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 , 2006, and ending

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

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: NATIONAL ROSACEA SOCIETY

Number and street (or P.O. box if mail is not delivered to street address): 800 S. NORTHWEST HIGHWAY — Room/suite: 200

City or town, state or country, and ZIP + 4: BARRINGTON, IL 60010-4681

D Employer identification number: 36-4120334

E Telephone number: (847) 382-8971

F Accounting method: [ ] Cash [X] Accrual [ ] Other (specify) ▶

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

H and I are not applicable to section 527 organizations.

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

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? [ ] Yes [ ] No (If "No," attach a list. See instructions.)

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

I Group Exemption Number ▶

G **Website:** ▶ ROSACEA.ORG

J **Organization type** (check only one) ▶ [X] 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.

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 778,855.

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	776,282.	
	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 $ 776,282. noncash $)		1e	776,282.
	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	2,573.
	5	Dividends and interest from securities		5	
	6 a	Gross rents	6a		
	b	Less: rental expenses	6b		
	c	Net rental income or (loss). Subtract line 6b from line 6a		6c	
	7	Other investment income (describe ▶)		7	
	8 a	Gross amount from sales of assets other than inventory — (A) Securities: ; (B) Other:	8a		
	b	Less: cost or other basis and sales expenses	8b		
	c	Gain or (loss) (attach schedule)	8c		
	d	Net gain or (loss). Combine line 8c, columns (A) and (B)		8d	
	9	Special events and activities (attach schedule). If any amount is from gaming, check here ▶ [ ]			
	a	Gross revenue (not including $ of contributions reported on line 1b)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
	c	Net income or (loss) from special events. Subtract line 9b from line 9a		9c	
	10 a	Gross sales of inventory, less returns and allowances	10a		
	b	Less: cost of goods sold	10b		
	c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a		10c	
	11	Other revenue (from Part VII, line 103)		11	
	12	**Total revenue.** Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11		12	778,855.
Expenses	13	Program services (from line 44, column (B))		13	638,770.
	14	Management and general (from line 44, column (C))		14	57,182.
	15	Fundraising (from line 44, column (D))		15	67,045.
	16	Payments to affiliates (attach schedule)		16	
	17	**Total expenses.** Add lines 16 and 44, column (A)		17	762,997.
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12		18	15,858.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))		19	207,500.
	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	223,358.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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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 $ _____ noncash $ _____) If this amount includes foreign grants, check here ▶ ☐	22a				
22b Other grants and allocations (attach schedule) (cash $ 99,300. noncash $ _____) If this amount includes foreign grants, check here ▶ ☐	22b	99,300.	99,300.	STMT 1	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	25a	NONE			
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	25b				
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c				
26 Salaries and wages of employees not included on lines 25a, b, and c	26				
27 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				
30 Professional fundraising fees	30				
31 Accounting fees	31	13,451.		13,451.	
32 Legal fees	32	2,491.		2,491.	
33 Supplies	33	1,176.		1,056.	120.
34 Telephone	34	5,522.	5,522.		
35 Postage and shipping	35	44,394.	44,278.		116.
36 Occupancy	36				
37 Equipment rental and maintenance	37	486.		486.	
38 Printing and publications	38	153,550.	153,550.		
39 Travel	39	9,284.	7,754.	996.	534.
40 Conferences, conventions, and meetings	40	21,299.	21,299.		
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule)	42	137.		137.	
43 Other expenses not covered above (itemize):					
a STMT 3	43a	411,907.	307,067.	38,565.	66,275.
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	762,997.	638,770.	57,182.	67,045.

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 $ _____

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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 4 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 MEDICAL SCIENTIFIC EDUCATION - SEE FOOTNOTE ATTACHED (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	88,126.
b PUBLIC AWARENESS - SEE FOOTNOTE ATTACHED (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	159,634.
c PUBLIC EDUCATION - SEE FOOTNOTE ATTACHED (Grants and allocations $) If this amount includes foreign grants, check here ▶ ☐	278,551.
d RESEARCH GRANTS - SEE FOOTNOTE ATTACHED (Grants and allocations $ 99,300.) If this amount includes foreign grants, check here ▶ ☐	112,459.
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) . . . . . ▶	638,770.

