

Form

990-TDepartment of the Treasury
Internal Revenue Service**Exempt Organization Business Income Tax Return**
(and proxy tax under section 6033(e))For calendar year 2005 or other tax year beginning 7/1, 2005, and ending 6/30, 2006

▶ See separate instructions.

OMB No. 1545-0687

2005A ☐ Check box if
address changed

B Exempt under section

☒ 501(c)(3)☐ 408(e) ☐ 220(e)☐ 408A ☐ 530(a)☐ 529(a)C Book value of all assets
at end of year**4,512,995,340**Name of organization (☐ Check box if name changed and see instructions.)**American Red Cross & Its Constituent Chapters**

Number, street, and room or suite no. (If a P.O. box, see page 7 of instructions.)

17th & D Streets, N.W.

City or town, state, and ZIP code

Washington, DC 20006D Employer identification number
(Employees' trust, see instructions for Block D
on page 7.)**53 0196605**E New unrelated bus. activity codes
(See instructions for Block E on page 7.)**812930 713200**

F Group exemption number (See instructions for Block F on page 7.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trustH Describe the organization's primary unrelated business activity. ▶ **Charitable gaming & Debt-financed rental property**I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☐ Yes ☒ No
If "Yes," enter the name and identifying number of the parent corporation. ▶J The books are in care of ▶ **Robert McDonald, CFO** Telephone number ▶ (**202**) **303-5300****Part I Unrelated Trade or Business Income**

	(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 1,174,838			
b Less returns and allowances			
c Balance ▶	1c 1,174,838		
2 Cost of goods sold (Schedule A, line 7)	2 92,354		
3 Gross profit. Subtract line 2 from line 1c	3 1,082,484		1,082,484
4a Capital gain net income (attach Schedule D)			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b 0		0
c Capital loss deduction for trusts			
5 Income (loss) from partnerships and S corporations (attach statement)	5 5,435		5,435
6 Rent income (Schedule C)			
7 Unrelated debt-financed income (Schedule E)	7 1,029,596	1,305,036	(275,440)
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		
10 Exploited exempt activity income (Schedule I)	10		
11 Advertising income (Schedule J)	11		
12 Other income (See page 9 of the instructions—attach schedule.)	12		
13 Total. Combine lines 3 through 12	13 2,117,515	1,305,036	812,479

Part II Deductions Not Taken Elsewhere (See page 9 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15	345,134	
16 Repairs and maintenance	16	4,600	
17 Bad debts	17		
18 Interest (attach schedule)	18	1,664	
19 Taxes and licenses	19	445,338	
20 Charitable contributions (See page 11 of the instructions for limitation rules.)	20		
21 Depreciation (attach Form 4562)	21	19,261	
22 Less depreciation claimed on Schedule A and elsewhere on return	22a		
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25		
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule)	28	312,781	
29 Total deductions. Add lines 14 through 28	29	1,128,778	
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	(318,760)	
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	(318,760)	
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33	1,000	
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32.	34	(318,760)	

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Cat. No. 11291J

Form **990-T** (2005)

Part II Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 13. Controlled group members (sections 1561 and 1563)—check here ☐. See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):
 (1) \$ (2) \$ (3) \$

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$
 (2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34 ▶ **35c** 0

36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 14. Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041). ▶ **36**

37 Proxy tax. See page 14 of the instructions ▶ **37**

38 Alternative minimum tax ▶ **38**

39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies ▶ **39** 0

Part IV Tax and Payments

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) ▶ **40a**

b Other credits (See page 14 of the instructions.) ▶ **40b**

c General business credit—Check here and indicate which forms are attached:
☐ Form 3800 ☐ Form(s) (specify) ▶ **40c**

d Credit for prior year minimum tax (attach Form 8801 or 8827) ▶ **40d**

e Total credits. Add lines 40a through 40d. ▶ **40e** 0

41 Subtract line 40e from line 39 ▶ **41** 0

42 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule) ▶ **42**

43 Total tax. Add lines 41 and 42 ▶ **43** 0

44a Payments: A 2004 overpayment credited to 2005. ▶ **44a**

b 2005 estimated tax payments. ▶ **44b**

c Tax deposited with Form 8868 ▶ **44c**

d Foreign organizations—Tax paid or withheld at source (see instructions) ▶ **44d**

e Backup withholding (see instructions) ▶ **44e**

f Other credits and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶ **44f** 0

