

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

Department of the Treasury Internal Revenue Service

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

A For the 2005 calendar year, or tax year beginning 2005, and ending

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization: UNITED SERVICE ORGANIZATIONS, INC. D Employer identification number: 13-1610451 E Telephone number: (703) 908-6400 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).

H and I are not applicable to section 527 organizations.

G Website: HTTP://WWW.USO.ORG

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

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

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 1291

M Check X 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 90,311,759.

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

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

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

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

Type or print	Name of Exempt Organization UNITED SERVICE ORGANIZATIONS, INC.	Employer identification number 13-1610451
	Number, street, and room or suite no. If a P.O. box, see instructions. 2111 WILSON BLVD	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. ARLINGTON, VA 22201	

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

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

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

- The books are in the care of **THE ORGANIZATION**  
Telephone No. **703-908-6400** FAX No. \_\_\_\_\_
- If the organization does **not** have an office or place of business in the United States, check this box
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole** group, check this box . If it is for **part** of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until 11/15, 2006
- 5 For calendar year 2005, or other tax year beginning \_\_\_\_\_, 20\_\_\_\_, and ending \_\_\_\_\_, 20\_\_\_\_.
- 6 If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7 State in detail why you need the extension ADDITIONAL TIME IS REQUESTED TO GATHER THE INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ \_\_\_\_\_
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ \_\_\_\_\_
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ 0.00

**Signature and Verification**

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

Signature David Cotton Title CPA/agent Date 8/14/06

**Notice to Applicant—To Be Completed by the IRS**

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

Director \_\_\_\_\_ By: \_\_\_\_\_ Date \_\_\_\_\_

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

Type or print	Name GRANT THORNTON LLP <u>Attn: David Cotton</u>
	Number and street (include suite, room, or apt. no.) or a P.O. box number 2010 CORPORATE RIDGE, SUITE 400
	City or town, province or state, and country (including postal or ZIP code) MCLEAN, VA 22102

# Application for Extension of Time to File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

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

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

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

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

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

<b>Type or print</b>  <small>File by the due date for filing your return. See instructions.</small>	Name of Exempt Organization <b>UNITED SERVICE ORGANIZATIONS, INC.</b>	Employer identification number <b>13-1610451</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>2111 WILSON BLVD</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>ARLINGTON, VA 22201</b>	

**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 ▶ THE ORGANIZATION

Telephone No. ▶ 703-908-6400

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 08/15, 2006 to file the exempt organization return for the organization named above. The extension is for the organization's return for:  
 ▶  calendar year 205 or  
 ▶  tax year beginning \_\_\_\_\_, 20\_\_, and ending \_\_\_\_\_, 20\_\_.

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. . . . . \$ N/A

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. . . . . \$ N/A

**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)

**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
22 Grants and allocations (attach schedule) (cash \$ <u>201,156.</u> noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	201,156.	201,156.	STMT 10	
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25 Compensation of officers, directors, etc.	1,835,749.	734,406.	845,951.	255,392.
26 Other salaries and wages	7,682,940.	6,459,220.	525,794.	697,926.
27 Pension plan contributions	297,501.	227,830.	29,983.	39,688.
28 Other employee benefits	527,192.	339,424.	114,956.	72,812.
29 Payroll taxes	738,051.	619,473.	63,812.	54,766.
30 Professional fundraising fees	3,579,345.	515,441.	165,186.	2,898,718.
31 Accounting fees	182,553.		182,553.	
32 Legal fees	597,354.	392,534.	153,011.	51,809.
33 Supplies	1,085,067.	865,492.	167,304.	52,271.
34 Telephone	252,702.	213,347.	29,220.	10,135.
35 Postage and shipping	337,486.	288,737.	36,795.	11,954.
36 Occupancy	616,217.	306,112.	166,366.	143,739.
37 Equipment rental and maintenance	130,768.	87,738.	43,030.	
38 Printing and publications	380,154.	235,572.	3,189.	141,393.
39 Travel	1,320,084.	1,122,599.	88,491.	108,994.
40 Conferences, conventions, and meetings	191,570.	15,948.	141,851.	33,771.
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	413,992.	291,306.	21,066.	101,620.
43 Other expenses not covered above (itemize):	STMT 11			
a STMT 12	42,075,410.	33,667,144.	1,824,032.	6,584,234.
b				
c				
d				
e				
f				
g				
44 Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15).	62,445,291.	46,583,479.	4,602,590.	11,259,222.