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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		95,210.	45	133,061.
	46	Savings and temporary cash investments		118,059.	46	112,895.
	47a	Accounts receivable	47a			
	b	Less: allowance for doubtful accounts	47b		47c	
	48a	Pledges receivable	48a			
	b	Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable			49	
	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) (attach schedule)			50b	
	51a	Other notes and loans receivable (attach schedule)	51a			
	b	Less: allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use			52	
	53	Prepaid expenses and deferred charges			53	
	54a	Investments - publicly-traded securities ▶ ☐ Cost ☐ FMV			54a	
	b	Investments - other securities (attach schedule) ▶ ☐ Cost ☐ FMV			54b	
	55a	Investments - land, buildings, and equipment: basis	55a			
	b	Less: accumulated depreciation (attach schedule)	55b		55c	
	56	Investments - other (attach schedule)			56	
	57a	Land, buildings, and equipment: basis	57a	6,203.		
	b	Less: accumulated depreciation (attach schedule)	57b	6,134.	57c	69.
	58	Other assets, including program-related investments (describe ▶)		206.	58	
	59	**Total assets** (must equal line 74). Add lines 45 through 58		213,475.	59	246,025.
Liabilities	60	Accounts payable and accrued expenses		5,975.	60	22,667.
	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 ▶)			65	
	66	**Total liabilities.** Add lines 60 through 65		5,975.	66	22,667.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here** ▶ [X] and complete lines 67 through 69 and lines 73 and 74.				
	67	Unrestricted		207,500.	67	223,358.
	68	Temporarily restricted			68	
	69	Permanently restricted			69	
		Organizations that do not follow SFAS 117, check here ▶ ☐ 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)		207,500.	73	223,358.
	74	**Total liabilities and net assets/fund balances.** Add lines 66 and 73		213,475.	74	246,025.

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	778,855.
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	778,855.
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	778,855.

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

a	Total expenses and losses per audited financial statements		a	762,997.
b	Amounts included on line a but not on 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	762,997.
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	762,997.

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
SEE STATEMENT 5		NONE	NONE	NONE

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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 ▶ 7			
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).	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
	-0-	-0-	-0-	-0-

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		X
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b If "Yes," enter the name of the organization ▶ _____ and check whether it is ☐ exempt or ☐ nonexempt			
81a Enter direct and indirect political expenditures. (See line 81 instructions.) 81a			
b Did the organization file Form 1120-POL for this year?	81b		X

Part VI Other Information *(continued)*

			Yes	No
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	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			
83 a 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	
84 a Did the organization solicit any contributions or gifts that were not tax deductible?		84a		X
b If " Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84b	N/A	
85 *501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members?		85a	N/A	
b Did the organization make only in-house lobbying expenditures of $2,000 or less?		85b	N/A	
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 N/A			
d Section 162(e) lobbying and political expenditures	85d N/A			
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e N/A			
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f N/A			
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		85g	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		85h	N/A	
86 *501(c)(7) orgs.* Enter: a Initiation fees and capital contributions included on line 12	86a N/A			
b Gross receipts, included on line 12, for public use of club facilities	86b N/A			
87 *501(c)(12) orgs.* Enter: a Gross income from members or shareholders	87a N/A			
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b N/A			
88 b 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
89 a *501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ N/A ; section 4912 ▶ N/A ; section 4955 ▶ N/A				
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 ▶ N/A				
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ N/A				
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

90 a List the states with which a copy of this return is filed ▶ IL

b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.) 90b NONE

91 a The books are in care of ▶ SAMUEL B. HUFF Telephone no. ▶ 847-382-8971

Located at ▶ 800 S. NW. HWY., STE. 200, BARRINGTON IL ZIP + 4 ▶ 60010-4681

		Yes	No
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

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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? If "Yes," enter the name of the foreign country ▶	91c		X

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

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

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income (A) Business code	Unrelated business income (B) Amount	Excluded by section 512, 513, or 514 (C) Exclusion code	Excluded by section 512, 513, or 514 (D) Amount	(E) Related or exempt function income
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	2,573.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				2,573.	
105 Total (add line 104, columns (B), (D), and (E)) ▶					2,573.

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).
N/A	

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
	%			
	%			
	%			
	%			

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

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

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

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

		Yes	No
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.		X

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

		Yes	No
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.		X

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

		Yes	No
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?		X

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.

