 | 5,383. |
| | 50 a | Receivables from current and former officers, directors, trustees, and key employees | | | | 50a | |
| | b | Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) | | | | 50b | |
| | 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 | | | 8,574. | 53 | 6,944. |
| | 54 a | Investments - publicly-traded securities ▶ ☐ Cost ☐ FMV | | | | 54a | |
| | b | Investments - other securities ▶ ☐ Cost ☐ FMV | | | | 54b | |
| | 55 a | Investments - land, buildings, and equipment: basis | 55a | 45,762. | | | |
| | b | Less: accumulated depreciation | 55b | 31,524. | 20,357. | 55c | 14,238. |
| | 56 | Investments - other | | | | 56 | |
| | 57 a | Land, buildings, and equipment: basis | 57a | | | | |
| | b | Less: accumulated depreciation | 57b | | | 57c | |
| | 58 | Other assets, including program-related investments (describe ▶ ) | | | | 58 | |
| | 59 | **Total assets** (must equal line 74). Add lines 45 through 58 | | | 195,003. | 59 | 159,416. |
| Liabilities | 60 | Accounts payable and accrued expenses | | | 34,751. | 60 | 33,712. |
| | 61 | Grants payable | | | | 61 | |
| | 62 | Deferred revenue | | | | 62 | |
| | 63 | Loans from officers, directors, trustees, and key employees | | | | 63 | |
| | 64 a | Tax-exempt bond liabilities | | | | 64a | |
| | b | Mortgages and other notes payable STMT 4 | | | 40,000. | 64b | |
| | 65 | Other liabilities (describe ▶ CAPITAL LEASE OBLIGATION ) | | | 8,622. | 65 | 6,890. |
| | 66 | **Total liabilities.** Add lines 60 through 65 | | | 83,373. | 66 | 40,602. |
| Net Assets or Fund Balances | | **Organizations that follow SFAS 117, check here ▶** [X] and complete lines 67 through 69 and lines 73 and 74. | | | | | |
| | 67 | Unrestricted | | | <31,103.> | 67 | 23,730. |
| | 68 | Temporarily restricted | | | 142,733. | 68 | 95,084. |
| | 69 | Permanently restricted | | | | 69 | |
| | | **Organizations that do not follow SFAS 117, check here ▶** ☐ 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 and column (B) **must** equal line 21) | | | 111,630. | 73 | 118,814. |
| | 74 | **Total liabilities and net assets/fund balances.** Add lines 66 and 73 | | | 195,003. | 74 | 159,416. |

Form **990** (2006)

623031
01-20-07

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

| | | | | | |
|---|---|---|---|---|---|
| a | Total revenue, gains, and other support per audited financial statements | | | a | 487,744. |
| b | Amounts included on line **a** but not on Part I, line 12: | | | | |
| 1 | Net unrealized gains on investments | b1 | | | |
| 2 | Donated services and use of facilities | b2 | | | |
| 3 | Recoveries of prior year grants | b3 | | | |
| 4 | Other (specify): | b4 | | | |
| | Add lines **b1** through **b4** | | | b | 0. |
| c | Subtract line **b** from line **a** | | | c | 487,744. |
| d | Amounts included on Part I, line 12, but not on line **a:** | | | | |
| 1 | Investment expenses not included on Part I, line 6b | d1 | | | |
| 2 | Other (specify): | d2 | | | |
| | Add lines **d1** and **d2** | | | d | 0. |
| e | **Total revenue** (Part I, line 12). Add lines **c** and **d** ▶ | | | e | 487,744. |

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

| | | | | | |
|---|---|---|---|---|---|
| a | Total expenses and losses per audited financial statements | | | a | 480,560. |
| b | Amounts included on line **a** but not on Part I, line 17: | | | | |
| 1 | Donated services and use of facilities | b1 | | | |
| 2 | Prior year adjustments reported on Part I, line 20 | b2 | | | |
| 3 | Losses reported on Part I, line 20 | b3 | | | |
| 4 | Other (specify): | b4 | | | |
| | Add lines **b1** through **b4** | | | b | 0. |
| c | Subtract line **b** from line **a** | | | c | 480,560. |
| d | Amounts included on Part I, line 17, but not on line **a:** | | | | |
| 1 | Investment expenses not included on Part I, line 6b | d1 | | | |
| 2 | Other (specify): | d2 | | | |
| | Add lines **d1** and **d2** | | | d | 0. |
| e | **Total expenses** (Part I, line 17). Add lines **c** and **d** ▶ | | | e | 480,560. |

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

| (A) Name and address | (B) Title and average hours per week devoted to position | (C) Compensation (If not paid, enter -0-.) | (D) Contributions to employee benefit plans & deferred compensation plans | (E) Expense account and other allowances |
|---|---|---|---|---|
| C. DAVID DELBRIDGE<br>6606 EUDAILEY-COVINGTON<br>COLLEGE GROVE, TN 37046 | EXECUTIVE DIRECTOR<br>40.00 | 50,000. | 0. | 0. |
| NANCY JOHNSON<br>1116 MARY EVELYN COURT<br>NASHVILLE, TN 37217 | EMPLOYMENT SPECIALIST<br>40.00 | 34,898. | 6,446. | 0. |
| ROBERT C DANIELS<br>333 ARENA AVENUE<br>NASHVILLE, TN 37203 | DIRECTOR OF DEVELOPMENT<br>40.00 | 54,799. | 6,446. | 0. |
| MALINDA D WILSON<br>159 NORTH BERWICK LANE<br>FRANKLIN, TN 37069 | DIRECTOR OF CLIENT SERVICE<br>40.00 | 22,430. | 0. | 0. |
| LYNDA HASSELL-TAYLOR<br>179 KNOLL'S PLACE<br>NASHVILLE, TN 37211 | YOUTH SPECIALIST<br>40.00 | 30,584. | 6,446. | 0. |
| SEE ATTACHED LIST OF<br>NONCOMPENSATED OFFICERS/DIRECTORS | 0.00 | 0. | 0. | 0. |
| | | | | |
| | | | | |

