

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Department of the Treasury
Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning **OCT 1, 2005** and ending **SEP 30, 2006**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization NEIGHBORHOOD REINVESTMENT CORPORATION		D Employer identification number 52-1148078
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1325 G. STREET NW 800		E Telephone number 202-220-2300
		City or town, state or country, and ZIP + 4 WASHINGTON, DC 20005		F Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶

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

H and I are not applicable to section 527 organizations.

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

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

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

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

I Group Exemption Number ▶ **N/A**

G Website: ▶ **WWW.NW.ORG**

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

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **135,792,535.**

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

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

SCANNED MAR 07 2007 RECEIVED FEB 9 2007 COGNITION IRS OSC	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	7,263,843.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c	116,820,000.		
	d	Total (add lines 1a through 1c) (cash \$ 124,083,843. noncash \$ _____)	1d		124,083,843.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		8,901,628.	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4			
	5	Dividends and interest from securities	5		1,999,455.	
	6 a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
	7	Other investment income (describe ▶ _____)	7			
	8 a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	b	Less: cost or other basis and sales expenses	8a		9,662.	
	c	Gain or (loss) (attach schedule)	8c		<9,662.>	
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		<9,662.>	
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
	b	Less: direct expenses other than fundraising expenses	9b			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
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 10b)	11		807,609.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		135,782,873.		
Expenses	13	Program services (from line 44, column (B))	13	120,735,548.		
	14	Management and general (from line 44, column (C))	14	13,814,067.		
	15	Fundraising (from line 44, column (D))	15	349,787.		
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17	134,899,402.		
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	883,471.		
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	10,157,812.		
	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	11,041,283.		

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash \$ <u>80404153</u> noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22 80,404,153.	80,404,153.	STATEMENT 3	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 586,051.	146,131.	439,920.	0.
26 Other salaries and wages	26 19,827,563.	14,672,397.	4,956,890.	198,276.
27 Pension plan contributions	27 2,122,379.	1,570,560.	530,595.	21,224.
28 Other employee benefits	28 3,280,631.	2,427,667.	820,158.	32,806.
29 Payroll taxes	29 1,580,633.	1,169,669.	395,158.	15,806.
30 Professional fundraising fees	30			
31 Accounting fees	31 103,630.		103,630.	
32 Legal fees	32 3,197.		3,197.	
33 Supplies	33 550,982.	314,060.	236,922.	
34 Telephone	34 559,756.	319,061.	240,695.	
35 Postage and shipping	35 500,476.	285,271.	215,205.	
36 Occupancy	36 3,884,453.	2,835,651.	1,048,802.	
37 Equipment rental and maintenance	37 759,282.	432,791.	326,491.	
38 Printing and publications	38 1,506,277.	858,578.	647,699.	
39 Travel	39 3,057,774.	2,537,952.	489,244.	30,578.
40 Conferences, conventions, and meetings	40 2,302,668.	2,118,454.	161,187.	23,027.
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42 843,752.		843,752.	
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g SEE STATEMENT 2	43g 13,025,745.	10,643,153.	2,354,522.	28,070.
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 134,899,402.	120,735,548.	13,814,067.	349,787.

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? ► <u>SEE STATEMENT 4</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	
a CAPACITY BUILDING- STATEMENT 4 	
(Grants and allocations \$ <u>35,531,295.</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	52,904,247.
b PRESERVING AFFORDABLE HOUSING - STATEMENT 4 	
(Grants and allocations \$ <u>33,596,936.</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	33,596,936.
c ORGANIZATIONAL ASSESSMENT- STATEMENT 4 	
(Grants and allocations \$ _____) If this amount includes foreign grants, check here ► <input type="checkbox"/>	4,323,811.
d TRAINING AND INFORMING- STATEMENT 4 	
(Grants and allocations \$ <u>3,025,922.</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	21,660,554.
e Other program services (attach schedule) SEE STATEMENT 5	
(Grants and allocations \$ <u>8,250,000.</u>) If this amount includes foreign grants, check here ► <input type="checkbox"/>	8,250,000.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	120,735,548.