[redacted] 6-27-07

Signature of officer — Date

SAMUEL B. HUFF, DIRECTOR

Type or print name and title

Paid Preparer's Use Only

Preparer's signature	[redacted]	Date 6-26-07	Check if self-employed ☐	Preparer's SSN or PTIN (See Gen. Inst. X) P00070321
Firm's name (or yours if self-employed), address, and ZIP + 4	FROST, RUTTENBERG & ROTHBLATT, P.C. 111 PFINGSTEN RD., SUITE 300 DEERFIELD, IL 60015-4981			EIN 36-3402398 Phone no. 847-236-1111

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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: NATIONAL ROSACEA SOCIETY

Employer identification number: 36-4120334

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 . . ▶	NONE			

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
SEE STATEMENT 6		
Total number of others receiving over $50,000 for professional services . . . . . ▶ NONE		

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 . . . . . ▶ NONE		

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

JSA
6E1210 2.000

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

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

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 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? Yes	No	(e) Amount of support
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.)	628,042.	543,215.	840,792.	819,368.	2,831,417.
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					
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	4,250.	2,555.	2,824.	5,839.	15,468.
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		10,000.			10,000.
23 Total of lines 15 through 22	632,292.	555,770.	843,616.	825,207.	2,856,885.
24 Line 23 minus line 17	632,292.	555,770.	843,616.	825,207.	2,856,885.
25 Enter 1% of line 23	6,323.	5,558.	8,436.	8,252.	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 57,138.

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 2,345,000.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 2,856,885.

d Add: Amounts from column (e) for lines: 18 15,468. 19 _____ 22 10,000. 26b 2,345,000. ▶ 26d 2,370,468.

e Public support (line 26c minus line 26d total) ▶ 26e 486,417.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 17.0261 % *

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:

NOT APPLICABLE

(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:

(2005) _____ (2004) _____ (2003) _____ (2002) _____

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.

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***SEE ATTACHED EXPLANATION**

Part V **Private School Questionnaire** (See page 9 of the instructions.) NOT APPLICABLE

(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?	29		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31		
	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.)			
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) NOT APPLICABLE

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
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	41		
Over $1,500,000 but not over $17,000,000 — $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 — $1,000,000			
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

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

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

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

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

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

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

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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?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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		

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
NATIONAL ROSACEA SOCIETY

Employer identification number
36-4120334

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[X] 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 -

[X] 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).*

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

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
GRANTS PAID			
WEILL MED. COLLEGE OF CORNELL UNIV./DR. GRANSTEIN 1300 YORK AVENUE NEW YORK, NY 10021	NONE	RESEARCH	12,500.
VETERANS MEDICAL RESEARCH FOUNDATION/DR. GALLO 3350 LA JOLLA VILLAGE DRIVE SAN DIEGO, CA 92161	NONE	RESEARCH	12,500.
UNIVERSITY OF MUENSTER/DR. MARTIN STEINHOFF MD PHD VON-ESMARCH-STRABE 58 48129 MUNSTER, GERMANY	NONE	RESEARCH	25,000.
UNIVERSITY OF BRITISH COLUMBIA/ YOUWEN ZHOU MD 835 W 10TH AVE VANCOUVER, B.C., CANADA VSZ4E8	NONE	RESEARCH	12,500.
UNIV. OF ALABAMA AT BIRMINGHAM/ KENT KEYSER MD 1530 3RD AVENUE S BIRMINGHAM, AL 35294	NONE	RESEARCH	12,500.
UNIVERSITY OF UTAH/DR. TRISTANI-FIROUZI 30 N. 1900 E 4B454 SCHOOL OF MEDICINE SALT LAKE, UT 84132	NONE	RESEARCH	11,800.
HARVARD - MASS. EYE & EAR INFIM/ SANDRA CREMERS MD 243 CHARLES STREET BOSTON, MA 02114	NONE	RESEARCH	12,500.

FORM 990, PART II - OTHER GRANTS AND ALLOCATIONS PAID DURING THE YEAR

RECIPIENT NAME AND ADDRESS	RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR AND FOUNDATION STATUS OF RECIPIENT	PURPOSE OF GRANT OR CONTRIBUTION	AMOUNT
		TOTAL CONTRIBUTIONS PAID	99,300.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
BANK CHARGES	76.	30.	46.	
GRANT PROGRAM	11,861.	11,861.		
INSURANCE	2,316.		2,316.	
LICENSE AND PERMITS	145.	125.	20.	
BROADCAST PRODUCTION	4,446.	4,446.		
MISC. PROGRAM EXPENSE	555.	555.		
AWARENESS PUBLICITY	109,598.	109,598.		
ONLINE SERVICES	50,597.	50,597.		
EDUCATIONAL MATERIALS	129,855.	129,855.		
COMMUNICATIONS	14,392.		14,392.	
PLANNING AND BUDGETING	21,118.		21,118.	
FUNDRAISING	66,275.			66,275.
DUES & SUBSCRIPTIONS	673.		673.	
TOTALS	411,907.	307,067.	38,565.	66,275.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE

TO IMPROVE THE LIVES OF THOSE WHO SUFFER FROM ROSACEA BY RAISING AWARENESS, PROVIDING INFORMATION AND SUPPORTING MEDICAL RESEARCH ON THIS WIDESPREAD BUT POORLY UNDERSTOOD SKIN DISORDER AFFECTING AN ESTIMATED 14 MILLION AMERICANS.

FORM 990, PART V-A - CURRENT OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SAMUEL B. HUFF 800 S. NORTHWEST HIGHWAY BARRINGTON, IL 60010	PRESIDENT	NONE	NONE	NONE
DATHA J. OLNEY 22161 OLD FARM ROAD DEER PARK, IL 60010	TREASURER	NONE	NONE	NONE
MARY F. ERHARD 288 FOX HARBOR CARY, IL 60013	SECRETARY	NONE	NONE	NONE
RICHARD ODOM, M.D. 2236 VALLEJO STREET SAN FRANCISCO, CA 94223	TRUSTEE	NONE	NONE	NONE
MICHAEL MURRAY 135 OSAGE DRIVE BARRINGTON, IL 60010	TRUSTEE	NONE	NONE	NONE
HAROLD BARNETT 5605 CARDINAL OAKS COURT ARLINGTON, TX 76017	TRUSTEE	NONE	NONE	NONE
JONATHAN WILKIN, M.D. 150 W. ROYAL FOREST COLUMBUS, OH 43214	TRUSTEE	NONE	NONE	NONE
	GRAND TOTALS	NONE	NONE	NONE

SCH. A, PART II-A COMPENSATION OF THE 5 HIGHEST PAID FOR PROF. SERV.

GLENDALE COMMUNICATIONS GROUP, INC 800 S. NORTHWEST HIGHWAY BARRINGTON, IL 60010	COMMUNICATION SVCS	387,912.
PARK MAILING AND FULFILLMENT, INC. 120 LAGASCHULTE ST. BARRINGTON, IL 60010	MAILING AND FUFILLMENT	89,744.
	TOTAL COMPENSATION	477,656.

FEDERAL FOOTNOTES

FORM 990, PART III. LINE A - E STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

MEDICAL SCIENTIFIC EDUCATION: BECAUSE OF ROSACEA'S WIDE RANGE OF POTENTIAL MANIFESTATIONS, THE SOCIETY CONDUCTS NATIONAL CONSENSUS CONFERENCES OF LEADING MEDICAL EXPERTS TO DEVELOP WORLDWIDE STANDARDIZED CRITERIA FOR THE DISEASE, INCLUDING ITS PRIMARY AND SECONDARY DIAGNOSTIC FEATURES, SUBTYPES, VARIANTS, GRADES ("STANDARDS") AND MANAGEMENT OPTIONS. THESE STANDARDS ARE REVIEWED BY MEDICAL AUTHORITIES THROUGHOUT THE UNITED STATES AND WORLDWIDE, AND PUBLISHED IN MEDICAL JOURNALS TO SERVE AS STANDARD INSTRUMENTS FOR UNIFYING RESEARCH, IMPROVING CLINICAL DIAGNOSIS AND PROVIDING COMMON TERMINOLOGY FOR COMMUNICATIONS. THE SOCIETY ALSO PROVIDES TECHNICAL EXHIBITS AT MAJOR MEDICAL MEETINGS, CONDUCTS A ROSACEA RESEARCH WORKSHOP EACH YEAR, PRODUCES MEDICAL EDUCATION MATERIALS, AND DISTRIBUTES INFORMATION ON ITS RESEARCH GRANTS PROGRAM TO RESEARCH CENTERS WORLDWIDE.

