

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)

2006

Open to Public Inspection

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 2006 calendar year, or tax year beginning 2006, and ending 20

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

C Name of organization: **International Book Project, Inc.**
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
1440 Delaware Avenue
 City or town, state or country, and ZIP + 4
Lexington, KY 40505-4097

D Employer identification number
61 6039637

E Telephone number
 (**859**) **254-6771**

F Accounting method: Cash Accrual
 Other (specify) ▶

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. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶ **N/A**

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 ▶

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 (See the instructions.)

		1a		1b		1c		1d		1e	
1 Contributions, gifts, grants, and similar amounts received:											
a Contributions to donor advised funds											
b Direct public support (not included on line 1a)				4,547,993							
c Indirect public support (not included on line 1a)											
d Government contributions (grants) (not included on line 1a)											
e Total (add lines 1a through 1d) (cash \$ 218,706 noncash \$ 4,329,287)										4,547,993	
2 Program service revenue including government fees and contracts (from Part VII, line 93)											
3 Membership dues and assessments											
4 Interest on savings and temporary cash investments											
5 Dividends and interest from securities										9,451	
6a Gross rents		6a									
b Less: rental expenses		6b									
c Net rental income or (loss). Subtract line 6b from line 6a											
7 Other investment income (describe ▶)											
8a Gross amount from sales of assets other than inventory		(A) Securities		(B) Other							
b Less: cost or other basis and sales expenses		4,000		8a							
c Gain or (loss) (attach schedule)		-0-		8b							
d Net gain or (loss). Combine line 8c, columns (A) and (B)		4,000		8c						4,000	
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 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											
10a Gross sales of inventory, less returns and allowances		10a		31,082							
b Less: cost of goods sold		10b									
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a										31,082	
11 Other revenue (from Part VII, line 103)											
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11										4,592,526	
13 Program services (from line 44, column (B))										4,470,070	
14 Management and general (from line 44, column (C))										40,685	
15 Fundraising (from line 44, column (D))										43,991	
16 Payments to affiliates (attach schedule)										---	
17 Total expenses. Add lines 16 and 44, column (A)										4,554,746	
18 Excess or (deficit) for the year. Subtract line 17 from line 12										37,780	
19 Net assets or fund balances at beginning of year (from line 73, column (A))										404,859	
20 Other changes in net assets or fund balances (attach explanation)										31,491	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20										474,130	

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. (See the instructions.)

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 \$ _____ noncash \$ <u>4,329,287</u>) If this amount includes foreign grants, check here <input type="checkbox"/>	22a 4,329,287	4,329,287		
22b	Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	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 (attach schedule)	25a 39,971	19,985	11,991	7,994
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
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) (attach schedule)	25c			
26	Salaries and wages of employees not included on lines 25a, b, and c	26 33,349	25,827	5,429	2,094
27	Pension plan contributions not included on lines 25a, b, and c	27 240	240	---	---
28	Employee benefits not included on lines 25a - 27	28 12,524	7,735	3,033	1,756
29	Payroll taxes	29 9,723	6,075	2,310	1,338
30	Professional fundraising fees	30 25,281	10,112	---	15,169
31	Accounting fees	31 5,177	1,500	3,677	---
32	Legal fees	32			
33	Supplies	33 9,295	4,648	2,788	1,859
34	Telephone	34 2,070	1,242	414	414
35	Postage and shipping	35 38,433	34,590	1,921	1,922
36	Occupancy	36 3,324	1,994	665	665
37	Equipment rental and maintenance	37 4,094	2,986	554	554
38	Printing and publications	38 14,487	5,795	---	8,692
39	Travel	39 785	---	---	785
40	Conferences, conventions, and meetings	40			
41	Interest	41 1,229	---	1,229	---
42	Depreciation, depletion, etc. (attach schedule)	42 10,627	9,151	1,476	---
43	Other expenses not covered above (itemize):				
a	Taxes	43a 2,091	2,091	---	---
b	Insurance	43b 6,147	3,074	3,073	---
c	Miscellaneous	43c 1,058	366	692	---
d	Board Meetings	43d 310	---	310	---
e	UK Work Study	43e 3,744	1,872	1,123	749
f	Investment Fee	43f 1,500	1,500	---	---
g		43g			
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 4,554,746	4,470,070	40,685	43,991

