

Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2006

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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.

A For the 2006 calendar year, or tax year beginning **OCT 1, 2006** and ending **SEP 30, 2007**

B Check if applicable: <input type="checkbox"/> Address change <input 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 PARENTS, FAMILIES & FRIENDS OF LESBIANS AND GAYS, INC.		D Employer identification number 95-3750694
		Number and street (or P.O. box if mail is not delivered to street address) Room/suite 1726 M STREET, NW 400		E Telephone number 202-467-8180
		City or town, state or country, and ZIP + 4 WASHINGTON, DC 20036		F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)

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

Hand I are not applicable to section 527 organizations.

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates **N/A**

H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

G Website: **WWW.PFLAG.ORG**

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.

I Group Exemption Number **N/A**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 **2,964,499.**

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

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	2,578,382.	
	c	Indirect public support (not included on line 1a)	1c	25,723.	
	d	Government contributions (grants) (not included on line 1a)	1d		
	e	Total (add lines 1a through 1d) (cash \$ 2,604,105. noncash \$)	1e	2,604,105.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	165,500.	
	3	Membership dues and assessments	3	97,645.	
	4	Interest on savings and temporary cash investments	4	26,002.	
	5	Dividends and interest from securities	5		
	6a	Gross rents	6a		
	6b	Less: rental expenses	6b		
6c	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	8a	0.		
8b	Less: cost or other basis and sales expenses	8b	745.		
8c	Gain or (loss) (attach schedule)	8c	<745.>		
8d	Net gain or (loss). Combine line 8c, columns (A) and (B)	STMT 1	<745.>		
9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
9a	Gross revenue (not including \$ of contributions reported on line 1b)	9a			
9b	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	26,748.		
10b	Less: cost of goods sold	10b	11,517.		
10c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	STMT 2	15,231.		
11	Other revenue (from Part VII, line 103)	11	44,499.		
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	2,952,237.		
Expenses	13	Program services (from line 44, column (B))	13	1,645,027.	
	14	Management and general (from line 44, column (C))	14	132,794.	
	15	Fundraising (from line 44, column (D))	15	418,083.	
	16	Payments to affiliates (attach schedule)	16		
	17	Total expenses. Add lines 16 and 44, column (A)	17	2,195,904.	
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	756,333.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,086,249.	
	20	Other changes in net assets or fund balances (attach explanation)	20	0.	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	1,842,582.	

**PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.**

Form 990 (2006)

95-3750694 Page 2

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.

<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>				STATEMENT 4
22b Other grants and allocations (attach schedule) (cash \$ <u>50,098</u> . noncash \$ <u>0</u> .) If this amount includes foreign grants, check here <input type="checkbox"/>	50,098.	50,098.		
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	535,240.	424,543.	34,770.	75,927.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
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)				
26 Salaries and wages of employees not included on lines 25a, b, and c	349,139.	326,024.	4,626.	18,489.
27 Pension plan contributions not included on lines 25a, b, and c	2,691.	2,394.	297.	0.
28 Employee benefits not included on lines 25a - 27	63,762.	52,401.	4,718.	6,643.
29 Payroll taxes	61,106.	49,657.	4,229.	7,220.
30 Professional fundraising fees	61,526.	17,969.	0.	43,557.
31 Accounting fees	18,981.	16,410.	0.	2,571.
32 Legal fees	1,651.	0.	0.	1,651.
33 Supplies	13,973.	9,514.	3,515.	944.
34 Telephone	17,458.	13,540.	2,413.	1,505.
35 Postage and shipping	96,610.	47,236.	1,270.	48,104.
36 Occupancy	202,780.	141,056.	33,240.	28,484.
37 Equipment rental and maintenance	14,075.	11,350.	1,279.	1,446.
38 Printing and publications	188,299.	93,492.	1,016.	93,791.
39 Travel	192,023.	156,284.	15,727.	20,012.
40 Conferences, conventions, and meetings				
41 Interest				
42 Depreciation, depletion, etc. (attach schedule)	63,163.	46,796.	9,710.	6,657.
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 3	263,329.	186,263.	15,984.	61,082.
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	2,195,904.	1,645,027.	132,794.	418,083.

