

**Return of Private Foundation**

Department of the Treasury  
Internal Revenue Service

or Section 4947(a)(1) Nonexempt Charitable Trust

Treated as a Private Foundation

**2005**

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements

For calendar year 2005, or tax year beginning 08/01, 2005, and ending 07/31/2006

G Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

Name of organization: **THE JOHN A. & MARY CLARE WARD FAMILY FOUNDATION, INC.**

Room/suite: **C/O REX E. MOULE**

Address: **440 SOUTH BABCOCK STREET**

City or town, state, and ZIP code: **MELBOURNE, FL 32901**

A Employer identification number: **59-3596631**

B Telephone number (see page 10 of the instructions): **( ) -**

H Check type of organization:  Section 501(c)(3) exempt private foundation  Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 565,760.**

J Accounting method:  Cash  Accrual  Other (specify) \_\_\_\_\_

(Part I, column (d) must be on cash basis.)

C If exemption application is pending, check here

D 1. Foreign organizations, check here

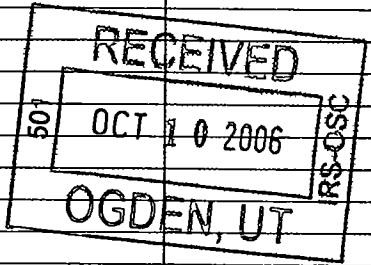
2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

SCANNED OCT 23 2006

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 11 of the instructions))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule) . . . . .	110,700.	STMT 8		
2	Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3	Interest on savings and temporary cash investments				
4	Dividends and interest from securities . . . . .	14,858.	14,858.	14,858.	STMT 1
5a	Gross rents . . . . .				
b	Net rental income or (loss)				
6a	Net gain or (loss) from sale of assets not on line 10	5,555.			
b	Gross sales price for all assets on line 6a <b>6,055.</b>				
7	Capital gain net income (from Part IV, line 2) . . . . .		5,555.		
8	Net short-term capital gain . . . . .				
9	Income modifications . . . . .				
10a	Gross sales less returns and allowances . . . . .				
b	Less Cost of goods sold . . . . .				
c	Gross profit or (loss) (attach schedule) . . . . .				
11	Other income (attach schedule) . . . . .				
12	<b>Total. Add lines 1 through 11 . . . . .</b>	<b>131,113.</b>	<b>20,413.</b>	<b>14,858.</b>	
13	Compensation of officers, directors, trustees, etc. . . . .				
14	Other employee salaries and wages . . . . .				
15	Pension plans, employee benefits . . . . .				
16a	Legal fees (attach schedule) . . . . .				
b	Accounting fees (attach schedule) . . . . .				
c	Other professional fees (attach schedule) <b>2</b> . . . . .	9,314.	9,314.	9,314.	
17	Interest . . . . .				
18	Taxes (attach schedule) (see page 14 of the instructions) * . . . . .	201.	201.	201.	61.
19	Depreciation (attach schedule) and depletion . . . . .				
20	Occupancy . . . . .				
21	Travel, conferences, and meetings . . . . .				
22	Printing and publications . . . . .				
23	Other expenses (attach schedule) STMT 4 . . . . .	1,271.	1,271.	1,271.	
24	<b>Total operating and administrative expenses. Add lines 13 through 23 . . . . .</b>	<b>10,786.</b>	<b>10,786.</b>	<b>10,786.</b>	<b>61.</b>
25	Contributions, gifts, grants paid . . . . .	19,528.			19,528.
26	<b>Total expenses and disbursements. Add lines 24 and 25</b>	<b>30,314.</b>	<b>10,786.</b>	<b>10,786.</b>	<b>19,589.</b>
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements . . . . .	100,799.			
b	Net investment income (if negative, enter -0-) . . . . .		9,627.		
c	Adjusted net income (if negative, enter -0-) . . . . .			4,072.	



