

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
2006
Open to Public Inspection

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

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

C Name of organization: **YOUTH SPECIALIST CENTERS, INC.**
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite:
701 W. 17TH ST
 City or town, state or country, and ZIP + 4:
SANTA ANA CA 92706

D Employer identification number: **36-4564105**

E Telephone number: **951-340-0071**

F Accounting method: Cash Accrual Other (specify) _____

G Website: **NONE**

J Organization type (check only one): 501(c) (**3**) (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **205,547**

H and are not applicable to section 527 organizations. I
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **▶** _____
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number **▶** _____

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

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

Revenue	1 Contributions, gifts, grants, and similar amounts received.				
	a Contributions to donor advised funds	1a			
	b Direct public support (not included on line 1a)	1b		15,707	
	c Indirect public support (not included on line 1a)	1c			
	d Government contributions (grants) (not included on line 1a)	1d			
	e Total (add lines 1a through 1d) (cash \$ 15,707 noncash \$ _____)				1e 15,707
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2 189,840
	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			
	c Gain or (loss) (attach schedule)	8b			
	d Net gain or (loss). Combine line 8c, columns (A) and (B)	8c			8d
	9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
	a Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a			
	b Less: direct expenses other than fundraising expenses	9b			
c Net income or (loss) from special events. Subtract line 9b from line 9a				9c	
10a Gross sales of inventory, less returns and allowances	10a				
b Less: cost of goods sold	10b				
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a				10c	
11 Other revenue (from Part VII, line 103)				11	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12 205,547	
13 Program services (from line 44, column (B))				13 206,293	
14 Management and general (from line 44, column (C))				14 53,934	
15 Fundraising (from line 44, column (D))				15 20,419	
16 Payments to affiliates (attach schedule)				16	
17 Total expenses. Add lines 16 and 44, column (A)				17 280,646	
18 Excess or (deficit) for the year Subtract line 17 from line 12				18 -75,099	
19 Net assets or fund balances at beginning of year (from line 73, column (A))				19 -24,687	
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 -99,786	

RECEIVED IN CORRESPONDENCE
IRS - OSC - 532
NOV 27 2007

SCANNED JAN 07 2008

11/19

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b			
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 27,277	19,094	5,728	2,455
27 Pension plan contributions not included on lines 25a, b, and c	27			
28 Employee benefits not included on lines 25a - 27	28			
29 Payroll taxes	29 2,821	1,975	592	254
30 Professional fundraising fees	30			
31 Accounting fees	31 3,600		3,600	
32 Legal fees	32 2,448		2,448	
33 Supplies	33 2,574	1,802	540	232
34 Telephone	34 5,981	4,187	1,256	538
35 Postage and shipping	35 226	158	47	21
36 Occupancy	36 124,000	86,800	26,040	11,160
37 Equipment rental and maintenance	37 5,773	4,041	1,212	520
38 Printing and publications	38			
39 Travel	39			
40 Conferences, conventions, and meetings	40 99	99		
41 Interest	41 13,986	9,790	2,937	1,259
42 Depreciation, depletion, etc. (attach schedule)	42 5,362	3,753	1,126	483
43 Other expenses not covered above (itemize). a SEE STATEMENT 1	43a 86,499	74,594	8,408	3,497
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 280,646	206,293	53,934	20,419

Joint Costs. Check if you are following SOP 98-2.
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,
 (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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

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

What is the organization's primary exempt purpose?

▶ **SEE STATEMENT 2**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a **SEE STATEMENT 3**

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

206,293

b

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

c

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

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) ▶

206,293

Part IV Balance Sheets (See the instructions.)

