

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

**2006**

Department of the Treasury  
Internal Revenue Service

For calendar year 2006 or other tax year beginning 07/01, 2006, and ending 06/30, 2007 See separate instructions.

Open to Public Inspection for 501(c)(3) Organizations Only

A  Check box if address changed

Name of organization (  Check box if name changed and see instructions.)

D Employer identification number (Employees' trust, see instructions for Block D on page 9.)

B Exempt under section

501(C)(3)  220(e)  530(a)  529(a)

Print or Type

**DUCKS UNLIMITED, INC.**

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.

**13-5643799**

**ONE WATERFOWL WAY**

City or town, state, and ZIP code

E Unrelated business activity codes (See instructions for Block E on page 9.)

**MEMPHIS, TN 38120**

**511120 541800**

C Book value of all assets at end of year

**88,485,936.**

F Group exemption number (See instructions for Block F on page 9.)

G Check organization type  501(c) corporation  501(c) trust  401(a) trust  Other trust

H Describe the organization's primary unrelated business activity. **MAGAZINE ADVERTISING**

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 **RANDY L. GRAVES** Telephone number **901.758.3825**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales			
b	Less returns and allowances			
1 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)			
4 b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
4 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)			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)	3,295,086.	1,954,742.	1,340,344.
12	Other income (See page 11 of the instructions; attach schedule.)			
13	Total. Combine lines 3 through 12.	3,295,086.	1,954,742.	1,340,344.

Part II Deductions Not Taken Elsewhere (See page 12 of the 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)	14	NONE
15	Salaries and wages	15	
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule)	18	
19	Taxes and licenses	19	
20	Charitable contributions (See page 14 of the instructions for limitation rules.)	20	
21	Depreciation (attach Form 4562)	21	NONE
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	NONE
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	1,340,344.
28	Other deductions (attach schedule)	28	
29	Total deductions. Add lines 14 through 28	29	1,340,344.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	
31	Net operating loss deduction (limited to the amount on line 30)	31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	
33	Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)	33	1,000.
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	34	

Part III Tax Computation

35 Organizations Taxable as Corporations. See instructions for tax computation on page 15.
Controlled group members (sections 1561 and 1563) check here [ ] 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 NONE
36 Trusts Taxable at Trust Rates. See instructions for tax computation on page 16. Income tax on
the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) 36
37 Proxy tax. See page 16 of the instructions 37
38 Alternative minimum tax 38
39 Total. Add lines 37 and 38 to line 35c or 36, whichever applies 39 NONE

Part IV Tax and Payments

40 a Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) 40a
b Other credits (see page 17 of the instructions) 40b
c General business credit. Check here and indicate which forms are attached:
[ ] Form 3800 [ ] 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 NONE
42 Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8897 [ ] Form 8868 [ ] Other (attach schedule) 42
43 Total tax. Add lines 41 and 42 43 NONE
44 a Payments: A 2005 overpayment credited to 2006 44a
b 2006 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 Credit for federal telephone excise tax paid (attach Form 8913) 44f
g Other credits and payments: [ ] Form 4136 [ ] Form 2439 [ ] Other Total 44g
45 Total payments. Add lines 44a through 44g 45
46 Estimated tax penalty (see page 4 of the instructions). Check 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 NONE
48 Overpayment. If line 45 is larger than the total of lines 43 and 46, enter amount overpaid 48 NONE
49 Enter the amount of line 48 you want: Credited to 2007 estimated tax [ ] Refunded [ ] 49 NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

1 At any time during the 2006 calendar year, did the organization have an interest in or a signature or other authority
over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file
Form TD F 90-22.1. If YES, enter the name of the foreign country here [ ] Yes [ ] No 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 page 5 of the instructions for other forms the organization may have to file. [ ] Yes [ ] No 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
2 Purchases 2
3 Cost of labor 3
4 a Additional section 263A costs (attach schedule) 4a
b Other costs (attach schedule) 4b
5 Total. Add lines 1 through 4b 5
6 Inventory at end of year 6
7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2. 7
8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? [ ] Yes [ ] No X

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.