45 Total payments. Add lines 44a through 44f. ▶ **45** 0

46 Estimated tax penalty (See page 4 of the instructions.) Check ☐ if Form 2220 is attached ▶ **46** 0

47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed. ▶ **47** 0

48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶ **48**

49 Enter the amount of line 48 you want: Credited to 2006 estimated tax ▶ Refunded ▶ **49**

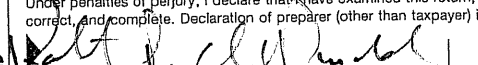
Part V Statements Regarding Certain Activities and Other Information (See instructions on page 16.)

	Yes	No
1 At any time during the 2005 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," the organization may have to file Form TD F 90-22.1. If "Yes," enter the name of the foreign country here ▶ AL, BG, EC, CO, HN, SV, DO, MX, KH, IN, VN, KE, ZA, NG, LK, ID, MV	☒	☐
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 5 of the instructions for other forms the organization may have to file.	☐	☒
3 Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$		

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ▶

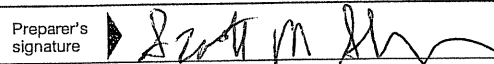
1 Inventory at beginning of year. ▶ 1	6 Inventory at end of year. ▶ 6
2 Purchases ▶ 2	7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2 ▶ 7 92,354
3 Cost of labor ▶ 3	
4a Additional section 263A costs (attach schedule). ▶ 4a	8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? ▶ Yes ☐ No ☒
b Other costs (attach schedule). ▶ 4b 92,354	
5 Total. Add lines 1 through 4b. ▶ 5 92,354	

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

Sign Here  **Chief Financial Officer**

Signature of officer Date Title

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

Paid Preparer's Use Only	Preparer's signature ▶ 	Date ▶ 3/7/07	Check if self-employed ☐	Preparer's SSN or PTIN ▶ P00451522
	Firm's name (or yours if self-employed), address, and ZIP code ▶ KPMG LLP 1660 International Drive, McLean, VA 22102-4848	EIN ▶ 13 5565207	Phone no. ▶ (703) 286-8000	

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(See instructions on page 17.)

1 Description of property

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

2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total	Total	Total deductions. Enter here and on page 1, Part I, line 6, column (B).
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A).		

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

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1) Various Chapter Buildings (Attachment A-3)	1,607,895	376,578	1,453,667	
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 × column 6)	8 Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1) 8,423,725	11,715,947	71.90 %	1,029,596	1,305,036
(2)		%		
(3)		%		
(4)		%		
Totals. Enter here and on page 1, Part I, line 7, column (A).			1,029,596	1,305,036
Total dividends-received deductions included in column 8				

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

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column (4) that is included in the controlling organization's gross income	6 Deductions directly connected with income in column (5)
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column (9) that is included in the controlling organization's gross income	11 Deductions directly connected with income in column (10)	
(1)					
(2)					
(3)					
(4)					
Totals			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).	

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

(See instructions on page 19.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income

(See instructions on page 19.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J—Advertising Income (See instructions on page 19.)**Part I Income From Periodicals Reported on a Consolidated Basis**

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

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

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.

