

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)

2004

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 2004 calendar year, or tax year beginning **JUL 1, 2004** and ending **JUN 30, 2005**

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

C Name of organization
LEARNING LEADERS, INC.

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

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
80 MAIDEN LANE

City or town, state or country, and ZIP + 4
NEW YORK, NY 10038-4811

D Employer identification number
13-2658549

E Telephone number
(212) 213-3370

F Accounting method: Cash Accrual
 Other (specify) ▶

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

Hand 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 ▶

G Website: ▶ **LEARNINGLEADERS.ORG**

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

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

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

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

I Group Exemption Number ▶

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **6,214,412.**

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

| | | 1a | 1b | 1c | 1d |
|--|--|------------|-----------|------------|-------------|
| Revenue | 1 Contributions, gifts, grants, and similar amounts received: | | | | |
| | a Direct public support | 3,265,027. | | | |
| | b Indirect public support | | | 653,000. | |
| | c Government contributions (grants) | | | | |
| | d Total (add lines 1a through 1c) (cash \$ 3,737,262. noncash \$ 180,765.) | | | | 3,918,027. |
| | 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 | | | | 2,183. |
| | 5 Dividends and interest from securities | | | | 155,007. |
| | 6 a Gross rents | 6a | | | |
| | b Less: rental expenses | 6b | | | |
| | c Net rental income or (loss) (subtract line 6b from line 6a) | 6c | | | |
| 7 Other investment income (describe ▶) | | | | | |
| 8 a Gross amount from sales of assets other than inventory | (A) Securities | | (B) Other | | |
| | 2,071,572. | 8a | | | |
| | 1,963,569. | 8b | | | |
| | 108,003. | 8c | | | |
| d Net gain or (loss) (combine line 8c, columns (A) and (B)) | 8d | | | 108,003. | |
| 9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/> | | | | | |
| a Gross revenue (not including \$ 481,369. of contributions reported on line 1a) | 9a | 30,960. | | | |
| b Less: direct expenses other than fundraising expenses | 9b | 110,131. | | | |
| c Net income or (loss) from special events (subtract line 9b from line 9a) | 9c | | | <79,171.> | |
| 10 a Gross sales of inventory, less returns and allowances | 10a | | | | |
| b Less: cost of goods sold | 10b | | | | |
| c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | 10c | | | | |
| 11 Other revenue (from Part VII, line 103) | 11 | | | 36,663. | |
| 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11) | 12 | | | 4,140,712. | |
| Expenses | 13 Program services (from line 44, column (B)) | 13 | | | 3,545,792. |
| | 14 Management and general (from line 44, column (C)) | 14 | | | 303,766. |
| | 15 Fundraising (from line 44, column (D)) | 15 | | | 494,544. |
| | 16 Payments to affiliates (attach schedule) | 16 | | | |
| | 17 Total expenses (add lines 16 and 44, column (A)) | 17 | | | 4,344,102. |
| 18 Excess or (deficit) for the year (subtract line 17 from line 12) | 18 | | | <203,390.> | |
| Net Assets | 19 Net assets or fund balances at beginning of year (from line 73, column (A)) | 19 | | | 10,454,311. |
| | 20 Other changes in net assets or fund balances (attach explanation) | 20 | | | 24,590. |
| | 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20) | 21 | | | 10,275,511. |

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. Page 2

| Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I. | | (A) Total | (B) Program services | (C) Management and general | (D) Fundraising |
|---|---|------------|----------------------|----------------------------|-----------------|
| 22 | Grants and allocations (attach schedule) | | | | |
| | (cash \$ _____ noncash \$ _____) | | | | |
| 23 | Specific assistance to individuals (attach schedule) | | | | |
| 24 | Benefits paid to or for members (attach schedule) | | | | |
| 25 | Compensation of officers, directors, etc. | 356,610. | 257,623. | 98,987. | 0. |
| 26 | Other salaries and wages | 2,001,160. | 1,617,038. | 91,325. | 292,797. |
| 27 | Pension plan contributions | 60,803. | 48,399. | 4,864. | 7,540. |
| 28 | Other employee benefits | 216,140. | 172,048. | 17,291. | 26,801. |
| 29 | Payroll taxes | 175,105. | 139,384. | 14,008. | 21,713. |
| 30 | Professional fundraising fees | | | | |
| 31 | Accounting fees | 19,500. | 9,750. | 9,750. | |
| 32 | Legal fees | | | | |
| 33 | Supplies | 195,481. | 160,785. | 13,878. | 20,818. |
| 34 | Telephone | 44,774. | 35,523. | 3,700. | 5,551. |
| 35 | Postage and shipping | 39,076. | 31,261. | 3,126. | 4,689. |
| 36 | Occupancy | 331,459. | 274,917. | 16,767. | 39,775. |
| 37 | Equipment rental and maintenance | 76,032. | 60,609. | 6,169. | 9,254. |
| 38 | Printing and publications | | | | |
| 39 | Travel | | | | |
| 40 | Conferences, conventions, and meetings | 56,691. | 45,353. | 4,535. | 6,803. |
| 41 | Interest | 1,481. | 1,481. | | |
| 42 | Depreciation, depletion, etc. (attach schedule) | 49,000. | 40,392. | 3,444. | 5,164. |
| 43 | Other expenses not covered above (itemize): | | | | |
| | a _____ | | | | |
| | b _____ | | | | |
| | c _____ | | | | |
| | d _____ | | | | |
| | e SEE STATEMENT 4 | | | | |
| 44 | Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15. | 4,344,102. | 3,545,792. | 303,766. | 494,544. |