**Part V-A Current Officers, Directors, Trustees, and Key Employees** *(continued)*

| | | | Yes | No |
|---|---|---|---|---|
| 75 a | Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 23 | | | |
| b | Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) | 75b | | X |
| c | Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." | 75c | | X |
| | If "Yes," attach a statement that includes the information described in the instructions. | | | |
| d | Does the organization have a written conflict of interest policy? | 75d | X | |

**Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits** (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

| (A) Name and address | (B) Loans and Advances | (C) Compensation (if not paid, enter -0-) | (D) Contributions to employee benefit plans & deferred compensation plans | (E) Expense account and other allowances |
|---|---|---|---|---|
| NONE | | | | |

**Part VI Other Information** *(See the instructions.)*

| | | | Yes | No |
|---|---|---|---|---|
| 76 | Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change | 76 | | 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. | 77 | X | |
| 78 a | Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return? | 78a | | X |
| b | If "Yes," has it filed a tax return on **Form 990-T** for this year? N/A | 78b | | |
| 79 | Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement | 79 | | 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? | 80a | | X |
| b | If "Yes," enter the name of the organization ▶ N/A and check whether it is ☐ exempt or ☐ nonexempt | | | |
| 81 a | Enter direct or indirect political expenditures. (See line 81 instructions.) 81a 0. | | | |
| b | Did the organization file **Form 1120-POL** for this year? | 81b | | X |

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**Part VI Other Information** *(continued)*

| | | | | Yes | No |
|---|---|---|---|---|---|
| 82 a | Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? | | 82a | | X |
| b | If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) | 82b N/A | | | |
| 83 a | Did the organization comply with the public inspection requirements for returns and exemption applications? | | 83a | X | |
| b | Did the organization comply with the disclosure requirements relating to quid pro quo contributions? | N/A | 83b | | |
| 84 a | Did the organization solicit any contributions or gifts that were not tax deductible? | | 84a | | X |
| b | If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? | N/A | 84b | | |
| 85 | *501(c)(4), (5), or (6) organizations.* **a** Were substantially all dues nondeductible by members? | N/A | 85a | | |
| b | Did the organization make only in-house lobbying expenditures of $2,000 or less? | N/A | 85b | | |
| | If "Yes" was answered to either 85a or 85b, **do not** complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year. | | | | |
| c | Dues, assessments, and similar amounts from members | 85c N/A | | | |
| d | Section 162(e) lobbying and political expenditures | 85d N/A | | | |
| e | Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices | 85e N/A | | | |
| f | Taxable amount of lobbying and political expenditures (line 85d less 85e) | 85f N/A | | | |
| g | Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? | N/A | 85g | | |
| h | If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? | N/A | 85h | | |
| 86 | *501(c)(7) organizations.* Enter: **a** Initiation fees and capital contributions included on line 12 | 86a N/A | | | |
| b | Gross receipts, included on line 12, for public use of club facilities | 86b N/A | | | |
| 87 | *501(c)(12) organizations.* Enter: **a** Gross income from members or shareholders | 87a N/A | | | |
| b | Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) | 87b N/A | | | |
| 88 a | 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 | | 88a | | X |
| b | At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI ▶ | | 88b | | X |
| 89 a | *501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0. ; section 4912 ▶ 0. ; section 4955 ▶ 0. | | | | |
| b | *501(c)(3) and 501(c)(4) organizations.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction | | 89b | | X |
| c | Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ | 0. | | | |
| d | Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ | 0. | | | |
| e | *All organizations.* At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? | | 89e | | X |
| f | *All organizations.* Did the organization acquire a direct or indirect interest in any applicable insurance contract? | | 89f | | X |
| g | *For supporting organizations and sponsoring organizations maintaining donor advised funds.* Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? | | 89g | | X |

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

b Number of employees employed in the pay period that includes March 12, 2006 — 90b: 8

91 a The books are in care of ▶ C. DAVID DELBRIDGE Telephone no. ▶ 615-327-9654

Located at ▶ 1200 DIVISION STREET, STE #200 - NASHVILLE, TN ZIP + 4 ▶ 37203

| | | | Yes | No |
|---|---|---|---|---|
| b | At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? | 91b | | X |
| | If "Yes," enter the name of the foreign country ▶ N/A | | | |
| | See the instructions for exceptions and filing requirements for **Form TD F 90-22.1,** Report of Foreign Bank and Financial Accounts. | | | |

**Part VI Other Information** *(continued)*

| | | | Yes | No |
|---|---|---|---|---|
| c | At any time during the calendar year, did the organization maintain an office outside of the United States? If "Yes," enter the name of the foreign country ▶ N/A | 91c | | X |

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* **Form 1041-** Check here ▶ ☐
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 | N/A

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

| **Note:** *Enter gross amounts unless otherwise indicated.* | Unrelated business income | | Excluded by section 512, 513, or 514 | | |
|---|---|---|---|---|---|
| | (A) Business code | (B) Amount | (C) Exclusion code | (D) Amount | (E) Related or exempt function income |
| 93 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | 14 | 1,704. | |
| 96 Dividends and interest from securities | | | | | |
| 97 Net rental income or (loss) from real estate: | | | | | |
| a debt-financed property | | | | | |
| b not debt-financed property | | | | | |
| 98 Net rental income or (loss) from personal property | | | | | |
| 99 Other investment income | | | | | |
| 100 Gain or (loss) from sales of assets other than inventory | | | | | |
| 101 Net income or (loss) from special events | | | | | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0. | | 1,704. | 0. |

105 **Total** (add line 104, columns (B), (D), and (E)) ▶ 1,704.