1

Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		
		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing . . . . .			
	2 Savings and temporary cash investments . . . . .	188,147.	278,331.	278,331.
	3 Accounts receivable ▶ Less allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less allowance for doubtful accounts ▶			
	5 Grants receivable . . . . .			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ Less allowance for doubtful accounts ▶			
	8 Inventories for sale or use . . . . .			
	9 Prepaid expenses and deferred charges . . . . .			
	10 a Investments - U.S. and state government obligations (attach schedule)			
	b Investments - corporate stock (attach schedule) . \$TMT 5.	246,455.	257,009.	287,429.
	c Investments - corporate bonds (attach schedule)			
	11 Investments - land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
	12 Investments - mortgage loans . . . . .			
	13 Investments - other (attach schedule)			
	14 Land, buildings, and equipment basis Less accumulated depreciation (attach schedule) ▶			
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers - see page 16 of the instructions. Also, see page 1, item I) . . . . .	434,602.	535,340.	565,760.	
Liabilities	17 Accounts payable and accrued expenses . . . . .	61.		
	18 Grants payable . . . . .			
	19 Deferred revenue . . . . .			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22) . . . . .	61.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted . . . . .			
	25 Temporarily restricted . . . . .			
	26 Permanently restricted . . . . .			
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31. <input checked="" type="checkbox"/>			
	27 Capital stock, trust principal, or current funds . . . . .	434,541.	535,340.	
	28 Paid-in or capital surplus, or land, bldg, and equipment fund . . . . .			
	29 Retained earnings, accumulated income, endowment, or other funds . . . . .			
30 Total net assets or fund balances (see page 17 of the instructions) . . . . .	434,541.	535,340.		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions) . . . . .	434,602.	535,340.		

**Part III Analysis of Changes in Net Assets or Fund Balances**

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return) . . . . .	1	434,541.
2 Enter amount from Part I, line 27a . . . . .	2	100,799.
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3 . . . . .	4	535,340.
5 Decreases not included in line 2 (itemize) ▶	5	
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30 . . . . .	6	535,340.

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)				(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo, day, yr)	(d) Date sold (mo, day, yr)
1a SEE PART IV SCHEDULE						
b						
c						
d						
e						
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)			
a						
b						
c						
d						
e						
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))		
(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any				
a						
b						
c						
d						
e						
2 Capital gain net income or (net capital loss) . . . . .				2	5,555.	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }						
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)				3		
{ If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }						

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income )

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? . . .  Yes  No  
 If "Yes," the organization does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 18 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2004	15,052.	397,711.	0.03784657704
2003	12,061.	299,789.	0.04023162958
2002	15,061.	238,746.	0.06308377941
2001	61.	219,907.	0.00027738999
2000	4,548.	170,438.	0.02668419015
2 Total of line 1, column (d) . . . . .			2 0.16812356617
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years . . . . .			3 0.03362471323
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5 . . . . .			4 515,103.
5 Multiply line 4 by line 3 . . . . .			5 17,320.
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 96.
7 Add lines 5 and 6 . . . . .			7 17,416.
8 Enter qualifying distributions from Part XII, line 4 . . . . .			8 19,589.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 18

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 18 of the instructions)

Table with 11 rows and 2 columns. Rows include: 1a Exempt operating foundations... 1 Domestic organizations... 2 Tax under section 511... 3 Add lines 1 and 2... 4 Subtitle A (income) tax... 5 Tax based on investment income... 6 Credits/Payments... 7 Total credits and payments... 8 Enter any penalty... 9 Tax due... 10 Overpayment... 11 Enter the amount of line 10 to be: Credited to 2006 estimated tax

Part VII-A Statements Regarding Activities

Table with 11 rows and 3 columns (Yes, No, and a third column for details). Rows include: 1a During the tax year, did the organization attempt to influence any national, state, or local legislation... 1b Did it spend more than \$100 during the year... 1c Did the organization file Form 1120-POL... 2 Has the organization engaged in any activities that have not previously been reported to the IRS?... 3 Has the organization made any changes, not previously reported to the IRS... 4a Did the organization have unrelated business gross income... 4b If "Yes," has it filed a tax return on Form 990-T... 5 Was there a liquidation, termination, dissolution... 6 Are the requirements of section 508(e)... 7 Did the organization have at least \$5,000 in assets... 8a Enter the states to which the foundation reports... 8b If the answer is "Yes" to line 7... 9 Is the organization claiming status as a private operating foundation... 10 Did any persons become substantial contributors... 11 Did the organization comply with the public inspection requirements... Web site address... The books are in care of... Located at... Section 4947(a)(1) nonexempt charitable trusts...