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 \$ 270,951. ; (ii) the amount allocated to Program services \$ 100,123. ;
 (iii) the amount allocated to Management and general \$ 0. ; and (iv) the amount allocated to Fundraising \$ 170,828.

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 7	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
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.)	
a SEE STATEMENT 5	1,201,745.
(Grants and allocations \$ 49,304.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b SEE STATEMENT 6	443,282.
(Grants and allocations \$ 674.) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e Other program services (attach schedule)	
(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	1,645,027.

Form 990 (2006)

**PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.**

Form 990 (2006)

95-3750694 Page 4

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	500.	45	500.
	46 Savings and temporary cash investments	663,500.	46	548,541.
	47 a Accounts receivable			
	b Less: allowance for doubtful accounts		47c	
	48 a Pledges receivable	1,533,455.		
	b Less: allowance for doubtful accounts		48c	1,533,455.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use	7,808.	52	13,790.
	53 Prepaid expenses and deferred charges	124,235.	53	112,153.
	54 a Investments - publicly-traded securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54a	
	b Investments - other securities	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	54b	
	55 a Investments - land, buildings, and equipment: basis			
	b Less: accumulated depreciation		55c	
	56 Investments - other		56	
	57 a Land, buildings, and equipment: basis	249,770.		
b Less: accumulated depreciation	154,263.	57c	95,507.	
58 Other assets, including program-related investments (describe ▶ SECURITY DEPOSIT)	12,937.	58	12,937.	
59 Total assets (must equal line 74). Add lines 45 through 58	1,487,222.	59	2,316,883.	
Liabilities	60 Accounts payable and accrued expenses	104,675.	60	159,747.
	61 Grants payable		61	
	62 Deferred revenue		62	97,778.
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable	STMT 8 232,230.	64b	161,097.
	65 Other liabilities (describe ▶ SEE STATEMENT 9)	64,068.	65	55,679.
66 Total liabilities. Add lines 60 through 65	400,973.	66	474,301.	
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	22,204.	67	<86,872.>
	68 Temporarily restricted	1,064,045.	68	1,929,454.
	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)	1,086,249.	73	1,842,582.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73	1,487,222.	74	2,316,883.	

Form 990 (2006)

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

a	Total revenue, gains, and other support per audited financial statements	a	3,381,485.
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	417,731.
3	Recoveries of prior year grants	b3	
4	Other (specify): <u>COST OF GOODS SOLD</u>	b4	11,517.
	Add lines b1 through b4	b	429,248.
c	Subtract line b from line a	c	2,952,237.
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	0.
e	Total revenue (Part I, line 12). Add lines c and d	e	2,952,237.

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

a	Total expenses and losses per audited financial statements	a	2,625,152.
b	Amounts included on line a but not on Part I, line 17:		
1	Donated services and use of facilities	b1	417,731.
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify): <u>COST OF GOODS SOLD</u>	b4	11,517.
	Add lines b1 through b4	b	429,248.
c	Subtract line b from line a	c	2,195,904.
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	0.
e	Total expenses (Part I, line 17). Add lines c and d	e	2,195,904.

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
JODY M. HUCKABY 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	EXECUTIVE DIRECTOR 40.00	124,163.	10,912.	0.
RONALD L. SCHLITTLER 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	DIR. OF PROGRAMS & SPECIAL PROJECTS 40.00	74,578.	6,728.	0.
CHRISTOPHER D. VANCE 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	DIR. OF DEVELOPMENT 40.00	87,433.	9,921.	0.
GERTRUDE G. SCANLAN 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	DIR. OF FINANCE & ADMIN. 40.00	81,959.	8,051.	0.
JEAN-MARIE P. NAVETTA 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	DIR. OF COMMUNICATIONS 40.00	57,798.	8,281.	0.
ELIZABETH H. BROWN 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	DIR. OF POLICY & PROGRAMS 40.00	49,558.	6,989.	0.
CRAIG P. ZISKIN 1726 M STREET, NW, SUITE 400 WASHINGTON, DC 20036	DEVELOPMENT MANAGER 40.00	7,510.	1,359.	0.
SEE LIST OF NON-COMPENSATED BOARD OF DIRECTORS ATTACHED.	0.00	0.	0.	0.

**PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.**

Form 990 (2006)

95-3750694 Page 7

Part VI Other Information <i>(continued)</i>		Yes	No
82 a	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	<input checked="" type="checkbox"/>
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	
		417,731.	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	<input checked="" type="checkbox"/>
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	
	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.		
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?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) organizations. 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) organizations. 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	
88 a	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	<input checked="" type="checkbox"/>
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	<input checked="" type="checkbox"/>
89 a	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) organizations. 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	<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e	<input checked="" type="checkbox"/>
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f	<input checked="" type="checkbox"/>
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? N/A	89g	
90 a	List the states with which a copy of this return is filed ▶ SEE STATEMENT 10		
b	Number of employees employed in the pay period that includes March 12, 2006	90b	15
91 a	The books are in care of ▶ THE ORGANIZATION Telephone no. ▶ 202-467-8180 Located at ▶ 1726 M ST, NW, SUITE 400, WASHINGTON, DC ZIP + 4 ▶ 20036		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b	<input checked="" type="checkbox"/>
	If "Yes," enter the name of the foreign country ▶ N/A See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.		

Form 990 (2006)

**PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.**

Form 990 (2006)

95-3750694 Page **8**

Part VI	Other Information (continued)		Yes	No
c At any time during the calendar year, did the organization maintain an office outside of the United States?		91c		<input checked="" type="checkbox"/>
If "Yes," enter the name of the foreign country ▶ <u>N/A</u>				
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ▶ <input type="checkbox"/>				
and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92		N/A		

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a CONFERENCE INCOME					165,500.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					97,645.
95 Interest on savings and temporary cash investments			14	26,002.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	<745.>	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					15,231.
103 Other revenue:					
a LIST RENTAL			15	5,039.	
b SUBLEASE INCOME			16	32,111.	
c ROYALTIES			15	4,709.	
d MISCELLANEOUS					2,640.
e					
104 Subtotal (add columns (B), (D), and (E))		0.		67,116.	281,016.
105 Total (add line 104, columns (B), (D), and (E))					348,132.

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).
	SEE STATEMENT 11

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? ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
(b)	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ▶	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

Form **990** (2006)

PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.

Form 990 (2006)

95-3750694 Page 9

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 Identification 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 Identification 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

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.

Please Sign Here	<div style="display: flex; justify-content: space-between;"> ▶ Signature of officer </div>	<div style="display: flex; justify-content: center;"> Date </div>		
	<div style="display: flex; justify-content: space-between;"> ▶ Type or print name and title </div>			
Paid Preparer's Use Only	<div style="display: flex; justify-content: space-between;"> ▶ Preparer's signature </div>	<div style="display: flex; justify-content: center;"> ▶ Date </div>	<div style="display: flex; justify-content: space-between;"> ▶ <input type="checkbox"/> Check if self-employed </div>	<div style="display: flex; justify-content: space-between;"> ▶ Preparer's SSN or PTIN (See Gen. Inst. X) </div>
	<div style="display: flex; justify-content: space-between;"> ▶ Firm's name (or yours if self-employed), address, and ZIP + 4 </div>	<div style="display: flex; justify-content: space-between;"> ▶ EIN </div>	<div style="display: flex; justify-content: space-between;"> ▶ Phone no. </div>	<div style="display: flex; justify-content: space-between;"> ▶ (202) 822-5000 </div>