**Note:** *Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.*

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** *(See the instructions.)*

| Line No. ▼ | Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes). |
|---|---|
| | |
| | |
| | |
| | |

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** *(See the instructions.)*

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

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

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

**(b)** Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

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

**Part XI Information Regarding Transfers To and From Controlled Entities.** *Complete only if the organization is a controlling organization as defined in section 512(b)(13).* N/A

| | Yes | No |
|---|---|---|
| **106** Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. | | |

| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer |
|---|---|---|---|---|
| a | | | | |
| b | | | | |
| c | | | | |
| | Totals | | | |

| | Yes | No |
|---|---|---|
| **107** Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity. | | |

| | (A) Name, address, of each controlled entity | (B) Employer Identification Number | (C) Description of transfer | (D) Amount of transfer |
|---|---|---|---|---|
| a | | | | |
| b | | | | |
| c | | | | |
| | Totals | | | |

| | Yes | No |
|---|---|---|
| **108** Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above? | | |

**Please Sign Here**

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

▶ C. David Dillbridge — Signature of officer | Date 11/06/07

▶ C. DAVID DELBRIDGE - EXECUTIVE DIRECTOR — Type or print name and title

**Paid Preparer's Use Only**

| | | | | |
|---|---|---|---|---|
| Preparer's signature ▶ J. M— | Date 10/29/07 | Check if self-employed ▶ ☐ | Preparer's SSN or PTIN (See Gen. Inst. X) | |
| Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ KRAFTCPAS PLLC<br>555 GREAT CIRCLE ROAD, SUITE 200<br>NASHVILLE, TN 37228-1310 | | | EIN ▶ | Phone no. ▶ (615)242-7351 |

Form **990** (2006)

623164/01-26-07

**SCHEDULE A**
**(Form 990 or 990-EZ)**

Department of the Treasury
Internal Revenue Service

# Organization Exempt Under Section 501(c)(3)

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

**Supplementary Information-(See separate instructions.)**

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

OMB No. 1545-0047

**2006**

Name of the organization: PROJECT RETURN, INC.

**Employer identification number:** 62 1058325

## Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 2 of the instructions. List each one. If there are none, enter "None.")

| (a) Name and address of each employee paid more than $50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|---|---|---|---|---|
| NONE | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total number of other employees paid over $50,000 ▶ | 0 | | | |

## Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

| (a) Name and address of each independent contractor paid more than $50,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| Total number of others receiving over $50,000 for professional services ▶ 0 | | |

## Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

| (a) Name and address of each independent contractor paid more than $50,000 | (b) Type of service | (c) Compensation |
|---|---|---|
| NONE | | |
| | | |
| | | |
| | | |
| | | |
| Total number of other contractors receiving over $50,000 for other services ▶ 0 | | |

**Part III** **Statements About Activities** (See page 2 of the instructions.)

| | | | Yes | No |
|---|---|---|---|---|
| 1 | During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ $ ______ $ ______ (Must equal amounts on line 38, Part VI-A, or line **i** of Part VI-B.) | 1 | | X |
| | 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. | | | |
| 2 | During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)* | | | |
| a | Sale, exchange, or leasing of property? | 2a | | X |
| b | Lending of money or other extension of credit? | 2b | | X |
| c | Furnishing of goods, services, or facilities? | 2c | | X |
| d | Payment of compensation (or payment or reimbursement of expenses if more than $1,000)? SEE PART V-A, FORM 990 | 2d | X | |
| e | Transfer of any part of its income or assets? | 2e | | X |
| 3 a | Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.) | 3a | | X |
| b | Dd the organization have a section 403(b) annuity plan for its employees? | 3b | | X |
| c | Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement | 3c | | X |
| d | Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services? | 3d | | X |
| 4 a | Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g | 4a | | X |
| b | Did the organization make any taxable distributions under section 4966? N/A | 4b | | |
| c | Did the organization make a distribution to a donor, donor advisor, or related person? N/A | 4c | | |
| d | Enter the total number of donor advised funds owned at the end of the tax year ▶ | | N/A | |
| e | Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ | | N/A | |
| f | Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ▶ | | 0. | |
| g | Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year ▶ | | 0. | |

**Part IV** **Reason for Non-Private Foundation Status** (See pages 4 through 7 of the instructions.)

I certify that 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 otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:

☐ Type I ☐ Type II ☐ Type III-Functionally Integrated ☐ Type III-Other

**Provide the following information about the supported organizations.** (See page 7 of the instructions.)

| (a) Name(s) of supported organization(s) | (b) Employer identification number (EIN) | (c) Type of organization (described in lines 5 through 12 above or IRC section) | (d) Is the supported organization listed in the supporting organization's governing documents? Yes | No | (e) Amount of support |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| **Total** ▶ | | | | | |

