

Return of Private Foundation
 or Section 4947(a)(1) Nonexempt Charitable Trust
 Treated as a Private Foundation

2005

Department of the Treasury
 Internal Revenue Service

Note: The organization may be able to use a copy of this return to satisfy state reporting requirements.

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

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. **NATIONAL FOUNDATION FOR ALTERNATIVE MEDICINE**

Otherwise, print or type. **5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005**

A Employer identification number **42-1471957**

B Telephone number **202-463-4900**

C If exemption application is pending, check here

D 1. Foreign organizations, check here
 2. Foreign organizations meeting the 85% test, check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year **\$ 312,874.** (Part I, column (d) must be on cash basis.)

J Accounting method: Cash Accrual
 Other (specify) _____

Part I Analysis of Revenue and Expenses		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received		662,255.			
2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B					
3 Interest on savings and temporary cash investments		678.	678.	678.	STATEMENT 1
4 Dividends and interest from securities		2,276.	2,276.	2,276.	STATEMENT 2
5a Gross rents		63,456.	63,456.	63,456.	STATEMENT 3
b Net rental income or (loss)		63,456.			
6a Net gain or (loss) from sale of assets not on line 10		1,001.			STATEMENT 4
b Gross sales price for all assets on line 6a		1,001.			
7 Capital gain net income (from Part IV, line 2)			0.		
8 Net short-term capital gain				0.	
9 Income modifications					
10a Gross sales less returns and allowances					
b Less Cost of goods sold					
c Gross profit or (loss)					
11 Other income					
12 Total. Add lines 1 through 11		729,666.	66,410.	66,410.	
13 Compensation of officers, directors, trustees, etc		0.	0.	0.	0.
14 Other employee salaries and wages		280,059.	0.	280,059.	203,643.
15 Pension plans, employee benefits		26,294.	0.	26,294.	19,119.
16a Legal fees STMT 5		<556.>	0.	<556.>	<205.>
b Accounting fees STMT 6		6,830.	0.	6,830.	2,519.
c Other professional fees STMT 7		67,518.	0.	67,518.	24,902.
17 Interest					
18 Taxes STMT 8		21,217.	0.	21,217.	15,428.
19 Depreciation and depletion		14,029.	0.	14,029.	
20 Occupancy		116,795.	74,990.	41,805.	-77,863.
21 Travel (other than first-class air travel)		22,354.	0.	22,354.	20,189.
22 Printing and publications		15,779.	0.	15,779.	10,551.
23 Other expenses STMT 9		132,071.	0.	132,071.	114,683.
24 Total operating and administrative expenses. Add lines 13 through 23		702,390.	74,990.	627,400.	488,692.
25 Contributions, gifts, grants paid					
26 Total expenses and disbursements. Add lines 24 and 25		702,390.	74,990.	627,400.	488,692.
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements		27,276.			
b Net investment income (if negative, enter -0-)			0.		
c Adjusted net income (if negative, enter -0-)				0.	

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**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Form 990-PF (2005)

42-1471957

Page 2

Part II Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash - non-interest-bearing	80,835.	175,907.	175,907.
	2 Savings and temporary cash investments	148,641.	87,459.	87,459.
	3 Accounts receivable ▶			
	Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶			
	Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
Liabilities	11 Investments - land, buildings, and equipment basis ▶			
	Less accumulated depreciation ▶			
	12 Investments - mortgage loans			
	13 Investments - other			
	14 Land, buildings, and equipment basis ▶ 88,525.			
	Less accumulated depreciation STMT 10 ▶ 59,236.	43,318.	29,289.	29,289.
	15 Other assets (describe ▶ DEPOSITS)	15,808.	20,219.	20,219.
	16 Total assets (to be completed by all filers)	288,602.	312,874.	312,874.
	17 Accounts payable and accrued expenses			
	18 Grants payable			
19 Deferred revenue				
20 Loans from officers, directors, trustees, and other disqualified persons				
21 Mortgages and other notes payable				
22 Other liabilities (describe ▶ STATEMENT 11)	10,752.	7,748.		
23 Total liabilities (add lines 17 through 22)	10,752.	7,748.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted	193,501.	220,777.	
	25 Temporarily restricted			
	26 Permanently restricted	84,349.	84,349.	
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg., and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds				
30 Total net assets or fund balances	277,850.	305,126.		
31 Total liabilities and net assets/fund balances	288,602.	312,874.		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	277,850.
2 Enter amount from Part I, line 27a	2	27,276.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	305,126.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	305,126.