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 \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments

| | | |
|---|--|--|
| What is the organization's primary exempt purpose? SEE STATEMENT 5 | | Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.) |
| All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.) | | |
| a | SEE ATTACHED STATEMENT 11 | |
| | (Grants and allocations \$ _____) | 3,545,792. |
| b | | |
| | (Grants and allocations \$ _____) | |
| c | | |
| | (Grants and allocations \$ _____) | |
| d | | |
| | (Grants and allocations \$ _____) | |
| e | Other program services (attach schedule) | |
| | (Grants and allocations \$ _____) | |
| f | Total of Program Service Expenses (should equal line 44, column (B), Program services) | 3,545,792. |

Part IV Balance Sheets

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

| | | (A) Beginning of year | | (B) End of year |
|---|---|--------------------------|------------|--------------------|
| Assets | 45 Cash - non-interest-bearing | 752,174. | 45 | 626,040. |
| | 46 Savings and temporary cash investments | 543,521. | 46 | 155,169. |
| | 47 a Accounts receivable | 47a | | 47c |
| | b Less: allowance for doubtful accounts | 47b | | |
| | 48 a Pledges receivable | 48a | 1,151,000. | |
| | b Less: allowance for doubtful accounts | 48b | | |
| | 49 Grants receivable | | | 49 |
| | 50 Receivables from officers, directors, trustees, and key employees | | | 50 |
| | 51 a Other notes and loans receivable | 51a | | |
| | b Less: allowance for doubtful accounts | 51b | | 51c |
| | 52 Inventories for sale or use | | | 52 |
| | 53 Prepaid expenses and deferred charges | | 36,600. | 53 |
| | 54 Investments - securities STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV | | 8,620,367. | 54 |
| | 55 a Investments - land, buildings, and equipment: basis | 55a | | |
| | b Less: accumulated depreciation | 55b | | 55c |
| 56 Investments - other | | | 56 | |
| 57 a Land, buildings, and equipment: basis | 57a | 591,844. | | |
| b Less: accumulated depreciation STMT 7 | 57b | 503,673. | | |
| 58 Other assets (describe ▶ SECURITY DEPOSITS) | | 115,592. | 57c | |
| | | 17,250. | 58 | |
| 59 Total assets (add lines 45 through 58) (must equal line 74) | | 10,629,443. | 59 | |
| | | | | |
| 60 Accounts payable and accrued expenses | | 126,464. | 60 | |
| 61 Grants payable | | | 61 | |
| 62 Deferred revenue | | | 62 | |
| 63 Loans from officers, directors, trustees, and key employees | | | 63 | |
| 64 a Tax-exempt bond liabilities | | | 64a | |
| b Mortgages and other notes payable | | | 64b | |
| 65 Other liabilities (describe ▶ SEE STATEMENT 8) | | 48,668. | 65 | |
| 66 Total liabilities (add lines 60 through 65) | | 175,132. | 66 | |
| | | | | |
| Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74. | | | | |
| 67 Unrestricted | | 8,546,406. | 67 | 8,337,793. |
| 68 Temporarily restricted | | 670,992. | 68 | 700,805. |
| 69 Permanently restricted | | 1,236,913. | 69 | 1,236,913. |
| Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74. | | | | |
| 70 Capital stock, trust principal, or current funds | | | 70 | |
| 71 Paid-in or capital surplus, or land, building, and equipment fund | | | 71 | |
| 72 Retained earnings, endowment, accumulated income, or other funds | | | 72 | |
| 73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21) | | 10,454,311. | 73 | 10,275,511. |
| 74 Total liabilities and net assets / fund balances (add lines 66 and 73) | | 10,629,443. | 74 | 10,487,980. |

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

Part VI Other Information

76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity
77 Were any changes made in the organizing or governing documents but not reported to the IRS?
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?
78b If "Yes," has it filed a tax return on Form 990-T for this year?
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year?
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?
80b If "Yes," enter the name of the organization and check whether it is exempt or nonexempt.
81a Enter direct or indirect political expenditures. See line 81 instructions
81b Did the organization file Form 1120-POL for this year?
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?
82b 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.)
83a Did the organization comply with the public inspection requirements for returns and exemption applications?
83b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?
84a Did the organization solicit any contributions or gifts that were not tax deductible?
84b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?
85b Did the organization make only in-house lobbying expenditures of \$2,000 or less?
85c Dues, assessments, and similar amounts from members
85d Section 162(e) lobbying and political expenditures
85e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices
85f Taxable amount of lobbying and political expenditures (line 85d less 85e)
85g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?
85h 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?
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12
86b Gross receipts, included on line 12, for public use of club facilities
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders
87b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3?
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911; section 4912; section 4955
89b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year?
90a List the states with which a copy of this return is filed
90b Number of employees employed in the pay period that includes March 12, 2004
91 The books are in care of
Telephone no.