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 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)		(B)
		Beginning of year		End of year
Assets	45 Cash—non-interest-bearing	88,358	45	113,924
	46 Savings and temporary cash investments	313,552	46	352,994
	47a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54a Investments—publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a	
	b Investments—other securities (attach schedule)	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
	55a Investments—land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation (attach schedule)	55b	55c	
	56 Investments—other (attach schedule)		56	
	57a Land, buildings, and equipment: basis	57a	185,549	
b Less: accumulated depreciation (attach schedule)	57b	160,316		
58 Other assets, including program-related investments (describe ▶)		27,660	57c	25,533
59 Total assets (must equal line 74). Add lines 45 through 58		429,570	58	492,451
Liabilities	60 Accounts payable and accrued expenses	4,711	60	3,321
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe ▶ Line of Credit)		20,000	65
66 Total liabilities. Add lines 60 through 65		24,711	66	18,321
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	323,361	67	367,630
	68 Temporarily restricted	81,498	68	106,500
	69 Permanently restricted	---	69	---
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	404,859	73	474,130	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	429,570	74	492,451	

Part VI Other Information (continued)

Yes No

82a	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	✓	
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	\$39,481	Volunteer Svc
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	✓	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	✓	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		✓
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? 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.	85b		N/A
c	Dues, assessments, and similar amounts from members	85c		N/A
d	Section 162(e) lobbying and political expenditures	85d		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	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) orgs. 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) orgs. 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
88a	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		✓
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		✓
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u> ; section 4912 <u>N/A</u> ; section 4955 <u>N/A</u>			
b	501(c)(3) and 501(c)(4) orgs. 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		✓
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			None
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization			None
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		✓
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		✓
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		✓
90a	List the states with which a copy of this return is filed Kentucky			
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b		3
91a	The books are in care of International Book Project, iNC Telephone no. (859) 254-6771 Located at 1440 Delaware Avenue, Lexington, KY ZIP + 4 40505-4097			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b		✓

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? **91c** Yes No
 If "Yes," enter the name of the foreign country ▶

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) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					9,451
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	4,000	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					31,082
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				4,000	40,533
105 Total (add line 104, columns (B), (D), and (E))					44,533

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).
▼	See attached schedule

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
NONE	%			
	%			
	%			
	%			

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).

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.

Yes	No
	✓

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

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.

Yes	No
	✓

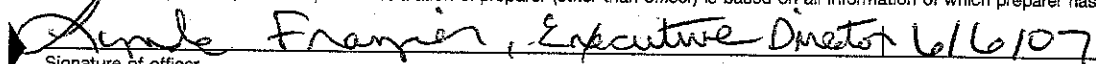
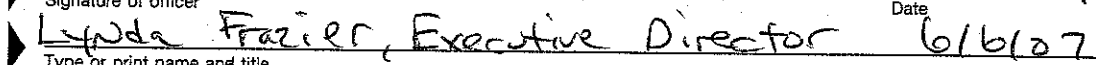
	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- -----			
b	----- -----			
c	----- -----			
Totals				

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?


Yes	No
	✓

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

 Executive Director 6/6/07
 Signature of officer Date
 Executive Director 6/6/07
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature		Date	5/31/07	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X)
Firm's name (or yours if self-employed), address, and ZIP + 4	Brown & Dougherty, PSC		EIN	61	1105212
	2011 Rambler Road, Lexington, KY 40503-2440		Phone no.	(859)	276-5531

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No. 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information—(See separate instructions.)

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

Name of the organization International Book Project, Inc.	Employer identification number 61 : 6039627
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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 ▶		None		

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 ▶		None

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 ▶		None

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

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		✓
Organizations that made an election under section 501(n) 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?		✓
b Lending of money or other extension of credit?		✓
c Furnishing of goods, services, or facilities?		✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	✓	
e Transfer of any part of its income or assets?		✓
3a 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.)		✓
b Did the organization have a section 403(b) annuity plan for its employees?		✓
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		✓
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		✓
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g.		✓
b Did the organization make any taxable distributions under section 4966?		✓
c Did the organization make a distribution to a donor, donor advisor, or related person?		✓
d Enter the total number of donor advised funds owned at the end of the tax year ▶	NONE	
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶	NONE	
f Enter the total number of separate funds or accounts owned at the end of the tax 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 ▶	NONE	
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶	NONE	

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?		(e) Amount of support
			Yes	No	
N/A					
Total					NONE