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

**Schedule A (Form 990 or 990-EZ) 2006**

**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) 2005 | (b) 2004 | (c) 2003 | (d) 2002 | (e) Total |
|---|---|---|---|---|---|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 462,895. | 611,820. | 478,399. | 374,880. | 1,927,994. |
| 16 Membership fees received | | | | | |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose | | | | | |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 | 1,102. | 502. | 764. | 1,968. | 4,336. |
| 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 | 227. | 1,282. | SEE STATEMENT 5 | 1,144. | 2,653. |
| 23 Total of lines 15 through 22 | 464,224. | 613,604. | 479,163. | 377,992. | 1,934,983. |
| 24 Line 23 minus line 17 | 464,224. | 613,604. | 479,163. | 377,992. | 1,934,983. |
| 25 Enter 1% of line 23 | 4,642. | 6,136. | 4,792. | 3,780. | |

26 **Organizations described on lines 10 or 11: a** Enter 2% of amount in column (e), line 24 ▶ **26a** 38,700.

**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 2002 through 2005 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ **26b** 3,800.

**c** Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** 1,934,983.

**d** Add: Amounts from column (e) for lines: 18 4,336. 19 ______ 22 2,653. 26b 3,800. ▶ **26d** 10,789.

**e** Public support (line 26c minus line 26d total) ▶ **26e** 1,924,194.

**f** **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ **26f** 99.4424%

27 **Organizations described on line 12: a** For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return.** Enter the sum of such amounts for each year: N/A

(2005) ______ (2004) ______ (2003) ______ (2002) ______

**b** For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the **larger** of **(1)** the amount on line 25 for the year or **(2)** $5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) **Do not file this list with your return.** After computing the difference between the amount received and the larger amount described in **(1)** or **(2)**, enter the sum of these differences (the excess amounts) for each year: N/A

(2005) ______ (2004) ______ (2003) ______ (2002) ______

**c** Add: Amounts from column (e) for lines: 15 ______ 16 ______ 17 ______ 20 ______ 21 ______ ▶ **27c** N/A

**d** Add: Line 27a total ______ and line 27b total ______ ▶ **27d** N/A

**e** Public support (line 27c total minus line 27d total) ▶ **27e** N/A

**f** Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ **27f** N/A

**g** **Public support percentage (line 27e (numerator) divided by line 27f (denominator))** ▶ **27g** N/A %

**h** **Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))** ▶ **27h** N/A %

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, 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 9 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? | 29 | | |
| 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? | 30 | | |
| 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? | 31 | | |
| | 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? | 32d | | |
| | If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.) | | | |
| 33 | Does the organization discriminate by race in any way with respect to: | | | |
| a | Students' rights or privileges? | 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? | 33h | | |
| | If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.) | | | |
| 34 a | Does the organization receive any financial aid or assistance from a governmental agency? | 34a | | |
| b | Has the organization's right to such aid ever been revoked or suspended? | 34b | | |
| | If you answered "Yes" to either 34a or b, please explain using an attached statement. | | | |
| 35 | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation | 35 | | |

**Part VI-A** **Lobbying Expenditures by Electing Public Charities** (See page 10 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 - | 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 | | |

| 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 |

**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 13 of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period N/A

| Calendar year (or fiscal year beginning in) ▶ | (a) 2006 | (b) 2005 | (c) 2004 | (d) 2003 | (e) Total |
|---|---|---|---|---|---|
| 45 Lobbying nontaxable amount | | | | | 0. |
| 46 Lobbying ceiling amount (150% of line 45(e)) | | | | | 0. |
| 47 Total lobbying expenditures | | | | | 0. |
| 48 Grassroots nontaxable amount | | | | | 0. |
| 49 Grassroots ceiling amount (150% of line 48(e)) | | | | | 0. |
| 50 Grassroots lobbying expenditures | | | | | 0. |

**Part VI-B** **Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

| 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 | | X | |
| b Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.) | | X | |
| c Media advertisements | | X | |
| d Mailings to members, legislators, or the public | | X | |
| e Publications, or published or broadcast statements | | X | |
| f Grants to other organizations for lobbying purposes | | X | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body | | X | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means | | X | |
| 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 13 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?

| | | Yes | No |
|---|---|---|---|
| a Transfers from the reporting organization to a noncharitable exempt organization of: | | | |
| (i) Cash | 51a(i) | | X |
| (ii) Other assets | a(ii) | | X |
| b Other transactions: | | | |
| (i) Sales or exchanges of assets with a noncharitable exempt organization | b(i) | | X |
| (ii) Purchases of assets from a noncharitable exempt organization | b(ii) | | X |
| (iii) Rental of facilities, equipment, or other assets | b(iii) | | X |
| (iv) Reimbursement arrangements | b(iv) | | X |
| (v) Loans or loan guarantees | b(v) | | X |
| (vi) Performance of services or membership or fundraising solicitations | b(vi) | | X |
| c Sharing of facilities, equipment, mailing lists, other assets, or paid employees | c | | X |

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

| (a) Line no. | (b) Amount involved | (c) Name of noncharitable exempt organization | (d) Description of transfers, transactions, and sharing arrangements |
|---|---|---|---|
| | | | |

52 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ▶ ☐ Yes ☒ No

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

| (a) Name of organization | (b) Type of organization | (c) Description of relationship |
|---|---|---|
| | | |

FOOTNOTES STATEMENT 1

FORM 990, PART II, LINE 42 "DEPRECIATION"

FURNITURE AND EQUIPMENT CONSISTED OF THE FOLLOWING
AT JUNE 30, 2006:

| | |
|---|---|
| FURNITURE AND EQUIPMENT | 45,762. |
| LESS: ACCUMULATED DEPRECIATION | <31,524.> |
| TOTAL - NET | 14,238. |

FURNITURE AND EQUIPMENT ARE STATED AT ACQUISITION COST OR AT ESTIMATED FAIR MARKET VALUE AT THE TIME OF THE GIFT, IF DONATED. DEPRECIATION ON FURNITURE AND EQUIPMENT IS CALCULATED BY THE STRAIGHT-LINE METHOD OVER AN ESTIMATED USEFUL LIFE OF FIVE TO TEN YEARS.

