

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 2007 calendar year, or tax year beginning **JUL 1, 2007** and ending **JUN 30, 2008**

<p>B Check if applicable:</p> <p><input type="checkbox"/> Address change</p> <p><input type="checkbox"/> Name change</p> <p><input type="checkbox"/> Initial return</p> <p><input type="checkbox"/> Termination</p> <p><input type="checkbox"/> Amended return</p> <p><input type="checkbox"/> Application pending</p>	<p>Please use IRS label or print or type. See Specific Instructions.</p>	<p>C Name of organization THE SKILLSOURCE GROUP, INC.</p> <p>Number and street (or P.O. box if mail is not delivered to street address) Room/suite 8300 BOONE BOULEVARD 450</p> <p>City or town, state or country, and ZIP + 4 VIENNA, VA 22182</p>	<p>D Employer identification number 30-0129320</p> <p>E Telephone number 703-752-1606</p> <p>F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) ▶</p>
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• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Hand I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶ **N/A**

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

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

G Website: ▶ **WWW.MYSKILLSOURCE.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.

I Group Exemption Number ▶ **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,784,809.**

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

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

	<p>1 Contributions, gifts, grants, and similar amounts received:</p> <p>a Contributions to donor advised funds 1a</p> <p>b Direct public support (not included on line 1a) 1b 68,082.</p> <p>c Indirect public support (not included on line 1a) 1c</p> <p>d Government contributions (grants) (not included on line 1a) 1d 1,666,396.</p> <p>e Total (add lines 1a through 1d) (cash \$ 1,734,478. noncash \$ _____) ... 1e 1,734,478.</p> <p>2 Program service revenue including government fees and contracts (from Part VII, line 93) 2 26,900.</p> <p>3 Membership dues and assessments 3</p> <p>4 Interest on savings and temporary cash investments 4 19,249.</p> <p>5 Dividends and interest from securities 5 4,182.</p> <p>6 a Gross rents 6a</p> <p>b Less: rental expenses 6b</p> <p>c Net rental income or (loss). Subtract line 6b from line 6a 6c</p> <p>7 Other investment income (describe ▶ _____) 7</p> <p>8 a Gross amount from sales of assets other than inventory 8a</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%; text-align: center;">(A) Securities</td> <td style="width:50%; text-align: center;">(B) Other</td> </tr> <tr> <td style="text-align: center;">8a</td> <td style="text-align: center;">8b</td> </tr> <tr> <td style="text-align: center;">8c</td> <td style="text-align: center;">8d</td> </tr> </table> <p>d Net gain or (loss). Combine line 8c, columns (A) and (B) 8d</p> <p>9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/></p> <p>a Gross revenue (not including \$ _____ of contributions reported on line 1b) ... 9a</p> <p>b Less: direct expenses other than fundraising expenses 9b</p> <p>c Net income or (loss) from special events. Subtract line 9b from line 9a 9c</p> <p>10 a Gross sales of inventory, less returns and allowances 10a</p> <p>b Less: cost of goods sold 10b</p> <p>c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a 10c</p> <p>11 Other revenue (from Part VII, line 103) 11</p> <p>12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11 12 1,784,809.</p>	(A) Securities	(B) Other	8a	8b	8c	8d	
(A) Securities	(B) Other							
8a	8b							
8c	8d							
Revenue								
Expenses	<p>13 Program services (from line 44, column (B)) 13 1,754,448.</p> <p>14 Management and general (from line 44, column (C)) 14 117,950.</p> <p>15 Fundraising (from line 44, column (D)) 15 57,298.</p> <p>16 Payments to affiliates (attach schedule) 16</p> <p>17 Total expenses. Add lines 16 and 44, column (A) 17 1,929,696.</p>							
Net Assets	<p>18 Excess or (deficit) for the year. Subtract line 17 from line 12 18 <144,887.></p> <p>19 Net assets or fund balances at beginning of year (from line 73, column (A)) 19 699,898.</p> <p>20 Other changes in net assets or fund balances (attach explanation) 20 0.</p> <p>21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20 21 555,011.</p>							