Form 990 (2006)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

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

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

OMB No. 1545-0047

2006

Name of the organization **PARENTS, FAMILIES & FRIENDS OF LESBIANS AND GAYS, INC.** Employer identification number **95 3750694**

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) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
NONE				
Total number of other employees paid over \$50,000	0			

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	0	

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
A. B. DATA, LTD. 4057 N. WILSON DRIVE, MILWAUKEE, WI 53211	DIRECT MAIL CONSULTING	206,943.
Total number of other contractors receiving over \$50,000 for other services	0	

COPY

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 ▶ \$ _____ \$ <u>7,347.</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) <u>VI-A, LINE 38B</u> 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.	X	
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?		X
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	X	
e	Transfer of any part of its income or assets?		X
3 a	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.) SEE STATEMENT 12	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
4 a	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?	N/A	
c	Did the organization make a distribution to a donor, donor advisor, or related person?	N/A	
d	Enter the total number of donor advised funds owned at the end of the tax year		0
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year		0.
f	Enter the total number of separate funds or accounts owned at the end of the 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 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.)

**PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.**

Schedule A (Form 990 or 990-EZ) 2006

95-3750694 Page 4

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.)	1,560,792.	1,361,910.	1,806,251.	2,350,148.	7,079,101.
16 Membership fees received					
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	153,097.	207,542.	247,064.	161,479.	769,182.
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	79,605.	66,280.	29,591.	47,359.	222,835.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
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					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	16,433.	2,127.	SEE STATEMENT 13	4,964.	33,485.
23 Total of lines 15 through 22	1,809,927.	1,637,859.	2,092,867.	2,563,950.	8,104,603.
24 Line 23 minus line 17	1,656,830.	1,430,317.	1,845,803.	2,402,471.	7,335,421.
25 Enter 1% of line 23	18,099.	16,379.	20,929.	25,640.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 146,708.
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 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 7,335,421.
d Add: Amounts from column (e) for lines: 18 <u>222,835.</u> 19 _____ 22 <u>33,485.</u> 26b _____					26d 256,320.
e Public support (line 26c minus line 26d total)					26e 7,079,101.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 96.5057%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2005) _____ (2004) _____ (2003) _____ (2002) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2005) _____ (2004) _____ (2003) _____ (2002) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶ 27f N/A					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

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.

NONE

623131 01-18-07

Schedule A (Form 990 or 990-EZ) 2006



Part V Private School Questionnaire (See page 9 of the instructions.)

N/A

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

		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?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)			

33	Does the organization discriminate by race in any way with respect to:		
a	Students' rights or privileges?	33a	
b	Admissions policies?	33b	
c	Employment of faculty or administrative staff?	33c	
d	Scholarships or other financial assistance?	33d	
e	Educational policies?	33e	
f	Use of facilities?	33f	
g	Athletic programs?	33g	
h	Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)			

34 a	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?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.			
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)

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.)		(a) Affiliated group totals	(b) To be completed for all electing organizations
		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	0.
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	7,347.
38	Total lobbying expenditures (add lines 36 and 37)	38	7,347.
39	Other exempt purpose expenditures	39	2,176,883.
40	Total exempt purpose expenditures (add lines 38 and 39)	40	2,184,230.
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
41		41	259,212.
42	Grassroots nontaxable amount (enter 25% of line 41)	42	64,803.
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	0.
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	0.

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	259,212.				259,212.
46					388,818.
47	7,347.				7,347.
48	64,803.				64,803.
49					97,205.
50					0.

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.)			0.

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

COPY

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:

Table with 3 columns: Question, Yes, No. Rows include 51a(i) Cash, a(ii) Other assets, b(i) Sales or exchanges of assets, b(ii) Purchases of assets, b(iii) Rental of facilities, b(iv) Reimbursement arrangements, b(v) Loans or loan guarantees, b(vi) Performance of services, and c Sharing of facilities.

