

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

Department of the Treasury
Internal Revenue Service

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

A For the 2006 calendar year, or tax year beginning 07/01, 2006, and ending 06/30/2007

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FIELDSTONE ALLIANCE Number and street (or P.O. box if mail is not delivered to street address) Room/suite 60 PLATO BLVD. EAST 150 City or town, state or country, and ZIP + 4 ST. PAUL, MN 55107	D Employer identification number 83-0415636
		E Telephone number (651) 556-4500
		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

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

H and I are not applicable to section 527 organizations.

G Website: WWW.FIELDSTONEALLIANCE.ORG

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

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

H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates
H(c) Are all affiliates included? (If "No," attach a list. See instructions.) Yes No
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 1,481,774.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Contributions to donor advised funds	1a		
	b Direct public support (not included on line 1a)	1b	294,927.	
	c Indirect public support (not included on line 1a)	1c		
	d Government contributions (grants) (not included on line 1a)	1d		
	e Total (add lines 1a through 1d) (cash \$ 294,927. noncash \$)	1e		294,927.
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		599,280.
	3 Membership dues and assessments	3		
	4 Interest on savings and temporary cash investments	4		122,528.
	5 Dividends and interest from securities	5		
	6 a Gross rents	6a		
	b Less: rental expenses	6b		
c Net rental income or (loss). Subtract line 6b from line 6a	6c			
7 Other investment income (describe)	7			
Revenue	8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other
		8a		
	b Less: cost or other basis and sales expenses	8b		
	c Gain or (loss) (attach schedule)	8c		
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8d		
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a Gross revenue (not including \$ of contributions reported on line 1b)	9a		
	b Less: direct expenses other than fundraising expenses	9b		
c Net income or (loss) from special events. Subtract line 9b from line 9a	9c			
Revenue	10 a Gross sales of inventory, less returns and allowances	10a	462,906.	
	b Less: cost of goods sold	10b	82,471.	
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c		380,435.
11 Other revenue (from Part VII, line 103)	11		2,133.	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12		1,399,303.	
Expenses	13 Program services (from line 44, column (B))	13		3,448,962.
	14 Management and general (from line 44, column (C))	14		51,996.
	15 Fundraising (from line 44, column (D))	15		1,423.
	16 Payments to affiliates (attach schedule)	16		
	17 Total expenses. Add lines 16 and 44, column (A)	17		3,502,381.
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12	18		-2,103,078.
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		9,316,418.
	20 Other changes in net assets or fund balances (attach explanation)	20	STMT. 3.	387.
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21		7,213,727.

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

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a	400,365.	268,393.	131,972.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26	365,262.	266,641.	98,621.
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28	76,581.	61,035.	15,447.
29 Payroll taxes	29	58,005.	48,203.	9,714.
30 Professional fundraising fees	30			
31 Accounting fees	31	9,825.		9,825.
32 Legal fees	32	4,832.	300.	4,532.
33 Supplies	33	25,980.	19,362.	6,618.
34 Telephone	34	5,413.	5,031.	382.
35 Postage and shipping	35	11,045.	10,573.	446.
36 Occupancy	36	90,167.	75,702.	14,465.
37 Equipment rental and maintenance	37	5,088.	3,044.	2,044.
38 Printing and publications	38	19,550.	18,890.	660.
39 Travel	39	52,761.	52,079.	682.
40 Conferences, conventions, and meetings	40	15,327.	12,038.	3,289.
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule)	42	20,950.	5,586.	15,364.
43 Other expenses not covered above (itemize):				
a STMT 5	43a	2,341,230.	2,602,085.	-262,065.
b _____	43b			
c _____	43c			
d _____	43d			
e _____	43e			
f _____	43f			
g _____	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	44	3,502,381.	3,448,962.	51,996.

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 (See the instructions.)

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

What is the organization's primary exempt purpose? ▶SEE STATEMENT 6 All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a CONSULTING SERVICES FOR NONPROFIT ORGANIZATIONS AND FOUNDATIONS THAT HELP TO INCREASE THE PERFORMANCE OF THE NONPROFIT SECTOR. ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	630,092.
b PUBLISHING OF MATERIALS THAT CONTAIN INFORMATION AND PROCESSES TO HELP INCREASE THE SUSTAINABILITY OF NONPROFIT ORGANIZATIONS. ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	507,062.
c RESEARCH PROGRAM EXPENSES ARE INCURRED TO IMPROVE THE OVERALL PERFORMANCE, EFFECTIVENESS AND FINANCIAL SUSTAINABILITY OF NONPROFIT ORGANIZATIONS. ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	2,311,808.
d ----- ----- ----- ----- ----- ----- (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	3,448,962.