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

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total	Enter here and on page 1, Part II, line 14		

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☐
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time—Only submit original (no copies needed)

Form 990-T corporations requesting an automatic 6-month extension—check this box and complete Part I only ☒

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization American National Red Cross and Its Constituent Chapters	Employer identification number 53 0196605
	Number, street, and room or suite no. If a P.O. box, see instructions. 17th and D Streets, NW	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Washington, DC 20006	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--------------------------------------|---|------------------------------------|
| ☐ Form 990 | ☒ Form 990-T (corporation) | ☐ Form 4720 |
| ☐ Form 990-BL | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-EZ | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☐ Form 990-PF | ☐ Form 1041-A | ☐ Form 8870 |

- The books are in the care of ► **Financial Management**

Telephone No. ► (**202**) **303-7786**

FAX No. ► (**202**) **303-0157**

- If the organization does **not** have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until **May 15**, 20**07**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ☐ calendar year 20... or
- ☒ tax year beginning **July 1**, 20**05**, and ending **June 30**, 20**06**.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ _____
- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☐ **Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time—Must File Original and One Copy.

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization	Employer identification number
	Number, street, and room or suite no. If a P.O. box, see instructions.	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	

Check type of return to be filed (File a separate application for each return):

- | | | |
|--------------------------------------|---|------------------------------------|
| ☐ Form 990 | ☐ Form 990-T (sec. 401(a) or 408(a) trust) | ☐ Form 5227 |
| ☐ Form 990-BL | ☐ Form 990-T (trust other than above) | ☐ Form 6069 |
| ☐ Form 990-EZ | ☐ Form 1041-A | ☐ Form 8870 |
| ☐ Form 990-PF | ☐ Form 4720 | |

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of _____
Telephone No. _____ FAX No. _____
- If the organization does **not** have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box ☐. If it is for **part** of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until _____, 20____.
- 5 For calendar year _____, or other tax year beginning _____, 20____, and ending _____, 20____.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension _____

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature *[Signature]* Title CFO Date 10/15/06**Notice to Applicant—To Be Completed by the IRS**

- ☐ We **have** approved this application. Please attach this form to the organization's return.
- ☐ We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested.
- ☐ Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Number and street (include suite, room, or apt. no.) or a P.O. box number
	City or town, province or state, and country (including postal or ZIP code)

American Red Cross
Summary Sheet for UBI
Year Ended June 30, 2006

		Charitable Gaming	Parking Garage	TOTALS
Part I				
Line 1	Gross Receipts	1,105,259	69,579	1,174,838
Line 2	Cost of Goods Sold	92,354	-	92,354
Part II				
Line 15	Salaries & Wages	334,777	10,357	345,134
Line 16	Repairs & Maint.	-	4,600	4,600
Line 18	Interest	-	1,664	1,664
Line 19	Taxes & Licenses	445,338	-	445,338
Line 21	Depreciation	-	19,261	19,261
Line 25	Employee Benefit Prog.	-	-	-
Other Deductions:				
	Travel	-	-	-
	Phone/Mail	-	-	-
	Professional Fees	-	39,929	39,929
	Rent/Utilities	115,805	34,000	149,805
	Profits required to be distributed	99,083	-	99,083
	Cash Shortage	9,725	-	9,725
	Advertising	-	-	-
	Insurance	-	-	-
	Misc. Other	13,109	1,130	14,239
Line 28	Total Other Deductions	237,722	75,059	312,781

American Red Cross
Year Ended June 30, 2006
S Corporation Income

Part 1

1. Ordinary Income from trade or business	1,063	
2. Net income from other rental activities	2,928	
3. Net section 1231 gain (loss)	-	
4a. Portfolio income - Interest	1,087	
4b. Portfolio income - Ordinary dividends	<u>357</u>	
Income from partnerships and S-corporations	5,435	Form 990-T, line 5
5a. Net short term capital gain (loss) (entire year)	(1,976)	
5b. Net long term capital gain (loss) (entire year)	<u>(485)</u>	
Capital gain net income	(2,461)	Form 990-T, line 4a and Schedule D
7. Charitable contributions	-	Form 990-T, line 20

Attachment A-2

American Red Cross
Form 990-T -- Rental Income on Debt-Financed Property
Fiscal Year Ending June 30, 2006