PUBLIC AWARENESS: THE SOCIETY DESIGNATES APRIL AS ROSACEA AWARENESS MONTH EACH YEAR, PRODUCES NATIONAL PUBLIC SERVICE ANNOUNCEMENTS AND CONDUCTS NATIONAL PUBLIC RELATIONS ACTIVITIES TO REACH THE MILLIONS WHO MAY UNKNOWINGLY SUFFER FROM THIS CHRONIC AND POTENTIALLY LIFE-DISRUPTIVE DISORDER. THE SOCIETY ALSO MAINTAINS A TOLL-FREE TELEPHONE NUMBER AND A COMPREHENSIVE WEB SITE WHERE INDIVIDUALS AND HEALTH PROFESSIONALS CAN OBTAIN INFORMATION OR ASSISTANCE ON ROSACEA. THE EXPANDED WEB SITE, ROSACEA.ORG, RECEIVED A GOLD TRIANGLE AWARD FROM THE AMERICAN ACADEMY OF DERMATOLOGY FOR EXCELLENCE IN CONSUMER HEALTH INFORMATION.

FEDERAL FOOTNOTES

PUBLIC EDUCATION: THE SOCIETY PRODUCES AND SUPPLIES INFORMATION AND EDUCATIONAL MATERIALS IN RESPONSE TO REQUESTS FROM THOSE UNDER MEDICAL CARE, HEALTH PROFESSIONALS AND THE GENERAL PUBLIC. THESE INCLUDE "ROSACEA REVIEW," A NEWSLETTER WITH NEWS AND GENERAL INFORMATION ON ROSACEA, EDITED BY A LEADING DERMATOLOGIST AT HARVARD MEDICAL SCHOOL; BOOKLETS ON ROSACEA AND LEFESTYLE MANAGEMENT TO HELP INDIVIDUALS COPE WITH THE ILLNESS; A PATIENT DIARY TO HELP SUFFERERS IDENTIFY AND AVOID LIFESTYLE AND ENVIRONMENTAL FACTORS THAT MAY AGGRAVATE THEIR INDIVIDUAL CONDITION; MEDICAL AND CONSUMER ARTICLES AND BIBLIOGRAPHIES; THE SOCIETY ALSO CONDUCTS AND PUBLISHES PATIENT SURVEYS ON TRIGGER FACTORS, SYMPTOMS, QUALITY OF LIFE AND OTHER SIGNIFICANT ASPECTS OF ROSACEA.

RESEARCH GRANTS: SINCE THE CAUSE OF ROSACEA IS UNKNOWN AND CONSEQUENTLY THERE IS NO CURE, THE SOCIETY ADMINISTERS A RESEARCH GRANTS PROGRAM TO ENCOURAGE AND SUPPORT MEDICAL RESEARCH RELATING TO POTENTIAL CAUSES AND OTHER KEY ASPECTS OF THE DISORDER. THE SOCIETY'S MEDICAL ADVISORY BOARD, CHAIRED BY THE FORMER DIRECTOR OF DERMATOLOGY FOR THE U.S. FOOD & DRUG ADMINISTRATION AND INCLUDING THREE FORMER PRESIDENTS OF THE AMERICAN ACADEMY OF DERMATOLOGY, REVIEWS GRANT APPLICATION AND SELECTS STUDIES FOR FUNDING. STUDY RESULTS ARE THEN PRESENTED AT SCIENTIFIC MEETINGS AND PUBLISHED IN MEDICAL JOURNALS, AS WELL AS IN THE SOCIETY'S NEWSLETTER AND ON ITS WEB SITE.

FEDERAL FOOTNOTES

FORM 990, PART IV, LINE 57
CATEGORY: FURNITURE & FIXTURES

COST	ACCUM. DEPRECIATION	BOOK VALUE
$6,203	$6,134	$69

FEDERAL FOOTNOTES

FORM 990, PART V-A - LINE 75C THREE OF THE SEVEN DIRECTORS OF THE NATIONAL ROSACEA SOCIETY (NRS), SAMUEL B. HUFF, DATHA J. OLNEY AND MARY F. ERHARD, ARE EMPLOYED BY GLENDALE COMMUNICATIONS GROUP (GLENDALE) AND/OR PARK MAILING AND FULFILLMENT (PARK), AN AFFILIATE OF GLENDALE. GLENDALE AND PARK PROVIDE THE PERSONNEL AND INFRASTRUCTURE, AND CARRY CERTAIN OUTSIDE EXPENSES, NEEDED TO SUPPORT AND IMPLEMENT THE PROGRAM SERVICES AND ADMINISTRATION OF THE NRS, AND ALSO PROVIDE SERVICES TO OTHER CLIENTS UNRELATED TO THE NRS. THE POSITION OF THESE NRS DIRECTORS WITH GLENDALE AND/OR PARK AND THEIR TOTAL SALARIES FROM GLENDALE AND/OR PARK IN 2006 ARE AS FOLLOWS:

