

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 4/01/06, and ending 3/31/07

B Check if applicable: <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See Specific Instructions.	C Name of organization SET A GOOD EXAMPLE FOUNDATION	D Employer identification number 95-3658314
		Number and street (or P O box if mail is not delivered to street address) Room/suite 3725 MEADOWLARK DRIVE	E Telephone number
		City or town, state or country, and ZIP + 4 RENO NV 89506	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

G Website: WWW.SAGECLUB.COM

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 **151,213**

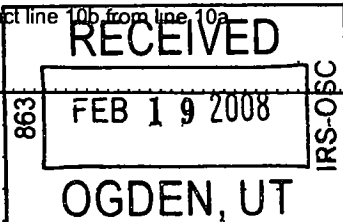
H and are not applicable to section 527 organizations. I
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates **3**
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered 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.)

		151,213			
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	151,213		
	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 \$ 114,213 noncash \$ 37,000)	1e			151,213
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2			
	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			
6c Net rental income or (loss). Subtract line 6b from line 6a	6c				
7 Other investment income (describe)	7				
Expenses	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 Total (add lines 8a, 8b, and 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			
	9c 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			
	10c 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			151,213	
Net Assets	13 Program services (from line 44, column (B))	13		90,471	
	14 Management and general (from line 44, column (C))	14		6,682	
	15 Fundraising (from line 44, column (D))	15		35,548	
	16 Payments to affiliates (attach schedule)	16			
	17 Total expenses. Add lines 16 and 44, column (A)	17			132,701
18 Excess or (deficit) for the year Subtract line 17 from line 12	18			18,512	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			-153,352	
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			-134,840	



9069 23

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) SEE STATEMENT 1	25a	9,143	4,937	549	3,657
25b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b				
25c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26	Salaries and wages of employees not included on lines 25a, b, and c	26				
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	4,062	2,193	244	1,625
30	Professional fundraising fees	30				
31	Accounting fees	31	1,734		1,734	
32	Legal fees	32				
33	Supplies	33	396	396		
34	Telephone	34	513	277	31	205
35	Postage and shipping	35				
36	Occupancy	36	11,026	8,600	331	2,095
37	Equipment rental and maintenance	37				
38	Printing and publications	38	28,966	28,966		
39	Travel	39				
40	Conferences, conventions, and meetings	40				
41	Interest	41				
42	Depreciation, depletion, etc. (attach schedule)	42	516	516		
43	Other expenses not covered above (itemize):					
a	SEE STATEMENT 2	43a	76,345	44,586	3,793	27,966
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	132,701	90,471	6,682	35,548

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 3**

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 4

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

90,471

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)

90,471

Form **990** (2006)

Part IV Balance Sheets (See the instructions.)

		(A) Beginning of year		(B) End of year		
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.						
Assets	45	Cash-non-interest-bearing	3,183	45	6,637	
	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	7,884	52	15,888	
	53	Prepaid expenses and deferred charges		53		
	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	22,394			
b	Less: accumulated depreciation (attach schedule) SEE STATEMENT 5	21,017	1,893	57c	1,377	
58	Other assets, including program-related investments (describe)			58		
59	Total assets (must equal line 74) Add lines 45 through 58	12,960	59	23,902		
Liabilities	60	Accounts payable and accrued expenses	156,989	60	149,419	
	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)		64b		
	65	Other liabilities (describe SEE STATEMENT 6)	9,323	65	9,323	
66	Total liabilities. Add lines 60 through 65	166,312	66	158,742		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted	-153,352	67	-134,840	
	68	Temporarily restricted		68		
	69	Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds		70		
	71	Paid-in or capital surplus, or land, building, and equipment fund		71		
	72	Retained earnings, endowment, accumulated income, or other funds		72		
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72 (Column (A) must equal line 19 and column (B) must equal line 21)	-153,352	73	-134,840		
74	Total liabilities and net assets/fund balances. Add lines 66 and 73	12,960	74	23,902		

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
ROBERT AYASH RENO NV 89506	CHAIRMAN 0	3,750	0	0
BARBARA AYASH RENO NV 89506	CEO 0	5,393	0	0
MURRAY GOULD LOS ANGELES CA	VICE CHAIR 0	0	0	0
RICHARD PALMQUIST INGLEWOOD CA	SECRETARY 0	0	0	0
JOHN WHEATLEY HARTFORD CT	DIRECTOR 0	0	0	0
DENNIS DUBIN BRYNN MAWR PA	DIRECTOR 0	0	0	0
LARRY NORTON FRESNO CA	DIRECTOR 0	0	0	0
RICHARD LEE WESTCHESTER CA	DIRECTOR 0	0	0	0
LARRY MILLER CULVER CITY CA	DIRECTOR 0	0	0	0
MARK KEVITT WINONA WI	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			
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	75b	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.	75c		X
d Does the organization have a written conflict of interest policy?	75d		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 <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81a Enter direct and indirect political expenditures. (See line 81 instructions.)	81a		0
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?	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?	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	88a		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	88b		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, CT, NY			
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b		2
91a The books are in care of ▶ BARBARA AYASH 3725 MEADOWLARK DR Located at ▶ RENO, NV			
Telephone no. ▶ 800-455-0173			
ZIP + 4 ▶ 89506			
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)

91c At any time during the calendar year, did the organization maintain an office outside of the United States?
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here

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

Table with 5 columns: (A) Business code, (B) Amount, (C) Exclusion code, (D) Amount, (E) Related or exempt function income. Rows include Program service revenue, Medicare/Medicaid payments, Fees and contracts from government agencies, etc.