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

Table with columns for question descriptions, Yes/No checkboxes, and a grid for Yes/No responses. Includes questions 1a through 6a regarding disqualifying activities, disaster assistance, and business holdings.

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

**1 List all officers, directors, trustees, foundation managers and their compensation (see page 21 of the instructions).**

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
		NONE	NONE	NONE

**2 Compensation of five highest-paid employees (other than those included on line 1 - see page 21 of the instructions). If 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 and deferred compensation	(e) Expense account, other allowances
NONE				

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

**3 Five highest-paid independent contractors for professional services - (see page 21 of the instructions). If none, enter "NONE."**

(a) Name and address of each person 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 IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1 <u>N/A</u>	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments** (see page 22 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 NONE	
2	
All other program-related investments See page 22 of the instructions	
3 NONE	
<b>Total.</b> Add lines 1 through 3	

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see page 22 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	276,567.
b Average of monthly cash balances	1b	246,380.
c Fair market value of all other assets (see page 23 of the instructions)	1c	NONE
d Total (add lines 1a, b, and c)	1d	522,947.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	NONE
3 Subtract line 2 from line 1d	3	522,947.
4 Cash deemed held for charitable activities. Enter 1 1/2 % of line 3 (for greater amount, see page 23 of the instructions)	4	7,844.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	515,103.
6 Minimum investment return. Enter 5% of line 5	6	25,755.

**Part XI Distributable Amount** (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	25,755.
2a Tax on investment income for 2005 from Part VI, line 5	2a	96.
b Income tax for 2005 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	96.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	25,659.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	25,659.
6 Deduction from distributable amount (see page 24 of the instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	25,659.

**Part XII Qualifying Distributions** (see page 24 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	19,589.
b Program-related investments - total from Part IX-B	1b	NONE
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	NONE
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	NONE
b Cash distribution test (attach the required schedule)	3b	NONE
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	19,589.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	96.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	19,493.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

**Part XIII Undistributed Income** (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7 . . . . .				25,659.
2 Undistributed income, if any, as of the end of 2004				
a Enter amount for 2004 only . . . . .			19,528.	
b Total for prior years . . . . .				
3 Excess distributions carryover, if any, to 2005				
a From 2000 . . . . .	NONE			
b From 2001 . . . . .	NONE			
c From 2002 . . . . .	NONE			
d From 2003 . . . . .	NONE			
e From 2004 . . . . .	NONE			
f Total of lines 3a through e . . . . .	NONE			
4 Qualifying distributions for 2005 from Part XII, line 4 ▶ \$ 19,589.				
a Applied to 2004, but not more than line 2a . . . . .			19,528.	
b Applied to undistributed income of prior years (Election required - see page 25 of the instructions) . . . . .				
c Treated as distributions out of corpus (Election required - see page 25 of the instructions) . . . . .				
d Applied to 2005 distributable amount . . . . .				61.
e Remaining amount distributed out of corpus . . . . .				
5 Excess distributions carryover applied to 2005 (If an amount appears in column (d), the same amount must be shown in column (a).)	NONE			NONE
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	NONE			
b Prior years' undistributed income Subtract line 4b from line 2b . . . . .				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed . . . . .				
d Subtract line 6c from line 6b Taxable amount - see page 25 of the instructions . . . . .				
e Undistributed income for 2004 Subtract line 4a from line 2a Taxable amount - see page 25 of the instructions . . . . .				
f Undistributed income for 2005 Subtract lines 4d and 5 from line 1. This amount must be distributed in 2006 . . . . .				25,598.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions) . . . . .				
8 Excess distributions carryover from 2000 not applied on line 5 or line 7 (see page 25 of the instructions) . . . . .				
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a . . . . .	NONE			
10 Analysis of line 9				
a Excess from 2001 . . . . .	NONE			
b Excess from 2002 . . . . .	NONE			
c Excess from 2003 . . . . .	NONE			
d Excess from 2004 . . . . .	NONE			
e Excess from 2005 . . . . .	NONE			



