

Form **990**Department of the Treasury
Internal Revenue Service**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.

OMB No 1545-0047

2005Open to Public
Inspection**A** For the 2005 calendar year, or tax year beginning , and ending**B** Check if applicable:☐ Address change☐ Name change☐ Initial return☐ Final return☐ Amended return☐ Application pendingPlease
use IRS
label or
print or
type.
See
Specific
Instruc-
tions.**C** Name of organization**THE WAY TO HAPPINESS FOUNDATION INT**

Number and street (or P O box if mail is not delivered to street address)

201 E. BROADWAY

Room/suite

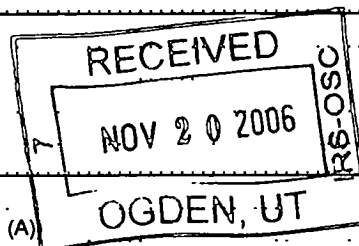
City or town, state or country, and ZIP + 4

GLENDALE**CA 91205****D** Employer identification no**95-3937092****E** Telephone number**818-254-0600****F** Accounting method: ☐ Cash☒ Accrual ☐ Other (specify)

■ Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and **I** are not applicable to section 527 organizations**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶ **N/A** ☐ Yes ☐ No**H(c)** Are all affiliates included? **N/A** ☐ Yes ☐ No
(If "No," attach a list See instr)**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)**G** Website: ▶ **WWW.TWTH.ORG****J** Organization type(check only one) ☒ 501(c) (**3**) (insert no) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. Some states require a complete return.**L** Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **1,154,906****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)**

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	567,458		
b	Indirect public support	1b	111,425		
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 464,603 noncash \$ 214,280)			1d	678,883
2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	80,901
3	Membership dues and assessments			3	
4	Interest on savings and temporary cash investments			4	
5	Dividends and interest from securities			5	
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)			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	22,500		
c	Gain or (loss) (attach schedule)	8b	73,809		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8c	-51,309	8d	-51,309
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a	25,960		
b	Less direct expenses other than fundraising expenses	9b	4,677		
c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	21,283
10a	Gross sales of inventory, less returns and allowances	10a	341,112		
b	Less cost of goods sold	10b	108,098		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	233,014
11	Other revenue (from Part VII, line 103)			11	5,550
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	968,322
13	Program services (from line 44, column (B))			13	739,223
14	Management and general (from line 44, column (C))			14	190,800
15	Fundraising (from line 44, column (D))			15	65,160
16	Payments to affiliates (attach schedule)			16	
17	Total expenses (add lines 16 and 44, column (A))			17	995,183
18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	-26,861
19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	912,211
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)			21	885,350



6157 19

Part II Statement of

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)

Functional Expenses

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
22 Grants and allocations (attach schedule) STMT 3 (cash \$ 87,134 non-cash \$) If this amount includes foreign grants, check here <input type="checkbox"/>	22 87,134	87,134		
23 Specific assistance to individuals (attach schedule) <input type="checkbox"/>	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 44,673	26,804	13,402	4,467
26 Other salaries and wages	26 200,271	124,395	62,949	12,927
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29 25,135	15,513	7,837	1,785
30 Professional fundraising fees	30			
31 Accounting fees	31 9,556		9,556	
32 Legal fees	32 3,067		3,067	
33 Supplies	33 17,208	10,621	5,365	1,222
34 Telephone	34 13,822	8,855	4,046	921
35 Postage and shipping	35 37,175	37,147	28	
36 Occupancy	36 31,863	19,582	10,028	2,253
37 Equipment rental and maintenance	37 31,974	24,984	5,740	1,250
38 Printing and publications	38 118,756	116,600	794	1,362
39 Travel	39 6,444	4,574	816	1,054
40 Conferences, conventions, and meetings	40			
41 Interest	41 3,152	1,945	983	224
42 Depreciation, depletion, etc (attach schedule)	42 159,457	98,417	49,719	11,321
43 Other expenses not covered above (itemize) a SEE STATEMENT 4 b c d e f g	43a 205,496 43b 43c 43d 43e 43f 43g	162,652 	16,470 	26,374
44 Total functional expenses. Add lines 22 through 43 (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 995,183	739,223	190,800	65,160

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?