Part IV Balance Sheets (See the instructions.)

				(A)		(B)
				Beginning of year		End of year
Assets	45 Cash - non-interest-bearing			234,527.	45	2,589,697.
	46 Savings and temporary cash investments				46	
	47 a Accounts receivable	47 a	135,243.			
	b Less: allowance for doubtful accounts	47 b	2,603.	94,933.	47 c	132,640.
	48 a Pledges receivable	48 a				
	b Less: allowance for doubtful accounts	48 b			48 c	
	49 Grants receivable			8,903,376.	49	5,680,545.
	50 a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)				50 a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)				50 b	
	51 a Other notes and loans receivable (attach schedule)	51 a				
	b Less: allowance for doubtful accounts	51 b			51 c	
	52 Inventories for sale or use			109,887.	52	108,746.
	53 Prepaid expenses and deferred charges			23,971.	53	29,792.
	54 a Investments - publicly-traded securities	▶	Cost	FMV		54 a
	b Investments - other securities (attach schedule)	▶	Cost	FMV		54 b
	55 a Investments - land, buildings, and equipment: basis	55 a				
	b Less: accumulated depreciation (attach schedule)	55 b			55 c	
	56 Investments - other (attach schedule)				56	
	57 a Land, buildings, and equipment: basis	57 a	105,283.			
	b Less: accumulated depreciation (attach schedule)	57 b	41,301.	58,211.	57 c	63,982.
58 Other assets, including program-related investments (describe ▶ _____ STMT 7)			17,867.	58	19,615.	
59 Total assets (must equal line 74). Add lines 45 through 58			9,442,772.	59	8,625,017.	
Liabilities	60 Accounts payable and accrued expenses			126,354.	60	190,164.
	61 Grants payable				61	1,054,526.
	62 Deferred revenue				62	166,600.
	63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64 a Tax-exempt bond liabilities (attach schedule)				64 a	
	b Mortgages and other notes payable (attach schedule)				64 b	
	65 Other liabilities (describe ▶ _____)				65	
	66 Total liabilities. Add lines 60 through 65			126,354.	66	1,411,290.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted			354,032.	67	423,676.
	68 Temporarily restricted			8,962,386.	68	6,790,051.
	69 Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 70 through 74.					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)			9,316,418.	73	7,213,727.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73			9,442,772.	74	8,625,017.

Part VI Other Information (continued)

82 a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value? 82a X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b 387.
83 a Did the organization comply with the public inspection requirements for returns and exemption applications? 83a X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions? 83b X
84 a Did the organization solicit any contributions or gifts that were not tax deductible? 84a X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? 84b N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? 85a N/A
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 85b N/A
c Dues, assessments, and similar amounts from members 85c N/A
d Section 162(e) lobbying and political expenditures 85d N/A
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A
f Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? 85g N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? 85h N/A
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12 86a N/A
b Gross receipts, included on line 12, for public use of club facilities 86b N/A
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A
88 b At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88a X
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI 88b X
89 a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 N/A; section 4912 N/A; section 4955 N/A
b 501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 N/A
d Enter: Amount of tax on line 89c, above, reimbursed by the organization N/A
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e X
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f X
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 89g X
90 a List the states with which a copy of this return is filed MN,
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b 15
91 a The books are in care of NIKI BOHNE, CPA Telephone no. 651-556-4500
Located at 60 PLATO BLVD EAST ST. PAUL, MN ZIP + 4 55107
b At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 91b X
If "Yes," enter the name of the foreign country
See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Part VI Other Information (continued)

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

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

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a CONSULTING SERVICE					589,060.
b MAIL LIST RENTAL	511140	1,300.			8,920.
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	122,528.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					380,435.
103 Other revenue: a					
b MISCELLANEOUS					2,133.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		1,300.		122,528.	980,548.
105 Total (add line 104, columns (B), (D), and (E))					1,104,376.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	STMT 12

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

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

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

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

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

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

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

106 Did the reporting organization **make** any transfers **to** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

107 Did the reporting organization **receive** any transfers **from** a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

Signature of officer _____ Date _____
 Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature <input type="checkbox"/>	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. X) P00437250
Firm's name (or yours if self-employed), address, and ZIP + 4 <input type="checkbox"/>	SCHECHTER DOKKEN KANTER CPA'S 100 WASHINGTON AVE SO #1600 MINNEAPOLIS, MN 55401-2192		EIN <input type="checkbox"/> 41-1680240 Phone no. <input type="checkbox"/> 612-332-5500

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information - (See separate instructions.)

