

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

For calendar year 2005 or other tax year beginning \_\_\_\_\_, 2005,  
and ending \_\_\_\_\_, \_\_\_\_\_

**2005**

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under Section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type	Name of organization ( <input type="checkbox"/> check box if name changed and see instructions.) <b>Shelburne Falls Trolley Museum, Inc.</b> Number, street, and room or suite number (If a P.O. box, see instructions.) <b>14 Depot St., P.O. Box 272</b> City or town State ZIP code <b>Shelburne Falls MA 01370-0272</b>	<b>D</b> Employer identification number (Employees' trust, see instructions for Block D.) <b>04-3133373</b>  <b>E</b> New unrelated business activity codes (See instructions for Block E.) <b>531120</b>
<b>C</b> Book value of all assets at end of year <b>421,774.</b>	<b>F</b> Group exemption number (see instructions for Block F) .. ▶  <b>G</b> Check organization type .... ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

**H** Describe the organization's primary unrelated business activity.  
▶ **Non residential real estate rental**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? .... ▶  Yes  No  
If 'Yes,' enter the name and identifying number of the parent corporation .... ▶

**J** The books are in care of ▶ **Peter Johnson** Telephone number ▶ **(413) 625-9206**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales ...			
b Less returns and allowances ... c Balance ▶			
2 Cost of goods sold (Schedule A, line 7) .....			
3 Gross profit. Subtract line 2 from line 1c .....			
4 a Capital gain net income (attach Schedule D) .....			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) .....			
c Capital loss deduction for trusts .....			
5 Income (loss) from partnerships and S corporations (attach statement) .....			
6 Rent income (Schedule C) .....			
7 Unrelated debt-financed income (Schedule E) .....	3,069.	1,852.	1,217.
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F) .....			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G) ...			
10 Exploited exempt activity income (Schedule I) .....			
11 Advertising income (Schedule J) .....			
12 Other income (see instructions - attach schedule)			
13 Total. Combine lines 3 through 12 .....	3,069.	1,852.	1,217.

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K) .....			
15 Salaries and wages .....			
16 Repairs and maintenance .....			
17 Bad debts .....			
18 Interest (attach schedule) .....			
19 Taxes and licenses .....			
20 Charitable contributions (see instructions for limitation rules) .....			
21 Depreciation (attach Form 4562) .....	21		
22 Less depreciation claimed on Schedule A and elsewhere on return .....	22a		
23 Depletion .....			
24 Contributions to deferred compensation plans .....			
25 Employee benefit programs .....			
26 Excess exempt expenses (Schedule I) .....			
27 Excess readership costs (Schedule J) .....			
28 Other deductions (attach schedule) .....			
29 Total deductions. Add lines 14 through 28 .....			
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13 .....			1,217.
31 Net operating loss deduction (limited to the amount on line 30) .....			471.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30 .....			746.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) .....			
34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32 .....			746.

**Part III Tax Computation**

35 Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) – check here <input type="checkbox"/> . See instructions and: a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) ..... \$ _____ (2) Additional 3% tax (not more than \$100,000) ..... \$ _____ c Income tax on the amount on line 34 ..... ▶		35c	112.
36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ..... ▶		36	
37 Proxy tax. See instructions ..... ▶		37	
38 Alternative minimum tax ..... ▶		38	
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies ..... ▶		39	112.

**Part IV Tax and Payments**

40a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) ....	40a		
b Other credits (See instructions) .....	40b		
c General business credit – Check here and indicate which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form(s) (specify) ▶ .....	40c		
d Credit for prior year minimum tax (attach Form 8801 or 8827) .....	40d		
e Total credits. Add lines 40a through 40d .....	40e		
41 Subtract line 40e from line 39 .....	41		112.
42 Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 .. <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule) .....	42		
43 Total tax. Add lines 41 and 42 .....	43		112.
44a Payments: A 2004 overpayment credited to 2005 .....	44a		
b 2005 estimated tax payments .....	44b		
c Tax deposited with Form 8868 .....	44c		
d Foreign organizations – Tax paid or withheld at source (see instructions) .....	44d		
e Backup withholding (see instructions) .....	44e		
f Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ... ▶	44f		
45 Total payments. Add lines 44a through 44f .....	45		
46 Estimated tax penalty (See instructions). Check <input type="checkbox"/> if Form 2220 is attached .....	46		
47 Tax due. If line 45 is less than the total of lines 43 and 46, enter amount owed ..... ▶	47		112.
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ..... ▶	48		
49 Enter the amount of line 48 you want: Credited to 2006 estimated tax ▶   Refunded ▶	49		