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.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	171,504.	158,187.	8,463.	4,854.
25b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
25c 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)				
26 Salaries and wages of employees not included on lines 25a, b, and c	94,224.	87,068.	4,613.	2,543.
27 Pension plan contributions not included on lines 25a, b, and c	11,619.	10,647.	589.	383.
28 Employee benefits not included on lines 25a - 27	14,926.	13,677.	757.	492.
29 Payroll taxes	16,694.	15,297.	847.	550.
30 Professional fundraising fees				
31 Accounting fees	44,120.		44,120.	
32 Legal fees				
33 Supplies	6,633.	6,633.		
34 Telephone	4,273.	4,273.		
35 Postage and shipping	21,710.	21,710.		
36 Occupancy	24,120.	24,120.		
37 Equipment rental and maintenance				
38 Printing and publications	2,545.	2,545.		
39 Travel	2,223.	2,223.		
40 Conferences, conventions, and meetings	13,443.	13,443.		
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	1,024.	1,024.		
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 1	1,500,638.	1,393,601.	58,561.	48,476.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	1,929,696.	1,754,448.	117,950.	57,298.

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 \$ N/A; (ii) the amount allocated to Program services \$ N/A;

(iii) the amount allocated to Management and general \$ N/A; and (iv) the amount allocated to Fundraising \$ N/A

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 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.)	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a VIRGINIA EMPLOYMENT COMMISSION- FEDERAL FUNDED PROGRAM UNDER THE WORKFORCE INVESTMENT ACT. PROGRAMS INCLUDE DISLOCATED WORKER, ADULT PROGRAM, YOUTH PROGRAM, AND OTHER PROGRAMS.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	1,277,886.
b WIRING BRAC NATIONAL EMERGENCY GRANT- BASE REALIGNMENT AND CLOSURE RECOMMENDATIONS THAT AID MILITARY BASES, PARTICULARLY QUANTICO AND FORT BELVOIR IN NORTHERN VIRGINIA.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	151,211.
c VIRGINIA DEPARTMENT OF CORRECTIONS- FEDERAL FUNDED PROGRAM SUPPORTING REINTEGRATION INTO COMMUNITY OF LONG-TERM INCARCERATED ADULTS.	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	119,783.
d PRE-RELEASE EMPLOYMENT CENTER GRANT - COMMONWEALTH OF VIRGINIA FUNDED PROGRAM TO PROVIDE A CAREER CENTER FOR STATE PENITENTIARY INMATES	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	26,466.
e Other program services (attach schedule) SEE STATEMENT 3	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	179,102.
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	1,754,448.

Form 990 (2007)

Part IV Balance Sheets (See the instructions.)

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

		(A) Beginning of year	(B) End of year	
Assets	45 Cash - non-interest-bearing		45	
	46 Savings and temporary cash investments	528,704.	46 687,873.	
	47 a Accounts receivable	47a 15,000.	47c	15,000.
	b Less: allowance for doubtful accounts	47b 0.		
	48 a Pledges receivable	48a	48c	
	b Less: allowance for doubtful accounts	48b		
	49 Grants receivable	436,423.	49	382,449.
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a	51c	
	b Less: allowance for doubtful accounts	51b		
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	7,880.	53	26,492.
	54 a Investments - publicly-traded securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a	
	b Investments - other securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
	55 a Investments - land, buildings, and equipment: basis	55a	55c	
	b Less: accumulated depreciation	55b		
	56 Investments - other	SEE STATEMENT 4	186,151.	56 43,912.
57 a Land, buildings, and equipment: basis	57a 9,589.	1,878.	57c 2,278.	
b Less: accumulated depreciation STMT 5	57b 7,311.			
58 Other assets, including program-related investments (describe		58		
59 Total assets (must equal line 74). Add lines 45 through 58		1,161,036.	59 1,158,004.	
Liabilities	60 Accounts payable and accrued expenses	223,537.	60 283,813.	
	61 Grants payable		61	
	62 Deferred revenue	20,000.	62	25,000.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe ► FUNDS HELD IN TRUST		217,601.	65 294,180.
66 Total liabilities. Add lines 60 through 65		461,138.	66 602,993.	
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	513,747.	67 511,099.	
	68 Temporarily restricted	186,151.	68 43,912.	
	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)	699,898.	73 555,011.	
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,161,036.	74 1,158,004.	

Part IV-A Reconciliation of Revenue per Audited Financial Statements With Revenue per Return (See the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	1,784,809.
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	0.
c	Subtract line b from line a	c	1,784,809.
d	Amounts included on Part I, line 12, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total revenue (Part I, line 12). Add lines c and d	e	1,784,809.