**Part XIV Private Operating Foundations** (see page 26 of the instructions and Part VII-A, question 9) **NOT APPLICABLE**

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2005, enter the date of the ruling . . . . .

**b** Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	
<b>2 a</b> Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed . . . . .					
<b>b</b> 85% of line 2a . . . . .					
<b>c</b> Qualifying distributions from Part XII, line 4 for each year listed . . . . .					
<b>d</b> Amounts included in line 2c not used directly for active conduct of exempt activities . . . . .					
<b>e</b> Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c . . . . .					
<b>3</b> Complete 3a, b, or c for the alternative test relied upon					
<b>a</b> "Assets" alternative test - enter					
<b>(1)</b> Value of all assets . . . . .					
<b>(2)</b> Value of assets qualifying under section 4942(j)(3)(B)(i) . . . . .					
<b>b</b> "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed . . . . .					
<b>c</b> "Support" alternative test - enter					
<b>(1)</b> Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties) . . . . .					
<b>(2)</b> Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(ii) . . . . .					
<b>(3)</b> Largest amount of support from an exempt organization . . . . .					
<b>(4)</b> Gross investment income . . . . .					

**Part XV Supplementary Information** (Complete this part only if the organization had \$5,000 or more in assets at any time during the year - see page 26 of the instructions.)

**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

N/A

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

N/A

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**

Check here  if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc (see page 26 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

**a** The name, address, and telephone number of the person to whom applications should be addressed:

**b** The form in which applications should be submitted and information and materials they should include

**c** Any submission deadlines

**d** Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

**Part XV** Supplementary Information (continued)

**3 Grants and Contributions Paid During the Year or Approved for Future Payment**

Recipient Name and address (home or business)	If recipient is an individual show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<p><b>a</b> <i>Paid during the year</i></p> <p>SEE STATEMENT 7</p>				
<b>Total</b> .....				<b>▶ 3a</b> 19,528.
<b>b</b> <i>Approved for future payment</i>				
<b>Total</b> .....				<b>▶ 3b</b>

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, and (e) Related or exempt function income. Rows include Program service revenue, Membership dues and assessments, Interest on savings and temporary cash investments, Dividends and interest from securities, Net rental income from real estate, Net rental income from personal property, Other investment income, Gain or loss from sales of assets, Net income from special events, Gross profit from sales of inventory, and Other revenue.

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No. and Explanatory text. The first row contains the text 'NOT APPLICABLE'.

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 1 Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code... a Transfers from the reporting organization to a noncharitable exempt organization of (1) Cash (2) Other assets b Other transactions (1) Sales of assets to a noncharitable exempt organization (2) Purchases of assets from a noncharitable exempt organization (3) Rental of facilities, equipment, or other assets (4) Reimbursement arrangements (5) Loans or loan guarantees (6) Performance of services or membership or fundraising solicitations c Sharing of facilities, equipment, mailing lists, other assets, or paid employees d If the answer to any of the above is "Yes," complete the following schedule...

Table with 4 columns: (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A' for both (b) and (d).

2 a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? [ ] Yes [X] No

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. All rows are empty.

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 or fiduciary) is based on all information of which preparer has any knowledge. Sign Here: Signature of officer or trustee, Preparer's signature, Firm's name (or yours if self-employed), address, and ZIP code: GAINES KRINER ELLIO, 120 CHURCH ST, BUFFALO, NY.