Note:		(A)		(B)	
Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		Beginning of year		End of year	
Assets	45	Cash-non-interest-bearing	1,579	45	7,872
	46	Savings and temporary cash investments		46	
	47a	Accounts receivable			
	b	Less: allowance for doubtful accounts		47c	
	48a	Pledges receivable			
	b	Less: allowance for doubtful accounts		48c	
	49	Grants receivable		49	
	50a	Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b	
	51a	Other notes and loans receivable (attach schedule)			
	b	Less: allowance for doubtful accounts		51c	
	52	Inventories for sale or use		52	
	53	Prepaid expenses and deferred charges	69,333	53	78,333
	54a	Investments—publicly-traded securities		54a	
	b	Investments—other securities (attach schedule)		54b	
	55a	Investments—land, buildings, and equipment: basis			
	b	Less: accumulated depreciation (attach schedule)		55c	
	56	Investments—other (attach schedule)		56	
	57a	Land, buildings, and equipment: basis	35,417		
b	Less: accumulated depreciation (attach schedule) SEE STATEMENT 4	7,848	57c	27,569	
58	Other assets, including program-related investments (describe SEE STATEMENT 5)	154,529	58	154,529	
59	Total assets (must equal line 74). Add lines 45 through 58	255,417	59	268,303	
Liabilities	60	Accounts payable and accrued expenses	98,135	60	194,835
	61	Grants payable		61	
	62	Deferred revenue SEE STATEMENT 6	34,536	62	21,472
	63	Loans from officers, directors, trustees, and key employees (attach schedule) SEE WORKSHEET	88,500	63	95,325
	64a	Tax-exempt bond liabilities (attach schedule)		64a	
	b	Mortgages and other notes payable (attach schedule) SEE WORKSHEET	58,933	64b	56,457
	65	Other liabilities (describe SEE STATEMENT 5)		65	
66	Total liabilities. Add lines 60 through 65	280,104	66	368,089	
Net Assets or Fund Balances	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	-24,687	72	-99,786
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21))	-24,687	73	-99,786	
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	255,417	74	268,303	

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

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:			
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:			
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:			
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:			
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) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
JOANNE M. NERMON 701 WEST 17TH ST SANTA ANA CA 92706	CEO/DIRECTOR 40	0	0	0
DAN IRWIN 701 WEST 17TH ST SANTA ANA CA 92706	CFO/TREAS 40	0	0	0
JULIE TURNER 701 WEST 17TH ST SANTA ANA CA 92706	SEC'Y 40	0	0	0
EARL GOLDMAN 701 WEST 17TH ST SANTA ANA CA 92706	DIRECTOR 0	0	0	0
FRANK ZURN 701 WEST 17TH ST SANTA ANA CA 92706	DIRECTOR 0	0	0	0

Part V-A Current Officers, Directors, Trustees, and Key Employees (continued)

		Yes	No
75a	Enter the total number of officers, directors, and trustees permitted to vote on organization business at board meetings ▶ 3		
b	Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If "Yes," attach a statement that identifies the individuals and explains the relationship(s) SEE STATEMENT 7	X	
c	Do any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to the organization? See the instructions for the definition of "related organization" If "Yes," attach a statement that includes the information described in the instructions		X
d	Does the organization have a written conflict of interest policy?		X

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

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

(A) Name and address	(B) Loans and Advances	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
N/A				

Part VI Other Information (See the instructions.)

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

Part VI Other Information (continued)

		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)		
	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	N/A	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	N/A	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	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.	N/A	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89a	501(c)(3) organizations. Enter. Amount of tax imposed on the organization during the year under: section 4911 ▶ 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 under sections 4912, 4955, and 4958 ▶ 0		
d	Enter. Amount of tax on line 89c, above, reimbursed by the organization ▶ 0		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g	X
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, 2006 (See instructions)	90b	0
91a	The books are in care of ▶ JOANNE M. NERMON 701 W. 17TH ST. Located at ▶ SANTA ANA, CA	Telephone no. ▶ 951-340-0071	
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If " Yes," enter the name of the foreign country ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
		91b	X

Part VI Other Information (continued)

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

92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶
 and enter the amount of tax-exempt interest received or accrued during the tax year ▶ | 92 |

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

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a PROGRAM SERVICE REVENUE					189,840
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		0	189,840
105 Total (add line 104, columns (B), (D), and (E))					189,840

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
▼	
93A	FEES FOR EDUCATION, TRAINING, CONSULTING, ROOM & BOARD.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). N/A

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

Yes	No

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a				
b				
c				
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Yes	No

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: *[Signature]* Date: **NOV. 14, 2007**

Type or print name and title: **Daniel W. Irwin, Treasurer**

Paid Preparer's Use Only

Preparer's signature: *[Signature]* Date: **11/13/07** Check if self-employed: Preparer's SSN or PTIN (See Gen Instr X):

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

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

YOUTH SPECIALIST CENTERS, INC.