Part IV-B Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

a	Total expenses and losses per audited financial statements	a	1,929,696.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify):	b4	
	Add lines b1 through b4	b	0.
c	Subtract line b from line a	c	1,929,696.
d	Amounts included on Part I, line 17, but not on line a:		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	1,929,696.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See 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 & deferred compensation plans	(E) Expense account and other allowances
SEE STATEMENT 6		133,808.	37,696.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)		Yes	No
75 a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings 14		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s)	75b	X
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization." If "Yes," attach a statement that includes the information described in the instructions.	75c	X
d	Does the organization have a written conflict of interest policy?	75d	X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits (If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
NONE				

Part VI Other Information (See the instructions.)		Yes	No
76	Did the organization make a change in its activities or methods of conducting activities? If "Yes," attach a detailed statement of each change	76	X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X
b	If "Yes," enter the name of the organization N/A and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81 a	Enter direct and indirect political expenditures. (See line 81 instructions.) 81a 0.		
b	Did the organization file Form 1120-POL for this year?	81b	X

Part VI Other Information (continued)		Yes	No
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?		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 N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
	N/A		
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members?		
	N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
	N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
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?		
	N/A		
85g			
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?		
	N/A		
85h			
86	501(c)(7) organizations. 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) organizations. 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 a	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		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		X
88b			
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
89b			
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
	▶ 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
	▶ 0.		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
89e			
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
89f			
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?		X
89g			
90 a	List the states with which a copy of this return is filed ▶ NONE		
b	Number of employees employed in the pay period that includes March 12, 2007	90b	3
91 a	The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ 703-752-1606 Located at ▶ 8300 BOONE BOULEVARD, SUITE 450, VIENNA, VA ZIP + 4 ▶ 22182		
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)?		X
	If "Yes," enter the name of the foreign country ▶ N/A		
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
91b			

Part VI Other Information (continued)

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

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) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a PROGRAM INCOME					26,900.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	19,249.	
96 Dividends and interest from securities			14	4,182.	
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					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		23,431.	26,900.
105 Total (add line 104, columns (B), (D), and (E))					50,331.

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).
93A	THE REVENUE FROM A NORTHERN VIRGINIA LABOR MARKET WEB-BASED INFORMATION SYSTEM AND THE REIMBURSEMENT OF COST OF A JOINT OUTREACH CAMPAIGN TO SERVE DISPLACED INDEPENDENT AIRLINES WORKERS.

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
N/A	%			
	%			
	%			
	%			

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). N/A

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

	(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

	(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

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 _____ Type or print name and title _____	Date _____	
Paid Preparer's Use Only	Preparer's signature _____ Firm's name (or yours if self-employed), address, and ZIP + 4 GOODMAN & COMPANY, LLP 111 ROCKVILLE PIKE, STE 600 ROCKVILLE, MD 20850	Date 11/12/08	Check if self-employed <input type="checkbox"/> Preparer's SSN or PTIN (See Gen. Inst. X) EIN _____ Phone no. 240-403-3700

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

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

2007

Department of the Treasury
Internal Revenue Service

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

Name of the organization THE SKILLSOURCE GROUP, INC.	Employer identification number 30 0129320
--	---

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
SEEMA JAIN 8300 BOONE BLVD, STE 450, VIENNA, VA	ASSO.DIR OF DEV. 40.00	55,832.	15,729.	0.
Total number of other employees paid over \$50,000 ▶	0			

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
LEAPFROG SOLUTIONS 11130 MAIN STREET, SUITE 303, FAIRFAX, VA 22030	OUTREACH & MARKETING SERVICE	103,233.
Total number of others receiving over \$50,000 for professional services ▶	0	