NAME	GLENDALE/PARK POSITION	2006 SALARY
SAMUEL B. HUFF	PRESIDENT, GLENDALE	$125,407
	PRESIDENT, PARK	$ 26,981
DATHA J. OLNEY	TECHNICAL SUPPORT, GLENDALE	$ 10,435
	TECHNICAL SUPPORT, PARK	6,291
MARY F. ERHARD	MEDICAL EDITOR, GLENDALE	$ 40,116

BECAUSE OF THEIR RELATIONSHIP, NRS DIRECTORS ASSOCIATED WITH GLENDALE AND/OR PARK ABSTAIN FROM ALL BOARD OF DIRECTOR VOTES AFFECTING GLENDALE, AND ONLY THE NRS DIRECTORS NOT ASSOCIATED WITH GLENDALE AND/OR PARK (THE "INDEPENDENT NRS DIRECTORS") REVIEW AND APPROVE ACTIVITIES AND BUDGETS AFFECTING GLENDALE. EACH YEAR, THE INDEPENDENT NRS DIRECTORS REVIEW THE CONTINUATION OF THE NRS'S RELATIONSHIP WITH GLENDALE AND PARK, AND MUST APPROVE RETENTION OF GLENDALE AND PARK BY THE NRS ANNUALLY. IN ADDITION, AT LEAST ONE OF THE INDEPENDENT NRS DIRECTORS REVIEWS MONTHLY INVOICES FROM GLENDALE AND PARK TO THE NRS. GLENDALE'S AND PARK'S FEES TO THE NRS ARE DETERMINED ON THE SAME BASIS AS FOR OTHER GLENDALE AND PARK CLIENTS, AND THE INDEPENDENT NRS DIRECTORS ARE PROVIDED WITH COMPETITIVE COST ESTIMATES FOR SPECIFIC PROJECTS UNDERTAKEN BY GLENDALE AND PARK ON BEHALF OF THE NRS.

FACTS AND CIRCUMSTANCES

For reasons set forth below, the National Rosacea Society ("Society") believes that it should be treated as a "publicly supported" organization pursuant to the "facts and circumstances" test described in Section 1.170A-9(e)(3) of the Income Tax Regulations.

The Society was initially organized, and has been continuously operated, to provide physicians, patients and the general public with educational information and materials on the common but little-known and often life-disruptive skin disorder called rosacea; to support effective patient management of this chronic and often progressive disease; and to support research relating to potential causes and other key aspects of the disorder. Between January 1, 2004 and December 31, 2006, the Society has received an aggregate amount of $468,077 in cash donations and contributions which qualify as "public support." This amount constituted 23.99% of the Society's total support for the same period, which exceeds the 10% minimum level of public support required by the Regulations.

The Society has maintained a continuous and bona fide program to solicit funds from the general public. This solicitation program has been implemented primarily through requests for contributions which regularly appear in the Society's newsletter that is distributed without charge to the general public. However, the Society's newsletter is read primarily by people who suffer from rosacea as well as physicians and other persons who care for afflicted individuals, and therefore, the Society's solicitations have reached a limited audience. The Society began to significantly broaden its fund-raising activities to include health professionals, foundations and industry in 2004, and has continued to expand these activities in 2005, 2006 and beyond in order to reach larger audiences.

In addition, the Society believes the following factors support its characterization as a publicly supported organization:

1. The Society has received its public support from a large, diverse group of more than 67,000 individuals in

relatively small contribution amounts, as well as a growing number of moderate amounts from corporations and foundations.

2. The Society's Board of Directors is comprised of various unrelated individuals who have an interest in the promotion of awareness and understanding of the disease. No member of the Society's Board is related to or affiliated with any substantial donor to the Society.

3. The Society has financially supported a number of public services and research activities which provide a substantial benefit to the public, especially those persons who are afflicted with the skin disease rosacea or who care for persons with such affliction. Among such programs funded or sponsored by the Society are the following:

A. Information Services. Through its toll-free telephone number, e-mail address and regular mail, the Society receives and handles more than 50,000 inquiries a year from individuals and health professionals requesting information on rosacea.