Located at 80 MAIDEN LANE NEW YORK, NY ZIP + 4 10038-4811

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

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated.

| | Unrelated business income | | Excluded by section 512, 513, or 514 | | (E) Related or exempt function income |
|---|---------------------------|---------------|--------------------------------------|---------------|---|
| | (A) Business code | (B) Amount | (C) Exclu- sion code | (D) Amount | |
| 93 Program service revenue: | | | | | |
| a | | | | | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| f Medicare/Medicaid payments | | | | | |
| g Fees and contracts from government agencies | | | | | |
| 94 Membership dues and assessments | | | | | |
| 95 Interest on savings and temporary cash investments | | | 14 | 2,183. | |
| 96 Dividends and interest from securities | | | 14 | 155,007. | |
| 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 | 108,003. | |
| 101 Net income or (loss) from special events | | | 01 | <79,171.> | |
| 102 Gross profit or (loss) from sales of inventory | | | | | |
| 103 Other revenue: | | | | | |
| a MISCELLANEOUS | | | 01 | 36,663. | |
| b | | | | | |
| c | | | | | |
| d | | | | | |
| e | | | | | |
| 104 Subtotal (add columns (B), (D), and (E)) | | 0. | | 222,685. | 0. |
| 105 Total (add line 104, columns (B), (D), and (E)) | | | | | 222,685. |

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

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

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

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

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

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

Please Sign Here: *Digna Sanchez* Signature of officer, Date: 2/1/06, Type or print name and title: Digna Sanchez President/Executive Director

Paid Preparer's Use Only: Preparer's signature: *[Signature]*, Date: 1/9/06, Check if self-employed: , Preparer's SSN or PTIN: [Blank], Firm's name (or yours if self-employed), address, and ZIP + 4: LOEB & TROPER, 655 THIRD AVENUE, NEW YORK, NEW YORK 10017, EIN: [Blank], Phone no.: (212) 867-4000

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2004

Name of the organization **LEARNING LEADERS, INC.** Employer identification number **13 2658549**

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

(See page 1 of the instructions. List each one. If there are none, enter "None.")

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans & deferred compensation | (e) Expense account and other allowances |
|--|--|------------------|---|--|
| TONI LEVI ----- C/O LL, 80 MAIDEN LANE, NY, NY 10038 | DIR. CORP GVNG 35 HRS/WEEK | 95,145. | 27,407. | 1,215. |
| EUGENIA LEWIS ----- C/O LL, 80 MAIDEN LANE, NY, NY 10038 | CONTROLLER 35 HRS/WEEK | 77,400. | 29,016. | 1,222. |
| SANDY MORRICE ----- C/O LL, 80 MAIDEN LANE, NY, NY 10038 | DIR OF HR 35 HRS/WEEK | 75,333. | 12,705. | 1,215. |
| SUZANNE MALTZ ----- C/O LL, 80 MAIDEN LANE, NY, NY 10038 | IND. GIVING 35 HRS/WEEK | 72,167. | 22,503. | 852. |
| JILL PERINE ----- C/O LL, 80 MAIDEN LANE, NY, NY 10038 | I.T. DIRECTOR 35 HRS/WEEK | 62,549. | 15,930. | 1,215. |
| Total number of other employees paid over \$50,000 ▶ | 0 | | | |

Part II 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 |
|---|------------------------|------------------|
| JANE ROSEN ----- 10 W 86TH ST, NY, NY 10024 | EDUCATIONAL CONSULTING | 63,000. |
| ----- ----- ----- ----- ----- | | |
| Total number of others receiving over \$50,000 for professional services ▶ | 0 | |

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

| | Yes | No |
|---|-----|----|
| 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities \blacktriangleright \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities. | | X |
| 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.) | | X |
| a Sale, exchange, or leasing of property? | | X |
| b Lending of money or other extension of credit? | | X |
| c Furnishing of goods, services, or facilities? | | X |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990 | X | |
| e Transfer of any part of its income or assets? | | X |
| 3 a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.) | | X |
| b Do you have a section 403(b) annuity plan for your employees? | X | |
| 4 a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds? | | X |
| b Do you provide credit counseling, debt management, credit repair, or debt negotiation services? | | X |

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

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

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

Provide the following information about the supported organizations. (See page 5 of the instructions.)