- 14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 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) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	198,276	161,702	73,128	87,929	521,035
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	21,642	19,545	11,992	17,620	70,799
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	9,060	11,058	9,181	10,742	40,041
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	228,978	192,305	94,301	116,291	631,875
24 Line 23 minus line 17	207,336	172,760	82,309	98,671	561,076
25 Enter 1% of line 23	2,290	1,923	943	1,163	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	11,222
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	107,928
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	561,076
d Add: Amounts from column (e) for lines: 18 <u>40,041</u> 19 <u>-0-</u> 22 <u>-0-</u> 26b <u>107,928</u>	26d	147,969
e Public support (line 26c minus line 26d total)	26e	413,107
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	73.63 %

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:

(2005) N/A (2004) N/A (2003) N/A (2002) N/A

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:

(2005) N/A (2004) N/A (2003) N/A (2002) 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 from 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. N/A

Part V Private School Questionnaire (See page 9 of the instructions.)

(To be completed ONLY by schools that checked the box on line 6 in Part IV) N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
d	Copies of all material used by the organization or on its behalf to solicit contributions?		
	If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
	If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a	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 10 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768) N/A

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
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) N/A

(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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

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 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			
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.)			

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

Name of organization International Book Project, Inc.	Employer identification number 61 6039627
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Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	<u>Virginia Clark Hagan Foundation</u> <u>250 West Main Street</u> <u>Lexington, KY 40507</u>	\$ <u>100,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>2</u>	<u>Child Aid</u> <u>917 SW Oak St., Ste. 301</u> <u>Portland, OR 97205</u>	\$ <u>6,336</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>3</u>	<u>Give-A-Book Foundation</u> <u>620 Leesburg Ave.</u> <u>Falls Church, VA 22044</u>	\$ <u>9,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>4</u>	<u>Million Dollar Round Table</u> <u>325 W. Touhy Ave.</u> <u>Park Ridge, IL 50068</u>	\$ <u>5,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>5</u>	<u>Tammy Purcell</u> <u>145 Lackawanna Road</u> <u>Lexington, KY 40503</u>	\$ <u>7,107</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
<u>6</u>	<u>Selmar Tech-Service</u> <u>3644 White Eagle Dr.</u> <u>Naperville, IL 60564</u>	\$ <u>5,000</u>	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization International Book Project, Inc.	Employer identification number 61 : 6039627
--	--

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule—see instructions.)

General Rule—

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules—

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33⅓% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ▶ \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

INTERNATIONAL BOOK PROJECT, INC.
61-6039627
2006

FORM 990 (2006) Schedule Attachment

Part I, Line 8c: Sale of assets other than inventory

Proceeds from sale of:
Publicly traded securities \$ 4,000
Cost and sales expenses -0-
Gain \$ 4,000

Part I, line 10: Sales

Proceeds from bookfair sales \$ 3,053
Proceeds from bookstore sales 28,029
Gross Profit \$ 31,082

Part I, line 20: Other changes in net assets or fund balances

The \$31,491 is the unrealized gain of investments carried at market value.

PART VIII, Relationship of activities to the accomplishment of exempt purposes:

<u>Line No.</u>	<u>Explanation</u>
96	IBP maintains a trust fund which allows income to be used for exempt purposes.
102	IBP has an annual book fair and bookstore sales that are related to its exempt purposes.

SCHEDULE OF FUNCTIONAL EXPENSES

INTERNATIONAL BOOK PROJECT, INC.

Year ended December 31, 2006

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General Administration</u>	<u>Fundraising General</u>	
Salaries	\$ 45,812	\$17,420	\$10,088	\$ 73,320
Employee benefits	7,975	3,033	1,756	12,764
Payroll taxes	6,075	2,310	1,338	9,723
Accounting and auditing	1,500	3,677	-	5,177
Volunteers	366	-	-	366
Supplies/office expense	4,648	2,788	1,859	9,295
Telephone	1,242	414	414	2,070
Postage and shipping	34,590	1,921	1,922	38,433
Utilities	1,994	665	665	3,324
Repairs and maintenance	399	-	-	399
Equipment leases	2,587	554	554	3,695
Printing and publishing	5,795	-	8,692	14,487
Travel	-	-	785	785
Miscellaneous expenses	-	692	-	692
Taxes and licenses	2,091	-	-	2,091
Insurance	3,074	-	-	3,074
Board and annual meetings	-	3,073	-	3,073
Depreciation	9,151	310	-	9,461
UK Work Study	1,872	1,476	-	3,348
Interest Expense	-	1,123	749	1,872
Marketing Expense	10,112	1,229	-	11,341
Investment Expense	1,500	-	15,169	16,669
	<u>\$140,783</u>	<u>\$40,685</u>	<u>\$43,991</u>	<u>\$225,459</u>
	<u>62.4%</u>	<u>18.1%</u>	<u>19.5%</u>	

See independent auditors' report and notes to financial statements.