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	3,800,401.	45	7,042,617.	
	46	Savings and temporary cash investments	2,499,712.	46		
	47 a	Accounts receivable	398,534.			
		b Less: allowance for doubtful accounts	32,737.	90,863.	47c	365,797.
	48 a	Pledges receivable	2,126,179.			
		b Less: allowance for doubtful accounts		1,226,631.	48c	2,126,179.
	49	Grants receivable	1,501,538.	49	1,752,083.	
	50	Receivables from officers, directors, trustees, and key employees		50		
	51 a	Other notes and loans receivable				
		b Less: allowance for doubtful accounts			51c	
	52	Inventories for sale or use		52		
	53	Prepaid expenses and deferred charges	460,211.	53	442,706.	
	54	Investments - securities STMT 7 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	3,567,591.	54	3,500,000.	
	Liabilities	55 a	Investments - land, buildings, and equipment: basis			
		b Less: accumulated depreciation		55c		
56		Investments - other		56		
57 a		Land, buildings, and equipment: basis	11,889,892.			
		b Less: accumulated depreciation STMT 6	7,675,185.	3,360,477.	57c	4,214,707.
58		Other assets (describe TRAVEL ADVANCES)	54,616.	58	5,704.	
59	Total assets (must equal line 74). Add lines 45 through 58	16,562,040.	59	19,449,793.		
Net Assets or Fund Balances	60	Accounts payable and accrued expenses	4,281,845.	60	6,228,065.	
	61	Grants payable		61		
	62	Deferred revenue	105,672.	62	115,740.	
	63	Loans from officers, directors, trustees, and key employees		63		
	64 a	Tax-exempt bond liabilities		64a		
		b Mortgages and other notes payable		64b		
65	Other liabilities (describe DEFERRED RENT LIABILITY)	2,016,711.	65	2,064,705.		
66	Total liabilities. Add lines 60 through 65	6,404,228.	66	8,408,510.		
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.	67	Unrestricted	4,097,906.	67	3,122,344.	
	68	Temporarily restricted	2,559,906.	68	4,418,939.	
	69	Permanently restricted	3,500,000.	69	3,500,000.	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds		70		
	71	Paid-in or capital surplus, or land, building, and equipment fund		71		
	72	Retained earnings, endowment, accumulated income, or other funds		72		
	73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	10,157,812.	73	11,041,283.	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	16,562,040.	74	19,449,793.		

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	135792535.
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	135792535.
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): <u>SEE STATEMENT 9</u>	d2	<9,662.>	
	Add lines d1 and d2		d	<9,662.>
e	Total revenue (Part I, line 12). Add lines c and d		e	135782873.

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

a	Total expenses and losses per audited financial statements		a	134909064.
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): <u>SEE STATEMENT 8</u>	b4	9,662.	
	Add lines b1 through b4		b	9,662.
c	Subtract line b from line a		c	134899402.
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	134899402.

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
JEFFREY T. BRYSON 1325 G. STREET NW, SUITE 800 WASHINGTON, DC 20005	GEN COUNSEL/SECRETARY	40.00 147,445.	50,426.	0.
KENNETH WADE 1325 G. STREET NW, SUITE 800 WASHINGTON, DC 20005	CEO	40.00 151,171.	51,701.	0.
EILEEN FITZGERALD 1325 G. STREET NW, SUITE 800 WASHINGTON, DC 20005	COO	40.00 146,131.	49,977.	0.
STEVEN J. TUMINARO 1325 G. STREET NW, SUITE 800 WASHINGTON, DC 20005	TREASURER/DIRECTOR	40.00 141,304.	48,326.	0.
SEE ATTACHED LIST OF NON-COMPENSATED BOARD MEMBERS		0.00 0.	0.	0.

Part VI Other Information (continued)

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
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? 83b X
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? 84b N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? 85a N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A
If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.
c Dues, assessments, and similar amounts from members 85c N/A
d Section 162(e) lobbying and political expenditures 85d N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A
b Gross receipts, included on line 12, for public use of club facilities 86b N/A
87 501(c)(12) organizations Enter: a Gross income from members or shareholders 87a N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88 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.
90 a List the states with which a copy of this return is filed DC
b Number of employees employed in the pay period that includes March 12, 2005 90b 263
91 a The books are in care of NEIGHBORHOOD REINVEST CO. Telephone no. 202-220-2300
Located at 1325 G. ST., NW 800, WASHINGTON DC ZIP + 4 20005
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.
c At any time during the calendar year, did the organization maintain an office outside of the United States? 91c X
If "Yes," enter the name of the foreign country N/A
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a SEE STATEMENT 10					2,840,905.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					6,060,723.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	1,999,455.	
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			18	<9,662.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a SEE STATEMENT 10					807,609.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		1,989,793.	9,709,237.
105 Total (add line 104, columns (B), (D), and (E))					11,699,030.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	SEE STATEMENT 10

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).