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

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 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) 2003 | (b) 2002 | (c) 2001 | (d) 2000 | (e) Total |
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) | 3,861,280. | 3,332,101. | 3,762,855. | 3,554,830. | 14,511,066. |
| 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 | 60,722. | 101,550. | 523,771. | 40,127. | 726,170. |
| 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 | 186,105. | 224,835. | 192,700. | 234,043. | 837,683. |
| 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 | 6,663. | 12,029. | 8,889. | 13,499. | 41,080. |
| 23 Total of lines 15 through 22 | 4,114,770. | 3,670,515. | 4,488,215. | 3,842,499. | 16,115,999. |
| 24 Line 23 minus line 17 | 4,054,048. | 3,568,965. | 3,964,444. | 3,802,372. | 15,389,829. |
| 25 Enter 1% of line 23 | 41,148. | 36,705. | 44,882. | 38,425. | |
| 26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 | | | | | 26a 307,797. |
| 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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts | | | | | 26b 47,203. |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) | | | | | 26c 15,389,829. |
| d Add: Amounts from column (e) for lines: 18 837,683. 19 22 41,080. 26b 47,203. | | | | | 26d 925,966. |
| e Public support (line 26c minus line 26d total) | | | | | 26e 14,463,863. |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) | | | | | 26f 93.9833% |
| 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A | | | | | |
| (2003) (2002) (2001) (2000) | | | | | |
| 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 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A | | | | | |
| (2003) (2002) (2001) (2000) | | | | | |
| c Add: Amounts from column (e) for lines: 15 16 17 20 21 | | | | | 27c N/A |
| d Add: Line 27a total and line 27b total | | | | | 27d N/A |
| e Public support (line 27c total minus line 27d total) | | | | | 27e N/A |
| f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) | | | | | 27f N/A |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) | | | | | 27g N/A % |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) | | | | | 27h N/A % |
| 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15. | | | | | |

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

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

| | | Yes | No |
|---|---|-----|----|
| 29 | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body? | | |
| 30 | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships? | | |
| 31 | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? | | |
| If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) | | | |
| | | | |
| | | | |
| | | | |
| 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.) | | | |
| | | | |
| | | | |
| 34 a | Does the organization receive any financial aid or assistance from a governmental agency? | | |
| b | Has the organization's right to such aid ever been revoked or suspended? | | |
| If you answered "Yes" to either 34a or b, please explain using an attached statement. | | | |
| 35 | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation | | |

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

N/A

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

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

| Limits on Lobbying Expenditures | | (a) Affiliated group totals | (b) To be completed for ALL electing organizations |
|---|---|-----------------------------------|--|
| (The term "expenditures" means amounts paid or incurred.) | | | |
| | | N/A | |
| 36 | Total lobbying expenditures to influence public opinion (grassroots lobbying) | | |
| 37 | Total lobbying expenditures to influence a legislative body (direct lobbying) | | |
| 38 | Total lobbying expenditures (add lines 36 and 37) | | |
| 39 | Other exempt purpose expenditures | | |
| 40 | Total exempt purpose expenditures (add lines 38 and 39) | | |
| 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) | | |
| 43 | Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36 | | |
| 44 | Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38 | | |

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

4-Year Averaging Period Under Section 501(h)

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

| Calendar year (or fiscal year beginning in) | Lobbying Expenditures During 4-Year Averaging Period | | | | N/A |
|---|--|-------------|-------------|-------------|--------------|
| | (a) 2004 | (b) 2003 | (c) 2002 | (d) 2001 | (e) Total |
| 45 | Lobbying nontaxable amount | | | | 0. |
| 46 | Lobbying ceiling amount (150% of line 45(e)) | | | | 0. |
| 47 | Total lobbying expenditures | | | | 0. |
| 48 | Grassroots nontaxable amount | | | | 0. |
| 49 | Grassroots ceiling amount (150% of line 48(e)) | | | | 0. |
| 50 | Grassroots lobbying expenditures | | | | 0. |

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 11 of the instructions.)

N/A

| During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of: | Yes | No | Amount |
|---|-----|----|--------|
| a Volunteers | | | |
| b Paid staff or management (Include compensation in expenses reported on lines c through h.) | | | |
| c Media advertisements | | | |
| d Mailings to members, legislators, or the public | | | |
| e Publications, or published or broadcast statements | | | |
| f Grants to other organizations for lobbying purposes | | | |
| g Direct contact with legislators, their staffs, government officials, or a legislative body | | | |
| h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means | | | |
| i Total lobbying expenditures (Add lines c through h.) | | | 0. |

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

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

2004

Name of organization

LEARNING LEADERS, INC.

Employer identification number

13-2658549

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 33 1/3% 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).

LHA For Paperwork Reduction Act Notice, see the Instructions
for Form 990, Form 990-EZ, and Form 990-PF.

Schedule B (Form 990, 990-EZ, or 990-PF) (2004)

Name of organization

Employer identification number

LEARNING LEADERS, INC.