► **TO PROMOTE COMMON SENSE MORAL VALUES.**

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) & (4) orgs., & 4947(a)(1) trusts, but optional for others.)

a **DISTRIBUTING THE WAY TO HAPPINESS BOOKLET**
SEE STATEMENT 9.

(Grants and allocations \$ **87,134**)

If this amount includes foreign grants, check here ► ☐

548,897

b **SERVICES USING THE BOOKLET "THE WAY TO HAPPINESS".**
SEE STATEMENT 10.

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

34,545

c **PUBLIC CAMPAIGNS TO RAISE AWARENESS REGARDING MORAL VALUES.**
SEE STATEMENT 11.

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

155,781

d

(Grants and allocations \$)

If this amount includes foreign grants, check here ► ☐

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)**

739,223

Form **990** (2005)

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
45	Cash-non-interest-bearing	113,679	45	99,429
46	Savings and temporary cash investments		46	
47a	Accounts receivable	47a		
b	Less allowance for doubtful accounts	47b	47c	
48a	Pledges receivable	48a		
b	Less allowance for doubtful accounts	48b	48c	
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)	51a		
b	Less allowance for doubtful accounts	51b	51c	
52	Inventories for sale or use	31,159	52	60,129
53	Prepaid expenses and deferred charges	1,906	53	6,058
54	Investments-securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
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		
b	Less accumulated depreciation (attach schedule)	57b		
58	Other assets (describe SEE STATEMENT 5)	793,672	57c	848,548
		36,600	58	4,125
59	Total assets (must equal line 74) Add lines 45 through 58	977,016	59	1,018,289
60	Accounts payable and accrued expenses	50,196	60	76,257
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) SEE WORKSHEET	14,609	64b	56,682
65	Other liabilities (describe)		65	
66	Total liabilities. Add lines 60 through 65	64,805	66	132,939
Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines				
67 through 69 and lines 73 and 74.				
67	Unrestricted		67	
68	Temporarily restricted		68	
69	Permanently restricted		69	
Organizations that do not follow SFAS 117, check here <input checked="" 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	912,211	72	885,350
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	912,211	73	885,350
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	977,016	74	1,018,289

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

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

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

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

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contrib to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JONI GINSBERG 201 E. BROADWAY GLENDALE CA 91205	PRES/DIR 40	44,673	0	0
FRANK ZURN 201 E. BROADWAY GLENDALE CA 91205	TRS/DIR 1	0	0	0
CLARK CARR 201 E. BROADWAY GLENDALE CA 91205	SEC/DIR 1	0	0	0
Officers, Directors and Trustees who are also employees are compensated only for their duties as employees, not for their duties as Officers, Directors or Trustees.				

Yes	No
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	Yes	No
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75b	X
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75c	X
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SEE STATEMENT 6

75d	X
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(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column. See the instructions.)

Part VI Other Information (See the instructions.)		Yes	No

	Yes	No
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76		X
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78a	X
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78b		
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79		X
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80a		X
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and check whether it is ☐ exempt or ☐ nonexempt

81b	X
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81b	X
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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?	82a	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?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	N/A
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
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	85b	N/A
c	Dues, assessments, and similar amounts from members	85c	N/A
d	Section 162(e) lobbying and political expenditures	85d	N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	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?	85h	N/A
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	N/A
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88	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	88	X
89a	501(c)(3) organizations Enter: Amount of tax imposed on the organization during the year under: section 4911 0 , section 4912 0 ; section 4955 0		
b	501(c)(3) and 501(c)(4) 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	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed CA		
b	Number of employees employed in the pay period that includes March 12, 2005 (See instructions.)	90b	16
91a	The books are in care of JONI GINSBERG 201 E. BROADWAY Located at GLENDAL, CA	Telephone no 818-254-0600 ZIP + 4 91205	
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)?	91b	X
	If "Yes," enter the name of the foreign country See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c	X
c	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	N/A