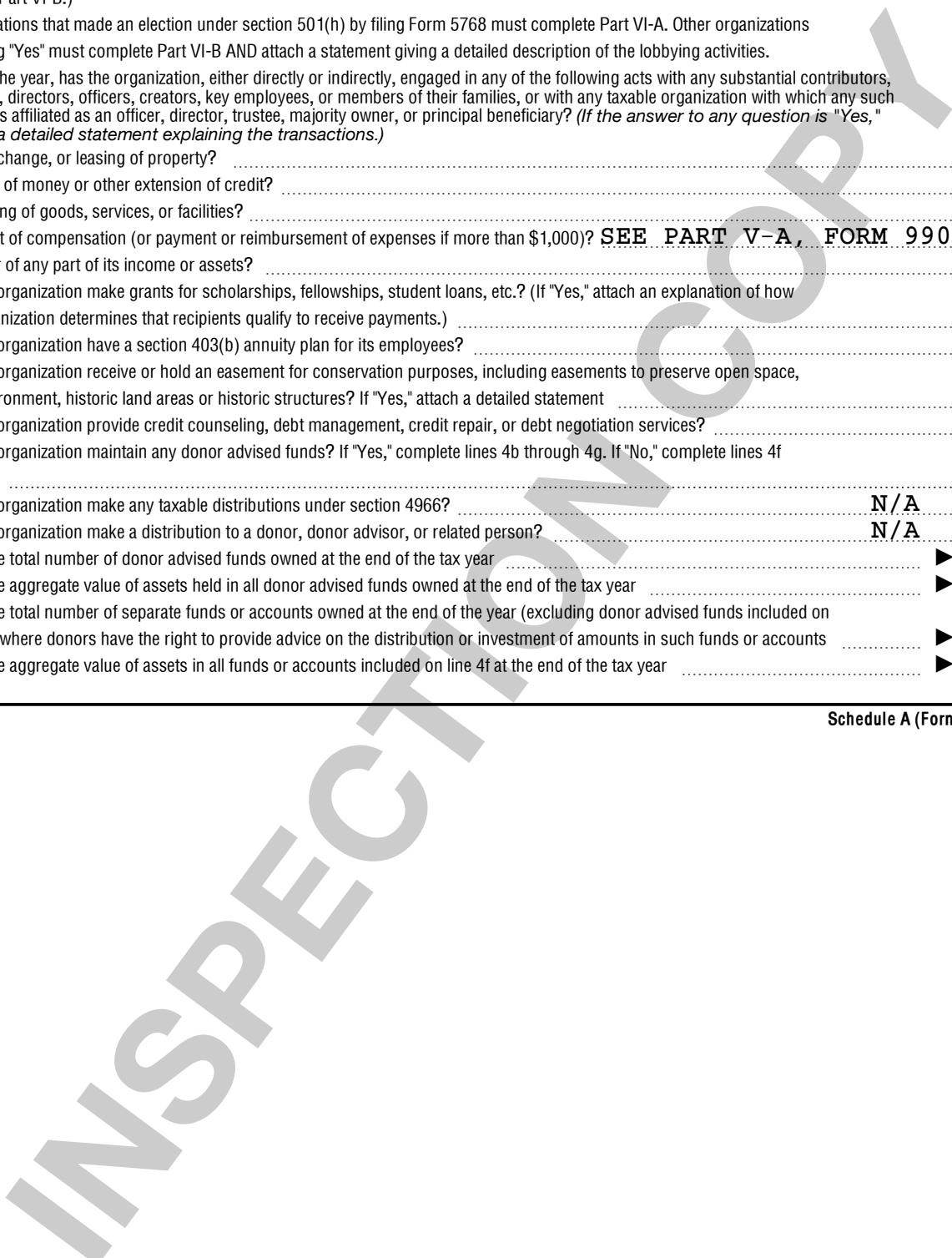
Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services
(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
FAIRFAX COUNTY GOVERNMENT 12011 GOVERNMENT CENTER PARKWAY, FAIRFAX, VA	ADULT, YOUTH AND DISLOCATED WORKER	1,106,210.
Total number of other contractors receiving over \$50,000 for other services ▶	0	

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?	2a	X
b	Lending of money or other extension of credit?	2b	X
c	Furnishing of goods, services, or facilities?	2c	X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V-A, FORM 990	2d	X
e	Transfer of any part of its income or assets?	2e	X
3 a	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.)	3a	X
b	Did the organization have a section 403(b) annuity plan for its employees?	3b	X
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	3c	X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?	3d	X
4 a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g	4a	X
b	Did the organization make any taxable distributions under section 4966?	4b	N/A
c	Did the organization make a distribution to a donor, donor advisor, or related person?	4c	N/A
d	Enter the total number of donor advised funds owned at the end of the tax year	0	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	N/A	
f	Enter the total number of separate funds or accounts owned at the end of the year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	0.	
g	Enter the aggregate value of assets in all funds or accounts included on line 4f at the end of the tax year	0.	