13-2658549

Part I Contributors (See Specific Instructions.)

| (a) No. | (b) Name, address, and ZIP + 4 | (c) Aggregate contributions | (d) Type of contribution |
|------------|--|--------------------------------|--|
| 1 | JEWISH COMMUNAL FUND 575 MADISON AVE SUITE 703 NEW YORK, NY, 10022 | \$ 500,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 2 | BOOTH FERRIS FOUNDATION 345 PARK AVENUE, 4TH FLOOR NEW YORK, NY, 10154 | \$ 100,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 3 | SCHOLASTIC INC. 524 BROADWAY NEW YORK, NY, 10012 | \$ 119,500. | Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 4 | PICOWER FOUNDATION 9 WEST 57TH STREET, SUITE 3800 NEW YORK, NY, 10019 | \$ 85,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 5 | HORACE W. GOLDSMITH FOUNDATION 375 PARK AVENUE NEW YORK, NY 10152 | \$ 100,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |
| 6 | CLARK FOUNDATION ONE ROCKEFELLER PLAZA 31ST FLR NEW YORK, NY 10020 | \$ 125,000. | Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.) |

Name of organization

Employer identification number

LEARNING LEADERS, INC.

13-2658549

Part II Noncash Property (See Specific Instructions.)

| (a) No. from Part I | (b) Description of noncash property given | (c) FMV (or estimate) (see instructions) | (d) Date received |
|------------------------------|--|--|----------------------|
| 3 | BOOKS | \$ 119,500. | 06/30/05 |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |
| | | \$ | |

2004 DEPRECIATION AND AMORTIZATION REPORT
FORM 990 PAGE 2

990

| Asset No. | Description | Date Acquired | Method | Life | Line No. | Unadjusted Cost Or Basis | Bus % Excl | * Reduction In Basis | Basis For Depreciation | Accumulated Depreciation | Current Sec 179 | Amount Of Depreciation |
|-----------|-------------------------|---------------|--------|-------|----------|--------------------------|------------|----------------------|------------------------|--------------------------|-----------------|------------------------|
| 1 | EQUIPMENT | VARIABLES | | 3.00 | 16 | 414,590. | | | 414,590. | 314,506. | | 29,651. |
| 2 | COMPUTER SOFTWARE | VARIABLES | | 3.00 | 16 | 23,535. | | | 23,535. | 23,535. | | 0. |
| 3 | LEASEHOLD IMPROVEMENTS | VARIABLES | | 10.00 | 16 | 123,937. | | | 123,937. | 95,785. | | 13,393. |
| 4 | CAPITAL LEASE EQUIPMENT | VARIABLES | | 5.00 | 16 | 29,782. | | | 29,782. | 20,847. | | 5,956. |
| | * TOTAL 990 PAGE 2 DEPR | | | | | 591,844. | | 0. | 591,844. | 454,673. | 0. | 49,000. |

(D) - Asset disposed

* ITC, Section 179, Salvage, Bonus, Commercial Revitalization Deduction

| | | | |
|----------|---|-----------|---|
| FORM 990 | GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES | STATEMENT | 1 |
|----------|---|-----------|---|

| DESCRIPTION | GROSS SALES PRICE | COST OR OTHER BASIS | EXPENSE OF SALE | NET GAIN OR (LOSS) |
|-----------------------------|-------------------|---------------------|-----------------|--------------------|
| | 2,071,572. | 1,963,569. | 0. | 108,003. |
| TO FORM 990, PART I, LINE 8 | 2,071,572. | 1,963,569. | 0. | 108,003. |

| | | | |
|----------|-------------------------------|-----------|---|
| FORM 990 | SPECIAL EVENTS AND ACTIVITIES | STATEMENT | 2 |
|----------|-------------------------------|-----------|---|

| DESCRIPTION OF EVENT | GROSS RECEIPTS | CONTRIBUT. INCLUDED | GROSS REVENUE | DIRECT EXPENSES | NET INCOME |
|-----------------------------|----------------|---------------------|---------------|-----------------|------------|
| LINCOLN LIBRARY - READ IN | 362,264. | 362,264. | | 38,032. | <38,032.> |
| FAMILY FUN | 69,695. | 63,805. | 5,890. | 37,382. | <31,492.> |
| 12 ANGRY MEN AND CINDERELLA | 72,395. | 55,300. | 17,095. | 30,497. | <13,402.> |
| OTHER - MISC | 7,975. | 0. | 7,975. | 4,220. | 3,755. |
| TO FM 990, PART I, LINE 9 | 512,329. | 481,369. | 30,960. | 110,131. | <79,171.> |

| | | | |
|----------|--|-----------|---|
| FORM 990 | OTHER CHANGES IN NET ASSETS OR FUND BALANCES | STATEMENT | 3 |
|----------|--|-----------|---|

| DESCRIPTION | AMOUNT |
|------------------------------------|---------|
| UNREALIZED GAIN ON INVESTMENTS | 24,590. |
| TOTAL TO FORM 990, PART I, LINE 20 | 24,590. |