- (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
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: N/A

Table with 4 columns: (a) Line no., (b) Amount involved, (c) Name of noncharitable exempt organization, (d) Description of transfers, transactions, and sharing arrangements.

52 a 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: N/A

Table with 3 columns: (a) Name of organization, (b) Type of organization, (c) Description of relationship.

Schedule B
(Form 990, 990-EZ,
or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for
line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2006

Name of organization

PARENTS, FAMILIES & FRIENDS OF LESBIANS
AND GAYS, INC.

Employer identification number

95-3750694

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**. (Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule-see instructions.)

General Rule-

For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules-

For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than \$1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year.) ► \$ _____

Caution: Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization PARENTS, FAMILIES & FRIENDS OF LESBIANS AND GAYS, INC.	Employer identification number 95-3750694
---	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2		\$ 75,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3		\$ 56,534.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4		\$ 958,057.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5		\$ 102,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)



FORM 990 GAIN (LOSS) FROM SALE OF OTHER ASSETS STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
LOSS ON DISPOSAL OF FIXED ASSETS	VARIOUS	VARIOUS	PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	745.	0.	0.	<745.>
TO FM 990, PART I, LN 8		745.	0.	0.	<745.>

COPY
STATEMENT(S) 1

FORM 990

INCOME AND COST OF GOODS SOLD
INCLUDED ON PART I, LINE 10

STATEMENT 2

INCOME

1. GROSS RECEIPTS	26,748	
2. RETURNS AND ALLOWANCES		
3. LINE 1 LESS LINE 2		26,748
4. COST OF GOODS SOLD (LINE 13)	11,517	
5. GROSS PROFIT (LINE 3 LESS LINE 4)		15,231

COST OF GOODS SOLD

6. INVENTORY AT BEGINNING OF YEAR	7,808	
7. MERCHANDISE PURCHASED		
8. COST OF LABOR		
9. MATERIALS AND SUPPLIES	17,499	
10. OTHER COSTS		
11. ADD LINES 6 THROUGH 10		25,307
12. INVENTORY AT END OF YEAR	13,790	
13. COST OF GOODS SOLD (LINE 11 LESS LINE 12).		11,517

COPY
STATEMENT(S) 2

FORM 990

OTHER EXPENSES

STATEMENT 3

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
BANK CHARGES AND CREDIT CARD FEES	28,318.	16,584.	5,991.	5,743.
NEWSLETTER	12,353.	12,353.	0.	0.
MISCELLANEOUS	9,913.	7,344.	1,524.	1,045.
STATE CHARITABLE REGISTRATIONS	9,580.	0.	0.	9,580.
STAFF DEVELOPMENT AND RECRUITMENT	9,505.	5,729.	1,216.	2,560.
ONLINE CHARGES	5,858.	4,629.	650.	579.
FACILITY RENTAL	4,697.	4,697.	0.	0.
WIRE SERVICES	4,165.	4,165.	0.	0.
LIST EXCHANGE	2,736.	0.	0.	2,736.
REGISTRATION FEES	789.	789.	0.	0.
OTHER PROFESSIONAL FEES	158,431.	117,411.	6,391.	34,629.
ADVERTISING	9,366.	7,991.	0.	1,375.
DUES AND SUBSCRIPTIONS	7,618.	4,571.	212.	2,835.
TOTAL TO FM 990, LN 43	263,329.	186,263.	15,984.	61,082.

FORM 990

CASH GRANTS AND ALLOCATIONS
TO INDIVIDUALS

STATEMENT 4

CLASS OF ACTIVITY/DONEE'S NAME AND ADDRESS	DONEE'S RELATIONSHIP	AMOUNT
SCHOLARSHIPS SEE ATTACHED STATEMENT	NONE	50,098.
TOTAL INCLUDED ON FORM 990, PART II, LINE 22B		50,098.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 5