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by sec 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 ROYALTY INCOME					80,801
b TRAINING					100
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					
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			18	-51,309	
101 Net income or (loss) from special events			1	21,283	
102 Gross profit or (loss) from sales of inventory					233,014
103 Other revenue: a					
b FUNDRAISING COMMISSIONS			1	5,550	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		-24,476	313,915
105 Total (add line 104, columns (B), (D), and (E))					289,439

Note: Line 105 plus line 1d, 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)
1	SEE STATEMENT 7

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	%			
	%			
	%			
	%			

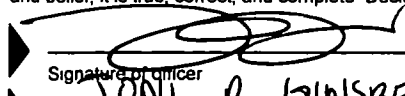
Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (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)

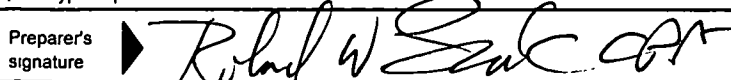
Please Sign Here

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

Signature of officer:  Date: 11/15/06

Type or print name and title: **JONI R. BINSBERG, PRESIDENT**

Paid Preparer's Use Only

Preparer's signature:  Date: 11/15/06 Check if self-employed: ☒ Preparer's SSN or PTIN (See Gen Instr W):

Firm's name (or yours if self-employed), address, and ZIP + 4: **ROLAND W. FINK, CPA**
2441 HONOLULU AVE., SUITE 126
MONTROSE, CA 91020-1847

EIN: Phone no: **818-249-4577**

SCHEDULE A
(Form 990 or 990-EZ)**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(n),
or 4947(a)(1) Nonexempt Charitable Trust

OMB No 1545-0047

2005Department of the Treasury
Internal Revenue Service**Supplementary Information-(See separate instructions.)**▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

THE WAY TO HAPPINESS FOUNDATION INT

Employer identification number

95-3937092**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Comp	(d) Contrib to empl ben plans & deferred comp	(e) Expense account & other allowances
NONE				
Total number of other employees paid over \$50,000 ▶				

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services ▶		

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

Schedule A (Form 990 or 990-EZ) 2005

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

Yes No

- 1** During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)

1

X

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

- 2** During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)

a Sale, exchange, or leasing of property?

2a

X

b Lending of money or other extension of credit?

2b

X

c Furnishing of goods, services, or facilities?

2c

X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? **SEE PART V, FORM 990**

2d

X

e Transfer of any part of its income or assets?

2e

X

- 3a** Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)

3a

X

b Do you have a section 403(b) annuity plan for your employees?

3b

X

c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?

3c

X

- 4a** Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a

X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b

X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

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 supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). Check the box that describes the type of supporting organization ► ☐ Type 1 ☐ Type 2 ☐ Type 3

Provide the following information about the supported organizations. (See page 6 of the instructions.)

(a) Name(s) of supported organization(s)

(b) Line number from above

14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28)	368,822	1,329,650	558,908	516,563	2,773,943
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	398,628	207,062	58,660	76,697	741,047
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. STMT 8	600	159		3,777	4,536
23 Total of lines 15 through 22	768,050	1,536,871	617,568	597,037	3,519,526
24 Line 23 minus line 17	369,422	1,329,809	558,908	520,340	2,778,479
25 Enter 1% of line 23	7,681	15,369	6,176	5,970	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	55,570
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 2001 through 2004 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	62,737
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	2,778,479
d Add Amounts from column (e) for lines 18 22 4,536 19 26b 62,737	26d	67,273
e Public support (line 26c minus line 26d total)	26e	2,711,206
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	97.5788 %

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**

(2004) (2003) (2002) (2001)

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**

(2004) (2003) (2002) (2001)				
c Add Amounts from column (e) for lines 15 16 17 20 21				
d Add Line 27a total and line 27b total				
e Public support (line 27c total minus line 27d total)				
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 2001 through 2004, 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 7 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? If "Yes," please describe; if "No," please explain (If you need more space, attach a separate statement)	31		
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? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b		
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 9 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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred)			
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table-			
If the amount on line 40 is-	The lobbying nontaxable amount is-		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below)

See the instructions for lines 45 through 50 on page 11 of the instructions

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(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 11 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

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines through c h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines through c h.)