**SCHEDULE D  
(Form 1041)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

▶ **Attach to Form 1041, Form 5227, or Form 990-T. See the separate instructions for Form 1041 (also for Form 5227 or Form 990-T, if applicable).**

OMB No 1545-0092

**2005**

Name of estate or trust <b>THE JOHN A. &amp; MARY CLARE WARD FAMILY FOUNDATION, INC.</b>	Employer identification number <b>59-3596631</b>
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**Note:** Form 5227 filers need to complete *only* Parts I and II

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

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 34)	(f) Gain or (Loss) for the entire year (col (d) less col (e))
<b>1 SHORT-TERM CAPITAL GAIN DIVIDENDS</b>					<b>1,075.</b>
2 Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824					<b>2</b>
3 Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts					<b>3</b>
4 Short-term capital loss carryover Enter the amount, if any, from line 9 of the 2004 Capital Loss Carryover Worksheet					<b>4 ( )</b>
5 <b>Net short-term gain or (loss).</b> Combine lines 1 through 4 in column (f) Enter here and on line 13, column (3) below					<b>5 1,075.</b>

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

(a) Description of property (Example, 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see page 34)	(f) Gain or (Loss) for the entire year (col (d) less col (e))
<b>6 LONG-TERM CAPITAL GAIN DIVIDENDS</b>					<b>2,435.</b>
SEE STATEMENT 1			2,545.	500.	2,045.
7 Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824					<b>7</b>
8 Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts					<b>8</b>
9 Capital gain distributions					<b>9</b>
10 Gain from Form 4797, Part I					<b>10</b>
11 Long-term capital loss carryover Enter the amount, if any, from line 14 of the 2004 Capital Loss Carryover Worksheet					<b>11 ( )</b>
12 <b>Net long-term gain or (loss).</b> Combine lines 6 through 11 in column (f) Enter here and on line 14a, column (3) below					<b>12 4,480.</b>

**Part III Summary of Parts I and II**

**Caution:** Read the instructions before completing this part.

	(1) Beneficiaries' (see page 36)	(2) Estate's or trust's	(3) Total
<b>13 Net short-term gain or (loss)</b>	<b>13</b>		<b>1,075.</b>
<b>14 Net long-term gain or (loss):</b>			
a Total for year	<b>14a</b>		<b>4,480.</b>
b Unrecaptured section 1250 gain (see line 18 of the worksheet on page 35).	<b>14b</b>		
c 28% rate gain or (loss)	<b>14c</b>		
<b>15 Total net gain or (loss).</b> Combine lines 13 and 14a	<b>15</b>		<b>5,555.</b>

**Note:** If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4. If lines 14a and 15, column (2), are net gains, go to Part V, and do not complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the Capital Loss Carryover Worksheet, as necessary.

For Paperwork Reduction Act Notice, see the Instructions for Form 1041.

Schedule D (Form 1041) 2005

**Part IV Capital Loss Limitation**

**16** Enter here and enter as a (loss) on Form 1041, line 4, the smaller of  
 a The loss on line 15, column (3) or  
 b \$3,000 . . . . . **16** ( )

If the loss on line 15, column (3), is more than \$3,000, or if Form 1041, page 1, line 22, is a loss, complete the **Capital Loss Carryover Worksheet** on page 37 of the instructions to determine your capital loss carryover

**Part V Tax Computation Using Maximum Capital Gains Rates** (Complete this part only if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), and Form 1041, line 22 is more than zero.)