DESCRIPTION OF PROGRAM SERVICE ONE

POLICY AND PROGRAMS - PFLAG NATIONAL HELPS TO STRENGTHEN CHAPTERS BY FOSTERING GREATER NETWORKING AMONG CHAPTERS AND ALLIES IN THE SAME STATES AND BUILDING STATE LEADERSHIP TEAMS TO COORDINATE ACTIVITIES. NATIONAL ALSO ENDEAVORS TO CREATE STRONGER AND MORE UNIFIED STATEWIDE PFLAG FAMILY VOICES TO ADDRESS THE MANY ISSUES INCLUDING BUT NOT LIMITED TO MARRIAGE EQUALITY. OTHER AREAS SUPPORTED INCLUDE PARENTING RIGHTS, EMPLOYMENT DISCRIMINATION, HATE CRIMES AND MORE. PFLAG NATIONAL SCHOLARSHIPS PROVIDE AN IMPORTANT, POSITIVE STATEMENT TO A GROUP OF YOUNG PEOPLE THAT IS OFTEN MARGINALIZED, AND SUBJECTED TO HARASSMENT AND DISCRIMINATION.

TO FORM 990, PART III, LINE A

GRANTS	EXPENSES
49,304.	1,201,745.

FORM 990

STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

STATEMENT 6

DESCRIPTION OF PROGRAM SERVICE TWO

OUTREACH AND EDUCATION - CONSISTS OF INTERVIEWS, PRESS RELEASES AND OTHER AREAS RELATED TO MAINTAINING THE ORGANIZATIONS' PUBLIC PRESENCE. THE PUBLIC ALSO HAS ACCESS THROUGH THE PFLAG WEB-SITE. THE ORGANIZATION COORDINATES PUBLIC APPEARANCES BY NATIONAL LEADERSHIP AND PUBLIC APPEARANCES SPEAKING ABOUT FAMILIES OF GAYS AND LESBIANS. PFLAG PROVIDES PUBLICATIONS TO MEMBERS AND THE GENERAL PUBLIC ABOUT SEXUAL ORIENTATION AND RELEVANT ISSUES. PROVIDES NEWS LETTERS WHICH INFORM MEMBERS ABOUT THE ORGANIZATION'S AND PUBLIC ISSUES.

	GRANTS	EXPENSES
TO FORM 990, PART III, LINE B	674.	443,282.

FORM 990

STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE
PART III

STATEMENT 7

EXPLANATION

TO PROMOTE THE HEALTH AND WELL-BEING OF GAY, LESBIAN, BISEXUAL AND TRANSGENDER PERSONS, THEIR FAMILIES, AND FRIENDS.

FORM 990 OTHER NOTES AND LOANS PAYABLE STATEMENT 8

LENDER'S NAME TERMS OF REPAYMENT
 CITICAPITAL MONTHLY INSTALLMENTS OF
 PRINCIPAL OF \$6,444

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
03/31/06	09/30/09	232,730.	.00%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
NONE	FINANCE THE PURCHASE OF THE FUNDRAISING AND MEMBERSHIP SOFTWARE

RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
	0.	161,097.
TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B		161,097.

FORM 990 OTHER LIABILITIES STATEMENT 9

DESCRIPTION	AMOUNT
DEFERRED RENT	32,610.
SECURITY DEPOSIT	8,079.
CAPITAL LEASE OBLIGATION	14,990.
TOTAL TO FORM 990, PART IV, LINE 65, COLUMN B	55,679.

