

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)

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

A For the 2006 calendar year, or tax year beginning , and ending

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

C Name of organization: Esperanza, Inc.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
4115 Bridge Avenue 108
 City or town, state or country, and ZIP + 4
Cleveland OH 44113

D Employer identification number: 34-1403492

E Telephone number: 216-651-7178

F Accounting method: Cash
 Accrual Other (specify)

G Website: N/A

J Organization type
 (check only one) 501(c) (3) 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.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 498,421

H and are not applicable to section 527 organizations. **I**
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number
M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

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

		1a		1b		1c		1d		1e	
1 Contributions, gifts, grants, and similar amounts received:											
a Contributions to donor advised funds											
b Direct public support (not included on line 1a)				221,285							
c Indirect public support (not included on line 1a)											
d Government contributions (grants) (not included on line 1a)				211,688							
e Total (add lines 1a through 1d) (cash \$ <u>432,973</u> noncash \$ <u> </u>)										432,973	
2 Program service revenue including government fees and contracts (from Part VII, line 93)											
3 Membership dues and assessments											
4 Interest on savings and temporary cash investments										638	
5 Dividends and interest from securities											
6a Gross rents		6a									
b Less: rental expenses		6b									
c Net rental income or (loss). Subtract line 6b from line 6a										6c	
7 Other investment income (describe <u> </u>)										7	
8a Gross amount from sales of assets other than inventory		(A) Securities		(B) Other							
b Less: cost or other basis and sales expenses		8a									
c Gain or (loss) (attach schedule)		8b									
d Net gain or (loss). Combine line 8c, columns (A) and (B)		8c								8d	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>											
a Gross revenue (not including \$ <u>62,130</u> of contributions reported on line 1b) <u>See Worksheet</u>		9a		64,810							
b Less: direct expenses other than fundraising expenses		9b		40,756							
c Net income or (loss) from special events. Subtract line 9b from line 9a										9c	
10a Gross sales of inventory, less returns and allowances		10a									
b Less: cost of goods sold		10b									
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a										10c	
11 Other revenue (from Part VII, line 103)										11	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11										457,665	
13 Program services (from line 44, column (B))										13	
14 Management and general (from line 44, column (C))										389,838	
15 Fundraising (from line 44, column (D))										59,150	
16 Payments to affiliates (attach schedule)										16	
17 Total expenses. Add lines 16 and 44, column (A)										448,988	
18 Excess or (deficit) for the year. Subtract line 17 from line 12										18	
19 Net assets or fund balances at beginning of year (from line 73, column (A))										8,677	
20 Other changes in net assets or fund balances (attach explanation)										20	
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20										217,887	

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a	Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b	Other grants and allocations (attach schedule) Stmt 1 (cash \$ <u>24,035</u> non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	24,035	24,035		
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 (attach schedule) See Statement 2	62,550	50,040	12,510	
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)				
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) (attach schedule)				
26	Salaries and wages of employees not included on lines 25a, b, and c	193,644	168,153	25,491	
27	Pension plan contributions not included on lines 25a, b, and c				
28	Employee benefits not included on lines 25a - 27	16,959	14,587	2,372	
29	Payroll taxes	25,391	21,681	3,710	
30	Professional fundraising fees				
31	Accounting fees	9,148	3,954	5,194	
32	Legal fees				
33	Supplies	12,770	10,972	1,798	
34	Telephone	3,427	2,948	479	
35	Postage and shipping	242	75	167	
36	Occupancy	24,007	20,650	3,357	
37	Equipment rental and maintenance	7,387	6,318	1,069	
38	Printing and publications	219	218	1	
39	Travel	2,930	1,968	962	
40	Conferences, conventions, and meetings				
41	Interest	100	100		
42	Depreciation, depletion, etc. (attach schedule)	2,426	2,084	342	
43	Other expenses not covered above (itemize):				
43a	a See Statement 3	63,753	62,055	1,698	
43b	b				
43c	c				
43d	d				
43e	e				
43f	f				
43g	g				
44	Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	448,988	389,838	59,150	0

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____ ; (ii) the amount allocated to Program services \$ _____ ;
 (iii) the amount allocated to Management and general \$ _____ ; and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See the instructions.)

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

What is the organization's primary exempt purpose?

▶ See Statement 4

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 Scholarships awarded to hispanic students who wish to enroll in college, university or an accredited technical institution.