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.

Please Sign Here: *Michael L. Forster* Signature of officer 2-13-07 Date Michael L. Forster - CFO Type or print name and title.

Paid Preparer's Use Only: Preparer's signature: *Michael L. Forster CPA* Date: 2/12/07 Check if self-employed: Preparer's SSN or PTIN: _____

Firm's name (or yours if self-employed), address, and ZIP + 4: BDO SEIDMAN, LLP
7101 WISCONSIN AVE., SUITE 800
BETHESDA, MD 20814-4827 EIN: _____ Phone no.: (301) 654-4900

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

2005

Name of the organization **NEIGHBORHOOD REINVESTMENT CORPORATION** Employer identification number **52 1148078**

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
<u>ALLAN MARTIN</u> 1325 G.STREET NW, 800 WASH., DC 20005	DIR FIN & ADMIN 40.00	225,486.	57,116.	
<u>MARGRET M. FRISBEE</u> 1325 G.STREET NW, 800 WASH., DC 20005	DISTRICT DIR 40.00	146,901.	50,240.	
<u>NELSON MERCED</u> 1325 G.STREET NW, 800 WASH., DC 20005	DIR NAT'L INITIATIVE 40.00	145,894.	49,896.	
<u>ELISABETH C. PRENTICE</u> 1325 G.STREET NW, 800 WASH., DC 20005	MANAGER 40.00	142,344.	29,682.	
<u>JEFFREY EPREMIAN</u> 1325 G.STREET NW, 800 WASH., DC 20005	DIR DEV/COMM 40.00	142,039.	48,577.	
Total number of other employees paid over \$50,000	▶ 212			

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
<u>APEX DIGITAL SYSTEMS, INC.</u> 1107 TALIAFERRO HALL, , COLLEGE PARK, MD 20742	SYSTEM SUPPORT	224,647.
<u>HARVARD UNIVERSITY</u> 1250 MASSACHUSETTS AVE. , CAMBRIDGE, MA 02138-998	TRAINING COURSE DEVELOPMENT	203,218.
<u>CHARLES BAUM</u> 2106 NE 17TH AVE. PORTLAND, OR 97212, PORTLAND, O	STRATEGY DEVELOPMENT	158,336.
<u>AGATE SOFTWARE, INC.</u> 544 CHERBOURG DRIVE SUITE 102, LANSING, MI 48917	GRANT MANAGEMENT APPLICATION	140,094.
<u>1 2 COMMUNITY DEVELOPMENT</u> 83 CHISWICK ROAD, CRANSTON, RI 02905	PROJECT MANAGEMENT CONSUL	132,988.
Total number of others receiving over \$50,000 for professional services	▶ 44	

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
<u>NONE</u>		
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 \blacktriangleright \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990.	X	
e Transfer of any part of its income or assets?		X
3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)		X
b Do you have a section 403(b) annuity plan for your employees?		X
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?		X
4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state \blacktriangleright _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) sections 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization: Type 1 Type 2 Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	119264612.	115341104.	111728846.	109239638.	455,574,200.
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	7,710,847.	5,111,720.	5,240,968.	3,384,862.	21,448,397.
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	934,818.	169,409.	406,388.	926,550.	2,437,165.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	127910277.	120622233.	117376202.	113551050.	479,459,762.
24 Line 23 minus line 17	120199430.	115510513.	112135234.	110166188.	458,011,365.
25 Enter 1% of line 23	1,279,103.	1,206,222.	1,173,762.	1,135,511.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 9,160,227.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 458,011,365.
d Add: Amounts from column (e) for lines: 18 2,437,165. 19 _____ 22 _____ 26b _____					26d 2,437,165.
e Public support (line 26c minus line 26d total)					26e 455,574,200.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 99.4679%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: (2004) N/A (2003) (2002) (2001)					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: (2004) (2003) (2002) (2001) N/A					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) 27f N/A					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2001 through 2004, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

Part V Private School Questionnaire (See page 7 of the instructions.) N/A
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/> <hr/> <hr/>			
34 a	Does the organization receive any financial aid or assistance from a governmental agency?		
b	Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation		

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

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked "a" and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities N/A

(For reporting only by organizations that did not complete Part VI-A) (See page 11 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			
b Paid staff or management (Include compensation in expenses reported on lines c through h.)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h)			0.