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

OMB No. 1545-0047

2006

Name of the organization

FIELDSTONE ALLIANCE

Employer identification number

83-0415636

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEE STATEMENT 13				

Total number of other employees paid over \$50,000 . . . ▶ NONE

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶ NONE

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of other contractors receiving over \$50,000 for other services ▶ NONE

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

Schedule A (Form 990 or 990-EZ) 2006

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

Yes **No**

<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>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.</p>	1		<input checked="" type="checkbox"/>
<p>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.)</p>			
<p>a Sale, exchange, or leasing of property?</p>	2a		<input checked="" type="checkbox"/>
<p>b Lending of money or other extension of credit?</p>	2b		<input checked="" type="checkbox"/>
<p>c Furnishing of goods, services, or facilities?</p>	2c		<input checked="" type="checkbox"/>
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <small>STMT 14</small></p>	2d	<input checked="" type="checkbox"/>	
<p>e Transfer of any part of its income or assets?</p>	2e		<input checked="" type="checkbox"/>
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)</p>	3a		<input checked="" type="checkbox"/>
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	<input checked="" type="checkbox"/>	
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c		<input checked="" type="checkbox"/>
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d		<input checked="" type="checkbox"/>
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a		<input checked="" type="checkbox"/>
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b		<input checked="" type="checkbox"/>
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c		<input checked="" type="checkbox"/>
<p>d Enter the total number of donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ▶ _____</p>			
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the rights to provide advice on the distribution or investment of amounts in such funds or accounts ▶ _____</p>			<u>NONE</u>
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ▶ _____</p>			

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

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ► _____
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a 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.)
- 11 b 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 by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 Type I Type II Type III - Functionally Integrated Type III - Other

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

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

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

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Table with columns for Calendar year (or fiscal year beginning in), (a) 2005, (b) 2004, (c) 2003, (d) 2002, and (e) Total. Rows include items like Gifts, grants, and contributions received; Membership fees received; Gross receipts from admissions; Gross income from interest; Net income from unrelated business activities; Total of lines 15 through 22; Organizations described on lines 10 or 11; Organizations described on line 12; and Unusual Grants.

Part V Private School Questionnaire (See page 9 of the instructions.) NOT APPLICABLE
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **NOT APPLICABLE**

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.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table -		
	If the amount on line 40 is - The lobbying nontaxable amount is -		
	Not over \$500,000 20% of the amount on line 40		
	Over \$500,000 but not over \$1,000,000 \$100,000 plus 15% of the excess over \$500,000		
	Over \$1,000,000 but not over \$1,500,000 \$175,000 plus 10% of the excess over \$1,000,000	41	
	Over \$1,500,000 but not over \$17,000,000 \$225,000 plus 5% of the excess over \$1,500,000		
	Over \$17,000,000 \$1,000,000		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 13 of the instructions.)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities **NOT APPLICABLE**
 (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

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

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

Schedule B

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

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

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

OMB No. 1545-0047

2006

Name of organization

FIELDSTONE ALLIANCE

Employer identification number

83-0415636

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).

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) (2006)

Name of organization FIELDSTONE ALLIANCE	Employer identification number 83-0415636
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	SOUTH DAKOTA COMMUNITY FOUNDATION 207 E CAPITOL PIERRE, SD 57501	6,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	ALLIANCE FOR NONPROFIT MANAGMENT 1899 L STREET NW 6TH FLOOR WASHINGTON, DC 20036	5,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	W.K. KELLOGG FOUNDATION 1 MICHIGAN AVE EAST BATTLE CREEK, MI 49017-4012	279,547.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
_____	_____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990, PART I - GROSS SALES LESS RETURNS AND ALLOWANCES
=====

DESCRIPTION -----	AMOUNT -----
TOTAL SALES	672,695.
DISCOUNTS	-209,789.