FORM 990 OTHER EXPENSES STATEMENT 2

| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING |
|---|---|---|---|---|
| ADVERTISING | 1,281. | 586. | 695. | |
| AID TO CLIENTS | 53,401. | 53,401. | | |
| DUES & MEMBERSHIPS | 1,244. | | 335. | 909. |
| FUNDRAISING EXPENSE | 4,362. | | | 4,362. |
| INSURANCE | 16,696. | 12,856. | 1,670. | 2,170. |
| LIVING EXPENSES - FULL TIME VOLUNTEER | 11,413. | 11,413. | | |
| MISCELLANEOUS | 463. | | 463. | |
| STAFF DEVELOPMENT FEES | 232. | 132. | 100. | |
| SUBSCRIPTIONS | 563. | 424. | | 139. |
| TAXES & LICENSES | 270. | | 270. | |
| TOTAL TO FM 990, LN 43 | 89,925. | 78,812. | 3,533. | 7,580. |

FORM 990 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS STATEMENT 3

DESCRIPTION OF PROGRAM SERVICE ONE

PROVIDE COUNSELING AND THE TEACHING OF JOB SKILLS TO PRISONERS IN CONJUNCTION WITH THEIR RELEASE FROM INSTITUTIONAL CUSTODY AND RETURN TO SOCIETY. PROGRAM SERVICES CONSIST OF AN ADULT PROGRAM AND A YOUTH PROGRAM, BOTH OF WHICH PROVIDE DIRECT REFERRALS TO EMPLOYMENT SOURCES, EDUCATE THE PUBLIC REGARDING CRIMINAL JUSTICE ISSUES, AND SUPPORT SUCCESSFUL TRANSITIONS BACK INTO THE COMMUNITY THROUGH LIFE SKILLS TRAINING.

| | GRANTS | EXPENSES |
|---|---|---|
| TO FORM 990, PART III, LINE A | | 411,705. |

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 4

| LENDER'S NAME | TERMS OF REPAYMENT |
|---|---|
| SUNTRUST | MONTHLY |

| DATE OF NOTE | MATURITY DATE | ORIGINAL LOAN AMOUNT | INTEREST RATE |
|---|---|---|---|
| 08/20/01 | VARIOUS | 65,000. | 7.25% |

| SECURITY PROVIDED BY BORROWER | PURPOSE OF LOAN |
|---|---|
| AGENCY ASSETS | LINE OF CREDIT |

| RELATIONSHIP OF LENDER |
|---|
| NONE |

| DESCRIPTION OF CONSIDERATION | FMV OF CONSIDERATION | BALANCE DUE |
|---|---|---|
| N/A | 0. | 0. |
| TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B | | |

SCHEDULE A OTHER INCOME STATEMENT 5

| DESCRIPTION | 2005 AMOUNT | 2004 AMOUNT | 2003 AMOUNT | 2002 AMOUNT |
|---|---|---|---|---|
| OTHER INCOME | 227. | 1,282. | 0. | 1,144. |
| TOTAL TO SCHEDULE A, LINE 22 | 227. | 1,282. | 0. | 1,144. |

# PROJECT RETURN, INC.

# BY-LAWS

## Article I – Constitution

The Charter of Incorporation of this corporation shall serve as the Constitution of the Corporation.

## Article II – Name

The name of the corporation shall be *Project Return, Inc.*

## Article III – Purposes

The purpose of this corporation shall be set forth in the charter.

## Article IV – Board of Directors

*1.* *The Affairs of the Corporation* shall be managed by its Board of Director, which shall consist of not less than five (5) nor more than fifteen (15) directors. Membership of the Board of Directors may be increased by the majority vote at the existent Board. Any increase in the number of directors shall be deemed to create a vacancy, which shall be filled as any other vacancy. Any decrease in the number of directors shall not operate to remove any incumbent director from office during the term for which that person has been elected.

*2.* *Directors shall be elected* as specified in the Charter to serve a three-year term. Directors may serve successive terms.

*3.* *All vacancies on the Board of Directors* may be filled by a majority vote of the directors, and the directors so elected shall hold office until expiration of the term so elected.

*4.* *Any Director may resign* by notice in writing to the Chairperson of the Board of Directors. Any director may be removed by vote in favor of removal by a three-fourths (3/4) vote of the Board of Directors.

5. *The Board of Directors* shall have the ultimate control and general management of the affairs of the corporation. The Directors in all cases shall act as a Board of regularly convened by a majority, and may adopt such rules and regulations for the conduct of their meetings as they may deem proper, not inconsistent with these by-laws, the Certificate of Incorporation, or the laws of the State of Tennessee.

(a) The Board of Directors shall meet at least once every three (3) months for the purpose of conducting such business as may come before the Board at that time.

(b) The Chairperson of the Board of Directors, or any three (3) members of the Board of Directors, may call a meeting at any time upon the giving of three (3) days notice to each director either personally, by mail, fax, e-mail or telephone.

(c) Notice of any meeting of the Board of Directors may be dispensed with by the Directors signing a written Waiver of Notice.