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

FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED		
DISPOSAL OF PROPERTY & EQUIPMENT	VARIOUS	VARIOUS	PURCHASED		
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	9,662.	0.	0.	<9,662.>
TO FM 990, PART I, LN 8		9,662.	0.	0.	<9,662.>

FORM 990

OTHER EXPENSES

STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
FIRM VISUAL PRODUCTS	24,558.	13,998.	10,560.	
OFFICE FACILITIES	236,867.	135,014.	101,853.	
STORAGE ARCHIVE	46,439.	26,470.	19,969.	
COMPUTER RENTALS	87,570.	49,915.	37,655.	
INSURANCE	100,087.	57,050.	43,037.	
AGENCY FEE - TEMP HELP	630,486.	359,377.	271,109.	
MEMBERSHIP	132,630.	75,599.	57,031.	
CLASSIFIED ADS	84,426.	48,123.	36,303.	
MISCELLANEOUS	66,679.	54,274.	12,405.	
EXPENDABLE PROPERTY COMPUTER EQUIPMENT	316,433.	180,367.	136,066.	
REPAIR	62,838.	35,818.	27,020.	
SUBSCRIPTION	86,775.	49,462.	37,313.	
INTERNET CHARGES	544,946.	310,619.	234,327.	
EXPENDABLE SOFTWARE	54,595.	31,119.	23,476.	
EXPENDABLE HARDWARE	63,125.	35,981.	27,144.	
RECRUITMENT FEES	124,967.	71,231.	53,736.	
CONTRIBUTION	288,499.	164,444.	124,055.	
BANK SERVICE CHARGES	96,375.	54,934.	41,441.	
ON-LINE PRODUCTS	59,675.	34,015.	25,660.	
OTHER PROFESSIONAL SERVICES	9,699,480.	8,429,639.	1,241,771.	28,070.
FLEXAMERICA & MASS MUTUAL	27,172.	15,488.	11,684.	
BUSINESS CONTINUITY FACILITIES	37,837.	21,567.	16,270.	
SOFTWARE LICENSE & MAINTENANCE	153,286.	87,373.	65,913.	
EXPENSE ALLOCATIONS	0.	301,276.	<301,276.>	
TOTAL TO FM 990, LN 43	13,025,745.	10,643,153.	2,354,522.	28,070.

Neighborhood Reinvestment Corporation
 52-1148078
 Form 990, Part II, Line 22 Grants and Allocations
 FYE 9/30/06 Grants by State