(Grants and allocations \$ 24,035) If this amount includes foreign grants, check here ▶

40,077

b Stay in School for College and Career Opportunities (SISCO)- 120 students and 25 volunteers participate in this program which includes two in-school tutoring sessions each week and after-school social programs that help the students learn about english, math and citizenship.

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

228,900

c Prime Time education- relates to programs in which Students attend after school programs and in-school tutoring to develop reading and social skills.

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

47,603

d Computer training and other programs

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

73,258

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here ▶

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶

389,838

Part IV Balance Sheets (See the instructions.)

				(A)		(B)	
				Beginning of year		End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.							
Assets	45	Cash-non-interest-bearing		830	45	132,162	
	46	Savings and temporary cash investments		95,531	46		
	47a	Accounts receivable	47a 7,485				
	b	Less: allowance for doubtful accounts	47b	13,785	47c	7,485	
	48a	Pledges receivable	48a				
	b	Less: allowance for doubtful accounts	48b		48c		
	49	Grants receivable		118,300	49	77,610	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)			50a		
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)			50b		
	51a	Other notes and loans receivable (attach schedule)					
	b	Less: allowance for doubtful accounts	51b		51c		
	52	Inventories for sale or use			52		
	53	Prepaid expenses and deferred charges		1,867	53	2,475	
	54a	Investments—publicly-traded securities				54a	
	b	Investments—other securities (attach schedule)				54b	
	55a	Investments-land, buildings, and equipment: basis	55a				
	b	Less: accumulated depreciation (attach schedule)	55b			55c	
	56	Investments-other (attach schedule)			56		
	57a	Land, buildings, and equipment: basis	57a 52,161				
	b	Less: accumulated depreciation (attach schedule) <u>See Statement 5</u>	57b 39,863	5,550	57c	12,298	
58	Other assets, including program-related investments (describe ►			58			
59	Total assets (must equal line 74). Add lines 45 through 58		235,863	59	232,030		
Liabilities	60	Accounts payable and accrued expenses		26,576	60	11,421	
	61	Grants payable			61		
	62	Deferred revenue			62		
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63		
	64a	Tax-exempt bond liabilities (attach schedule)			64a		
	b	Mortgages and other notes payable (attach schedule) <u>See Worksheet</u>		77	64b		
	65	Other liabilities (describe ► <u>See Statement 6</u>			65	2,722	
	66	Total liabilities. Add lines 60 through 65		26,653	66	14,143	
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		106,955	67	159,931	
	68	Temporarily restricted		102,255	68	57,956	
	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)		209,210	73	217,887	
	74	Total liabilities and net assets/fund balances. Add lines 66 and 73		235,863	74	232,030	

Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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		
83a	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 quid pro quo contributions?	X	
84a	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	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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.		
	N/A		
c	Dues, assessments, and similar amounts from members		
	85c		
d	Section 162(e) lobbying and political expenditures		
	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)		
	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		
	N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
	N/A		
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12		
	86a		
b	Gross receipts, included on line 12, for public use of club facilities		
	86b		
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders		
	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
	87b		
88a	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
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0"/> ; section 4912 <input type="text" value="0"/> ; section 4955 <input type="text" value="0"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
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
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
89g			
90a	List the states with which a copy of this return is filed <input type="text" value="OH"/>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	10
91a	The books are in care of <input type="text" value="Barbara Esperon"/> Telephone no. <input type="text" value="216-651-7178"/> <input type="text" value="4115 Bridge Street"/> Located at <input type="text" value="Cleveland, OH"/> ZIP + 4 <input type="text" value="44113"/>		
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)? If "Yes," enter the name of the foreign country <input type="text"/>	Yes	No
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.	91b	X

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 ▶

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**

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
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					638
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events			2	6,493	17,561
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		6,493	18,199
105 Total (add line 104, columns (B), (D), and (E))					24,692

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).
9	
101	Special events promote the programs and encourage communitiy support of the organization

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).