Sign Here [ ] Signature of officer [ ] Date [ ] Title [ ]
May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Paid Preparer's Use Only
Preparer's signature [ ] Date [ ] Check if self-employed [ ] Preparer's SSN or PTIN P00524888
Firm's name (or yours if self-employed), address, and ZIP code KPMG LLP 50 NORTH FRONT STREET, SUITE 900 MEMPHIS, TN 38103
EIN 13-5565207 Phone no. 901-523-3131

**Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)**  
(see instructions on page 20)

**1 Description of property**

(1)
(2)
(3)
(4)

**2 Rent received or accrued**

(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)	3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
<b>Total</b>	<b>Total</b>	

**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 on page 20)**

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	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
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))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> . . . . . ▶			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
<b>Total dividends-received deductions</b> included in column 8 . . . . . ▶				

**Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 21)**

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		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	6 Deductions directly connected with income in column 5
(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)				
<b>Totals</b> . . . . . ▶			Add columns 9 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 9 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 on page 22)

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 (col. 3 plus col. 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 on page 22)

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 cols. 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, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).			Enter here and on page 1, Part II, line 26.

**Schedule J - Advertising Income** (see instructions on page 23)

**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) (col. 2 minus col. 3). If a gain, compute cols. 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) STMT 1	3,295,086.	1,954,742.	1,340,344.	497,735.	3,106,959.	1,340,344.
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b>						
<b>Totals, Part II</b> (lines 1-5). . . . . ▶	Enter here and on page 1, Part I, line 11, col. (A). 3,295,086.	Enter here and on page 1, Part I, line 11, col. (B). 1,954,742.				Enter here and on page 1, Part II, line 27. 1,340,344.

**Schedule K - Compensation of Officers, Directors, and Trustees** (see instructions on page 23)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
STMT 2			%
			%
			%
			%
<b>Total.</b> Enter here and on page 1, Part II, line 14 . . . . . ▶			NONE

SCHEDULE J - PART II, ADVERTISING INCOME REPORTED ON A SEPARATE BASIS

1. NAME OF PERIODICAL	2. GROSS ADVERTISING INCOME	3. DIRECT ADVERTISING COSTS	4. ADVERTISING GAIN OR LOSS	5. CIRCULATION INCOME	6. READERSHIP COSTS	7. EXCESS READERSHIP COSTS
DJ MAGAZINE	3,295,086.	1,954,742.	1,340,344.	497,735.	3,106,959.	1,340,344.
COLUMN TOTALS	3,295,086.	1,954,742.	1,340,344.	497,735.	3,106,959.	1,340,344.