(d) Quorum A quorum to transact business at any special or regular meeting of the Board of Directors shall be the presence of a simple majority of the members in person (including by telephone) or by written proxy. The act of majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board of Directors.

7. *There shall be an Executive Committee* of the Board of Directors, which shall consist of the officers, as outlined in Article V, and any additional members, which the Board may see fit to appoint. The duty of this committee shall be to transact all emergency matters, to supervise the staff, and to make decisions where a full meeting of the Board is not feasible or practical. At each meeting of the Board of Directors, the Executive Committee shall report all actions taken and at that time it shall be approved or disapproved. The Executive Committee shall, however, have the authority to act on behalf of the corporation and to bind the corporation, and subsequent disapproval of the Board of Directors shall in no way void or nullify any transactions previously taken or concurred in by said Executive Committee.

8. *The Executive Director* shall be an **ex officio** member of the Board of Directors with no voting privileges, by proxy or otherwise.

## Article V – Officers

At the regular meeting held during the last meeting of the calendar year of the Board of Directors there shall be elected a chairperson, a vice-chairperson, a treasurer, and a secretary. Each of the said officers shall hold office for a term of one (1) year, or until a successor is elected and qualified, subject, however, to the removal of any officer by the majority vote of the Board.

*1.* *The Chairperson* shall preside at all meetings of the Board of Directors. The Chairperson shall appoint all committees, including the Executive Committee of the Board of Directors, except such committees as the Board of Directors may appoint. The Chairperson shall sign, when duly authorized, all contracts, orders, deeds, bills, and other instruments as may pertain to the corporation's business. The Chairperson shall be an **ex officio** member of all committees.

*2.* *The Vice-Chairperson* shall perform the duties and exercise the powers of the Chairperson in the absence, inability, or refusal of the Chairperson to act and shall succeed to the Chairperson in the event of death, incompetence, resignation or removal of the Chairperson. The Vice-Chairperson shall perform such other duties as may be required of the Vice-Chairperson by the Board of Directors.

*3.* *The Treasurer* shall have the custody of the funds, books and other securities of the corporation. The Treasurer shall cause to be deposited in the depository selected by the Board of Directors all monies received by the corporation at such times as the Board of Directors at each meeting of the Board. The Treasurer shall make a financial report to the Board of Directors at each meeting of the Board. In addition, the Treasurer shall see to it that the financial records of the corporation are audited by a certified public accountant at least once per year, and such report delivered by the auditor directly to the Board of Directors. The Treasurer shall sign when duly authorized, contracts, notes and other instruments as may pertain to the corporation's affairs. The Treasurer shall perform other duties as may be required of the Treasurer by the Board of Directors.

*4.* *The Secretary* shall keep or cause to be kept full or accurate minutes of the meetings of the Board of Directors. The Secretary shall perform such other duties as may be required of the Secretary by these by-laws or by the Board of Directors.

## Article VI – Finances

*1.* *All Funds* of the corporation shall be deposited in the name of the corporation in such bank or banks as the Board of Directors may designate, and shall be withdrawn by check or signed by persons designated by resolution of the Board of Directors.

*2.* *The Fiscal Year* of the corporation shall be July $1^{st}$ – June $30^{th}$.

*3.* *None of the Directors* of the corporation shall receive any compensation whatsoever for any services, but any directors or officers may be reimbursed for expenses incurred in connection with the activities of the corporation.

## Article VII – Director Liability

1. No person shall be liable to the corporation for any loss or damage suffered by or on account of any action taken or omitted by such person as director, or officer of the corporation, in good faith, if such person:

(a) exercises or uses the degree of care an ordinarily prudent person in a like position would under similar circumstances; or

(b) takes or omits taking such action in reliance upon statements or information furnished by officers or employees of the corporation which such person had reasonable grounds to believe.

2. In case any action, suit or proceeding to which any person may be made a party on account of actions taken or admitted to being taken by such person as a director, officer, or employee of the corporation, shall result in the entry of a final judgment in such person's favor or be dismissed as to such person, the corporation shall reimburse or indemnify such person for or against all costs or expenses reasonably incurred by him in connection therewith, provided the corporation has funds available for such purposes. In case any such action, suit or proceeding shall result in a settlement, and in the judgment of a disinterested majority of the Board of Directors or any disinterested committee or a group of persons to whom the question may be referred by the Board of Directors any such person was not negligent or guilty of bad faith in relation to the matters complained or therein, the corporation shall reimburse such person for or indemnify such person for or against any costs or expenses reasonably incurred by such person in connection therewith other than for any sums paid to the corporation; provided, however, that the corporation shall pay such sums only from funds available for that purpose. The provisions of this section shall be in addition to and not a limitation of any other rights, indemnities or limitation of liability.

3. No contract or other transaction, including any donation, between the corporation and any other corporation, individual, institutions or association, in which one or more of the directors, trustees, or otherwise personally or officially connected, shall be either void or voidable if at a meeting of the Board of Directors authorizing or ratifying the contract or transaction there is a quorum of person not so interested in the contract or the transaction and such contract or other transaction is just and reasonable to this corporation at the time it is made, authorized and ratified, and full disclosure of the interest of any such director or officer has been made during the consideration of any matter by the Board of Directors, or a committee thereof, wherein any director is personally or officially connected with the party with whom the corporation is contemplating dealing, such director shall withdraw from the meting until the vote of the particular matter has been taken, but such person's withdrawal shall not be deemed to affect the existence of a quorum.