Yes	No	Amount
	X	
	X	
	X	0
	X	0
	X	0
	X	0
	X	0
	X	0

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

Forms
990 / 990-PF**Mortgages and Other Notes Payable****2005**

For calendar year 2005, or tax year beginning , and ending

Name

Employer Identification Number

THE WAY TO HAPPINESS FOUNDATION INT**95-3937092****FORM 990, PART IV, LINE 64B - ADDITIONAL INFORMATION**

Name of lender

Relationship to disqualified person

(1)	WELLS FARGO BANK	N/A
(2)	PROFESSIONAL BUSINESS BANK	N/A
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

	Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1)	30,000	2/11/02	2/11/07	\$630.01 MONTHLY	10.000
(2)	49,745	10/13/05	10/17/10	\$993.06 MONTHLY	7.500
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Security provided by borrower

Purpose of loan

(1)	SUBJECT VEHICLE	VEHICLE PURCHASE
(2)	SUBJECT EQUIPMENT	PURCHASE EQUIPMENT
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Consideration furnished by lender

Balance due at
beginning of yearBalance due at
end of year

(1)	\$30,000 CASH	14,609	8,332
(2)	CASH OF \$49,745		48,350
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			
	Totals	14,609	56,682

Form 990 - General Footnote**Description**

NOTE RE SALE OF BOURG BOOKLETMAKING MACHINE AT A LOSS OF \$51,309:
THE MACHINE WAS ACQUIRED BY GIFT ON DECEMBER 31, 2003 AND WAS RECORDED AT
ITS APPRAISED VALUE OF \$100,000 AT THAT TIME. THE MACHINE DID NOT WORK
PROPERLY FOR THE ORGANIZATION'S PURPOSES, AND THE ORGANIZATION SOLD THE
MACHINE IN 2005 AND PURCHASED A DIFFERENT MACHINE.

Form **4562**
(Rev. January 2006)
Department of the Treasury
Internal Revenue Service

Depreciation and Amortization
(Including Information on Listed Property)

OMB No. 1545-0172

2005Attachment
Sequence No **67**

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

Name(s) shown on return

THE WAY TO HAPPINESS FOUNDATION INT

Identifying number

95-3937092

Business or activity to which this form relates

INDIRECT DEPRECIATION**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 instr	5	
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6			
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 instructions)	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 NYL or GO Zone property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	159,457

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	0
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	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr	22	159,457
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	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2005) (Rev. 1-2006)**THERE ARE NO AMOUNTS FOR PAGE 2**