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
		X

	(A) Name, address, of each controlled entity	(B) Employer ID 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
		X

	(A) Name, address, of each controlled entity	(B) Employer ID 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 _____ Date _____	
	Type or print name and title _____	

Paid Preparer's Use Only	Preparer's signature <i>J C Koester, CPA</i>	Date <u>3/05/07</u>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Instr. X) <u>P00561921</u>
	Firm's name (or yours if self-employed), address, and ZIP + 4 <u>Koester, DiSalvo and Fried</u> <u>5587 Turney Road</u> <u>Garfield Hts, OH 44125</u>	EIN <u> </u>	Phone no. <u>216-475-7844</u>	

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

Yes No

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

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

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

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ▶
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 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 Intergrated Type III-Other

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

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

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

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

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

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	424,695	255,036	235,292	192,727	1,107,750
16 Membership fees received					0
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	20,696	44,316	22,297	88,282	175,591
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					0
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
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					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	445,391	299,352	257,589	281,009	1,283,341
24 Line 23 minus line 17	424,695	255,036	235,292	192,727	1,107,750
25 Enter 1% of line 23	4,454	2,994	2,576	2,810	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 22,155
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 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 1,107,750
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶					26d
e Public support (line 26c minus line 26d total) ▶					26e 1,107,750
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 100.0000%
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 (2005) _____ (2004) _____ (2003) _____ (2002) _____					
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 (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c
d Add: Line 27a total _____ and line 27b total _____ ▶					27d
e Public support (line 27c total minus line 27d total) ▶					27e
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e) ▶					27f
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

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

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

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	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.)			
34a	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 10 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
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-			
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	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				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h .)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (Add lines c through h .)			

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

Schedule B
(Form 990, 990-EZ,
or 990-PF)
Department of the Treasury
Internal Revenue Service

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

OMB No. 1545-0047

2006

Name of organization

Employer identification number

Esperanza, Inc.

34-1403492

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

- 501(c)(3) (enter number) organization
- 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
- 527 political organization

Form 990-PF

- 501(c)(3) exempt private foundation
- 4947(a)(1) nonexempt charitable trust treated as a private foundation
- 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (**Note:** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

- For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use exclusively for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use exclusively for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an exclusively religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization Esperanza, Inc.	Employer identification number 34-1403492
---	--

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	United Way Services 1391 Euclid Avenue Cleveland OH 44115	\$ 55,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	City of Cleveland- 601 Lakeside Avenue Cleveland OH 44113	\$ 211,688	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	The Adelphia Foundation C/O Cleveland Foundation Cleveland OH 44115	\$ 20,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	National City Bank 1900 E. 9th Street Cleveland OH 44115	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	KeyBank National Association 800 Superior Avenue Cleveland OH	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	NASA Glenn Research Center 21000 Brook Park Road Cleveland OH 44135	\$ 10,000	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Mortgages and Other Notes Payable

Forms
990 / 990-PF

2006

For calendar year 2006, or tax year beginning , and ending

Name <u>Esperanza, Inc.</u>	Employer Identification Number <u>34-1403492</u>
--------------------------------	---

Form 990, Part IV, Line 64b - Additional Information

Name of lender	Relationship to disqualified person
(1) <u>National City Bank</u>	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) <u>35,000</u>		<u>2/26/06</u>	<u>Monthly Interest only</u>	<u>7.250</u>
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) <u>Unsecured</u>	<u>Working Capital</u>
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1)	<u>77</u>	
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	77	

Federal Statements

Statement 1 - Form 990, Part II, Line 22b - Other Grants and Allocations

	Name Address	Relationship to Org	Class of Activity			
	Date of Gift	Description of Property	Cash Contrib	NonCash Contrib	Book Value	BV Explantrn
25 Students				Tuition Scholarship		
			\$ 24,035	\$	\$	
Total			\$ 24,035	\$ 0	\$ 0	

Statement 2 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
Expenses	\$	\$	\$
Barbara Esperon Compensation	50,040	12,510	
Total	\$ 50,040	\$ 12,510	\$ 0

Federal Statements**Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
Expenses	\$	\$	\$	\$
Insurance	4,235	3,643	592	
Miscellaneous	2,587	2,229	358	
Dues	685	683	2	
Special assistance	42,965	42,219	746	
Consulting	13,281	13,281		
Total	<u>\$ 63,753</u>	<u>\$ 62,055</u>	<u>\$ 1,698</u>	<u>\$ 0</u>

Statement 4 - Form 990, Part III - Organization's Primary Exempt Purpose

Esperanza, Inc. provides programs to hispanic individuals in the greater Cleveland area. These programs focus on character building, love of learning and development of positive social support

Statement 5 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
Furniture	\$ 12,509	\$	\$ 18,106	\$
Office and computer equipment	30,480		34,055	
Accum depr- Furniture		37,439		39,863
Total	<u>\$ 42,989</u>	<u>\$ 37,439</u>	<u>\$ 52,161</u>	<u>\$ 39,863</u>

Statement 6 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
Tax-Workers' Comp.	\$	\$
Payables-other		1,553
Payroll taxes		1,169
Total	<u>\$ 0</u>	<u>\$ 2,722</u>