## Article VIII – Amendments

These by-laws may be amended by a majority vote of the Board of Directors, in person (including by telephone) or by written proxy at any regular or special meeting of the Board of Directors. Said proposed amendment shall be presented to the Board of Directors at last two weeks prior to any regular or special meeting at which an amendment is to be considered.

REQUEST FOR TETR CREDIT

Form **990-T** Department of the Treasury Internal Revenue Service

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

For calendar year 2006 or other tax year beginning JUL 1, 2006 , and ending JUN 30, 2007

OMB No. 1545-0687 **2006** Open to Public Inspection for 501(c)(3) Organizations Only

A [ ] Check box if address changed

B Exempt under section [X] 501(c)(3) [ ] 408(e) [ ] 220(e) [ ] 408A [ ] 530(a) [ ] 529(a)

Print or Type

Name of organization ( [ ] Check box if name changed and see instructions.)
PROJECT RETURN, INC.

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
1200 DIVISION STREET, NO. 200

City or town, state, and ZIP code
NASHVILLE, TN 37203

D Employer identification number (Employees' trust, see instructions for Block D on page 9.) 62-1058325

E Unrelated business activity codes (See instructions for Block E on page 9.) N/A

C Book value of all assets at end of year 0.

F Group exemption number (see instructions for Block F.) ▶

G Check organization type ▶ [X] 501(c) corporation [ ] 501(c) trust [ ] 401(a) trust [ ] Other trust

H Describe the organization's primary unrelated business activity. ▶ N/A

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

J The books are in care of ▶ C. DAVID DELBRIDGE Telephone number ▶ 615-327-9654

## Part I Unrelated Trade or Business Income

| | | | (A) Income | (B) Expenses | (C) Net |
|---|---|---|---|---|---|
| 1a | Gross receipts or sales | | | | |
| b | Less returns and allowances c Balance ▶ | 1c | | | |
| 2 | Cost of goods sold (Schedule A, line 7) | 2 | | | |
| 3 | Gross profit. Subtract line 2 from line 1c | 3 | | | |
| 4a | Capital gain net income (attach Schedule D) | 4a | | | |
| b | Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) | 4b | | | |
| c | Capital loss deduction for trusts | 4c | | | |
| 5 | Income (loss) from partnerships and S corporations (attach statement) | 5 | | | |
| 6 | Rent income (Schedule C) | 6 | | | |
| 7 | Unrelated debt-financed income (Schedule E) | 7 | | | |
| 8 | Interest, annuities, royalties, and rents from controlled organizations (Sch. F) | 8 | | | |
| 9 | Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G) | 9 | | | |
| 10 | Exploited exempt activity income (Schedule I) | 10 | | | |
| 11 | Advertising income (Schedule J) | 11 | | | |
| 12 | Other income (See instructions; attach schedule.) | 12 | | | |
| 13 | **Total.** Combine lines 3 through 12 | 13 | 0. | | |

## 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.)

| | | | | |
|---|---|---|---|---|
| 14 | Compensation of officers, directors, and trustees (Schedule K) | | 14 | |
| 15 | Salaries and wages | | 15 | |
| 16 | Repairs and maintenance | | 16 | |
| 17 | Bad debts | | 17 | |
| 18 | Interest (attach schedule) | | 18 | |
| 19 | Taxes and licenses | | 19 | |
| 20 | Charitable contributions (See instructions for limitation rules.) | | 20 | |
| 21 | Depreciation (attach Form 4562) | 21 | | |
| 22 | Less depreciation claimed on Schedule A and elsewhere on return | 22a | 22b | |
| 23 | Depletion | | 23 | |
| 24 | Contributions to deferred compensation plans | | 24 | |
| 25 | Employee benefit programs | | 25 | |
| 26 | Excess exempt expenses (Schedule I) | | 26 | |
| 27 | Excess readership costs (Schedule J) | | 27 | |
| 28 | Other deductions (attach schedule) | | 28 | |
| 29 | **Total deductions.** Add lines 14 through 28 | | 29 | 0. |
| 30 | Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 | | 30 | 0. |
| 31 | Net operating loss deduction (limited to the amount on line 30) | | 31 | |
| 32 | Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 | | 32 | 0. |
| 33 | Specific deduction (Generally $1,000, but see instructions for exceptions) | | 33 | 1,000. |
| 34 | **Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 | | 34 | 0. |

## Part III Tax Computation

| | | | |
|---|---|---|---|
| 35 | **Organizations Taxable as Corporations.** See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here ▶ ☐ **See instructions** and: | | |
| a | Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ (2) $ (3) $ | | |
| b | Enter organization's share of: (1) Additional 5% tax (not more than $11,750) $ (2) Additional 3% tax (not more than $100,000) $ | | |
| c | Income tax on the amount on line 34 ▶ | 35c | 0. |
| 36 | **Trusts Taxable at Trust Rates.** See instructions for tax computation. Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶ | 36 | |
| 37 | **Proxy tax.** See instructions ▶ | 37 | |
| 38 | Alternative minimum tax | 38 | |
| 39 | **Total.** Add lines 37 and 38 to line 35c or 36, whichever applies | 39 | 0. |