IBP Board E-Mail and Phone List – 2006

First Name	Last Name	E-Mail Address	Work Phone	Home Phone	Fax Number
Dr. Kwaku	Addo	Kaddo01@uky.edu	(859) 257-4555	(859) 272-4692	(859) 257-3707
Dr. Juanita	Fleming	jfleming@gwmail.kysu.edu jfleming@pop.uky.edu		(502) 223-7956 (859) 323-4719	(502) 597-6409
Jeff	Gehring	jlg@gdm.com	(859) 288-4662	(859) 223-1210	(859) 367-3826
Toni	Greider	Toni.Greider@uky.edu ToniGreider@insightbb.com	(859) 257-2758 (859) 257-0500 ext. 2084	(859) 254-0752	(859) 257-8379
Brandy	Hamby	b_hamby01@yahoo.com	(859) 699-0797	(859) 335-9131	
Dean	Hammond	dean@aften.com	(859)299-1497	(859)227-2879	
Mary	Hammond	mary@aften.com	(859)299-1497	(859)227-2878	
Gail	Hart	g.hart@insightbb.com	(859) 229-4452	(859) 254-6960	(859) 225-9314
Lynda	Jeffries	ibpdirector@alltel.net	(859) 254-6771	(859) 806-6313	(859) 253-2293
Sheila	Kalas	skalas@fitplusinc.com	(859) 536-0059		(859) 269-9280
Bill	LaSalle	wlasalle@msn.com		(202) 362-3751	
Charles	LeBoeuf	cleboeuf@ddfky.com cleboeuf@alltel.net	(859) 425-7632	(859) 608-1187	(859) 255-0125
Kathy	Milby	k.milby@insightbb.com	(859) 233-8929	(859) 266-1271	(859) 252-0304
Richard	Mook	rgmook@prodigy.net		(859) 269-4788	
Hunter	Nightbert	hunter.nightbert@firststatefinancial.net	(859) 278-5858	(859) 264-7818	(859)273-5723
Dr. Rhonda	Richards	r-richards@midway.edu	(859) 846-5350		
Dr. Sam	Simmons	sdsimm2@email.uky.edu	(859) 323-5425	(859) 433-7839	(859) 323-2094

INTERNATIONAL BOOK PROJECT, INC.
61-6039627
2006

FORM 990 Schedule Attachment

Part II, line 42: Depreciation and Part IV, line 57 - land, building equipment

<u>Asset</u>	<u>Date Acquired</u>	<u>Cost</u>	<u>Prior Years' Depreciation</u>	<u>Method</u>	<u>Useful Life</u>	<u>Current Depreciation</u>
Building	1983	\$ 90,000	\$ 90,000	S.L.	20 years	\$ -0-
Roof	1983	7,035	7,035	S.L.	7 years	-0-
Roof	1990	1,500	1,500	S.L.	7 years	-0-
Renovation	1991	20,168	14,070	S.L.	20 years	1,008
Storage Shed	1993	7,807	4,682	S.L.	20 years	390
Office equipment	1984	750	750	S.L.	7 years	-0-
Fork Lift	1986	1,200	1,200	S.L.	7 years	-0-
Storage Rack	1986	2,500	2,500	S.L.	7 years	-0-
Office equipment	1987	1,995	1,995	S.L.	7 years	-0-
Office equipment	1992	1,005	1,005	S.L.	7 years	-0-
Computers	1994	835	835	S.L.	7 years	-0-
Office equipment	1997	6,471	6,471	S.L.	7 years	-0-
Computer/software	1998	6,734	5,986	S.L.	7 years	748
Software	1999	1,500	1,500	S.L.	7 years	-0-
Laptop computer	2000	1,515	1,515	S.L.	5 years	-0-
Computer	2001	1,862	1,560	S.L.	5 years	302
Phone System	2004	2,985	426	S.L.	7 years	426
Website	2005	10,260	3,420	S.L.	3 years	3,420
Video	2005	13,000	4,333	S.L.	3 years	4,333
Website	2006	8,500	-0-	S.L.	3 years	-0-
		<u>187,622</u>	<u>150,783</u>			<u>10,627</u>
		<u>(1,773)</u>	<u>(1,094)</u>			<u>-</u>
Write-off equipment		<u>\$185,849</u>	<u>\$149,689</u>			<u>\$10,627</u>