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Form 990-PF (2005)

42-1471957 Page 3

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs. MLC Co.)		(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a				
b	NONE			
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a				
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))	
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any		
a				
b				
c				
d				
e				

2 Capital gain net income or (net capital loss). { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

N/A

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col. (b) divided by col. (c))
2004			
2003			
2002			
2001			
2000			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Form 990-PF (2005)

42-1471957 Page 4

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see instructions)

<p>1a Exempt operating foundations described in section 4940(d)(2), check here <input checked="" type="checkbox"/> and enter "N/A" on line 1. Date of ruling letter: <u>11/24/98</u> (attach copy of ruling letter if necessary-see instructions)</p> <p>b Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b</p> <p>c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (b)</p> <p>2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)</p> <p>3 Add lines 1 and 2</p> <p>4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)</p> <p>5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-</p> <p>6 Credits/Payments:</p> <table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%;">6a</td><td>2005 estimated tax payments and 2004 overpayment credited to 2005</td></tr> <tr><td>6b</td><td>Exempt foreign organizations - tax withheld at source</td></tr> <tr><td>6c</td><td>Tax paid with application for extension of time to file (Form 8868)</td></tr> <tr><td>6d</td><td>Backup withholding erroneously withheld</td></tr> </table> <p>7 Total credits and payments. Add lines 6a through 6d</p> <p>8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached</p> <p>9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed</p> <p>10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid</p> <p>11 Enter the amount of line 10 to be: Credited to 2006 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/></p>	6a	2005 estimated tax payments and 2004 overpayment credited to 2005	6b	Exempt foreign organizations - tax withheld at source	6c	Tax paid with application for extension of time to file (Form 8868)	6d	Backup withholding erroneously withheld	<table border="1" style="width:100%; border-collapse: collapse;"> <tr><td style="width:5%; text-align:center;">1</td><td style="width:65%; text-align:center;">N/A</td><td style="width:30%;"></td></tr> <tr><td>2</td><td></td><td style="text-align:right;">0.</td></tr> <tr><td>3</td><td></td><td style="text-align:right;">0.</td></tr> <tr><td>4</td><td></td><td style="text-align:right;">0.</td></tr> <tr><td>5</td><td></td><td style="text-align:right;">0.</td></tr> <tr><td>7</td><td></td><td style="text-align:right;">0.</td></tr> <tr><td>8</td><td></td><td></td></tr> <tr><td>9</td><td></td><td style="text-align:right;">0.</td></tr> <tr><td>10</td><td></td><td></td></tr> <tr><td>11</td><td></td><td></td></tr> </table>	1	N/A		2		0.	3		0.	4		0.	5		0.	7		0.	8			9		0.	10			11		
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Part VII-A Statements Regarding Activities

		Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities.</i>	1b		X
c Did the organization file Form 1120-POL for this year?	1c		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. ▶ \$ <u>0.</u> (2) On organization managers. ▶ \$ <u>0.</u>			
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. ▶ \$ <u>0.</u>			
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If "Yes," attach a detailed description of the activities.</i>	2		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If "Yes," attach a conformed copy of the changes</i>	3		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?	4a		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	4b		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If "Yes," attach the statement required by General Instruction T.</i>	5		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If "Yes," complete Part II, col. (c), and Part XV.</i>	7	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ <u>DC</u>			
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by <i>General Instruction G</i> ? If "No," attach explanation	8b	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2005 or the taxable year beginning in 2005 (see instructions for Part XIV)? <i>If "Yes," complete Part XIV</i>	9	X	
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names and addresses	10	X	
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address ▶ <u>WWW.NFAM.ORG</u>	11	X	
12 The books are in care of ▶ <u>THE ORGANIZATION</u> Telephone no. ▶ <u>202-463-4900</u> Located at ▶ <u>5 THOMAS CIRCLE NW, SUITE 500, WASHINGTON, DC</u> ZIP+4 ▶ <u>20005</u>			
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year ▶ <u>N/A</u>	13		N/A

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a During the year did the organization (either directly or indirectly):			
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A <input type="checkbox"/>	
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2005?		X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):			
a	At the end of tax year 2005, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2005? If "Yes," list the years	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement - see instructions.)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here.		
3a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?			
		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2005 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2005.)	N/A	
4a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2005?		X
5a During the year did the organization pay or incur any amount to:			
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Influence the outcome of any specific public election (see section 4955); or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A <input type="checkbox"/>	
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).	N/A <input type="checkbox"/> Yes <input type="checkbox"/> No	
6a 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? If you answered "Yes" to 6b, also file Form 8870.			
			X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation.