Employer identification number

36-4564105

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 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) 2006

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

	Yes	No
<p>1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</p> <p>Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities</p>	1	X
<p>2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)</p>		
<p>a Sale, exchange, or leasing of property?</p>	2a	X
<p>b Lending of money or other extension of credit? SEE STATEMENT 8</p>	2b	X
<p>c Furnishing of goods, services, or facilities?</p>	2c	X
<p>d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?</p>	2d	X
<p>e Transfer of any part of its income or assets?</p>	2e	X
<p>3a Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments)</p>	3a	X
<p>b Did the organization have a section 403(b) annuity plan for its employees?</p>	3b	X
<p>c Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement</p>	3c	X
<p>d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?</p>	3d	X
<p>4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g</p>	4a	X
<p>b Did the organization make any taxable distributions under section 4966?</p>	4b	
<p>c Did the organization make a distribution to a donor, donor advisor, or related person?</p>	4c	
<p>d Enter the total number of donor advised funds owned at the end of the tax year ► _____</p>		
<p>e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year ► _____</p>		
<p>f Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts ► _____</p>		0
<p>g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year ► _____</p>		0

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

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

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 - Type I
 - Type II
 - Type III-Functionally Integrated
 - Type III-Other

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

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

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

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

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

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	5,000				5,000
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	35,835				35,835
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					0
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	40,835				40,835
24 Line 23 minus line 17	5,000				5,000
25 Enter 1% of line 23	408				

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	▶	26a	0
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)		▶	26c	
d Add. Amounts from column (e) for lines:	18 _____ 19 _____ 22 _____ 26b _____	▶	26d	
e Public support (line 26c minus line 26d total)		▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))		▶	26f	%

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:	(2005)	0	(2004)	0	(2003)	0	(2002)	0
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:	(2005)	5,446	(2004)	0	(2003)	0	(2002)	0	
c Add. Amounts from column (e) for lines:	15 _____ 16 _____ 17 _____ 35,835 20 _____ 21 _____	▶	27c	40,835					
d Add: Line 27a total _____ and line 27b total _____		▶	27d	5,446					
e Public support (line 27c total minus line 27d total)		▶	27e	35,389					
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)	▶	27f	40,835						
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		▶	27g	86.6634 %					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))		▶	27h	%					

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

Part V Private School Questionnaire (See page 9 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? 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? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d		
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? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement)	33h		
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 10 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**

Check ▶ a	if the organization belongs to an affiliated group	Check ▶ b	if you checked "a" and "limited control" provisions apply
Limits on Lobbying Expenditures			
(The term "expenditures" means amounts paid or incurred)			
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	(a) Affiliated group totals	(b) To be completed for all electing organizations
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		
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities
 (For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) **N/A**

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

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

Forms 990 / 990-PF	Loans from Officers, Directors, Trustees, and Key Employees or Other Disqualified Persons	2006
For calendar year 2006, or tax year beginning _____, and ending _____		

Name YOUTH SPECIALIST CENTERS, INC.	Employer Identification Number 36-4564105
---	---

FORM 990, PART IV, LINE 63 - ADDITIONAL INFORMATION

Name of lender	Title
(1) JOANNE M. NERMON	CEO
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 500	12/31/04		AS AVAILABLE	0.000
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) NONE	OPERATING CAPITAL
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1) CASH OF \$88,500	88,500	95,325
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	88,500	95,325

Mortgages and Other Notes Payable

Forms
990 / 990-PF

2006

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

Name **YOUTH SPECIALIST CENTERS, INC.** Employer Identification Number **36-4564105**