Fixed Assets Report - Form 990

95-3937092

FYE: 12/31/2005

Asset	Date In Service	Property Description	*	Tax Cost	Tax-Meth Conv	Tax Period	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value
Group: Computer & Office Equip										
3	12/31/03	Computers & Office Equipment		194,708	S/L-MO	5.0	38,942	38,942	77,884	116,824
9	1/08/05	Apple iBook		1,902	S/L-MO	5.0	0	380	380	1,522
		Computer & Office Equip		<u>196,610</u>			<u>38,942</u>	<u>39,322</u>	<u>78,264</u>	<u>118,346</u>
Group: Furniture & Equipment										
4	12/31/03	Furniture & equipment		623,821	S/L-MO	7.0	89,117	89,117	178,234	445,587
6	12/31/03	Bourg Booklet Machine	*	100,000	S/L-MO	7.0	14,286	11,905	26,191	73,809
7	9/29/05	SPF20 Bookletmaker		49,745	S/L-MO	7.0	0	1,777	1,777	47,968
8	10/26/05	TM-45 String Tying Machine		2,490	S/L-MO	7.0	0	59	59	2,431
		Furniture & Equipment		<u>776,056</u>			<u>103,403</u>	<u>102,858</u>	<u>206,261</u>	<u>569,795</u>
		*Less: Dispositions		<u>100,000</u>			<u>14,286</u>	<u>0</u>	<u>26,191</u>	<u>73,809</u>
		Net Furniture & Equipment		<u>676,056</u>			<u>89,117</u>	<u>102,858</u>	<u>180,070</u>	<u>495,986</u>
Group: Motor Vehicles										
1	7/01/02	Honda Odyssey		25,816	S/L-MO	5.0	12,908	5,163	18,071	7,745
		Motor Vehicles		<u>25,816</u>			<u>12,908</u>	<u>5,163</u>	<u>18,071</u>	<u>7,745</u>
Group: Software										
2	12/31/03	Software		4,721	S/L-MO	3.0	1,574	1,574	3,148	1,573
5	6/30/04	Software		1,719	S/L-MO	3.0	286	573	859	860
		Software		<u>6,440</u>			<u>1,860</u>	<u>2,147</u>	<u>4,007</u>	<u>2,433</u>
Group: Watercraft										
10	1/01/05	Heritage 37' Sailboat 1978 (Boston)		12,000	200DBMO	10.0	0	2,400	2,400	9,600
11	1/01/05	Heritage 37' Sailboat 1977 (CA)		12,000	200DBMO	10.0	0	2,400	2,400	9,600
12	1/01/05	Lancer 28' Sailboat 1982		6,200	200DBMO	10.0	0	1,240	1,240	4,960
13	1/01/05	Proline 17' Powerboat 1988		200	200DBMO	10.0	0	40	40	160
14	1/01/05	Seafarer 31' Sailboat 1968		800	200DBMO	10.0	0	160	160	640
15	1/01/05	Santana 27' Sailboat 1970		1,000	200DBMO	10.0	0	200	200	800
16	6/30/05	Pearson Ariel 26' Sailboat 1964		500	200DBMO	10.0	0	50	50	450
17	1/01/05	Latham Wing Sailor 9' Sailboat		400	200DBMO	10.0	0	80	80	320
18	6/30/05	Laser II 13' Sailboat		400	200DBMO	10.0	0	40	40	360
19	6/30/05	Omega 14' Sailboat 1965		100	200DBMO	10.0	0	10	10	90
21	6/30/05	Open 60' sailboat "Thursday's Child" 1983		200,000	200DBMO	10.0	0	3,333	3,333	196,667
22	1/01/05	26' Motor sailor 1973		5	200DBMO	10.0	0	1	1	4
23	11/01/05	17' Power Boat 1974 w/ 85 hp Outboard		400	200DBMO	10.0	0	13	13	387
		Watercraft		<u>234,005</u>			<u>0</u>	<u>9,967</u>	<u>9,967</u>	<u>224,038</u>

Fixed Assets Report - Form 990

95-3937092

FYE: 12/31/2005

11/15/2006 6:16 PM

Page 2

<u>Asset</u>	<u>Date In Service</u>	<u>Property Description</u>	*	<u>Tax Cost</u>	<u>Tax-Meth Conv</u>	<u>Tax Period</u>	<u>Tax Prior Depreciation</u>	<u>Tax Current Depreciation</u>	<u>Tax End Depr</u>	<u>Tax Net Book Value</u>
		Grand Total		1,238,927			157,113	159,457	316,570	922,357
		Less: Dispositions		100,000			14,286	0	26,191	73,809
		Net Grand Total		1,138,927			142,827	159,457	290,379	848,548

Federal Statements

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
BOURG BOOKLET MACHINE PURCHASE			12/31/03	10/25/05	\$ 22,500	\$ 100,000	\$ 26,191	\$ -51,309
TOTAL					\$ 22,500	\$ 100,000	\$ 26,191	\$ -51,309

Statement 2 - Form 990, Line 10c - Sales of Inventory

<u>Description</u>	<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
BOOKSTORE SALES	\$ 341,112	\$ 108,098	\$ 233,014
TOTAL	\$ 341,112	\$ 108,098	\$ 233,014