(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 and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 12		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1). If 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 and deferred compensation	(e) Expense account, other allowances
MARY ANN RICHARDSON 5 THOMAS CIRCLE NW, SUITE 500, WASHIN	VP MED. RESEARCH 40.00	85,934.	12,395.	

Total number of other employees paid over \$50,000 0

3 Five highest-paid independent contractors for professional services. If none, enter "NONE."

(a) Name and address of each person 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 IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.	Expenses
1 DEVELOPMENT - CREATE AN INTERNATIONAL NETWORK TO IDENTIFY PROMISING COMPLEMENTARY & ALTERNATIVE MEDICAL TREATMENTS FOR DISEASE & VALIDATE THE EFFECTIVENESS OF THESE PROTOCOLS.	51,326.
2 EDUCATION - INCLUDES A TELEPHONE HELP-LINE, AN ON-LINE INTERNATIONAL COMPLEMENTARY & ALTERNATIVE MEDICINE RESOURCE CENTER AND A NATIONAL SPEAKERS BUREAU & INTERACTIVE SEMINARS.	8,761.
3 RESEARCH - IDENTIFIES TEH PROTOCOLS OF CLINICS THROUGHOUT THE WORLD WITH PRELIMINARY EVIDENCE OF EFFICACY & INITIATES CLINICAL RESEARCH TRIALS TO VERIFY THE CLINICS' CLAIMS.	226,727.
4	

Part IX-B Summary of Program-Related Investments

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:		
a Average monthly fair market value of securities	1a	
b Average of monthly cash balances	1b	246,422.
c Fair market value of all other assets	1c	49,507.
d Total (add lines 1a, b, and c)	1d	295,929.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	295,929.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	4,439.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	291,490.
6 Minimum investment return. Enter 5% of line 5	6	14,575.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	
2a Tax on investment income for 2005 from Part VI, line 5	2a	
b Income tax for 2005. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	

Part XII Qualifying Distributions (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	488,692.
b Program-related investments - total from Part IX-B	1b	0.
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the:		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	488,692.
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b	5	0.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	488,692.

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				0.
2 Undistributed income, if any, as of the end of 2004				
a Enter amount for 2004 only			0.	
b Total for prior years:		0.		
3 Excess distributions carryover, if any, to 2005:				
a From 2000	955,365.			
b From 2001	658,218.			
c From 2002	581,361.			
d From 2003	998,670.			
e From 2004	1,042,031.			
f Total of lines 3a through e	4,235,645.			
4 Qualifying distributions for 2005 from Part XII, line 4: ▶ \$ <u>N/A</u>				
a Applied to 2004, but not more than line 2a			0.	
b Applied to undistributed income of prior years (Election required - see instructions)		0.		
c Treated as distributions out of corpus (Election required - see instructions)	0.			
d Applied to 2005 distributable amount				0.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2005 (If an amount appears in column (d), the same amount must be shown in column (a).)	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	4,235,645.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
e Undistributed income for 2004. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
f Undistributed income for 2005. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2006				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2000 not applied on line 5 or line 7	955,365.			
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a	3,280,280.			
10 Analysis of line 9:				
a Excess from 2001	658,218.			
b Excess from 2002	581,361.			
c Excess from 2003	998,670.			
d Excess from 2004	1,042,031.			
e Excess from 2005				

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2005, enter the date of the ruling ▶ 11/24/98
 b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	0.	0.	0.	0.	0.
b 85% of line 2a	0.	0.	0.	0.	0.
c Qualifying distributions from Part XII, line 4 for each year listed	488,692.	1,042,031.	998,670.	581,361.	3,110,754.
d Amounts included in line 2c not used directly for active conduct of exempt activities	0.	0.	0.	0.	0.
e Qualifying distributions made directly for active conduct of exempt activities. Subtract line 2d from line 2c	488,692.	1,042,031.	998,670.	581,361.	3,110,754.
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					0.
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0.
b "Endowment" alternative test - enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	9,717.	12,844.	11,641.	4,807.	39,009.
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					0.
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0.
(3) Largest amount of support from an exempt organization					0.
(4) Gross investment income					0.