TOTAL	462,906.
	=====

FORM 990, PART I - COST OF GOODS SOLD

=====

INVENTORY AT BEGINNING OF YEAR	
PURCHASES	
SALARIES AND WAGES	
OTHER COSTS	

SUBTOTAL	
MINUS ENDING INVENTORY	

COST OF GOODS SOLD	82,471.
	=====

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES
=====

DESCRIPTION -----	AMOUNT -----
DONATED SERVICES	387.
TOTAL	----- 387. =====

FORM 990, PART II, LINE 25A - CURRENT OFFICER COMPENSATION SCHEDULE

=====

CURRENT OFFICER NAME -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----
RON MCKINLEY COMPENSATION:	100,000.	
CAROL LUKAS COMPENSATION:	72,729.	48,486.
VINCENT HYMAN COMPENSATION:	77,690.	
NIKI BOHNE COMPENSATION:	6,952.	39,398.
CAROL ZAPFEL COMPENSATION:	11,022.	44,088.
TOTALS	----- 268,393. =====	----- 131,972. =====

FORM 990, PART II - OTHER EXPENSES

=====

DESCRIPTION -----	TOTAL -----	PROGRAM SERVICES -----	MANAGEMENT AND GENERAL -----	FUNDRAISING -----
INSURANCE	14,212.	10,253.	3,959.	
STAFF DEVELOPMENT	3,437.	3,302.	135.	
DUES & SUBSCRIPTIONS	2,561.	555.	2,006.	
LICENSES & FEES	304.	264.	40.	
SOFTWARE SUPPORT	14,457.	12,554.	1,903.	
ROYALTIES	21,254.	21,254.		
COMMISSIONS	1,556.	1,556.		
CASUAL LABOR	1,281.	1,281.		
ADVERTISING	4,622.	2,950.	462.	1,210.
INTERNET	12,846.	11,389.	1,457.	
PAYROLL FEES	2,089.	256.	1,833.	
BANK & CREDIT CARD FEES	6,819.	6,215.	604.	
INVENTORY WRITE OFF	958.	958.		
BAD DEBTS	2,815.	2,815.		
COPIER	5,432.	4,079.	1,353.	
IS SERVICES	4,498.		4,498.	
CONFERENCE EXHIBIT FEES	3,300.	3,300.		
BOOK AWARD ENTRY FEES	710.	710.		
PROMO BOOKS	7,305.	7,305.		
EMPLOYEE RECOGNITION	91.		91.	
INVENTORY VALUATION	57,040.	57,040.		
MISCELLANEOUS EXPENSE	3,365.	3,130.	235.	
ADMINISTRATIVE ALLOCATION		204,489.	-204,489.	
PROFESSIONAL SERVICES	275,159.	259,375.	15,784.	
WAREHOUSE HANDLING SERVICES	14,000.	14,000.		
BOOK SHIPPING	22,810.	22,810.		
MAIL LIST RENTAL	58.	58.		
GRANT EXPENSE	1,856,251.	1,856,251.		
HONORARIUMS	2,000.	2,000.		
MISCELLANEOUS		91,936.	-91,936.	
TOTALS	2,341,230.	2,602,085.	-262,065.	1,210.

=====

=====

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FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
=====

THE MISSION OF FIELDSTONE ALLIANCE IS TO STRENGTHEN THE PERFORMANCE OF THE NONPROFIT SECTOR. WE CREATE, PACKAGE, DISSEMINATE, AND APPLY KNOWLEDGE AND PROCESSES THAT INCREASE NONPROFIT SUSTAINABILITY AND IMPACT THROUGH OUR CONSULTING, TRAINING, PUBLISHING, AND RESEARCH AND DEMONSTRATION PROJECTS.

FORM 990, PART IV - OTHER ASSETS

=====

DESCRIPTION	ENDING BOOK VALUE
-----	-----
ROYALTY ADVANCES	11,969.
DEPOSITS	7,646.
TOTALS	----- 19,615.
	=====

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION	AMOUNT
-----	-----
COSTS REPORTED IN PART I	82,471.
DONATED SERVICES	387.

TOTAL	82,858.
	=====

FORM 990, PART IV-B - OTHER EXPENSES ON BOOKS BUT NOT ON RETURN

=====

DESCRIPTION -----	AMOUNT -----
COSTS REPORTED IN PART I	82,471.