Federal Statements

Statement 3 - Form 990, Part II, Line 22 - Grants, Allocations and Contributions

Name Address	Date of Gift	Description of Property	Relationship to Org	Cash Contrib	NonCash Contrib	Book Value	BV Explantn	FMV Explantn
ABLE INTERNATIONAL								
7065 HOLLYWOOD BLVD.				\$ 33,810	\$			
LOS ANGELES, CA, 90028								
ASSN FOR PEACE & UNDERSTANDING								
2090 VERDUGO BLVD #215				53,324				
MONTROSE, CA, 91020								
TOTAL				\$ 87,134	\$ 0	\$ 0		

Statement 4 - Form 990, Part II, Line 43 - Other Functional Expenses

<u>Description</u>	<u>Total Expenses</u>	<u>Program Service</u>	<u>Mgt & General</u>	<u>Fund- Raising</u>
	\$	\$	\$	\$
EXPENSES				
PROMOTION	45,006	28,761		16,245
STAFF TRAINING	2,904	1,792	906	206
COMMISSIONS	16,258	9,370		6,888
ROYALTIES	96,345	96,345		
INSURANCE	21,053	12,994	6,564	1,495
BANK CHARGES	21,694	13,390	6,764	1,540
LICENSES, FEES & DUES	820		820	
COURSE MATERIALS	71		71	
MEMBERSHIPS	1,345		1,345	
TOTAL	\$ <u>205,496</u>	\$ <u>162,652</u>	\$ <u>16,470</u>	\$ <u>26,374</u>

Statement 5 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DONATED PROPERTY AVAILABLE FOR SALE	\$ 36,600	\$
ACCOUNTS RECEIVABLE		4,125
TOTAL	\$ <u>36,600</u>	\$ <u>4,125</u>

Federal Statements

Statement 6 - Form 990, Part V-A, Line 75c - Compensation from Related Organizations

Payee Name	Organization EIN	Relationship	Related Organization Name1	Related Organization Name2	Compensation	Benefits	Expenses	Compensation Description
FRANK ZURN	95-4188814	ABLE INTERNATIONAL EMPLOYEE			4,318			SALARY
CLARKE CARR	95-2769582	NARCONON INTERNATIONAL EMPLOYEE			56,481			SALARY

Statement 7 - Form 990, Part VIII - Relationship of Activities

<u>Line No.</u>	<u>Description</u>
93A	LICENSE FEES FOR REPRINTING THE WAY TO HAPPINESS BOOKLET.
93B	TRAINING ON MORAL VALUES USING THE WAY TO HAPPINESS BOOKLET.
102	SALES OF THE WAY TO HAPPINESS BOOKS, COURSE MATERIALS, SHIRTS, ETC. TO CONTRIBUTE TO BROAD DISTRIBUTION OF THE WAY TO HAPPINESS IN SOCIETY.

Statement 8 - Schedule A, Part IV-A, Line 22 - Other Income

<u>Description</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
FUNDRAISING COMMISSIONS	\$ <u>600</u>	\$ <u>159</u>	\$ <u></u>	\$ <u>3,777</u>
TOTAL	\$ <u><u>600</u></u>	\$ <u><u>159</u></u>	\$ <u><u>0</u></u>	\$ <u><u>3,777</u></u>

THE WAY TO HAPPINESS FOUNDATION INTERNATIONAL
#95-3937092
Form 990, Part III – Statement of Program Service Accomplishments
2005

Statement #9

Description of Program Service One:
Distribution of The Way to Happiness Booklet

The primary purpose of The Way to Happiness Foundation International is to raise the moral standards of society through the dissemination of a common-sense guide to better living called “The Way to Happiness,” by L. Ron Hubbard.

The booklet consists of 21 precepts that help individuals establish personal and social values. For example, “Love and Help Children,” “Do Not Murder,” “Do Not Steal,” and “Respect the Religious Beliefs of Others” are four of the guidelines.

During 2005, The Way to Happiness Foundation International oversaw the distribution of 2,096,800 “The Way to Happiness” booklets internationally to promote common sense moral values, reduce violence, and improve both individual and social relationships.