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 26 of the instructions.)

1 **Information Regarding Foundation Managers:**
 a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2).)
NONE
 b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.
NONE

2 **Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:**
 Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.
 a The name, address, and telephone number of the person to whom applications should be addressed:

 b The form in which applications should be submitted and information and materials they should include:

 c Any submission deadlines:

 d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Form 990-PF (2005)

42-1471957 Page 10

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a <i>Paid during the year</i> <p align="center">NONE</p>				
Total				▶ 3a 0.
b <i>Approved for future payment</i> <p align="center">NONE</p>				
Total				▶ 3b 0.

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount	
1 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	678.	
4 Dividends and interest from securities			14	2,276.	
5 Net rental income or (loss) from real estate:					
a Debt-financed property					
b Not debt-financed property			16	63,456.	
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	1,001.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0.		67,411.	0.
13 Total. Add line 12, columns (b), (d), and (e)			13	67,411.	

(See worksheet in line 13 instructions to verify calculations.)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE

Form 990-PF (2005)

42-1471957 Page 12

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

- 1** Did the 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:
 - (1) Cash
 - (2) Other assets
 - b** Other transactions:
 - (1) Sales of assets to a noncharitable exempt organization
 - (2) Purchases of assets from a noncharitable exempt organization
 - (3) Rental of facilities, equipment, or other assets
 - (4) Reimbursement arrangements
 - (5) Loans or loan guarantees
 - (6) 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.

	Yes	No
1a(1)		X
1a(2)		X
1b(1)		X
1b(2)		X
1b(3)		X
1b(4)		X
1b(5)		X
1b(6)		X
1c		X

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

2a 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		

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

Signature of officer or trustee: *Emergent Energy* Date: *15-10-06* Title: *Executive Director*

Paid Preparer's Use Only
 Preparer's Signature: *Brian D Davis* Date: *5/8/06* Check if self-employed: Preparer's SSN or PTIN: _____
 Firm's name (or yours if self-employed), address, and ZIP code: **CALIBRE CPA GROUP PLLC**
1850 K STREET, N.W.
WASHINGTON, DC 20006 EIN: _____ Phone no. **(202) 331-9880**

523821 01-05-06

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

2005

Name of organization

**NATIONAL FOUNDATION
FOR ALTERNATIVE MEDICINE**

Employer identification number

42-1471957

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)() (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 under Regulations sections 1.509(a)-3/1.170A-9(e) 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) (2005)

Name of organization NATIONAL FOUNDATION FOR ALTERNATIVE MEDICINE	Employer identification number 42-1471957
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>BERKLEY BEDELL TRUST</u> <u>NAPLES, FL 34109</u>	\$ 466,543.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	<u>JOANNE QUINN</u> <u>LOVELAND, CO 80538</u>	\$ 40,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	<u>BEN QUINN</u> <u>CHANDLER, AZ 85224</u>	\$ 20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	<u>JASON QUINN</u> <u>LOVELAND, CO 80538</u>	\$ 10,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

2005 DEPRECIATION AND AMORTIZATION REPORT

FORM 990-PF PAGE 1

990-PF

Asset No.	Description	Date Acquired	Method	Life	Line No	Unadjusted Cost Or Basis	Bus % Excl	Reduction In Basis	Basis For Depreciation	Accumulated Depreciation	Current Sec 179	Amount Of Depreciation
1	FURNITURE, FIXTURES & EQUIPMENT	VARIES		5.00	16	80,987.			80,987.	42,141.		11,992.
2	LEASEHOLD IMPROVEMENT	VARIES		3.70	16	7,538.			7,538.	3,066.		2,037.
	* TOTAL 990-PF PG 1 DEPR					88,525.		0.	88,525.	45,207.	0.	14,029.

FORM 990-PF INTEREST ON SAVINGS AND TEMPORARY CASH INVESTMENTS STATEMENT 1

SOURCE	AMOUNT
INTEREST INCOME	678.
TOTAL TO FORM 990-PF, PART I, LINE 3, COLUMN A	678.

FORM 990-PF DIVIDENDS AND INTEREST FROM SECURITIES STATEMENT 2

SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
DIVIDEND INCOME	2,276.	0.	2,276.
TOTAL TO FM 990-PF, PART I, LN 4	2,276.	0.	2,276.