**Note:** If line 14b, column (2) or line 14c, column (2) is more than zero, complete the worksheet on page 38 of the instructions and skip Part V. Otherwise, go to line 17

<b>17</b> Enter taxable income from Form 1041, line 22 . . . . .	<b>17</b>	
<b>18</b> Enter the smaller of line 14a or 15 in column (2) but not less than zero . . . . .	<b>18</b>	
<b>19</b> Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) . . . . .	<b>19</b>	
<b>20</b> Add lines 18 and 19 . . . . .	<b>20</b>	
<b>21</b> If the estate or trust is filing Form 4952, enter the amount from line 4g, otherwise, enter -0- . . . . .	<b>21</b>	
<b>22</b> Subtract line 21 from line 20. If zero or less, enter -0- . . . . .	<b>22</b>	
<b>23</b> Subtract line 22 from line 17. If zero or less, enter -0- . . . . .	<b>23</b>	
<b>24</b> Enter the smaller of the amount on line 17 or \$2,000 . . . . .	<b>24</b>	
<b>25</b> Is the amount on line 23 equal to or more than the amount on line 24? <input type="checkbox"/> Yes. Skip lines 25 through 27; go to line 28 and check the "No" box <input type="checkbox"/> No. Enter the amount from line 23 . . . . .	<b>25</b>	
<b>26</b> Subtract line 25 from line 24 . . . . .	<b>26</b>	
<b>27</b> Multiply line 26 by 5% (.05) . . . . .	<b>27</b>	
<b>28</b> Are the amounts on lines 22 and 26 the same? <input type="checkbox"/> Yes. Skip lines 28 through 31, go to line 32 <input type="checkbox"/> No. Enter the smaller of line 17 or line 22 . . . . .	<b>28</b>	
<b>29</b> Enter the amount from line 26 (If line 26 is blank, enter -0-) . . . . .	<b>29</b>	
<b>30</b> Subtract line 29 from line 28 . . . . .	<b>30</b>	
<b>31</b> Multiply line 30 by 15% (.15) . . . . .	<b>31</b>	
<b>32</b> Figure the tax on the amount on line 23. Use the 2005 Tax Rate Schedule on page 23 of the instructions . . . . .	<b>32</b>	
<b>33</b> Add lines 27, 31, and 32 . . . . .	<b>33</b>	
<b>34</b> Figure the tax on the amount on line 17. Use the 2005 Tax Rate Schedule on page 23 of the instructions . . . . .	<b>34</b>	
<b>35</b> Tax on all taxable income. Enter the smaller of line 33 or line 34 here and on line 1a of Schedule G, Form 1041 . . . . .	<b>35</b>	

THE JOHN A. & MARY CLARE WARD FAMILY  
 Schedule D Detail of Long-term Capital Gains and Losses

59-3596631

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
CAPITAL GAINS (LOSSES) HELD FOR INVESTMENT PURPOSES					
SEAGATE TECHNOLOGY - CASH IN LIEU	VAR	06/06/2006	18.		18.
TAIWAN SEMICONDUCTOR MANUFACTURING - CASH IN LIEU	VAR	07/20/2006	8.		8.
SEVEN ELEVEN JAPAN - CASH IN LIEU	VAR	10/11/2005	669.		669.
VERITY, INC - CASH IN LIEU	VAR	12/30/2005	1,350.		1,350.
CABLEVISION SYS CORP - RETURN OF	VAR	04/24/2006	500.	500.	
TOTAL CAPITAL GAINS (LOSSES) HELD FOR INVESTMENT PURPOSES			2,545.	500.	2,045.
Totals			2,545.	500.	2,045.

**FORM 990-PF - PART IV  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME**

Kind of Property		Description				P or D	Date acquired	Date sold
Gross sale price less expenses of sale	Depreciation allowed/ allowable	Cost or other basis	FMV as of 12/31/69	Adj basis as of 12/31/69	Excess of FMV over adj basis		Gain or (loss)	
		TOTAL SHORT-TERM CAPITAL GAIN DIVIDENDS					1,075.	
		TOTAL LONG-TERM CAPITAL GAIN DIVIDENDS					2,435.	
18.		SEAGATE TECHNOLOGY - CASH IN LIEU PROPERTY TYPE: SECURITIES				P	VAR	06/06/2006
							18.	
8.		TAIWAN SEMICONDUCTOR MANUFACTURING - CAS PROPERTY TYPE: SECURITIES				P	VAR	07/20/2006
							8.	
669.		SEVEN ELEVEN JAPAN - CASH IN LIEU PROPERTY TYPE: SECURITIES				P	VAR	10/11/2005
							669.	
1,350.		VERITY, INC - CASH IN LIEU PROPERTY TYPE: SECURITIES				P	VAR	12/30/2005
							1,350.	
500.		CABLEVISION SYS CORP - RETURN OF CAPITAL PROPERTY TYPE: SECURITIES 500.				P	VAR	04/24/2006
							5,555.	
TOTAL GAIN (LOSS) .....							=====	