B. Web Site. The Society's Web site, rosacea.org, contains a wide variety of in-depth information relating to rosacea, and was viewed by nearly 60,000 individuals a month in 2006. This comprehensive site received a Gold Triangle Award from the American Academy of Dermatology for excellence in consumer health information.

C. Educational Materials. The Society produces and supplies hundreds of thousands of educational materials at no charge in response to requests from the general public and health professionals each year. These include such items as educational booklets on rosacea and lifestyle management to avoid rosacea trigger factors, a patient diary booklet to help sufferers identify and avoid lifestyle and environmental factors affecting their individual cases, a medical poster showing the classification of rosacea, medical office placards, the Rosacea Review newsletter, medical journal articles and bibliographies.

D. Newsletter. The Society publishes a quarterly newsletter on rosacea, Rosacea Review, with news and information for patients and health care

professionals.

E. Awareness Program. Through its designation of April as Rosacea Awareness Month each year, public service announcements and public relations activities throughout the year, the Society reaches an estimated audience of 400 million annually, many of whom may unknowingly suffer from this chronic and potentially life-disruptive disorder that affects an estimated 14 million Americans.

F. Research Grants Program. Because the cause of rosacea is unknown and there is no cure, the Society established a research grants program beginning in 1999, which funds medical research relating to the potential causes and other key aspects of the disorder.

4. The Society also serves as a research and educational organization, whose works are regularly published in medical journals and are widely used by medical researchers, physicians and the general public. Among the educational and research activities funded or organized by the Society are the following:

A. Consensus Conferences. Because of rosacea's wide range of potential manifestations, the Society has organized and sponsored consensus conferences of leading authorities on rosacea and epidemiology to develop worldwide standardized criteria for the disease, including its primary and secondary features, subtypes and variants; a standardized grading system for assessing relative severity; and a standard management options system, now being developed. These standard criteria are reviewed by medical authorities throughout the United States and worldwide, and have been published in a major medical journal. They serve as a standard instrument for unifying the focus and parameters of rosacea research worldwide, and are essential to allow data from different sources to be compared and evaluated. The standard criteria also aid in clinical diagnosis and provide standard terminology for clear communications on rosacea among researchers, physicians, health administrators, patients and the general public.

B. Patient Surveys. Because of the Society's unique access to many thousands of rosacea sufferers through its newsletter, it is able to conduct reader surveys with large patient samples on trigger factors, heredity, age of onset, speed of progression, impact on quality of life and other significant aspects of rosacea. The survey results are published in medical journals, are often cited in other medical articles and presentations, and are used by researchers, physicians and patients.

C. Medical Research. Since the cause of rosacea is unknown, the Society's Medical Advisory Board awards research grants each year for studies relating to potential causes and other key aspects of rosacea. Since the issuing of grants began in late 1999, $838,794 has been committed to fund 37 research studies, and the Society anticipates issuing greater numbers of grants in the future. Study results are presented at scientific and medical meetings, and are published in scientific and medical journals.

D. Research Workshop. To share scientific knowledge and encourage rosacea research, the Society organizes and sponsors a research workshop each year at the Society for Investigative Dermatology annual meeting. The workshop features presentations and open discussion among rosacea experts and attending medical researchers on new scientific information and various aspects of the disease that should be investigated.

E. Technical Exhibits. The Society provides technical exhibits for physicians at major medical meetings, including a wide range of medical education information on the disease, as well as educational materials for their patients.

5. The activities and programs of the Society have attracted the participation and support of a wide and rapidly growing number of physicians, medical researchers and scholars with special knowledge or interest in rosacea. The Society's newsletter is edited by Dr. Lynn Drake of Harvard Medical School, who is a former president of the American Academy of Dermatology (AAD). The Society's Medical Advisory Board is chaired by Dr. Jonathan Wilkin,