FORM 990, PART IV, LINE 64B - ADDITIONAL INFORMATION

Name of lender	Relationship to disqualified person
(1) STEVE SHIMABUKU	
(2) MIKE MACKENZIE	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Original amount borrowed	Date of loan	Maturity date	Repayment terms	Interest rate
(1) 57,333	7/01/05		AS AVAILABLE	4.000
(2) 1,600	7/01/05		AS AVAILABLE	0.000
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

Security provided by borrower	Purpose of loan
(1) NONE	PROGRAM ASSISTANCE
(2) NONE	PROGRAM ASSISTANCE
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Consideration furnished by lender	Balance due at beginning of year	Balance due at end of year
(1) CASH OF \$57,333	57,333	56,457
(2) CASH OF \$1600	1,600	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Totals	58,933	56,457

Form **4562**
 Department of the Treasury
 Internal Revenue Service

Depreciation and Amortization
 (Including Information on Listed Property)

OMB No 1545-0172
2006
 Attachment Sequence No **67**

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

Name(s) shown on return **YOUTH SPECIALIST CENTERS, INC.** Identifying number **36-4564105**

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	108,000
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	430,000
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 2005 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 2007. 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 qualified New York Liberty or Gulf Opportunity 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	5,362

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 2006	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 2006 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 2006 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	5,362
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.

36-4564105

Federal Statements

FYE: 12/31/2006

Statement 1 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
EXPENSES				
LICENSE FEES	12,736	12,736		
YOUTH CENTER EXPENSE	2,814	2,814		
EQUESTRIAN EXPENSE	8,481	8,481		
ACADEMY OF KNOWLEDGE EXP	646	646		
ROOM & BOARD EXPENSE	14,457	14,457		
STUDENT TRANSPORT & MISC EXP	4,138	4,138		
ADVERTISING & PROMOTION	3,921	3,921		
BANK CHARGES	114		114	
LICENSES & FEES	132		132	
PROFESSIONAL SERVICES	5,200	3,300	1,330	570
INSURANCE	6,679	4,675	1,403	601
INTERNET COMMUNICATIONS	1,214	850	255	109
MAINTENANCE	7,505	5,254	1,576	675
UTILITIES	17,132	11,992	3,598	1,542
CC MERCHANT/PHONE CK EXP	1,330	1,330		
TOTAL	<u>\$ 86,499</u>	<u>\$ 74,594</u>	<u>\$ 8,408</u>	<u>\$ 3,497</u>

Statement 2 - Form 990, Part III - Organization's Primary Exempt Purpose

TO INCREASE THE SKILLS OF PROFESSIONAL EDUCATORS, PARENTS AND STUDENTS IN DEALING WITH NEGATIVE FAMILY ISSUES USING TECHNOLOGIES DEVELOPED BY L. RON HUBBARD.

Statement 3 - Form 990, Part III, Line a - Statement of Program Service Accomplishments**Description**

DURING 2006 19 PARENTS WERE SERVICED ON PARENTING PROGRAMS; 21 CHILDREN WERE SERVICED ON EDUCATIONAL COURSES AND ACADEMICS; 29 TEENAGERS AND CHILDREN RECEIVED ONE-ON-ONE EDUCATIONAL ENHANCEMENT; 36 PARENTS RECEIVED ONE-ON-ONE EDUCATIONAL ENHANCEMENT; 46 CHILDREN, TEENS AND PARENTS EXPERIENCED ENJOYMENT OF ANIMALS AND RECREATIONAL FACILITY; 5 PROFESSIONAL EDUCATORS WERE SERVICED ON TRAINING PROGRAMS.