(1) Description of debt financed property	(2) Gross Income from or allocable to debt financed property	(3) Deduction directly allocable to debt-financed property a) Straight Line Depreciation b) Other Deductions	(4) Ave. acquisition debt allocable to debt- financed property	(5) Average adj. basis allocable to debt-financed property	(6) Percent of Column 4 divided by Column 5	(7) Gross Income Reportable (Col. 2 x Col. 6)	(8) Allocable deductions (Columns 3a + 3b x Column 6)
Chapter building 1	\$203,897	\$75,722	\$1,127,500	\$1,674,195	67.35%	\$137,316	\$171,784
Chapter building 2	\$80,152	\$10,409	\$134,400	\$456,034	29.47%	\$23,622	\$10,394
Chapter building 3	\$266,699	\$83,014	\$3,538,904	\$3,729,307	94.89%	\$253,082	\$390,303
Chapter building 4	\$61,322	\$6,134	\$77,846	\$165,955	46.91%	\$28,765	\$22,274
Chapter building 5	\$35,555	\$2,583	\$29,711	\$86,805	81.79%	\$29,081	\$26,414
Chapter building 6	\$109,639	\$7,542	\$108,750	\$312,338	34.82%	\$38,174	\$9,926
Chapter building 7	\$196,885	\$33,820	\$520,750	\$934,720	55.71%	\$109,688	\$84,014
Chapter building 8	\$432,154	\$114,991	\$2,470,704	\$3,119,596	79.20%	\$342,264	\$524,566
Chapter building 9	\$166,732	\$33,716	\$277,008	\$868,329	31.90%	\$53,190	\$61,953
Chapter building 10	\$54,860	\$8,647	\$96,853	\$368,668	26.27%	\$14,414	\$3,408
TOTALS	\$1,607,895	\$376,578	\$8,423,725	\$11,715,947	71.90%	\$1,029,596	\$1,305,036

Attachment A-3

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

► Attach to Form 1120, 1120-A, 1120-F, 1120-FSC, 1120-H, 1120-IC-DISC, 1120-L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 1120-SF, 990-C, or certain Forms 990-T.

OMB No. 1545-0123

2005

Name _____

Employer identification number

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

Part III Short-Term Capital Gains and Losses							
(a) Description of property (Example: 100 shares of Z Co.)		(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))	
1						-1,976	
2	Short-term capital gain from installment sales from Form 6252, line 26 or 37					2	
3	Short-term gain or (loss) from like-kind exchanges from Form 8824					3	
4	Unused capital loss carryover (attach computation)					4	()
5	Net short-term capital gain or (loss). Combine lines 1 through 4					5	-1976

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

6		-485
7	Enter gain from Form 4797, line 7 or 9	7
8	Long-term capital gain from installment sales from Form 6252, line 26 or 37	8
9	Long-term gain or (loss) from like-kind exchanges from Form 8824	9
10	Capital gain distributions (see instructions)	10
11	Net long-term capital gain or (loss). Combine lines 6 through 10	11
		-485

Part III Summary of Parts I and II

12	Enter excess of net short-term capital gain (line 5) over net long-term capital loss (line 11)	12	
13	Net capital gain. Enter excess of net long-term capital gain (line 11) over net short-term capital loss (line 5)	13	-2,461
14	Add lines 12 and 13. Enter here and on Form 1120, page 1, line 8, or the proper line on other returns	14	-2,461

Note: If losses exceed gains, see **Capital losses** on page 2.

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Schedule

Use Schedule D to report sales and exchanges of capital assets and gains on distributions to shareholders of appreciated capital assets.

Generally report every sale or exchange of a capital asset (including like-kind exchanges) on this schedule even if there is no gain or loss.

Note: For more information, see Pub. 544, Sales and Other Dispositions of Assets.

Other Forms the Corporation May Have To File

Use Form 4797, Sales of Business Property, to report the following.