## Part IV Tax and Payments

| | | | | | |
|---|---|---|---|---|---|
| 40a | Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) | 40a | | | |
| b | Other credits (see instructions) | 40b | | | |
| c | General business credit. Check here and indicate which forms are attached: ☐ Form 3800 ☐ Form(s) (specify) ▶ | 40c | | | |
| d | Credit for prior year minimum tax (attach Form 8801 or 8827) | 40d | | | |
| e | **Total credits.** Add lines 40a through 40d | | | 40e | |
| 41 | Subtract line 40e from line 39 | | | 41 | 0. |
| 42 | Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule) | | | 42 | |
| 43 | **Total tax.** Add lines 41 and 42 | | | 43 | 0. |
| 44a | Payments: A 2005 overpayment credited to 2006 | 44a | | | |
| b | 2006 estimated tax payments | 44b | | | |
| c | Tax deposited with Form 8868 | 44c | | | |
| d | Foreign organizations: Tax paid or withheld at source (see instructions) | 44d | | | |
| e | Backup withholding (see instructions) | 44e | | | |
| f | Credit for federal telephone excise tax paid (attach Form 8913) | 44f | 66. | | |
| g | Other credits and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶ | 44g | | | |
| 45 | **Total payments.** Add lines 44a through 44g | | | 45 | 66. |
| 46 | Estimated tax penalty (see instructions). Check if Form 2220 is attached ▶ ☐ | | | 46 | |
| 47 | **Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶ | | | 47 | |
| 48 | **Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶ | | | 48 | 66. |
| 49 | Enter the amount of line 48 you want: **Credited to 2007 estimated tax** ▶ | | Refunded ▶ | 49 | 66. |

## Part V Statements Regarding Certain Activities and Other Information (See instructions on page 18)

| | | Yes | No |
|---|---|---|---|
| 1 | At any time during the 2006 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1. If YES, enter the name of the foreign country here ▶ | | X |
| 2 | During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. | | X |
| 3 | Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ | | |

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

| | | | | | | |
|---|---|---|---|---|---|---|
| 1 | Inventory at beginning of year | 1 | | 6 Inventory at end of year | 6 | |
| 2 | Purchases | 2 | | 7 **Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2 | 7 | |
| 3 | Cost of labor | 3 | | | | |
| 4a | Additional section 263A costs | 4a | | 8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? | Yes | No: X |
| b | Other costs (attach schedule) | 4b | | | | |
| 5 | **Total.** Add lines 1 through 4b | 5 | | | | |

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ C. David Dellinger 11/06/07 ▶ EXECUTIVE DIRECTOR
Signature of officer Date Title

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes ☐ No

**Paid Preparer's Use Only**

| | | | |
|---|---|---|---|
| Preparer's signature ▶ | Date 10/29/07 | Check if self-employed ☐ | Preparer's SSN or PTIN P00053489 |
| Firm's name (or yours if self-employed), address, and ZIP code ▶ | KRAFTCPAS PLLC 555 GREAT CIRCLE ROAD, SUITE 200 NASHVILLE, TN 37228-1310 | EIN 62-0713250 | Phone no. (615)242-7351 |

Form **8913**

Department of the Treasury
Internal Revenue Service

# Credit for Federal Telephone Excise Tax Paid

▶ Attach to your income tax return.

OMB No. 1545-2051

**2006**

Attachment Sequence No. **63**

| Name(s) as shown on your income tax return | Identifying number |
|---|---|
| PROJECT RETURN, INC. | 62-1058325 |

Enter the federal telephone excise tax billed during each period as listed in column (a) of lines 1-14 below.

By filing this form, you are certifying that you (1) have not received from your service provider a credit or refund of the tax paid on long distance service or bundled service billed after February 28, 2003, and before August 1, 2006, and (2) will not ask your provider for a credit or refund or have withdrawn any request submitted to the provider for a credit or refund.

**Caution.** See the instructions for explanations of the services that qualify for a credit or refund of the federal telephone excise tax.

| | Amount of federal excise tax on long distance or bundled service only | | | |
|---|---|---|---|---|
| **(a) Bills dated during:** | **(b) Long distance service** | **(c) Bundled service** | **(d) Tax credit or refund (add columns (b) and (c))** | **(e) Interest** (see instructions) |
| **1** March, April, and May 2003 | $ | $ | $ 4. | $ 1. |
| **2** June, July, and August 2003 | | | 4. | 1. |
| **3** September, October, and November 2003 | | | 4. | 1. |
| **4** December 2003; January and February 2004 | | | 4. | 1. |
| **5** March, April, and May 2004 | | | 4. | 1. |
| **6** June, July, and August 2004 | | | 4. | 1. |
| **7** September, October, and November 2004 | | | 4. | 1. |
| **8** December 2004; January and February 2005 | | | 4. | 1. |
| **9** March, April, and May 2005 | | | 4. | 1. |
| **10** June, July, and August 2005 | | | 4. | 1. |
| **11** September, October, and November 2005 | | | 4. | 1. |
| **12** December 2005; January and February 2006 | | | 4. | |
| **13** March, April, and May 2006 | | | 4. | |
| **14** June and July 2006 | | | 3. | |
| **15** Add lines 1 - 14 in columns (d) and (e) | | | $ 55. | $ 11. |
| **16** Total credit or refund requested. Add columns (d) and (e) on line 15. Enter here and on Form 1040, line 71; Form 1040A, line 42; Form 1040EZ, line 9; Form 1040EZ-T, line 1a; Form 1040NR, line 69; Form 1040NR-EZ, line 21; Form 1120, line 32g; Form 1120-A, line 28g; Form 1120S, line 23d; Form 1041, line 24f; Form 1041-N, line 17; Form 1065, line 23; Form 990-T, line 44f; or the proper line of other returns ▶ | | | | $ 66. |

LHA **For Paperwork Reduction Act Notice, see the instructions.** Form **8913** (2006)

612891
12-09-06