Statement 3

	<u>Capacity Building</u>	<u>Equity Capital</u>	<u>Training</u>	<u>Total</u>
Unidentified states	329,939	0	904,594	1,234,533
Alaska	322,131	350,000	44,584	716,715
Alabama	134,337	100,000	9,000	243,337
Arkansas	118,007	50,000	10,930	178,937
Anzonia	493,900	364,000	32,279	890,179
California	9,342,952	5,369,335	196,772	14,909,059
Colorado	773,327	1,099,000	43,569	1,915,896
Connecticut	575,668	304,182	38,963	918,813
Washington, DC	347,538	100,000	6,005	453,543
Delaware	282,870	400,000	19,745	702,615
Flonda	883,688	1,167,129	71,615	2,122,432
Georgia	1,725,248	880,000	39,787	2,645,035
Hawaii	253,000	100,000	17,612	370,612
Iowa	298,840	364,000	14,556	677,396
Idaho	246,634	305,000	18,330	569,964
Illinois	980,260	441,600	68,462	1,490,322
Indiana	491,276	443,000	65,631	999,906
Kansas	395,019	301,000	27,659	723,678
Kentucky	612,940	418,611	50,498	1,082,049
Louisiana	1,678,202	0	5,778	1,683,980
Massachusetts	1,593,315	1,800,660	98,146	3,492,121
Maryland	933,790	750,000	43,954	1,727,744
Maine	215,000	275,000	13,064	503,064
Michigan	354,517	252,000	47,332	653,849
Minnesota	1,108,925	934,500	63,189	2,106,614
Missoun	750,228	565,000	27,803	1,343,031
Mississippi	1,287,586	0	11,720	1,299,306
Montana	203,235	160,000	52,153	415,388
North Carolina	277,641	1,003,516	27,993	1,309,150
North Dakota	90,500	180,500	9,816	280,816
Nebraska	149,642	198,500	27,528	375,670
New Hampshire	494,443	824,682	37,679	1,356,804
New Jersey	250,200	204,000	17,480	471,680
New Mexico	299,391	704,029	7,918	1,011,338
Nevada	50,000	71,000	12,900	133,900
New York	3,725,296	3,670,529	245,265	7,641,090
Ohio	1,951,665	3,243,000	109,858	5,304,524
Oklahoma	422,205	257,000	26,341	705,546
Oregon	665,289	729,200	53,304	1,447,793
Pennsylvania	679,823	215,000	39,598	934,421
Puerto Rico	204,920	200,000	13,824	418,744
Rhode Island	425,119	825,000	30,270	1,280,389
South Carolina	115,000	50,000	8,345	173,345
South Dakota	100,500	231,000	23,199	354,699
Tennessee	707,659	413,986	32,002	1,153,647
Texas	1,500,558	1,778,000	62,709	3,341,266
Utah	248,866	172,500	24,442	445,808
Virginia	417,856	1,075,000	15,018	1,507,874
Vermont	788,774	696,042	43,043	1,527,859
Washington	562,320	300,000	33,274	895,595
Wisconsin	901,793	492,500	47,551	1,441,844
West Virginia	234,465	292,935	28,405	555,805
Wyoming	<u>85,000</u>	<u>175,000</u>	<u>4,432</u>	<u>264,432</u>
Total	42,081,295	35,296,936	3,025,922	80,404,153

NEIGHBORHOOD REINVESTMENT CORPORATION
(d.b.a. NEIGHBORWORKS® AMERICA)

FORM 990 FISCAL YEAR ENDING SEPTEMBER 30, 2006

PART III – Statement of Program Service Accomplishments [Page 3]

Relationship of activities to the accomplishment of exempt purposes

The Neighborhood Reinvestment Corporation (d.b.a. NeighborWorks® America) is a congressionally chartered public non-profit corporation that creates opportunities for people to live in affordable homes, improve their lives and strengthen their communities. Over the past 30 years, the Corporation has assisted hundreds of thousands of low- and moderate-income families with their housing needs. Much of the Corporation's success is achieved through its support of the NeighborWorks® network – more than 235 community development organizations working in urban, suburban and rural communities in all 50 states, the District of Columbia and Puerto Rico. NeighborWorks® America is the nation's leading trainer of community development and affordable housing professionals.
www.nw.org

Substantially all the revenues received by Neighborhood Reinvestment Corporation (d.b.a. NeighborWorks® America) were used to assist communities to develop new neighborhood-based organizations, to provide ongoing technical support, training and grants, and to monitor grantees' performance.

a. Capacity Building

Capacity building refers to the practical assistance Neighborhood Reinvestment Corporation (d.b.a. NeighborWorks® America) provides to strengthen the performance of NeighborWorks® organizations in responding most effectively and efficiently to the needs of their communities. The Corporation expands the capacity of network members by providing onsite technical assistance and limited funding.

PART III, Page 3 (cont'd)

b. Preserving Affordable Housing

The Corporation helps NeighborWorks® organizations to create and sustain affordable housing units, promote homeownership and further mixed-income affordable housing opportunities. The Corporation also supports NeighborWorks® organizational activities such as hazard abatement, energy conservation, postpurchase counseling, and foreclosure prevention. Equity capital, in the form of highly flexible Corporation grants to local organizations' revolving loan funds, is also vitally important. Revolving loan funds are used to support home repair, down-payment and closing-cost assistance, energy conservation repairs, predevelopment costs, acquisition of properties, and a host of other initiatives.

c. Organizational Assessment

The Corporation's organizational assessment division evaluates all NeighborWorks® network member organizations to successfully predict, mitigate and manage risk and steadily increase their health, performance, productivity and effectiveness.

d. Training and Informing

Through communications, publishing, research and training functions, the Corporation collects and disseminates pertinent and useful information for the NeighborWorks® network and the broader community development field. The Corporation imparts this data and information through a variety of vehicles, and trains and informs the network and representatives of the broader industry through national and regional training events, publications, on-line (at www.nw.org) and other venues.