**Part V Statements Regarding Certain Activities and Other Information** (See instructions.)

1 At any time during the 2005 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)? .....	Yes	No
If 'Yes,' the organization may have to file Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country here ▶ _____		X
2 During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? .... If 'Yes,' see the instructions for other forms the organization may have to file.		X
3 Enter the amount of tax-exempt interest received or accrued during the tax year . ▶ \$		

**Schedule A – Cost of Goods Sold** – Enter method of inventory valuation ▶

1 Inventory at beginning of year .....	1		6 Inventory at end of year .....	6	
2 Purchases .....	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and on Part I, line 2 .....	7	
3 Cost of labor .....	3				
4a Additional section 263A costs (attach schedule) .....	4a				Yes No
b Other costs (attach sch) .....	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....		
5 Total. Add lines 1 through 4b .....	5				

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer: *Mitzy Wiley O'Neil* Date: *8/14/06* Title: *Treasurer*

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Preparer's Information:**  
 Preparer's signature: *Jonathan F. George Sr CPA* Date: 08/13/06  
 Firm's name (or yours if self-employed), address, and ZIP code: Jonathan F. George Sr CPA CFP, 89 Main St., Shelburne Falls MA 01370  
 Check if self-employed:  Preparer's SSN or PTIN: P00189409  
 EIN: 04-3526236 Phone no.: (413) 625-9593

**Schedule C – Rent Income (From Real Property and Personal Property Leased with Real Property)** (see instructions)

1 Description of property		2 Rent received or accrued		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	(1)	(2)	
(1)				
(2)				
(3)				
(4)				
Total		Total		
Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶				Total deductions. Enter here and on page 1, Part I, line 6, column (B) . . . ▶

**Schedule E – Unrelated Debt-Financed Income** (see instructions)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)					
(1) Office space @ 14 Depot St, Shelburne, MA	4,438.	382.	2,296.					
(2)								
(3)								
(4)								
(1) 15,731.	22,751.	69.1442 %	3,069.	1,852.				
(2)		%						
(3)		%						
(4)		%						
Totals . . . . . ▶		Enter here and on page 1, Part I, line 7, column (A)		Enter here and on page 1, Part I, line 7, column (B)		3,069.		1,852.
Total dividends-received deductions included in column 8 . . . . . ▶								

**Schedule F – Interest, Annuities, Royalties, and Rents from Controlled Organizations** (see instructions)

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations				6 Deductions directly connected with income in column 5
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income		
(1)						
(2)						
(3)						
(4)						
Nonexempt Controlled Organizations						
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10		
(1)						
(2)						
(3)						
(4)						
Totals . . . . . ▶			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, part I, line 8, column (B).		

**Schedule G – Investment Income of a Section 501(c)(7), (9), or (17) Organization** (See instructions.)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
<b>Totals</b> .....	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

**Schedule I – Exploited Exempt Activity Income, Other Than Advertising Income** (See instructions.)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> .....	Enter here and on page 1, Part I, line 10, column (A).	Enter here and on page 1, Part I, line 10, column (B).				Enter here and on page 1, Part II, line 26.

**Schedule J – Advertising Income** (See instructions.)

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
<b>Totals</b> (carry to Part II, line (5)) .....						

**Part II Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

(1)						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b> .....						
<b>Totals</b> , Part II (lines 1-5) .....	Enter here and on page 1, Part I, line 11, column (A).	Enter here and on page 1, Part I, line 11, column (B).				Enter here and on page 1, Part II, line 27.