| | | | |
|----------|----------------|-----------|---|
| FORM 990 | OTHER EXPENSES | STATEMENT | 4 |
|----------|----------------|-----------|---|

| DESCRIPTION | (A) TOTAL | (B) PROGRAM SERVICES | (C) MANAGEMENT AND GENERAL | (D) FUNDRAISING |
|--|--------------|-------------------------|-------------------------------|--------------------|
| INSURANCE | 32,099. | 25,679. | 2,568. | 3,852. |
| PUBLICITY, RECRUIT, RETENTION AND EVALUATION | 145,207. | 145,207. | | |
| MISCELLANEOUS | 1,677. | 1,341. | 147. | 189. |
| CONSULTANTS | 96,630. | 66,845. | | 29,785. |

LEARNING LEADERS, INC.

13-2658549

| | | | | |
|-------------------------|----------|----------|---------|---------|
| MATERIALS | 159,186. | 159,186. | | |
| PROFESSIONAL FEES | 64,724. | 47,879. | 6,738. | 10,107. |
| CONTRACTORS | 139,538. | 139,538. | | |
| EXTERNAL COMMUNICATIONS | 76,229. | 60,983. | 6,098. | 9,148. |
| BAD DEBT | 5,500. | 4,571. | 371. | 558. |
| TOTAL TO FM 990, LN 43 | 720,790. | 651,229. | 15,922. | 53,639. |

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 5
PART III

EXPLANATION

RECRUITS AND TRAINS VOLUNTEERS FOR EDUCATIONAL NEEDS OF CHILDREN IN NY CITY

FORM 990 NON-GOVERNMENT SECURITIES STATEMENT 6

| SECURITY DESCRIPTION | COST/FMV | CORPORATE STOCKS | CORPORATE BONDS | OTHER PUBLICLY TRADED SECURITIES | TOTAL NON-GOV'T SECURITIES |
|-------------------------------|----------|------------------|-----------------|----------------------------------|----------------------------|
| MUTUAL FUND | FMV | | 1,574,143. | | 1,574,143. |
| EQUITY SECURITIES | FMV | 6,174,762. | | | 6,174,762. |
| LIMITED LIABILITY CORPORATION | FMV | | | 256,476. | 256,476. |
| TO FORM 990, LINE 54, COL B | | 6,174,762. | 1,574,143. | 256,476. | 8,005,381. |

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 7

| DESCRIPTION | COST OR OTHER BASIS | ACCUMULATED DEPRECIATION | BOOK VALUE |
|-----------------------------------|---------------------|--------------------------|------------|
| EQUIPMENT | 414,590. | 344,157. | 70,433. |
| COMPUTER SOFTWARE | 23,535. | 23,535. | 0. |
| LEASEHOLD IMPROVEMENTS | 123,937. | 109,178. | 14,759. |
| CAPITAL LEASE EQUIPMENT | 29,782. | 26,803. | 2,979. |
| TOTAL TO FORM 990, PART IV, LN 57 | 591,844. | 503,673. | 88,171. |

| FORM 990 | OTHER LIABILITIES | STATEMENT | 8 |
|---|-------------------|-----------|---|
| DESCRIPTION | | AMOUNT | |
| CAPITAL LEASES PAYABLE | | 7,327. | |
| ADVANCES | | 31,900. | |
| TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B | | 39,227. | |

| FORM 990 | PART V - LIST OF OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES | STATEMENT | 9 |
|----------|---|-----------|---|
|----------|---|-----------|---|

| NAME AND ADDRESS | TITLE AND AVRG HRS/WK | COMPEN- SATION | EMPLOYEE BEN PLAN CONTRIB | EXPENSE ACCOUNT |
|--|---|-------------------|---------------------------------|--------------------|
| DIGNA SANCHEZ C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | PRESIDENT/EXECUTIVE DIRECT 35 HOURS/WEEK | 156,250. | 26,451. | 1,056. |
| LILLIAN BARRIOS-PAOLI C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| ANDREA E. BERNSTEIN C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| EDITH A. CASSIDY C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HRS/WEEK | 0. | 0. | 0. |
| BETH L. CHAPIN C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HRS/WEEK | 0. | 0. | 0. |
| PHYLLIS A. CHERNIN C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |

| | | | | |
|---|-------------------------------|----|----|----|
| MARY ANNE D. COOPER C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| GEORGE P. DAVISON C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| CYNTHIA GREENLEAF FANTON C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HRS/WEEK | 0. | 0. | 0. |
| NANCY B. FESSENDEN C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| JEREMY B. KOCH C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HRS/WEEK | 0. | 0. | 0. |
| CARYN L. MAGID C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| CAROLYN MICHAS C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| ELLEN L. NEEDHAM C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| JAMES L. NEFF C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| JOHN S. REDPATH JR. C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |

LEARNING LEADERS, INC.