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 \$ 10,734,000.; (ii) the amount allocated to Program services \$ 3,616,000.;  
 (iii) the amount allocated to Management and general \$ 1,159,000.; and (iv) the amount allocated to Fundraising \$ 5,959,000.

**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 EXHIBIT 2 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.)	<b>Program Service Expenses</b> (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
<b>a CONTRIBUTED SERVICES AND FACILITIES</b> (SEE EXHIBIT 2) _____ _____ _____ _____ _____ (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	5,192,785.
<b>b USO OPERATING CENTERS</b> (SEE EXHIBIT 2) _____ _____ _____ _____ _____ (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	31,439,467.
<b>c COMMUNICATIONS</b> (SEE EXHIBIT 2) _____ _____ _____ _____ _____ (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	6,188,029.
<b>d ENTERTAINMENT:</b> (SEE EXHIBIT 2) _____ _____ _____ _____ _____ (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	3,562,042.
<b>e Other program services (attach schedule)</b> SEE STATEMENT 13 (Grants and allocations \$ _____ ) If this amount includes foreign grants, check here ► <input type="checkbox"/>	201,156.
<b>f Total of Program Service Expenses</b> (should equal line 44, column (B), Program services). . . . . ►	46,583,479.

Form 990 (2005)

**Part IV Balance Sheets** (See the instructions.)

<b>Note:</b> 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
<b>Assets</b>	<b>45</b> Cash - non-interest-bearing		<b>45</b>	
	<b>46</b> Savings and temporary cash investments	19,040,285.	<b>46</b>	11,861,931.
	<b>47a</b> Accounts receivable	2,872,735.		
	<b>b</b> Less: allowance for doubtful accounts		1,365,652.	2,872,735.
	<b>48a</b> Pledges receivable	874,964.		
	<b>b</b> Less: allowance for doubtful accounts		1,837,201.	874,964.
	<b>49</b> Grants receivable			<b>49</b>
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)			<b>50</b>
	<b>51a</b> Other notes and loans receivable (attach schedule) STMT. 14	395,729.		
	<b>b</b> Less: allowance for doubtful accounts		554,916.	395,729.
	<b>52</b> Inventories for sale or use		596,205.	2,574,267.
	<b>53</b> Prepaid expenses and deferred charges		440,658.	712,074.
	<b>54</b> Investments - securities (attach schedule) STMT. 15 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV		39,927,865.	54,505,545.
	<b>55a</b> Investments - land, buildings, and equipment: basis			
	<b>b</b> Less: accumulated depreciation (attach schedule)			<b>55c</b>
<b>56</b> Investments - other (attach schedule)			<b>56</b>	
<b>57a</b> Land, buildings, and equipment: basis STMT. 16	3,781,222.			
<b>b</b> Less: accumulated depreciation (attach schedule)	2,069,130.	1,369,780.	1,712,092.	
<b>58</b> Other assets (describe STMT. 17)		115,831.	69,780.	
<b>59 Total assets</b> (must equal line 74). Add lines 45 through 58.		65,248,393.	<b>59</b>	75,579,117.
<b>Liabilities</b>	<b>60</b> Accounts payable and accrued expenses	6,466,147.	<b>60</b>	5,911,308.
	<b>61</b> Grants payable		<b>61</b>	
	<b>62</b> Deferred revenue		656,941.	764,443.
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)			<b>63</b>
	<b>64a</b> Tax-exempt bond liabilities (attach schedule)			<b>64a</b>
	<b>b</b> Mortgages and other notes payable (attach schedule)			<b>64b</b>
	<b>65</b> Other liabilities (describe STMT. 18)		NONE	<b>65</b>
<b>66 Total liabilities.</b> Add lines 60 through 65.		7,123,088.	<b>66</b>	6,806,502.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	<b>67</b> Unrestricted		24,988,982.	35,046,489.
	<b>68</b> Temporarily restricted		7,563,400.	8,153,203.
	<b>69</b> Permanently restricted		25,572,923.	25,572,923.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.			
	<b>70</b> Capital stock, trust principal, or current funds			<b>70</b>
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund			<b>71</b>
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds			<b>72</b>
<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)		58,125,305.	<b>73</b>	68,772,615.
<b>74 Total liabilities and net assets/fund balances.</b> Add lines 66 and 73.		65,248,393.	<b>74</b>	75,579,117.