**Schedule K – Compensation of Officers, Directors, and Trustees** (See instructions.)

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

**Total** – Enter here and on page 1, Part II, line 14 .....

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

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

Name(s) shown on return

**Shelburne Falls Trolley Museum, Inc.**

Identifying number

**04-3133373**

Business or activity to which this form relates

**Form 990 / Form 990EZ**

**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	\$105,000.
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	\$420,000.
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 2004 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	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 2006. 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.) (See instructions.)**

14	Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property (other than listed property) placed in service during the tax year (see instrs)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

**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 2005	17	3,696.
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 2005 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 2005 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	86.
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 instructions	22	3,782.
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

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost	
25 Special allowance for certain aircraft, certain property with a long production period, and qualified New York Liberty or GO Zone property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) . . . . .						25			
26 Property used more than 50% in a qualified business use:									
Crane Truck	02/15/99	100.00	1,500.	1,500.	5.00	200DB/HY	0.		
American Flyer Truck	02/15/99	100.00	500.	500.	5.00	200DB/HY	0.		
Truck	03/20/00	100.00	1,500.	1,500.	5.00	200DB/HY	86.		
27 Property used 50% or less in a qualified business use:									
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1 . . . . .							28	86.	
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.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles) . . . . .												
31 Total commuting miles driven during the year . . . . .												
32 Total other personal (noncommuting) miles driven . . . . .												
33 Total miles driven during the year. Add lines 30 through 32 . . . . .												
34 Was the vehicle available for personal use during off-duty hours? . . . . .												
35 Was the vehicle used primarily by a more than 5% owner or related person? . . . . .												
36 Is another vehicle available for personal use? . . . . .												

**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 (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners . . . . .		
39 Do you treat all use of vehicles by employees as personal use? . . . . .		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received? . . . . .		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions) . . . . .		

**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**

(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 2005 tax year (see instructions):					
43 Amortization of costs that began before your 2005 tax year . . . . .					43
44 Total. Add amounts in column (f). See instructions for where to report . . . . .					44

Form 990, Page 5, Part V-A

**List of Officers, Etc. Statement**

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
Margaret Eggert 48 W Hawley Rd Hawley, MA 01339	Director 1	0.	0.	0.
Lawrence Werner 34 Johnson Rd Shelburne Falls, MA 01370	Vice Chr 5	0.	0.	0.
Michael Kotarba 429 River Dr Hadley, MA 01035	Director 1	0.	0.	0.
Norman Thidemann 312 Adams Rd Greenfield, MA 01301	Director 1	0.	0.	0.
Betsy Wholey P O Box 362 Charlemont, MA 01339	Director 1	0.	0.	0.
Harvey Allen 979 South East Street Amherst, MA 01002	Director 1	0.	0.	0.

Form 990, Page 1, Part I, Line 9

**Special Events and Activities Statement**

List of Three Largest Events and Type and Number of Others	Gross Receipts	Less Contributions	Gross Revenue	Less Direct Expenses	Net Income (Loss)
Festival events	1,417.	0.	1,417.	512.	905.
Total	<u>1,417.</u>	<u>0.</u>	<u>1,417.</u>	<u>512.</u>	<u>905.</u>

Form 990, Page 1, Part I, Line 10

**Gross Sales of Inventory Statement**

Description	Gross Sales Less: Returns and Allowances	Less: Cost of Goods Sold	Gross Profit (Loss)
Gift shop revenue	4,621.	2,123.	2,498.
Ticket sales	4,570.	0.	4,570.
Total	<u>9,191.</u>	<u>2,123.</u>	<u>7,068.</u>

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Form 990, Page 4, Part IV, Lines 57a & 57b  
**Land, Buildings and Equipment Statement**

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	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
Buildings	106,491.	3,982.	102,509.
Building improvements	25,456.	5,578.	19,878.
Equipment	7,000.	6,532.	468.
Land	60,000.	0.	60,000.
Total	<u>198,947.</u>	<u>16,092.</u>	<u>182,855.</u>

## Supporting Statement of:

Form 990-T, p1/Line 31

Description	Amount
Net operating loss carry forward from 2004	471.
Total	<u>471.</u>

## Supporting Statement of:

Form 990-T, p3/Schedule E, Column 3a-1

Description	Amount
Depreciation of building & yard	2,731.
Less amount not related to rental activity (86%)	-2,349.
Total	<u>382.</u>

## Supporting Statement of:

Form 990-T, p3/Schedule E, Column 3b-1

Description	Amount
Insurance	6,461.
Security	469.
Electricity	1,857.
Water & Sewer	163.
Property tax	2,482.
Mortgage interest	4,966.
Less amount not related to rental activity (86%)	-14,102.
Total	<u>2,296.</u>