- The sale or exchange of:
 1. Property used in a trade or business;
 2. Depreciable and amortizable property;
 3. Oil, gas, geothermal, or other mineral property; and
 4. Section 126 property.
- The involuntary conversion (other than from casualty or theft) of property and capital assets held for business or profit.
- The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the

ordinary course of the corporation's trade or business.

- The section 291 adjustment to section 1250 property.

Use Form 4684, Casualties and Thefts, to report involuntary conversions of property due to casualty or theft.

Use Form 6781, Gains and Losses From Section 1256 Contracts and Straddles, to report gains and losses from section 1256 contracts and straddles.

Use Form 8824, Like-Kind Exchanges, if the corporation made one or more "like-kind" exchanges. A like-kind exchange occurs when the corporation exchanges business or investment property for property of a like kind. For exchanges of capital assets, include the gain or (loss) from Form 8824, if any, on line 3 or line 9.

Form **5471**(Rev. December 2005)
Department of the Treasury
Internal Revenue Service**Information Return of U.S. Persons With
Respect To Certain Foreign Corporations**

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning , 20 , and ending , 20

OMB No. 1545-0704
Attachment
Sequence No. 121**File In Duplicate**
(see When and
Where To File in
the instructions)

Name of person filing this return American Nat'l Red Cross & Its Constituent Chapters & Branches		A Identifying number 53-0196605
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address) 17th & D Streets, NW		B Category of filer (See instructions. Check applicable box(es)): 1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒
City or town, state, and ZIP code Washington, DC 20006		C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100 %
Filer's tax year beginning July 1 , 20 05 , and ending June 30 , 20 06		

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.

1a Name and address of foreign corporation Boardman Indemnity, LTD Cumberland House P.O. Box HM 2280, Hamilton, HMHX Bermuda		b Employer identification number, if any None
		c Country under whose laws incorporated Bermuda
d Date of incorporation 5/26/1988	e Principal place of business Hamilton, Bermuda	f Principal business activity code number 524290
		g Principal business activity Insurance
		h Functional currency US Dollar

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States N/A	b If a U.S. income tax return was filed, enter:	
	(i) Taxable income or (loss) N/A	(ii) U.S. income tax paid (after all credits) N/A
c Name and address of foreign corporation's statutory or resident agent in country of incorporation Boardman Indemnity, LTD	d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different Same	

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
Common Stock	10,000,000	10,000,000

For Paperwork Reduction Act Notice, see instructions.

Cat. No. 49958V

Form **5471** (Rev. 12-2005)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. <i>Note: This description should match the corresponding description entered in Schedule A, column (a).</i>	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
American National Red Cross 17th & D Streets, NW Washington, DC 20006 53-0196605	Common Stock	10,000,000	10,000,000	100%

Important: Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.

		Functional Currency	U.S. Dollars
Income	1a Gross receipts or sales	1a	37,330,054
	b Returns and allowances	1b	
	c Subtract line 1b from line 1a	1c	37,330,054
	2 Cost of goods sold	2	
	3 Gross profit (subtract line 2 from line 1c)	3	37,330,054
	4 Dividends	4	3,551,949
	5 Interest.	5	10
	6 Gross rents, royalties, and license fees	6	
	7 Net gain or (loss) on sale of capital assets	7	963,601
8 Other income (attach schedule)	8		
9 Total income (add lines 3 through 8)	9	41,845,614	
Deductions	10 Compensation not deducted elsewhere	10	
	11 Rents, royalties, and license fees	11	
	12 Interest.	12	
	13 Depreciation not deducted elsewhere	13	
	14 Depletion	14	
	15 Taxes (exclude provision for income, war profits, and excess profits taxes)	15	
	16 Other deductions (attach schedule—exclude provision for income, war profits, and excess profits taxes).	16	41,340,559
	17 Total deductions (add lines 10 through 16)	17	41,340,559
Net Income	18 Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18	505,055
	19 Extraordinary items and prior period adjustments (see instructions)	19	
	20 Provision for income, war profits, and excess profits taxes (see instructions)	20	
	21 Current year net income or (loss) per books (combine lines 18 through 20)	21	505,055