former director of the Dermatologic Division, U.S. Food & Drug Administration. Medical Advisory Board members also include Dr. Drake; Dr. Mark Dahl, chairman of dermatology, Mayo Clinic-Scottsdale, and a former president of AAD; Dr. Richard Odom, professor of clinical dermatology, University of California, San Francisco, and a former president of AAD; Dr. David Norris, chairman of dermatology, University of Colorado, and a former president of the Society for Investigative Dermatology; Dr. Frank Powell, consultant dermatologist, Regional Centre of Dermatology, Mater Misericordiae Hospital, Dublin, Ireland; Dr. Michael Detmar, associate professor of dermatology at Harvard Medical School; and Dr. Bryan Sires, clinical associate professor of ophthalmology, University of Washington. The classification, grading and management options consensus conferences also included Dr. Alvan Feinstein, professor of medicine and epidemiology at Yale University School of Medicine and a world-renowned authority on disease classification systems; Dr. Matthew Liang, professor of medicine, department of health policy and management, Harvard School of Public Health; Dr. Zoe Draelos, clinical assistant professor of dermatology at Wake Forest University; Dr. Jeffrey Dover, associate clinical professor of dermatology, Yale University School of Medicine; Dr. Marian Macsai, vice chair of ophthalmology at Northwestern University; Dr. Diane Thiboutot, professor of dermatology, Pennsylvania State University; and Dr. Guy Webster, professor of dermatology at Thomas Jefferson University.

Research grant recipients have included Dr. Mina Yaar, professor of dermatology at Boston University Medical School; Dr. Ethan A. Lerner, associate professor of dermatology at Harvard Medical School; Dr. Patricia Fitzpatrick, epidemiologist with the Department of Public Health Medicine & Epidemiology at University College, Dublin; Dr. Kevin Kavanagh, department of biology at National University of Ireland; Dr. Patrick Schlievert, professor of microbiology at University of Minnesota Medical School; Dr. Robert A. Swerlick, associate professor of dermatology at Emory University School of Medicine; Dr. Richard Gallo, chief of dermatology, University of California-San Diego; Dr. Diane Thiboutot, professor of dermatology, Pennsylvania State University; Dr. Sandra Jones Wu, assistant professor of dermatology, Ohio State University; Karol Lindow, associate professor of nursing, Kent State University; Dr. Richard Granstein, chairman of dermatology, Cornell University; Dr. Wendy Roberts, medical

director, Desert Dermatology Medical Associates, Rancho Mirage, California; Dr. Richard Burroughs, William Beaumont Army Medical Center; Dr. Youwen Zhou, director of the Chieng Genomics Center, University of British Columbia, Canada; Dr. Martin Steinhoff, department of dermatology, University of Muenster, Germany; Dr. Albert Kligman, professor of dermatology, University of Pennsylvania; Dr. Mark Mannis, chairman of ophthalmology, University of California-Davis; Dr. Payam Tristani-Firouzi, assistant professor of dermatology, University of Utah; Dr. Sandra Cremers, assistant professor of ophthalmology, Harvard Medical School; and Dr. Kent Keyser, professor of Vision Sciences, University of Alabama at Birmingham.

Others who have made significant contributions to Society programs and activities include Dr. Larry Millikan, chairman of dermatology at Tulane Medical School; Dr. John Wolf, chairman of dermatology at Baylor College of Medicine; Dr. Jerome Litt, assistant clinical professor of dermatology at Case Western Reserve University; Dr. Joseph Bikowski, clinical assistant professor of dermatology at The Ohio State University; Dr. Thomas Cash, professor of psychology at Old Dominion University; Dr. Ted Grossbart, clinical psychologist at Harvard Medical School; Dr. Philip Bailin, chairman of dermatology at the Cleveland Clinic Foundation; Dr. Ronald Moy, associate clinical professor of dermatology at the University of California-Los Angeles and former president of the American Society for Dermatologic Surgery; Dr. James Del Rosso, assistant clinical professor of dermatology, University of Nevada School of Medicine; Dr. Joel Bamford, associate professor of family practice, University of Minnesota-Duluth; Dr. Mats Berg, department of dermatology, Uppsala University in Sweden; Dr. Ronald Marks, emeritus professor of dermatology, University of Wales College of Medicine; Dr. Gerd Plewig, professor of dermatology, Ludwig-Maximilians University in Germany; Dr. Alfredo Rebora, professor of endocrinology and metabolism, University of Genoa in Italy; Dr. James T. Elder, professor of dermatology, University of Michigan; Dr. John Wolf, chairman of dermatology, Baylor University; Dr. Michelle Pelle, clinical assistant professor of dermatology, University of California-San Diego; and Dr. Roy Geronemus, clinical professor of dermatology at New York University. The Society intends to continue to attract and expand such participation in the future.