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.)

Table with 2 columns: 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.

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

Table with 5 columns: (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.

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?
(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?

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

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

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No
		X


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

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity	Yes	No
		X

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

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	Yes	No

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: <u>Barbara Ayash - President</u>	Date: <u>2-13-2008</u>
	Type or print name and title: <u>Barbara Ayash - President</u>	Date: <u>2-13-2008</u>

Paid Preparer's Use Only	Preparer's signature: 	Date: <u>2/11/08</u>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen Instr X): <u>451-27-6421</u>
	Firm's name (or yours if self-employed), address, and ZIP + 4: <u>GREENBERG AND JACKSON CPAS 2441 HONOLULU AVENUE SUITE 120 MONTROSE, CA 91020-1864</u>	EIN: <u>95-3387333</u>	Phone no: <u>818-249-3230</u>	

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

SET A GOOD EXAMPLE FOUNDATION

Employer identification number
95-3658314

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 ▶		

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
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.)		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?		X
b Lending of money or other extension of credit?	SEE STATEMENT 8	
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	SEE PART V-A, FORM 990 SEE STATEMENT 9	
e Transfer of any part of its income or assets?		X
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.)		X
b Did the organization have a section 403(b) annuity plan for its employees?		X
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		X
d Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b Did the organization make any taxable distributions under section 4966?		
c Did the organization make a distribution to a donor, donor advisor, or related person?		
d Enter the total number of donor advised funds owned at the end of the tax year	► _____	
e Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	► _____	
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	► _____ 0	
g Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year	► _____ 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.)	90,405	135,509	173,688	179,935	579,537
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					0
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				132	132
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 10			2,025	10,900	12,925
23 Total of lines 15 through 22	90,405	135,509	175,713	190,967	592,594
24 Line 23 minus line 17	90,405	135,509	175,713	190,967	592,594
25 Enter 1% of line 23	904	1,355	1,757	1,910	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					▶ 26a 11,852
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 324,814
c Total support for section 509(a)(1) test: Enter line 24, column (e)					▶ 26c 592,594
d Add: Amounts from column (e) for lines: 18 <u>132</u> 19 <u>12,925</u> 22 <u>12,925</u> 26b <u>324,814</u>					▶ 26d 337,871
e Public support (line 26c minus line 26d total)					▶ 26e 254,723
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					▶ 26f 42.9844%
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)	(2004)	(2003)	(2002)	N/A
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)	(2004)	(2003)	(2002)	N/A
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					▶ 27c _____
d Add: Line 27a total _____ and line 27b total _____					▶ 27d _____
e Public support (line 27c total minus line 27d total)					▶ 27e _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					▶ 27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					▶ 27g _____%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					▶ 27h _____%
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.					

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

		N/A	Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?			
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?			
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.)			
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)

Table with 3 columns: Line number, Description, (a) Affiliated group totals, (b) To be completed for all electing organizations. Rows include 36-44 for various lobbying expenditure categories and a caution note at the bottom.

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)

Table titled 'Lobbying Expenditures During 4-Year Averaging Period' with columns for Calendar year (2006, 2005, 2004, 2003) and Total. Rows 45-50 list various nontaxable and ceiling amounts.

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

Table for reporting lobbying activity with columns: Description (a-i), Yes, No, Amount. Includes instructions to attach a statement if 'Yes' is marked.

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 13 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

- (i) Cash
 - (ii) Other assets
- b** Other transactions:
- (i) Sales or exchanges of assets with a noncharitable exempt organization
 - (ii) Purchases of assets from a noncharitable exempt organization
 - (iii) Rental of facilities, equipment, or other assets
 - (iv) Reimbursement arrangements
 - (v) Loans or loan guarantees
 - (vi) Performance of services or membership or fundraising solicitations

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

▶ Yes No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

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 **SET A GOOD EXAMPLE FOUNDATION** Identifying number **95-3658314**

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	516

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	516
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** (2006)

Federal Statements

Statement 1 - Form 990, Part II, Line 25a - Compensation of Current Officers

Name	Program Services	Management & General	Fundraising
EXPENSES	\$	\$	\$
ROBERT AND BARBARA AYASH COMPENSATION	4,937	549	3,657
TOTAL	<u>\$ 4,937</u>	<u>\$ 549</u>	<u>\$ 3,657</u>