TOTAL	82,471.
	=====

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
JOHN PRATT 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	BOARD CHAIR 0.50	NONE	NONE	NONE
BARBARA KIBBE 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	BOARD VICE-CHAIR 0.50	NONE	NONE	NONE
RON MCKINLEY 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	PROJECT DIRECTOR 40.00	100,000.	NONE	NONE
CAROL LUKAS 60 PLATO BLVD. EAST 150 ST.PAUL, MN 55107	PRESIDENT 40.00	121,215.	NONE	NONE
VINCENT HYMAN 60 PLATA BLVD EAST #150 ST. PAUL, MN 55107	PUBLISHING DIRECTOR 40.00	77,690.	NONE	NONE
NIKI BOHNE 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	FINANCE DIRECTOR 20.00	46,350.	NONE	NONE
CAROL ZAPFEL 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	ADMIN. SERVICES MANAGE	55,110.	NONE	NONE
DAVID RENZ, PH.D.	BOARD TREASURER 0.50	NONE	NONE	NONE

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

=====

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
-----	-----	-----	-----	-----
60 PLATO BLVD EAST #150 ST. PAUL, MN 55107				
NORMAN HARRINGTON, JR. 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	BOARD SECRETARY 0.50	NONE	NONE	NONE
	GRAND TOTALS	400,365.	NONE	NONE
		=====	=====	=====

FORM 990, PART VIII - ACCOMPLISHMENT OF EXEMPT PURPOSES

=====

LINE NO.	EXPLANATION OF HOW EACH ACTIVITY FOR WHICH INCOME IS REPORTED IN COLUMN (E) OF PART VII CONTRIBUTED IMPORTANTLY TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES
93AC	ALL OF THE PROGRAM REVENUE IS DERIVED FROM CONSULTING, TRAINING, PUBLISHING, RENTAL AND OTHER ACTIVITIES DESIGNED TO HELP INCREASE THE SUSTAINABILITY OF NONPROFIT ORGANIZATIONS.
102	SALES OF BOOKS AND ARTICLES THAT HELP NONPROFITS FUNCTION MORE EFFECTIVELY.

SCHEDULE A, PART I - COMPENSATION OF THE FIVE HIGHEST PAID EMPLOYEES

=====

NAME AND ADDRESS -----	TITLE AND TIME DEVOTED TO POSITION -----	COMPENSATION -----	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS -----	EXPENSE ACCOUNT -----
TOM TRIPLETT 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	PRINCIPAL CONSULTANT 40.00	100,000.	NONE	NONE
SANDY JACOBSEN 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	MANAGING CONSULTANT 40.00	76,125.	NONE	NONE
BECKY ANDREWS 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	MARKETING MANAGER 40.00	67,128.	NONE	NONE
	TOTAL COMPENSATION	----- 243,253. =====	----- NONE =====	----- NONE =====

SCHEDULE A, PART III - EXPLANATION FOR LINE 2D
=====

SEE FORM 990 PART V

ESTIMATED TAX WORKSHEET FOR FORM 990-W

A. 2006 Estimated Tax	A	
B. Enter 100 % of Line A	B	
C. Enter 100 % of tax on 2006 FORM 990-T	C	45.
D. Required Annual Payment (Smaller of lines B or C)	D	45.
E. Income tax withheld (if applicable)	E	
F. Balance (As rounded to the nearest multiple of)	F	48.

Record of Estimated Tax Payments

Payment number	(a) Date	(b) Amount	(c) 2006 overpayment credit applied	(d) Total amount paid and credited (add (b) and (c))
1	10/16/2007		12.	12.
2	12/15/2007	12.		12.
3	03/17/2008	12.		12.
4	06/17/2008	12.		12.
Total		36.	12.	48.

ESTIMATED PAYMENTS MUST BE MADE USING EITHER THE ELECTRONIC FEDERAL TAX PAYMENTS SYSTEM (EFTPS) OR IF ALLOWABLE, FEDERAL TAX DEPOSIT COUPONS (FORM 8109). THIS WORKSHEET MERELY PROVIDES THE AMOUNTS WHICH NEED TO BE PAID VIA ONE OF THE ABOVE METHODS.

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

2006

Department of the Treasury Internal Revenue Service

For calendar year 2006 or other tax year beginning 07/01, 2006, and ending 06/30, 2007. See separate instructions.

Open to Public Inspection for 501(c)(3) Organizations Only

A Check box if address changed

Name of organization (Check box if name changed and see instructions.)

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

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

Print or Type

FIELDSTONE ALLIANCE

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. 60 PLATO BLVD. EAST

City or town, state, and ZIP code ST PAUL, MN 55107

83-0415636

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

511140 511140

C Book value of all assets at end of year 8,625,017.

F Group exemption number (See instructions for Block F on page 9.)