Federal Statements

Statement 7 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
Carlos Chinchilla 6197 Brighton Drive North Olmsted OH 44070	Treasurer	5	0	0	0
Ocsar Vazquez 17255 Willow Wood Drive Strongsville OH 44136	President	5	0	0	0
Nicole Velez 3900 Euclid Avenue Cleveland OH 44115	Trustee	1	0	0	0
Jose A. Torres 3604 West Blvd. Cleveland OH 44111	Trustee	1	0	0	0
Gamalier Sturgis 2156 West Blvd Cleveland OH 44102	Trustee	1	0	0	0
Danny Vazquez 3317 West 120th Street Cleveland OH 44113	Trustee	1	0	0	0
Javier A. Pacheco 925 Euclid Ave. #1700 Cleveland OH 44115	2nd Vice P.	5	0	0	0
Victor Ruiz 3741 West Park Cleveland OH 44111	Trustee	1	0	0	0
Felicia Soto 35423 Emory Drive Avon OH 44011	Vice Pres.	5	0	0	0

Federal Statements

Statement 7 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
Oscar Vazquez, Jr. 17255 Willow Wood Drive Strongsville OH 44136	Trustee	1	0	0	0
Edgar Deutsch 161 Crocker Park Blvd, Suite 209D Westlake OH 44145	Secretary	5	0	0	0
Emiliano Cortez 2541 W. 38th Street Lorain OH 44053	Trustee	1	0	0	0
Gabriel A. Ortiz 56 Clearwater Drive Brunswick OH 44212	Trustee	1	0	0	0
Maria C. Moyano 2563 N. Moreland Blvd, C-9 Shaker Hts OH 44120	Trustee	1	0	0	0
Alfredo Posada 9836 Pleasant Lake Blvd, Apt U-24 Parma OH 44130	Trustee	1	0	0	0
Tiffany Wilburn 14517 Lake Ave. Lakewood OH 44107	Trustee	1	0	0	0
Manuel Dominguez 5908 West Breezeway Drive North Ridgeville OH 44039	Trustee	1	0	0	0
Alvin Serrano 6917 Greenleaf Ave. Parma Heights OH 44130	Trustee	1	0	0	0

Federal Statements**Statement 7 - Form 990, Part V-A - List of Officers, Directors, Trustees, and Key Employees (continued)**

<u>Name and Address</u>	<u>Title</u>	<u>Average Hours</u>	<u>Compensation</u>	<u>Benefits</u>	<u>Expenses</u>
Barbara Esperon 2506 E. 126 Street Cleveland OH 44120	Ex. Director	40	62,550	3,860	0



STATE OF OHIO
 OFFICE OF THE ATTORNEY GENERAL
 JIM PETRO, ATTORNEY GENERAL

Charitable Law
 150 E. Gay St., 23rd Floor
 Columbus, OH 43215-3430

Telephone: (614) 466-3180
 Facsimile: (614) 466-9788
 www.og.state.oh.us

VERIFICATION OF FILING WITH THE INTERNAL REVENUE SERVICE

This form is to be completed by 501(c)(3) non-profit organizations, located in Ohio, that file one of the federal tax forms listed below. NOTE: This form should be filed in lieu of a copy of the federal tax return. Do not submit the federal return with this form.

I hereby certify that I am a trustee or officer of

Esperanza, INC.
 (Name of Organization as filed with the Attorney General's Office)

4115 Bridge Avenue Cleveland 44113
 Charity Street Address City Zip Code

34-1403492 _____
 (Federal Employer Identification Number) (State Charter Number if applicable)

and that the above named organization completed and filed: (check one of the following)

Form 990 Form 990-PF Form 990-EZ

required by the Internal Revenue Service for the: (check and complete one of the following)

calendar year 2006
 _____ tax year beginning _____, 2____, and ending _____, 2____

and that such filing occurred on _____
 (Filing Date)

Did the organization request a federal extension of time to file this report? Y N

If yes, what was the extended due date? _____
 (Federal Extended Due Date)

For fee purposes, please indicate the fair market value of assets at year end \$ 232,030

 Name of Trustee/Officer (Please Print)

 Telephone number

 Signature of Trustee/Officer

OFFICE USE ONLY
 FILING FEE PAID

 Trustee/Officer Title

Amount _____

 Date

Date _____

Check # _____

 E-mail Address of Charitable Organization

VPFRS.4/Revised 3/05