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| | | | | |
|---|-------------------------------|----|----|----|
| JANICE COOK ROBERTS C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| IRIS WEINSHALL SCHUMER C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HRS/WEEK | 0. | 0. | 0. |
| PAMELA SHEIFFER C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| MERRYL TISCH C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| DANA TYLER C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| M. DAVID ZURNDORFER C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| KITTY FISK AMES C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| THOMAS ASCHEIM C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| LAUREN BLUM C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| BILLY GRIDLEY C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |

LEARNING LEADERS, INC.

13-2658549

| | | | | |
|--|---------------------------------|-----------------|----------------|---------------|
| NANCY GUIDA C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | VICE PRESIDENT 35 HOURS/WEEK | 86,665. | 13,009. | 582. |
| GREG SMITH C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | VICE PRESIDENT 35 HOURS/WEEK | 20,862. | 1,077. | 210. |
| JINNIE SPIEGLER C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | VICE PRESIDENT 35 HOURS/WEEK | 92,833. | 7,167. | 581. |
| DAVID M WOMACK C/O LEARNING LEADERS, 80 MAIDEN LANE NEW YORK, NEW YORK 10038 | BOARD TRUSTEE 1 HOURS/WEEK | 0. | 0. | 0. |
| TOTALS INCLUDED ON FORM 990, PART V | | <u>356,610.</u> | <u>47,704.</u> | <u>2,429.</u> |

| SCHEDULE A | OTHER INCOME | | | STATEMENT 10 |
|------------------------------|----------------|----------------|----------------|----------------|
| DESCRIPTION | 2003 AMOUNT | 2002 AMOUNT | 2001 AMOUNT | 2000 AMOUNT |
| OTHER REVENUE | 6,663. | 12,029. | 8,889. | 13,499. |
| TOTAL TO SCHEDULE A, LINE 22 | <u>6,663.</u> | <u>12,029.</u> | <u>8,889.</u> | <u>13,499.</u> |

Depreciation and Amortization 990
(Including Information on Listed Property)

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

Name(s) shown on return

Business or activity to which this form relates

Identifying number

LEARNING LEADERS, INC.

FORM 990 PAGE 2

13-2658549

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

| | | | |
|----|---|------------------------------|------------------|
| 1 | Maximum amount. See instructions for a higher limit for certain businesses | 1 | 102,000. |
| 2 | Total cost of section 179 property placed in service (see instructions) | 2 | |
| 3 | Threshold cost of section 179 property before reduction in limitation | 3 | 410,000. |
| 4 | Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0- | 4 | |
| 5 | Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions | 5 | |
| 6 | (a) Description of property | (b) Cost (business use only) | (c) Elected cost |
| 7 | Listed property. Enter the amount from line 29 | 7 | |
| 8 | Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7 | 8 | |
| 9 | Tentative deduction. Enter the smaller of line 5 or line 8 | 9 | |
| 10 | Carryover of disallowed deduction from line 13 of your 2003 Form 4562 | 10 | |
| 11 | Business income limitation. Enter the smaller of business income (not less than zero) or line 5 | 11 | |
| 12 | Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11 | 12 | |
| 13 | Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12 | 13 | |

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

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

| | | | |
|----|---|----|---------|
| 14 | Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions) | 14 | |
| 15 | Property subject to section 168(f)(1) election (see instructions) | 15 | |
| 16 | Other depreciation (including ACRS) (see instructions) | 16 | 49,000. |

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

Section A

| | | | |
|----|--|----|--|
| 17 | MACRS deductions for assets placed in service in tax years beginning before 2004 | 17 | |
| 18 | If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/> | | |

Section B - Assets Placed in Service During 2004 Tax Year Using the General Depreciation System

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 19a 3-year property | | | | | | |
| b 5-year property | | | | | | |
| c 7-year property | | | | | | |
| d 10-year property | | | | | | |
| e 15-year property | | | | | | |
| f 20-year property | | | | | | |
| g 25-year property | | | 25 yrs. | | S/L | |
| h Residential rental property | / | | 27.5 yrs. | MM | S/L | |
| | / | | 27.5 yrs. | MM | S/L | |
| i Nonresidential real property | / | | 39 yrs. | MM | S/L | |
| | / | | | MM | S/L | |

Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (See instructions.)

| | | | |
|----|--|----|---------|
| 21 | Listed property. Enter amount from line 28 | 21 | |
| 22 | Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr. | 22 | 49,000. |
| 23 | For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs | 23 | |

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)
Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

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

| 24a Do you have evidence to support the business/investment use claimed? <input type="checkbox"/> Yes <input type="checkbox"/> No | | 24b If "Yes," is the evidence written? <input type="checkbox"/> Yes <input type="checkbox"/> No | | | | | | |
|--|-------------------------------|---|----------------------------|--|------------------------|--------------------------|-------------------------------|---------------------------------|
| (a) Type of property (list vehicles first) | (b) Date placed in service | (c) Business/investment use percentage | (d) Cost or other basis | (e) Basis for depreciation (business/investment use only) | (f) Recovery period | (g) Method/Convention | (h) Depreciation deduction | (i) Elected section 179 cost |
| 25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use | | | | | | | 25 | |
| 26 Property used more than 50% in a qualified business use: | | | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| | | % | | | | | | |
| 27 Property used 50% or less in a qualified business use: | | | | | | | | |
| | | % | | | | S/L - | | |
| | | % | | | | S/L - | | |
| | | % | | | | S/L - | | |
| 28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 | | | | | | | 28 | |
| 29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 | | | | | | | | 29 |