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

(a) Name of country or U.S. possession	Amount of tax		
	(b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1 U.S.			
2			
3			
4			
5			
6			
7			
8 Total			

Schedule F Balance Sheet

Important: Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash		12,363	4,780
2a Trade notes and accounts receivable		5,065,000	4,402,000
b Less allowance for bad debts		()	()
3 Inventories			
4 Other current assets (attach schedule)			
5 Loans to shareholders and other related persons		5,000,000	5,000,000
6 Investment in subsidiaries (attach schedule)			
7 Other investments (attach schedule)		106,769,874	116,429,759
8a Buildings and other depreciable assets			
b Less accumulated depreciation		()	()
9a Depletable assets			
b Less accumulated depletion		()	()
10 Land (net of any amortization)			
11 Intangible assets:			
a Goodwill			
b Organization costs			
c Patents, trademarks, and other intangible assets			
d Less accumulated amortization for lines 11a, b, and c		()	()
12 Other assets (attach schedule)		19,431	19,431
13 Total assets		116,866,668	125,855,970
Liabilities and Shareholders' Equity			
14 Accounts payable		7,290,921	8,758,510
15 Other current liabilities (attach schedule)			
16 Loans from shareholders and other related persons			
17 Other liabilities (attach schedule)		76,102,646	83,060,813
18 Capital stock:			
a Preferred stock			
b Common stock		10,000,000	10,000,000
19 Paid-in or capital surplus (attach reconciliation)			
20 Retained earnings		23,473,101	24,036,647
21 Less cost of treasury stock		()	()
22 Total liabilities and shareholders' equity		116,866,668	125,855,970

Schedule G Other Information

Yes No

- 1 During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? ☐ ☒
If "Yes," see the instructions for required attachment.
- 2 During the tax year, did the foreign corporation own an interest in any trust? ☐ ☒
- 3 During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? ☐ ☒
If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).

Schedule H Current Earnings and Profits (see instructions)**Important:** Enter the amounts on lines 1 through 5c in **functional** currency.

1	Current year net income or (loss) per foreign books of account		1	505,055
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):			
		Net Additions	Net Subtractions	
a	Capital gains or losses			
b	Depreciation and amortization			
c	Depletion			
d	Investment or incentive allowance			
e	Charges to statutory reserves			
f	Inventory adjustments			
g	Taxes			
h	Other (attach schedule)			
3	Total net additions			
4	Total net subtractions			
5a	Current earnings and profits (line 1 plus line 3 minus line 4)		5a	505,055
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)		5b	
c	Combine lines 5a and 5b		5c	505,055
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))		5d	

Enter exchange rate used for line 5d ▶

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return. See instructions.	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

Yes No

- Was any income of the foreign corporation blocked? ☐ ☒
- Did any such income become unblocked during the tax year (see section 964(b))?. ☐ ☒
- If the answer to either question is "Yes," attach an explanation.

SCHEDULE J
(Form 5471)

(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

**Accumulated Earnings and Profits (E&P)
of Controlled Foreign Corporation**

OMB No. 1545-0704

▶ Attach to Form 5471. See Instructions for Form 5471.

Name of person filing Form 5471

Identifying number

53-0196605

American National Red Cross & Its Constituent Chapters and Branches

Name of foreign corporation

Boardman Indemnity, LTD

	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions)		(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	
1 Balance at beginning of year	15,799,184				19,870,352
2a Current year E&P	505,055				
b Current year deficit in E&P					
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a or line 1 minus line 2b)	16,304,239				
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year					
5a Actual distributions or reclassifications of previously taxed E&P					
b Actual distributions of nonpreviously taxed E&P					
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)				4,071,168	
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	16,304,239				
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	16,304,239			4,071,168	20,375,407

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Cat. No. 21111K

Schedule J (Form 5471) (Rev. 12-2005)

**SCHEDULE M
(Form 5471)**(Rev. December 2005)
Department of the Treasury
Internal Revenue Service**Transactions Between Controlled Foreign Corporation
and Shareholders or Other Related Persons**

OMB No. 1545-0704

► Attach to Form 5471. See instructions for Form 5471.