FORM 990-PF RENTAL INCOME STATEMENT 3

KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME
SUBLEASE	1	63,456.
TOTAL TO FORM 990-PF, PART I, LINE 5A		63,456.

FORM 990-PF GAIN OR (LOSS) FROM SALE OF ASSETS STATEMENT 4

(A) DESCRIPTION OF PROPERTY	(B) GROSS SALES PRICE	(C) COST OR OTHER BASIS	(D) EXPENSE OF SALE	(E) MANNER ACQUIRED PURCHASED	(F) DATE ACQUIRED 02/01/00	DATE SOLD 12/31/05
SALE OF FIXED ASSETS	1,001.	0.	0.	0.		1,001.
NET GAIN OR LOSS FROM SALE OF ASSETS						1,001.
CAPITAL GAINS DIVIDENDS FROM PART IV						0.
TOTAL TO FORM 990-PF, PART I, LINE 6A						1,001.

FORM 990-PF LEGAL FEES STATEMENT 5

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
LEGAL FEES	<556.>	0.	<556.>	<205.>
TO FM 990-PF, PG 1, LN 16A	<556.>	0.	<556.>	<205.>

FORM 990-PF ACCOUNTING FEES STATEMENT 6

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ACCOUNTING	6,830.	0.	6,830.	2,519.
TO FORM 990-PF, PG 1, LN 16B	6,830.	0.	6,830.	2,519.

FORM 990-PF OTHER PROFESSIONAL FEES STATEMENT 7

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
OTHER PROFESSIONAL FEES	67,518.	0.	67,518.	24,902.
TO FORM 990-PF, PG 1, LN 16C	67,518.	0.	67,518.	24,902.

FORM 990-PF TAXES STATEMENT 8

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAX	21,217.	0.	21,217.	15,428.
TO FORM 990-PF, PG 1, LN 18	21,217.	0.	21,217.	15,428.

FORM 990-PF OTHER EXPENSES STATEMENT 9

DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
EQUIPMENT, COMPUTERS, FURNITURE	1,475.	0.	1,475.	1,130.
EDUCATION	2,696.	0.	2,696.	2,648.
TELEPHONE, INTERNET COMMUNICATION	12,312.	0.	12,312.	9,772.
TRIAL SPECIFIC	68,880.	0.	68,880.	68,880.
WEBSITE DEVELOPMENT	379.	0.	379.	379.
MOVING EXPENSES	3,300.	0.	3,300.	2,200.
OTHER ADMIN EXPENSES	36,704.	0.	36,704.	25,457.
SEVERANCE	6,325.	0.	6,325.	4,217.
TO FORM 990-PF, PG 1, LN 23	132,071.	0.	132,071.	114,683.

FORM 990-PF DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT STATEMENT 10

DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
FURNITURE, FIXTURES & EQUIPMENT	80,987.	54,133.	26,854.
LEASEHOLD IMPROVEMENT	7,538.	5,103.	2,435.
TOTAL TO FM 990-PF, PART II, LN 14	88,525.	59,236.	29,289.

FORM 990-PF OTHER LIABILITIES STATEMENT 11

DESCRIPTION	AMOUNT
CAPITAL LEASE OBLIGATION	7,748.
TOTAL TO FORM 990-PF, PART II, LINE 22, COLUMN B	7,748.

FORM 990-PF

PART VIII - LIST OF OFFICERS, DIRECTORS
TRUSTEES AND FOUNDATION MANAGERS

STATEMENT 12

NAME AND ADDRESS	TITLE AND AVRG HRS/WK	COMPEN- SATION	EMPLOYEE BEN PLAN EXPENSE CONTRIB ACCOUNT	
BERKLEY BEDELL 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	CHAIRMAN 0.00	0.	0.	0.
FIONA EBERTS 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
ROBERT W. EDGAR 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
WAYNE JONAS 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
PHILIP HOLSTEIN 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
JOANNE QUINN 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
HUGH SOFY 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
GEIRGE ZABRECKY 5 THOMAS CIRCLE NW, SUITE 500 WASHINGTON, DC 20005	DIRECTOR 0.00	0.	0.	0.
TOTALS INCLUDED ON 990-PF, PAGE 6, PART VIII		0.	0.	0.