While The Way to Happiness Foundation International distributed the booklets directly to individuals, it also encouraged other entities to do the same. Of the copies that were distributed in 2005, many hundreds of thousands of copies were distributed by individuals, corporations and institutions to their clients, customers, friends, associates and the general public in their countries.

The breakdown of the distribution of “The Way to Happiness” books included the following:

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735,800 books were distributed throughout Europe, Israel and Palestine. This distribution was part of our on-going campaign to help bring calm to an area of unrest and violence.

In Latin America 295,500 books were distributed. As part of this, the National Social Security Agency in Venezuela adopted The Way To Happiness as part of a program to train its own staff. They have funded the first 200,000 copies of the booklet which are in the process of being distributed.

In Mexico, tens of thousands of copies of The Way to Happiness were distributed to the public after an event where one of the performers had promoted the book as being very important to his life.

Over 5,000 The Way to Happiness booklets were distributed at an event for teachers organized by the SEP (Public Education Department) in Mexico.

7,000 The Way to Happiness booklets were distributed to 44 schools in 2 municipalities in the State of Mexico, Acambay and Atlacomulco, and nearly 2,000 more in another public school in Mexico city.

After the bombings in the London subway, 25,000 The Way to Happiness booklets were distributed.

56,800 booklets were distributed in Taiwan, Australia, New Zealand and Indonesia.

41,950 books were distributed in South Africa and Nigeria. The Education Trust Fund of Nigeria has funded broad use of The Way

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to Happiness including a Nigerian version of TWTH which was distributed to restive youth in Lagos. They also distributed their own customized cover which depicted the institution's building, at a national conference.

101,000 books were distributed in Great Britain, India and Pakistan.

6,250 books were distributed in Canada.

751,600 books were distributed directly from The Way to Happiness Foundation International's Glendale office.

"The Way to Happiness" book was also made available as an electronic book and thousands of books were distributed via the internet in over 90 different languages. Since the first booklet went on the Internet, over 63,000 readings of the booklets have been done.

By the end of 2005, The Way to Happiness booklet had been translated into 91 languages including into Braille in English.

Since The Way to Happiness customized cover campaign began 2 years ago, 660 different covers have been designed and distributed. This represents more than 500 different entities, including celebrities, community groups, nonprofit corporations, schools and businesses creating their own covers representative of their own message for distribution to their own customers and friends.

"The Way to Happiness" book with Holiday covers was produced and distributed again this year with two new special holiday covers in English, Spanish, German, French and Italian.

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Total program service expenses for this program service were \$548,897 in 2005 (including grants and allocations of \$87,134).

Statement #10

Description of Program Service Two:
Services using “The Way to Happiness Booklet”

The Way to Happiness Foundation International performed several public benefit services in the year 2005. The guidelines of “The Way to Happiness” encourage individuals to give back to their communities and support one another in achieving personal and community goals. The Way to Happiness Foundation International and its chapters throughout the world, follow these guidelines in the conduct of their affairs.

The following services were rendered in communities throughout the world in 2005.

In Israel, The Way to Happiness chapter ran competitions in schools based on the precepts of The Way to Happiness. These competitions were completed by the end of the school year, with the winners receiving their prizes. They also held a quiz for teachers throughout the country on The Way to Happiness booklet. All the teachers participating had to answer 10 questions based on the booklet's guidelines and how to use them to reduce violence in their classroom.

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The Way to Happiness chapter in Israel then ran a talent competition for young people, where the winners get to record their songs on the subject of "No More Violence" in a professional studio. Every participant was asked to write a song, based on one of The Way to Happiness precepts. This competition was won by an 8 year-old second grader who performed an amazing song to stop violence in the schools in Israel. During an interview with a children's magazine in Israel, he stated that violence is constant and everywhere, and that it is very important for him to see that it stops.

The Way to Happiness volunteers performed beach clean-ups up and down the California coast.

The Education Trust Fund of Nigeria also funded the training of over 40 Nigerians on the delivery of The Way to Happiness seminars. 23 of the lecturers are students from Lagos University and they have thus far lectured to thousands of restive youth across the Nigerian state of Lagos with great success.