FORM 990 LIST OF STATES RECEIVING COPY OF RETURN STATEMENT 10
PART VI, LINE 90

STATES

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO STATEMENT 11
ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE	EXPLANATION OF RELATIONSHIP OF ACTIVITIES
93A	THE NATIONAL ORGANIZATION CONTRIBUTES ITS REGIONAL STAFF AND FINANCIAL ASSISTANCE TOWARDS THE ACHIEVEMENT OF EACH CONFERENCE. A REGIONAL CONFERENCE INCREASES THE VISIBILITY IN THE COMMUNITY AND HELPS THE ORGANIZATION BECOME RECOGNIZED AS A RESOURCE FOR PARENTS, FAMILIES AND FRIENDS OF LESBIANS AND GAYS. A HIGHER PROFILE ENABLES PFLAG TO ATTRACT NEW MEMBERS, AND LENDS CREDIBILITY WHEN MEMBERS APPROACH SCHOOLS OR OTHER ORGANIZATIONS IN THE LOCALITY.
94	MEMBER DUES ARE OBTAINED FROM CHAPTER MEMBERSHIPS.
102	REVENUE FROM PUBLICATIONS PROVIDED TO ITS MEMBERS AND THE GENERAL PUBLIC WHICH ARE RELEVANT TO THE EXEMPT PURPOSES OF PFLAG.
103D	OTHER RECEIPTS AND CREDITS FROM ACTIVITIES RELATED TO THE EXEMPT PURPOSES OF PFLAG.

SCHEDULE A EXPLANATION OF QUALIFICATIONS TO RECEIVE PAYMENTS STATEMENT 12
PART III, LINE 3A

SEE ATTACHED STATEMENT

SCHEDULE A	OTHER INCOME				STATEMENT 13
DESCRIPTION	2005 AMOUNT	2004 AMOUNT	2003 AMOUNT	2002 AMOUNT	
MISCELLANEOUS	16,433.	2,127.	9,961.	4,964.	
TOTAL TO SCHEDULE A, LINE 22	16,433.	2,127.	9,961.	4,964.	

COPY

Parents, Families and Friends of Lesbians and Gays, Inc.
Form 990, Part II, Line 42 - Depreciation
Form 990, Part IV, Line 57 - Land, Buildings, and Equipment
For the Year Ended September 30, 2007

95-3750694

ASSETS

	Beginning of Year	Additions	Disposals	End of Year
Furniture, fixtures and office equipment	\$ 110,211	\$ 3,120	\$ (1,788)	\$ 111,543
Fundraising and membership software	99,750	2,530	-	102,280
Leasehold Improvements	-	8,690	-	8,690
Website	23,158	4,099	-	27,257
Total	\$ 233,119	\$ 18,439	\$ (1,788)	\$ 249,770

ACCUMULATED
DEPRECIATION

	Beginning of Year	Depreciation	Disposals	End of Year
Accumulated Depreciation	\$ 92,143	\$ 63,163	\$ (1,043)	\$ 154,263
Total	\$ 92,143	\$ 63,163	\$ (1,043)	\$ 154,263

Fixed Assets, net	\$ 140,976	\$ (745)	\$ 95,507
--------------------------	-------------------	-----------------	------------------

Fixed assets are carried at cost and are depreciated or amortized on a straight-line basis over the following estimated useful lives:

Furniture, fixtures and office equipment 3 to 5 years
 Fundraising and membership software 3 years
 Website 3 years

Leasehold improvements are amortized over the life of the lease.

COPY

Parents, Families and Friends of Lesbians and Gays
Form 990, Part V-A - Current List of Officers, Directors, Trustees and Key Employees (Non-compensated)
Year Ended September 30, 2007

95-3750694

<u>Name</u>	<u>Title</u>
John Cepek	National President
Shelley Craig	Vice-President
Mike Neubecker	Vice-President/ RDC Chair
Walter Schubert	Treasurer
David Horowitz	Secretary
Carole Benowitz	Director
Dale Bernstein	Director
Peg Gage	Director
Diane Gherson	Director
Jerry Miller	Director
Alain Montour	Director
Peggy Moore	Director
Jim Null	Director
David N. Parker	Director
Robert Reeder	Director
Rebecca L. Schiff	Director
Nadine Smith	Director
Walt Swanston	Director
Daniel Tepfer	Director
Samuel Thoron	Director
Eric Watson	Director
Sy Zivan	Ex-Officio