Schedule A (Form 990 or 990-EZ) 2007



Part IV Reason for Non-Private Foundation Status (See pages 4 through 8 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.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and 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 8 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 8 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,319,919.	2,963,633.	1,774,710.	501,791.	7,560,053.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	25,326.				25,326.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, income from similar sources, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	35,725.	19,393.	10,616.	4,288.	70,022.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	2,380,970.	2,983,026.	1,785,326.	506,079.	7,655,401.
24 Line 23 minus line 17	2,355,644.	2,983,026.	1,785,326.	506,079.	7,630,075.
25 Enter 1% of line 23	23,810.	29,830.	17,853.	5,061.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 152,602.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2003 through 2006 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 592,356.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 7,630,075.
d Add: Amounts from column (e) for lines: 18 <u>70,022.</u> 19 _____ 22 _____ 26b <u>592,356.</u>					26d 662,378.
e Public support (line 26c minus line 26d total)					26e 6,967,697.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 91.3189%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2006) _____ (2005) _____ (2004) _____ (2003) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2003 through 2006, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

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

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?		
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)			

32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	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?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
35	Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 11 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

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 (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
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.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2007	(b) 2006	(c) 2005	(d) 2004	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 14 of the instructions.)

N/A

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

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 14 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- a Transfers from the reporting organization to a noncharitable exempt organization of:
(i) Cash
(ii) Other assets
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) 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 3 columns: Question ID, Yes, No. Rows include 51a(i), a(ii), b(i), b(ii), b(iii), b(iv), b(v), b(vi), and c. All 'No' boxes are checked with an 'X'.

N/A

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements. The table is currently empty.

52 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

b If "Yes," complete the following schedule: N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship. The table is currently empty.

Asset No.	Description	Date Acquired	Method	Life	Line No.	Unadjusted Cost Or Basis	Bus % Excl	* Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Current Year Deduction
	MANAGEMENT AND GENERAL											
1	COMPUTER EQUIPMENT	030804	SL	3.00	16	2,274.			2,274.	2,274.		0.
2	COMPUTER EQUIPMENT	030804	SL	3.00	16	2,817.			2,817.	2,817.		0.
3	COMPUTER EQUIPMENT	050306	SL	3.00	16	3,073.			3,073.	1,196.		1,024.
4	COMPUTER EQUIPMENT	063008	SL	3.00	16	1,425.			1,425.			0.
	* 990 PAGE 2 TOTAL											
	MANAGEMENT AND GENERAL					9,589.		0.	9,589.	6,287.	0.	1,024.
	* GRAND TOTAL 990 PAGE											
	2 DEPR					9,589.		0.	9,589.	6,287.	0.	1,024.

FORM 990	OTHER EXPENSES			STATEMENT 1
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
STAFF AND OTHER TRAINING	147,024.	137,580.	9,444.	
OTHER PROFESSIONAL SERVICES	67,301.	24,768.		42,533.
ADVERTISING AND MARKETING	34,371.	28,428.		5,943.
PRC CAREER CENTER START-UP COSTS	14,475.	14,475.		
RECRUITMENT FEE AND PERSONNEL COST	1,021,186.	1,021,186.		
LABOR MARKET SYSTEM OPERATING COSTS	34,500.	34,500.		
MISCELLANEOUS	36,847.	35,238.	1,609.	
CENTER CERTIFICATION INCENTIVE	446.	446.		
OTHER PROGRAM SERVICES	10,000.	10,000.		
PAYROLL SERVICE CHARGES	40,758.	40,758.		
LIABILITY INSURANCE	13,890.		13,890.	
BANK FEE AND FINANCIAL MANAGEMENT FEE	6,045.	5,910.	135.	
SUBSCRIPTION, DUES, AND MEMBERSHIPS	33,659.	176.	33,483.	
ANNUAL REPORT PRODUCTION	6,631.	6,631.		
SPONSORED EVENTS	16,005.	16,005.		
	17,500.	17,500.		
TOTAL TO FM 990, LN 43	1,500,638.	1,393,601.	58,561.	48,476.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 2
PART III

EXPLANATION

THE SKILLSOURCE GROUP, INC. IS A NOT-FOR-PROFIT ORGANIZATION ORGANIZED TO SUPPORT THE WORKFORCE AND ECONOMIC DEVELOPMENT POLICIES AND PROGRAMS DETERMINED BY THE NORTHERN VIRGINIA WORKFORCE INVESTMENT BOARD (NVWIB) AND TO PROMOTE AND IMPLEMENT NVWIB ACTIVITIES IN THE NORTHERN VIRGINIA REGION.