Name of person filing Form 5471

American National Red Cross & Its Constituent Chapters and Branches

Identifying number

53-0196605

Name of foreign corporation

Boardman Indemnity, LTD

Important: Complete a *separate* Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.

Enter the relevant functional currency and the exchange rate used throughout this schedule ►

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of property rights (patents, trademarks, etc.)					
3 Compensation received for technical, managerial, engineering, construction, or like services					
4 Commissions received					
5 Rents, royalties, and license fees received					
6 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
7 Interest received					
8 Premiums received for insurance or reinsurance					
9 Add lines 1 through 8					
10 Purchases of stock in trade (inventory)					
11 Purchases of tangible property other than stock in trade					
12 Purchases of property rights (patents, trademarks, etc.)					
13 Compensation paid for technical, managerial, engineering, construction, or like services					
14 Commissions paid					
15 Rents, royalties, and license fees paid					
16 Dividends paid					
17 Interest paid					
18 Add lines 10 through 17					
19 Amounts borrowed (enter the maximum loan balance during the year) — see instructions					
20 Amounts loaned (enter the maximum loan balance during the year) — see instructions	5,000,000				

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Cat. No. 499630

Schedule M (Form 5471) (Rev. 12-2005)

**American National Red Cross & Its Constituent Chapters and Branches
Boardman Indemnity Fund Calculations
Form 5471 - Schedule C Support
Fiscal Year Ending June 30, 2006**

Line 16

	Functional Currency	U.S. Dollars
Total underwriting expenses		\$ 41,215,750
Operating expenses	\$ -	\$ 124,809
Other deductions	\$ -	\$ 41,340,559

Statement Y

American National Red Cross & Its Constituent Chapters and Branches
Boardman Indemnity Fund Calculations
Form 5471 - Schedule F Support
Fiscal Year Ending June 30, 2006

Line 2

	Beginning Balance	Ending Balance
Accrued interest receivable	\$ -	\$ -
Insurance balances receivable	\$ -	\$ -
Outstanding losses recoverable from reinsurers	\$ 5,065,000	\$ 4,402,000
Reinsurance balances receivable	\$ -	\$ -
Premiums receivable	\$ -	\$ -
Total accounts receivable	<u>\$ 5,065,000</u>	<u>\$ 4,402,000</u>

Line 7

	Beginning Balance	Ending Balance
Money market fund	\$ 10,705,952	\$ 13,339,650
Short term bond fund	\$ 36,934,175	\$ 37,786,666
Diversified bond fund	\$ 29,677,297	\$ 28,360,728
Strategic stock fund	\$ 11,176,119	\$ 10,599,926
Broad market index fund	\$ 5,534,467	\$ 4,511,399
International stock fund	\$ 5,416,886	\$ 6,364,229
Long duration bond fund	\$ 7,324,978	\$ 5,203,432
DLTA	\$ -	\$ 10,263,729
Total investments	<u>\$106,769,874</u>	<u>\$ 116,429,759</u>

Line 12

	Beginning Balance	Ending Balance
Loss escrow fund		
Prepaid reinsurance premiums	\$ 15,000	\$ 15,000
Due from Parent Company		
Prepaid expenses	\$ -	\$ -
Total other assets	\$ 4,431	\$ 4,431
	<u>\$ 19,431</u>	<u>\$ 19,431</u>

Line 17

	Beginning Balance	Ending Balance
Outstanding losses and loss adjustments	\$ 37,311,345	\$ 42,420,538
Incurred but not reported	\$ 48,162,262	\$ 51,057,978
Discount	\$ (9,370,961)	\$ (10,417,703)
	<u>\$ 76,102,646</u>	<u>\$ 83,060,813</u>

Statement Z