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

H Describe the organization's primary unrelated business activity. REVENUE FROM SELLING MAILING LIST

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes X No

J The books are in care of NIKI BOHNE, CPA Telephone number 651-556-4500

Table with 4 columns: Part I Unrelated Trade or Business Income, (A) Income, (B) Expenses, (C) Net. Rows 1-13 detailing gross receipts, cost of goods sold, capital gains, etc.

Part II Deductions Not Taken Elsewhere (See page 12 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

Table with 4 columns: Line number, Description, Amount, and Net. Rows 14-34 detailing various deductions like compensation, salaries, repairs, interest, taxes, etc.

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> 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	45.
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37 Proxy tax. See page 16 of the instructions	37	
38 Alternative minimum tax	38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies	39	45.

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a		
b Other credits (see page 17 of the instructions)	40b		
c General business credit. Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) _____	40c		
d Credit for prior year minimum tax (attach Form 8801 or 8827)	40d		
e Total credits. Add lines 40a through 40d	40e		
41 Subtract line 40e from line 39	41		45.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	42		
43 Total tax. Add lines 41 and 42	43		45.
44 a Payments: A 2005 overpayment credited to 2006	44a	NONE	
b 2006 estimated tax payments	44b	796.	
c Tax deposited with Form 8868	44c		
d Foreign organizations: Tax paid or withheld at source (see instructions)	44d		
e Backup withholding (see instructions)	44e		
f Credit for federal telephone excise tax paid (attach Form 8913)	44f		
g Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ Other _____ Total	44g		
45 Total payments. Add lines 44a through 44g	45		796.
46 Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached <input type="checkbox"/>	46		
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed	47		NONE
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid	48		751.
49 Enter the amount of line 48 you want: Credited to 2007 estimated tax <input checked="" type="checkbox"/> 12. Refunded <input type="checkbox"/>	49		739.

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

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

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	
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4 a Additional section 263A costs (attach schedule)	4a				X
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5				

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 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 _____ Check if self-employed Preparer's SSN or PTIN P00437250
Firm's name (or yours if self-employed), address, and ZIP code **SCHECHTER DOKKEN KANTER CPA'S** EIN 41-1680240
100 WASHINGTON AVE SO #1600 Phone no. 612-332-5500
MINNEAPOLIS, MN 55401-2192

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

(see instructions on page 20)

1 Description of property

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

2 Rent received or accrued

(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)	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	

Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶

Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶

Schedule E - Unrelated Debt-Financed Income(see instructions on page 20)

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)				
(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 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals ▶			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).

Total dividends-received deductions included in column 8 ▶

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations(see instructions on page 21)

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 22)

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 22)

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 23)

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 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
STMT 3			%
			%
			%
			%

Total. Enter here and on page 1, Part II, line 14 ▶ NONE

PART I - LINE 12 - OTHER INCOME
=====

MAILING LIST REVENUE

1,300.

PART I - LINE 12 - OTHER INCOME

1,300.

=====

SCHD. K, FORM 990-T, COMPENSATION OF OFFICERS, DIRECTORS, & TRUSTEES

=====

NAME AND ADDRESS	TITLE	BUSINESS PERCENT	COMPENSATION
=====	=====	=====	=====
JOHN PRATT 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	BOARD CHAIR		NONE
BARBARA KIBBE 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	BOARD VICE-CHAIR		NONE
RON MCKINLEY 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	PROJECT DIRECTOR		
CAROL LUKAS 60 PLATO BLVD. EAST 150 ST. PAUL, MN 55107	PRESIDENT		
VINCENT HYMAN 60 PLATA BLVD EAST #150 ST. PAUL, MN 55107	PUBLISHING DIRECTOR		
NIKI BOHNE 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	FINANCE DIRECTOR		
CAROL ZAPFEL 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	ADMIN. SERVICES MANAGE		
DAVID RENZ, PH.D. 60 PLATO BLVD EAST #150 ST. PAUL, MN 55107	BOARD TREASURER		NONE
NORMAN HARRINGTON, JR. 60 PLATO BLVD EAST #150	BOARD SECRETARY		NONE

SCHD. K, FORM 990-T, COMPENSATION OF OFFICERS, DIRECTORS, & TRUSTEES
=====

NAME AND ADDRESS	TITLE	BUSINESS PERCENT	COMPENSATION
=====	=====	=====	=====
ST. PAUL, MN 55107			

			NONE
			=====
TOTAL COMPENSATION			