Section B - Information on Use of Vehicles

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

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

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

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

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

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

Part VI Amortization

| (a) Description of costs | (b) Date amortization begins | (c) Amortizable amount | (d) Code section | (e) Amortization period or percentage | (f) Amortization for this year |
|---|---------------------------------|---------------------------|---------------------|--|-----------------------------------|
| 42 Amortization of costs that begins during your 2004 tax year: | | | | | |
| | | | | | |
| 43 Amortization of costs that began before your 2004 tax year | | | | | 43 |
| 44 Total. Add amounts in column (f). See instructions for where to report | | | | | 44 |

Learning Leaders
Statement of Program Service Accomplishments
Statement 11
June 30, 2005

Learning Leaders recruits, trains and supports close to 15,000 school volunteers who work with over 219,000 students in 937 New York City public schools. Under its prior name (the New York City School Volunteer Program), Learning Leaders was the first program of its kind in the country and has been a national leader in its field for almost five decades.

Our goal is to help New York City public school students succeed by training volunteers to provide tutoring and other school-based support, and by equipping parents to foster their own children's educational development.

Volunteers work with students in all grades from pre-K through high school in reading, English as a second language, math and other subjects. In the upper grades, they also prepare students for critical examinations and assist with college planning and financial aid. Other volunteers introduce art or share a love of books. Through one-to-one relationships, we help students experience success and develop confidence in their own abilities.

Program services include the following.

Core Program: This major citywide project recruits and trains NYC public school parents and other concerned community members to volunteer in public schools, providing tutoring and other support. (14,933 volunteers helping 219,000 students in grades k-12)

Art Works - Volunteers introduce students to the Brooklyn Museum and the Metropolitan Museum and provide preparatory and follow-up experiences in the classroom for each museum trip. Children learn how to view, appreciate and discuss painting, sculpture, architecture and the decorative arts. (2,450 students/130 volunteers/98 classes/18 schools)

High School - Tutorial volunteers help students to master basic skills, school subjects and English as a second language, and to pass the Regents and other critical examinations. College Planning volunteers (73 at 59 sites) assist with college decision-making and applications for admission and financial aid. (6,385 students/434 volunteers/98 high school sites)

Middle School Initiative - This project promotes the involvement of parents and other volunteers in traditionally under-served NYC public middle schools and increases understanding of adolescent development, parenting/working with teenagers, and making the transitions from elementary to middle school to high school. (10,350 students/740 volunteers/1,100 parent workshop attendees/139 schools)

The Children's Reading Enrichment Project includes Authors Read Aloud, Literary Leaders, and Family Literacy workshops. (7,020 children/131 volunteers/2,600 parents attending workshops/355 programs/203 schools/10 Head Starts & Community Based Organizations (CBO))

Authors Read Aloud - Through repeated visits to the same classes in inner-city schools, children's authors and illustrators introduce elementary school students to the creative writing process and turn young minds on to the excitement of books and reading. (1,743 students/36 authors/72 classes/10 schools)

Literary Leaders - Students and volunteers read and discuss contemporary, multi-cultural stories as well as classic children's literature. Students learn how to read critically, think independently and express themselves clearly through speaking and writing. Parent volunteers develop teaching skills they can use with their own children and apply to future employment. (507 students/95 volunteers/42 programs/27 schools)

Family Literacy/Numeracy - Interactive workshops and specially developed materials in English, Spanish and Chinese help parents of children who attend or will attend public elementary schools to become more involved, effective, confident and comfortable in reading to and with their own children, building math skills, assisting with writing, and furthering their children's education at home and at school. Parents who speak other languages are served as well. (2,600 parents served/241 programs/166 schools + 10 Head Starts and CBOs /impacting 5,470 children, ages 1 to 10)

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

Type or print
 File by the due date for filing your return. See instructions.
LEARNING LEADERS, INC.
80 MAIDEN LANE, 11TH FL
NEW YORK NY 10038

Employer identification number
13-2658549

| | | |
|-----------------|-------------------|---------------|
| EIN: 13-2658549 | YEAR END: 6/30/05 | EXT1: 2/15/06 |
| FORMS: 990 500 | | EXT2: |

Instructions.

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

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

• The books are in the care of ▶ Eugenie Lewis

Telephone No. ▶ (212) 213-3370 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 will cover.

1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until February 15, 20 06 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 04 and ending June 30, 20 05

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. \$ 0
 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. \$ 0.00

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.

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

Form **8868** (Rev. 12-2004)