Federal Statements**Statement 2 - 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				
AWARDS	7,156	7,156		
BANK/MERCHANT CHARGES	862	465	52	345
LICENSES & PERMITS	430	232	26	172
WEBSITE	33,465	18,071	2,008	13,386
OFFICE EXPENSE	9,993	7,894	600	1,499
STAFF EDUCATION	498	269	30	199
AUTO EXPENSE	2,678	1,768	107	803
UTILITIES	422	228	25	169
CONTRACT LABOR	15,746	8,503	945	6,298
PROMOTION	5,095			5,095
TOTAL	<u>\$ 76,345</u>	<u>\$ 44,586</u>	<u>\$ 3,793</u>	<u>\$ 27,966</u>

Federal Statements**Statement 3 - Form 990, Part III - Organization's Primary Exempt Purpose**

THE ORGANIZATION TEACHES AND PROMOTES MORALS AND ETHICS IN AN EFFORT TO RAISE THE QUALITY OF LIFE AND FIGHT AGAINST DRUGS AND CRIME. ITS PRIMARY CONCENTRATION OF EFFORT IS THE EDUCATION AND PREPARATION OF CHILDREN IN THEIR ROLES AS THE FUTURE LEADERS AND WORK FORCE OF THE WORLD.

Statement 4 - Form 990, Part III, Line a - Statement of Program Service Accomplishments**Description**

CBAA SPONSORS THE CHILDRENS' SET A GOOD EXAMPLE CAMPAIGN TO ENCOURAGE CHILDRENS' PARTICIPATION IN THE CRUSADE TO ELIMINATE DRUGS, CRIME, VIOLENCE, ILLITERACY AND GANG INVOLVEMENT FROM GROUNDS AND NEIGHBORHOODS BY PROMOTING A LEARNING ENVIRONMENT BASED ON HONESTY, TRUST, TOLERANCE, COMPETENCE, INDUSTRY AND UNDERSTANDING. MEMBERS OF CBAA ACT JOINTLY AS A CATALYST TO PULL TOGETHER BUSINESSES, SCHOOLS AND COMMUNITIES. THE CONCERN OF THE ORGANIZATION IS THE FUTURE OF YOUTH AND THE INTEGRITY OF THE NATION THEY WILL INHERIT.

THE ORGANIZATION DISTRIBUTED THOUSANDS OF COPIES OF "THE WAY TO HAPPINESS", A BOOKLET THAT PROVIDES A CLEAR AND PRACTICABLE APPROACH TO RAISING THE LEVEL OF MORALITY IN OUR SOCIETY. MANY THOUSANDS OF SCHOOL AGE CHILDREN WERE REACHED THROUGH THIS PROGRAM. THE ORGANIZATION RECEIVED A NUMBER OF COMMENDATIONS FOR EFFECTIVENESS FROM THE US CONGRESS AND GOVERNORS THROUGHOUT THE COUNTRY.

Federal Statements

Statement 5 - 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>
FURNITURE & EQUIPMENT	\$ 22,394	\$ 20,501	\$ 22,394	\$ 21,017
TOTAL	<u>\$ 22,394</u>	<u>\$ 20,501</u>	<u>\$ 22,394</u>	<u>\$ 21,017</u>

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

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
LOANS FROM OFFICERS	\$ 9,323	\$ 9,323
TOTAL	<u>\$ 9,323</u>	<u>\$ 9,323</u>

Federal Statements

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

Related
Party One

ROBERT AYASH
CHAIRMAN

Related
Party Two

BARBARA AYASH
CEO

Relationship

SPOUSE

Federal Statements

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

Description

- UNREIMBURSED EXPENSES PAID BY DIRECTORS ON BEHALF
OF THE ORGANIZATION - \$9,323

**Statement 9 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of
Exp**

Description

SEE PART V, FORM 990

Federal Statements

Statement 10 - Schedule A, Part IV-A, Line 22 - Other Income

<u>Description</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
SPECIAL EVENTS	\$ _____	\$ _____	\$ 2,025	\$ 10,900
TOTAL	\$ 0	\$ 0	\$ 2,025	\$ 10,900

Federal Asset Report

Form 990, Page 1

Asset	Description	Date In Service	Cost	Bus %	Sec 179 Bonus	Basis for Depr	PerConv Meth	Prior	Current
Other Depreciation:									
1	Computers	12/15/04	2,582			2,582	5 MO S/L	689	516
2	Furniture & equipment	4/01/98	19,812			19,812	5 MO S/L	19,812	0
Total Other Depreciation			<u>22,394</u>			<u>22,394</u>		<u>20,501</u>	<u>516</u>
Total ACRS and Other Depreciation			<u>22,394</u>			<u>22,394</u>		<u>20,501</u>	<u>516</u>
Grand Totals			22,394			22,394		20,501	516
Less: Dispositions			0			0		0	0
Net Grand Totals			<u>22,394</u>			<u>22,394</u>		<u>20,501</u>	<u>516</u>