All of the individuals listed above are volunteers and are not compensated in their role as directors of the Parents, Families & Friends of Lesbians and Gays, Inc. The officers and directors provide less than one hour per week on average to attend board meetings, etc. All of the officers and directors can be reached at the following corporate address:

1726 M Street, NW, #400
Washington, DC 20036

COPY

**Parents, Families and Friends of Lesbian and Gays, Inc.
Form 990, Part II, Line 22 – Grants and Allocations
Form 990, Schedule A, Part III, Line 3a – Grants for Scholarships
Year Ended September 30, 2007**

95-3750694

PFLAG National Scholarships provide an important, positive statement to a group of young people that is often marginalized, and subjected to harassment and discrimination. For security purposes, the names of the individuals receiving scholarships during the year ended September 30, 2007 have not been included with this return.

PFLAG National Scholarships Program offers two levels of scholarships at \$2,500 and \$1,000.

The \$2,500 scholarships offered this year are:

- Palmer B. Carson-PFLAG “Sakia Gunn” Scholarship for LGBT Community
- Involvement Palmer B. Carson-PFLAG “Esera Tuaolo” Scholarship for Athletic Achievement
- Palmer B. Carson-PFLAG Scholarship for Nevada/Reno residents
- Palmer B. Carson-PFLAG “Jeanne Mannford” Scholarship for LGBT Leadership
- Palmer B. Carson-PFLAG Scholarship for LGBT Advocacy
- Dow Employees Scholarship for Allies (2)
- PFLAG National Donor Scholarship

The \$1,000 scholarships offered this year are:

- Palmer B. Carson-PFLAG Regional Scholarships (13)
- Scholarships for Science, Engineering, Business or Finance (6)
- The Jeff Iorilla and Roel Hinojosa Scholarship for liberal arts (1)
- PFLAG Scholarship for students in GLBT Families (2)

In order to be eligible for these funds, applicants must meet the following requirements:

- Be a graduating high school senior entering higher education for the first time in fall 2007 (if student graduated in 2005 and took a year off before going to college they are also eligible to apply).
- Self identify as either a gay, lesbian, bisexual, transgender person, or as a supporter of gay, lesbian, bisexual or transgender people
- Demonstrate an interest in service to the LGBT community
- Have applied to an accredited higher education institution in pursuit of either an associate’s degree leading to transfer credits towards a bachelor’s degree, or a bachelor’s degree program at a four-year college

Application information is available at www.pflag.org

COPY

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box

Note. Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time. You must file original and one copy.		
Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization PARENTS, FAMILIES & FRIENDS OF LESBIANS AND GAYS, INC.	Employer identification number 95-3750694
	Number, street, and room or suite no. If a P.O. box, see instructions. 1726 M STREET, NW, NO. 400	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. WASHINGTON, DC 20036	

Check type of return to be filed (File a separate application for each return):

- Form 990 Form 990-EZ Form 990-T (sec. 401(a) or 408(a) trust) Form 1041-A Form 5227 Form 8870
- Form 990-BL Form 990-PF Form 990-T (trust other than above) Form 4720 Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **THE ORGANIZATION**
Telephone No. **202-467-8180** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until **AUGUST 15, 2008**

5 For calendar year _____, or other tax year beginning **OCT 1, 2006**, and ending **SEP 30, 2007**

6 If this tax year is for less than 12 months, check reason: Initial return Final return Change in accounting period

7 State in detail why you need the extension
ADDITIONAL TIME IS NEEDED TO GATHER INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	S	
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	S	
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	S	N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature **R H A** Title **CPA** Date **5/15/08**

Notice to Applicant. (To Be Completed by the IRS)

- We **have** approved this application. Please attach this form to the organization's return.
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We **cannot consider** this application because it was filed after the extended due date of the return for which an extension was requested.
- Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address. Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name RAFFA, P.C.
	Number and street (include suite, room, or apt. no.) or a P.O. box number 1899 L STREET, NW, SUITE 900
	City or town, province or state, and country (including postal or ZIP code) WASHINGTON, DC 20036

COPY