List of Officers, Directors, Trustees, and Key Employees

Name	Address	Title	Compensation
James Hulbert	Longview, WA	Chairman	None
Don A. Young	Memphis, TN	Executive Vice President	None
Bruce Lewis	Natchez, MS	President	None
Randy L. Graves	Memphis, TN	CFO/ Assistant Treasurer	None
Stephen C. Reynolds	Memphis, TN	Secretary	None
John W. Newman	Covington, LA	Treasurer	None
James C. West	Memphis, TN	Executive Secretary	None
John R. Pope	Jacksonville, FL	1st Vice President	None
Benjamin K. Campbell	Newton, MA	Assistant Treasurer	None
Stanley C. Huner	Vestavia Hills, AL	Assistant Treasurer	None
Richard S. Johnson	Richmond, VA	Assistant Treasurer	None
Peter Kingman	Las Vegas, NV	Assistant Treasurer	None
William Ansell	Galveston, TX	Assistant Treasurer	None
James R. Sowers	Rolla, MO	Assistant Treasurer	None
James C. Kennedy	Atlanta, GA	President, Wetlands America Trust, Inc.	None
Mike Panos	Maywood, NJ	Senior Vice President, Great Lakes/Atlantic Region	None
Lon Knoedler	Kenosha, WI	Senior Vice President, Great Lakes Region	None
Jack Moss	Raymond, MS	Senior Vice President, Southern Mississippi Region	None
Luke Laborde	Cary, NC	Senior Vice President, South Eastern Region	None
Paul Rabstin	Boise, ID	Senior Vice President, Great Plains Region	None
Steve Dey	Waterville, OH	Senior Vice President, Great Plains Region	None
Ken Durdahl	Howard Lake, MN	Senior Vice President, Great Plains Region	None
Steve Marasovich, Jr.	Fabens, TX	Senior Vice President, Southern/Central Region	None
Thomas H. (Tom) Jones	Salem, OR	Senior Vice President, North Pacific Region	None
Doug Burch	Neosho, MO	Senior Vice President, Central Region	None
Robert Berg	Longville, MN	Senior Vice President, Conservation Programs	None
A. Kel Long, III	Atlanta, GA	Senior Vice President, Development	None
Rogers Hoyt, Jr.	Uvalde, TX	Senior Vice President, Event Management/National Events	None
Doug Schoenrock	Fayetteville, TN	Senior Vice President, Corporate Relations	None
Jared Brown	Clearwater, FL	Senior Vice President, Marketing/Communications	None
Sandra Beitzel	Manitowoc, WI	Senior Vice President, Membership	None
John R. Pope	Jacksonville, FL	Senior Vice President, Growth & Innovation	None
Carla Hopp	Newberg, OR	Senior Vice President, Youth & Education	None
Paul Bonderson	Sonol, CA	Regional Vice President, Region 1	None
Roy Christopherson	Bremerton, WA	Regional Vice President, Region 1	None
Bruce Posey	Billings, MT	Regional Vice President, Region 2	None
Rick Berg	Watertown, SD	Regional Vice President, Region 3	None
Bill Townsend	Oklahoma City, OK	Regional Vice President, Region 4	None
Bruce Deadman	Denmark, WI	Regional Vice President, Region 5	None
Keith Holland	Lake Mills, IA	Regional Vice President, Region 6	None
H. J. Elizondo	West Monroe, LA	Regional Vice President, Region 7	None
B. J. Foster	Ewart, MI	Regional Vice President, Region 8	None
John Cushman	Mattituck, NY	Regional Vice President, Region 9	None
Peter T. MacGaffin	Bear, DE	Regional Vice President, Region 9	None
Monty Lewis	Thomasville, GA	Regional Vice President, Region 10	None
Bill Aldinger	Vadnais, MN	At-Large Member of the Board of Directors	None
Ron Bartels	Schriever, LA	At-Large Member of the Board of Directors	None
Mike Benge	New Orleans, LA	At-Large Member of the Board of Directors	None
Brad Billingsly	Denver, CO	At-Large Member of the Board of Directors	None
Gary Burrus, Jr.	Robinsonville, MS	At-Large Member of the Board of Directors	None
David Blakemore	Campbell, MO	At-Large Member of the Board of Directors	None
Steve Cook	Malvern, AR	At-Large Member of the Board of Directors	None
Jimmy Flynn	Troy, MI	At-Large Member of the Board of Directors	None
Terry Fuchs	Metamora, IL	At-Large Member of the Board of Directors	None
Lloyd Goode	Raleigh, NC	At-Large Member of the Board of Directors	None
Gene M. Henry	McFarland, WI	At-Large Member of the Board of Directors	None
Allan Hopp	Newberg, OR	At-Large Member of the Board of Directors	None
James Koukel	Cape Elizabeth, ME	At-Large Member of the Board of Directors	None
L.J. Mayeux, Jr. M.D.	Marksville, LA	At-Large Member of the Board of Directors	None
Ronal Roberson	Charleston, MS	At-Large Member of the Board of Directors	None
Clay Rogers	Omaha, NB	At-Large Member of the Board of Directors	None
Kyle Swanson	Winnetonka, NY	At-Large Member of the Board of Directors	None
Nora Taylor	Burns, OR	At-Large Member of the Board of Directors	None
Julius Wall	Clinton, MO	At-Large Member of the Board of Directors	None
Stephen Whitley	Amiston, AL	At-Large Member of the Board of Directors	None
John Tomke	Carmel, IN	President, DUMAC	None
C. Neil Downey	Calgary, Alberta, Canada	Board of Director	None
Peter D. Carton	Regina, Saskatchewan, Canada	Board of Director	None