In Colombia, The Way to Happiness seminars have been delivered to a number of military camps, journalists, major schools and the staff of government offices.

The Way to Happiness seminars were delivered to 1,000 people in Los Angeles, California; to 600 people in Clearwater, Florida; and to 200 people in San Diego, CA.

Total program service expenses for this program service were \$34,545 in 2005.

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Statement #11

Description of Program Service Three:
Public Campaigns to Raise Awareness Regarding Moral Values

The Way to Happiness Foundation International sought to make “The Way to Happiness” book broadly known throughout the world, toward the end of increased individual and societal awareness of moral values.

The Way to Happiness Outdoors Club sponsored book distributions and events for inner city kids. These events involved hosting inner city kids on fishing expeditions and teaching the kids how to fish – in application of the precepts: *Be Industrious* and *Be Competent*. Each child also received his own copy of The Way to Happiness booklet.

One chapter, Concerned Businessmen’s Association of America, ran “Set a Good Example” contests in Inglewood, CA and Harlingen, TX. Hundreds of entries were received for these contests.

In Venezuela, local groups aided by Celebrity spokesperson, Rudy Rodriguez, held workshops and events for children in cities around the country. Ms. Rodriguez was featured in newspaper articles in which she spoke about the importance of applying the precepts of The Way to Happiness.

In Costa Rica, booklets with the Police Department logo on them were printed and distributed at a major annual parade called the

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Festival of Lights. The police teamed up with volunteers, and with all wearing The Way to Happiness t-shirts, walked in the parade distributing The Way to Happiness booklets to the crowd.

As part of the public awareness campaign, The Way to Happiness running team ran in several marathons displaying t-shirts with the precepts of “The Way to Happiness” book. They ran in the LA Marathon, the Grand Canyon Marathon, and the Badwater Ultra-Marathon. At each marathon booklets were presented to officials and some of the runners to help them in bettering their lives and communities.

Throughout 2005, The Way to Happiness Foundation sponsored and/or participated in several festivals and activities through which the precepts of The Way to Happiness were promoted and applied. This included the following:

- Co-sponsorship of the Glendale Community Clean up and Graffiti Paint Out. Over 600 Glendale residents, including 80 volunteers from The Way to Happiness Foundation celebrated the end of Clean & Beautiful Glendale Week by volunteering their time to help remove graffiti from various locations throughout the city. Volunteers were teamed with City staff to help clean up trash, litter and graffiti in our community.

The co-sponsorship of the Glendale Neighborhood Services “Keep Glendale Clean” Youth Poster Contest and Annual Mid-Summer Night Art Exhibit & Silent Auction. Elementary school children all over Glendale participated in the annual “I Love My Neighborhood” Poster Contest sponsored by Neighborhood Services and the Committee for

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a Clean & Beautiful Glendale. This year's theme was "Graffiti Hurts Glendale" to educate students and their families about the problems caused by graffiti. Thousands of entries were submitted and the two finalists, one representing grades K-3 and one representing grades 4-6, were chosen from the participating school, park, or community-based organizations.

Participation in the Glendale Community Unity Fest, a local festival celebrating the ethnic and cultural diversity of the community.

- Participation in the Artists for a Better World Art Festival promoting responsibility in creativity.
- Participation in the Adams Square Community Day in Adams Park in Glendale promoting community and family activities.
- Held a joint fundraiser with the San Gabriel Valley Boy Scout Council in June/July 2005.
- Co-sponsored the Stars & Stripes Annual Banquet for the San Gabriel Valley Boy Scout Council.
- Co-sponsored Leadership Glendale - a 9-month Community & Leadership program to build informed and active citizens.

A feature radio interview was done on Radio Manila promoting the principles of The Way to Happiness to an international Filipino audience.

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A radio show on Iranian Radio promoting The Way to Happiness principles through the Farsi speaking community of Los Angeles.

The Way to Happiness Foundation had a feature article in the newspaper, *Integrity*, promoting the importance of responsibility in maintaining our freedom through utilization of the principles of The Way to Happiness.

Total program service expenses for this program service were \$155,781 in 2005.