FORM 990PF, PART I - DIVIDENDS AND INTEREST FROM SECURITIES

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----
COMMONWEALTH A/C HDM-857246	217.	217.	217.
COMMONWEALTH A/C B36-248134	14,641.	14,641.	14,641.
TOTAL	----- 14,858. =====	----- 14,858. =====	----- 14,858. =====

FORM 990PF, PART I - OTHER PROFESSIONAL FEES

=====

DESCRIPTION	REVENUE AND EXPENSES PER BOOKS	NET INVESTMENT INCOME	ADJUSTED NET INCOME
-----	-----	-----	-----
ACCOUNT MANAGEMENT FEES	9,314.	9,314.	9,314.
TOTALS	----- 9,314. =====	----- 9,314. =====	----- 9,314. =====

FORM 990PF, PART I - TAXES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----	CHARITABLE PURPOSES -----
FOREIGN TAX WITHHELD	140.	140.	140.	
DEPARTMENT OF STATE FILING FEE	61.	61.	61.	61.
TOTALS	----- 201. =====	----- 201. =====	----- 201. =====	----- 61. =====

FORM 990PF, PART I - OTHER EXPENSES

=====

DESCRIPTION -----	REVENUE AND EXPENSES PER BOOKS -----	NET INVESTMENT INCOME -----	ADJUSTED NET INCOME -----
MEMBERSHIP FEE	450.	450.	450.
POSTAGE	12.	12.	12.
MISCELLANEOUS	809.	809.	809.
	-----	-----	-----
TOTALS	1,271.	1,271.	1,271.
	=====	=====	=====

THE JOHN A. & MARY CLARE WARD FAMILY

59-3596631

FORM 990PF, PART II - CORPORATE STOCK

=====

DESCRIPTION -----	ENDING BOOK VALUE -----	ENDING FMV ---
COMMONWEALTH A/C B36-248134	257,009.	287,429.
TOTALS	----- 257,009. =====	----- 287,429. =====

FORM 990PF, PART VII-A - NEW SUBSTANTIAL CONTRIBUTORS

NAME AND ADDRESS -----	DATE ----	DIRECT PUBLIC SUPPORT -----
WARD FAMILY CHARITABLE LEAD UNITRUST 35 WOODBURY DRIVE AMHERST, NY 14226	12/27/2005	110,700.
TOTAL CONTRIBUTION AMOUNTS		----- 110,700. =====

FORM 990PF, PART XV - GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR

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RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
-----	-----	-----	-----
COMMUNITY FOUNDATION FOR GREATER BUFFALO 712 MAIN STREET BUFFALO, NY 14202		COMMUNITY PROJECTS	19,528.
		TOTAL CONTRIBUTIONS PAID	19,528.
			----- 19,528. =====

THE JOHN A. & MARY CLARE WARD FAMILY FOUNDATION, INC.  
59-3596631

FORM 990PF, PART I - CONTRIBUTIONS, GIFTS AND GRANTS RECEIVED

<u>NAME AND ADDRESS</u>	<u>DATE</u>	<u>DIRECT PUBLIC SUPPORT</u>
WARD FAMILY CHARITABLE LEAD UNITRUST 35 WOODBURY DRIVE AMHERST, NY 14226	12/27/2005	\$ 110,700
TOTAL CONTRIBUTION AMOUNTS		<u>\$ 110,700</u>