FORM 990 OTHER PROGRAM SERVICES STATEMENT 3

DESCRIPTION OF OTHER PROGRAM SERVICES	GRANTS AND ALLOCATIONS	EXPENSES
PROJECT E.Y.E. & NORTHERN VIRGINIA REGIONAL PARTNERSHIP CONTRIBUTION & N. VIRGINIA CAREER ASSISTANCE LOAN PROGRAM	0.	179,102.
TOTAL TO FORM 990, PART III, LINE E		179,102.

FORM 990 OTHER INVESTMENTS STATEMENT 4

DESCRIPTION	VALUATION METHOD	AMOUNT
RESTRICTED CASH	COST	43,912.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		43,912.

FORM 990 DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 5

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
COMPUTER EQUIPMENT	2,274.	2,274.	0.
COMPUTER EQUIPMENT	2,817.	2,817.	0.
COMPUTER EQUIPMENT	3,073.	2,220.	853.
COMPUTER EQUIPMENT	1,425.	0.	1,425.
TOTAL TO FORM 990, PART IV, LN 57	9,589.	7,311.	2,278.

FORM 990 PART V-A - LIST OF CURRENT OFFICERS, DIRECTORS, TRUSTEES AND KEY EMPLOYEES STATEMENT 6

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE	
			BEN PLAN CONTRIB	EXPENSE ACCOUNT
DAVID A. HUNN 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	PRESIDENT AND CEO 40.00	133,808.	37,696.	0.
JOHN RITZERT, JR. 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	CHAIRMAN 0.10	0.	0.	0.
JANET E. SAMUELSON 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	VICE CHAIRMAN 0.10	0.	0.	0.
MARK R. BIRMINGHAM 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	TREASURER 0.10	0.	0.	0.
TODD R. HOUSE 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
SANG KIM 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
KARLA S. LEAVELLE 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
JOHN E. LENAHAN 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
KATHRYN A. MACLANE 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
THE HONORABLE GERRY CONNOLLY 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
HUEY BATTLE 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.

TODD W. ROWLEY 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
MICHAEL ZEIDERS 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
DAVID MILES 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
HECTOR VELEZ 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
SHIRLEY BAZDAR 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
BARRY GOULDING 8300 BOONE BLVD, STE. 450 VIENNA, VA 22182	DIRECTOR 0.10	0.	0.	0.
TOTALS INCLUDED ON FORM 990, PART V-A		<u>133,808.</u>	<u>37,696.</u>	<u>0.</u>

INSPECTION COPY

Depreciation and Amortization 990
(Including Information on Listed Property)

2007

Department of the Treasury
Internal Revenue Service

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

Attachment
Sequence No. **67**

Name(s) shown on return

Business or activity to which this form relates

Identifying number

THE SKILLSOURCE GROUP, INC.

FORM 990 PAGE 2

30-0129320

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

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	▶ 13	

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

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

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	1,024.

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

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here	▶ <input type="checkbox"/>	

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

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

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

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

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	1,024.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

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

24a Do you have evidence to support the business/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No

Table with 9 columns: (a) Type of property, (b) Date placed in service, (c) Business/investment use percentage, (d) Cost or other basis, (e) Basis for depreciation, (f) Recovery period, (g) Method/Convention, (h) Depreciation deduction, (i) Elected section 179 cost.

25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use 25

26 Property used more than 50% in a qualified business use: Table with 4 columns for percentage breakdown.

27 Property used 50% or less in a qualified business use: Table with 4 columns for percentage breakdown and S/L status.

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 28

29 Add amounts in column (i), line 26. Enter here and on line 7, page 1 29

Section B - Information on Use of Vehicles

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

Table for Section B with 7 main columns: (a) Vehicle, (b) Vehicle, (c) Vehicle, (d) Vehicle, (e) Vehicle, (f) Vehicle. Includes rows 30-36 for mileage and personal use questions.

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

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

Table for Section C with 2 columns: Yes, No. Includes rows 37-41 for policy and demonstration questions.

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

Part VI Amortization

Table for Part VI with 6 columns: (a) Description of costs, (b) Date amortization begins, (c) Amortizable amount, (d) Code section, (e) Amortization period or percentage, (f) Amortization for this year.

42 Amortization of costs that begins during your 2007 tax year: 43

43 Amortization of costs that began before your 2007 tax year 43

44 Total. Add amounts in column (f). See the instructions for where to report 44