NeighborWorks® America is playing a lead role in meeting the nationwide need for homeownership education and counseling through its NeighborWorks® Center for Homeownership Education and Counseling (NCHEC).

PART III, Page 3 (cont'd)

e. Secondary Market

Neighborhood Housing Services of America, Inc. (NHSA) and its affiliates play a critical role in meeting the NeighborWorks[®] network's capital needs by bringing low-cost, flexible, private-sector capital and innovative loan products to network members. Flexible loan products help meet the financing needs for housing rehabilitation, homeownership and real-estate development. The Corporation provides grants and technical support to NeighborWorks[®] organizations to enable them to utilize the resources available from NHSA and supports NHSA's secondary market efforts to complement local resources.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 5

DESCRIPTION	GRANTS AND ALLOCATIONS	EXPENSES
SECONDARY MARKET ACTIVITIES - STATEMENT 4	8,250,000.	8,250,000.
TOTAL TO FORM 990, PART III, LINE E	8,250,000.	8,250,000.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 6

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE AND FIXTURES	3,762,201.	3,546,438.	215,763.
EQUIPMENT	4,939,266.	3,441,285.	1,497,981.
LEASEHOLD IMPROVEMENTS	3,188,424.	687,462.	2,500,962.
TOTAL TO FORM 990, PART IV, LN 57	11,889,891.	7,675,185.	4,214,706.

FORM 990 OTHER SECURITIES STATEMENT 7

SECURITY DESCRIPTION	COST/FMV	OTHER SECURITIES
MONEY MARKET ACCOUNTS	FMV	3,500,000.
TO FORM 990, LINE 54, COL B		3,500,000.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 8

DESCRIPTION	AMOUNT
LOSS ON DISPOSAL OF PROPERTY & EQUIPMENT	9,662.
TOTAL TO FORM 990, PART IV-B	9,662.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT 9
DESCRIPTION	AMOUNT	
LOSS ON DISPOSAL OF PROPERTY & EQUIPMENT	<9,662.>	
TOTAL TO FORM 990, PART IV-A	<9,662.>	

Neighborhood Reinvestment Corporation **52-1148078**
(d.b.a. NeighborWorks®America)
Fiscal Year Ending September 30, 2006

Form 990 – Part VIII Analysis of Income-Producing Activities (Page 6)

Line 93(a) - Institute Registration Fees	\$2,550,037
Line 93(a) - Other Registration Fees	25,717
Line 93(a) - Training Department Publication Sales	<u>265,151</u>
Total Line 93(a)	<u>\$2,840,905</u>
Line 93(g) - Fees & Contracts from Govt. Agencies	\$6,060,723
Line 103(a) – Assigned Mortgages & Note Collections	\$120,599
Line 103(a) – Other Related Revenues	<u>687,010</u>
Total Line 103(a)	<u>\$807,609</u>

STATEMENT OF RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSE:

The Neighborhood Reinvestment Corporation (d.b.a. NeighborWorks ® America) is a congressionally chartered public non-profit corporation involved in the revitalization of declining neighborhoods and the provisions of affordable housing primarily through a network of local, independent, neighborhood based non-profit organizations. Together with the Neighborhood Reinvestment Corporation (d.b.a. NeighborWorks ® America) these local non-profit organizations form the NeighborWorks Network which in FY 2005 consisted of 236 local organizations working to revitalize neighborhoods through a comprehensive and integrated strategy of reinvestment or selected neighborhood preservation projects.

Substantially all the revenues received by Neighborhood Reinvestment Corporation (d.b.a. NeighborWorks ® America) were used to assist communities to develop new neighborhood-based organizations, to provide on-going technical support, training and grants, and to monitor grantees' performance for new and existing members of the network

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