36-4564105

Federal Statements

FYE: 12/31/2006

Statement 4 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
EQUIPMENT	\$ 4,322	\$ 432	\$ 4,948	\$ 1,360
FURNITURE & FIXTURES	19,539	1,396	21,868	4,353
LEASEHOLD IMPROVEMENTS	2,429	40	2,429	283
REFERENCE LIBRARY	6,172	618	6,172	1,852
TOTAL	<u>\$ 32,462</u>	<u>\$ 2,486</u>	<u>\$ 35,417</u>	<u>\$ 7,848</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
GOODWILL	\$ 154,529	\$ 154,529
TOTAL	<u>\$ 154,529</u>	<u>\$ 154,529</u>

Statement 6 - Form 990, Part IV, Line 62 - Deferred Revenue

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
DEFERRED REVENUE	\$ 34,536	\$ 21,472
TOTAL	<u>\$ 34,536</u>	<u>\$ 21,472</u>

Federal Statements

Statement 7 - Form 990, Part V-A, Line 75b - Related Party Information

Related Party One	Related Party Two	Relationship
-------------------	-------------------	--------------

DANIEL IRWIN, THE ORGANIZATION'S CFO AND TREASURER, AND JOANNE M. NERMON, THE ORGANIZATION'S CEO AND A DIRECTOR, ARE HUSBAND AND WIFE.

Federal Statements

Statement 8 - Schedule A, Part III, Line 2b - Lending of Money or Extension of Credit

Description

SEE NOTES PAYABLE SCHEDULES ATTACHED TO FORM 990.

36-4564105

Federal Asset Report

FYE: 12/31/2006

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus Sec % 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Other Depreciation:								
1	Furniture & fixtures	7/01/05	19,539		19,539	7 MO S/L	1,396	2,791
2	Equipment	7/01/05	4,322		4,322	5 MO S/L	432	865
3	Reference Library	7/01/05	4,286		4,286	5 MO S/L	429	857
5	Tape set	7/01/05	1,886		1,886	5 MO S/L	189	377
6	Leasehold Improvements	11/15/05	2,429		2,429	10 MO S/L	40	243
7	Furniture	7/01/06	2,329		2,329	7 MO S/L	0	166
8	Equipment	7/01/06	626		626	5 MO S/L	0	63
	Total Other Depreciation		<u>35,417</u>		<u>35,417</u>		<u>2,486</u>	<u>5,362</u>
	Total ACRS and Other Depreciation		<u>35,417</u>		<u>35,417</u>		<u>2,486</u>	<u>5,362</u>
	Grand Totals		35,417		35,417		2,486	5,362
	Less: Dispositions		<u>0</u>		<u>0</u>		<u>0</u>	<u>0</u>
	Net Grand Totals		<u>35,417</u>		<u>35,417</u>		<u>2,486</u>	<u>5,362</u>

Fixed Assets and Depreciation - Form 990

36-4564105

FYE: 12/31/2006

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: Equipment									
2	7/01/05	Equipment	4,322	S/L-MO	5 0	432	865	1,297	3,025
8	7/01/06	Equipment	626	S/L-MO	5 0	0	63	63	563
		Equipment	<u>4,948</u>			<u>432</u>	<u>928</u>	<u>1,360</u>	<u>3,588</u>
Group: Furniture & Fixtures									
1	7/01/05	Furniture & fixtures	19,539	S/L-MO	7 0	1,396	2,791	4,187	15,352
7	7/01/06	Furniture	2,329	S/L-MO	7 0	0	166	166	2,163
		Furniture & Fixtures	<u>21,868</u>			<u>1,396</u>	<u>2,957</u>	<u>4,353</u>	<u>17,515</u>
Group: Leasehold Improvements									
6	11/15/05	Leasehold Improvements	2,429	S/L-MO	10 0	40	243	283	2,146
		Leasehold Improvements	<u>2,429</u>			<u>40</u>	<u>243</u>	<u>283</u>	<u>2,146</u>
Group: Reference Library									
3	7/01/05	Reference Library	4,286	S/L-MO	5 0	429	857	1,286	3,000
5	7/01/05	Tape set	1,886	S/L-MO	5 0	189	377	566	1,320
		Reference Library	<u>6,172</u>			<u>618</u>	<u>1,234</u>	<u>1,852</u>	<u>4,320</u>
		Grand Total	<u>35,417</u>			<u>2,486</u>	<u>5,362</u>	<u>7,848</u>	<u>27,569</u>