

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)

Department of the Treasury Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2006 calendar year, or tax year beginning, 2006, and ending, 20

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. C Name of organization, number and street, city, town, state, and ZIP code: REEF ENVIRONMENTAL EDUCATION FOUNDATION, PO BOX 0246, KEY LARGO FL 33037. D Employer identification number: 65-0270064. E Telephone number: 305-852-0030. F Acctg. method: Cash, Accrual, Other (specify)

G Website: H and I are not applicable to section 527 organizations. H(a) Is this a group return for affiliates? H(b) If "Yes," enter number of affiliates. H(c) Are all affiliates included? H(d) Is this a separate return filed by an organization covered by a group ruling?

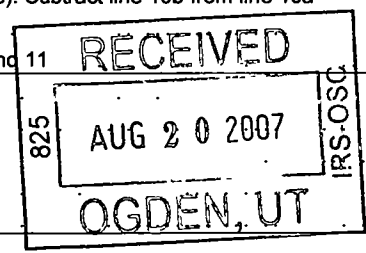
J Organization type (check only one): 501(c)(3), 4947(a)(1) or 527. K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 492,134. M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF).

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

Table with 21 rows and 4 columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues; 4 Interest on savings; 5 Dividends; 6a Gross rents; 7 Other investment income; 8a Gross amount from sales of assets; 9 Special events and activities; 10a Gross sales of inventory; 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets; 21 Net assets or fund balances at end of year.

SCANNED SEP 10 2007



11/6/07

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 <input type="checkbox"/>	22a				
22b Other grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b				
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	22707.		22707.		
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	40385.	8654.	31731.		
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	144303.	144303.			
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	12879.	12598.	281.		
32 Legal fees	32				
33 Supplies	13833.	7035.	6731.	67.	
34 Telephone	5491.	5159.	332.		
35 Postage and shipping	10033.	9314.	406.	313.	
36 Occupancy	36				
37 Equipment rental and maintenance	10308.	10291.	17.		
38 Printing and publications	35287.	3795.	656.	30836.	
39 Travel	29993.	20468.	9525.		
40 Conferences, conventions, and meetings	40				
41 Interest	11235.		11235.		
42 Depreciation, depletion, etc. (attach schedule)	7488.		7488.		
43 Other expenses not covered above (itemize)	43a				
a SEE STMT	43b				
b _____	43c				
c _____	43d				
d _____	43e				
e _____	43f				
f _____	43g				
g _____					
44 Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	478302.	342142.	104812.	31348.

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____;
 (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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

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

What is the organization's primary exempt purpose? ▶	Program Service Expenses
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.)	(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others.)
a CONDUCT UNDERWATER SURVEYS TO COLLECT DATA ON FISH & REEF CONDITIONS, PROMOTE ENVIRONEMTNAL PROTECTION & AWERENESS THRU NEWSLETTER DIST, PUBLIC ACTIVITIES &PRODUCT SALES (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	342142.
b (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
c (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
d (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
e Other program services (attach schedule) (Grants and allocations \$) If this amount includes foreign grants, check here ▶ <input type="checkbox"/>	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	342142.

Form 990 (2006)

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)		(B)
		Beginning of year		End of year
Assets	45 Cash - non-interest-bearing	39,790.	45	76,330.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	12,777.		
	b Less: allowance for doubtful accounts		47c	12,777.
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B) (attach schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use	24,685.	52	16,055.
	53 Prepaid expenses and deferred charges		53	
	54a Investments - publicly-traded securities		54a	
	b Investments - other securities (attach schedule)		54b	
	55a Investments - land, buildings, and equipment basis	286,951.		
	b Less: accumulated depreciation (attach schedule)	40,050.	55c	246,901.
	56 Investments - other (attach schedule)		56	
	57a Land, buildings, and equipment: basis			
b Less: accumulated depreciation (attach schedule)		57c		
58 Other assets, including program-related investments (describe ▶ DEPOSITS & PREPAID EXPEN)	4,775.	58	5,691.	
59 Total assets (must equal line 74). Add lines 45 through 58.	347,248.	59	357,754.	
Liabilities	60 Accounts payable and accrued expenses	36,430.	60	33,538.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	25,000.
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	160,000.	64b	160,000.
	65 Other liabilities (describe ▶)		65	
66 Total liabilities. Add lines 60 through 65	196,430.	66	218,538.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	145,289.	67	78,049.
	68 Temporarily restricted	5,529.	68	61,167.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	150,818.	73	139,216.	
74 Total liabilities and net assets/fund balances. Add lines 66 and 73.	347,248.	74	357,754.	

Part VI Other Information (continued) Yes No

82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	<input checked="" type="checkbox"/>	
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	7,300.	
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	<input checked="" type="checkbox"/>	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	<input checked="" type="checkbox"/>	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		<input checked="" type="checkbox"/>
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b		
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? 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	85b		
c Dues, assessments, and similar amounts from members	85c		
d Section 162(e) lobbying and political expenditures	85d		
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f		
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g		
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h		
86 501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a		
b Gross receipts, included on line 12, for public use of club facilities	86b		
87 501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a		
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)	87b		
88a At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88a		<input checked="" type="checkbox"/>
b At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI	88b		<input checked="" type="checkbox"/>
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ _____, section 4912 ▶ _____; section 4955 ▶ _____			
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		<input checked="" type="checkbox"/>
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ _____			
d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ _____			
e All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?	89e		<input checked="" type="checkbox"/>
f All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?	89f		<input checked="" type="checkbox"/>
g For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	89g		<input checked="" type="checkbox"/>
90a List the states with which a copy of this return is filed ▶ _____			
b Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	4	
91a The books are in care of ▶ <u>LEDA CUNNINGHAM</u> Telephone no. ▶ <u>305-852-0030</u> Located at ▶ <u>98300 OVERSEAS HWY KEY LARGO FL</u> ZIP + 4 ▶ <u>33037</u>			
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	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Part VI Other Information (continued)

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

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

Note: Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a PROGRAM & PROJECT					56,800.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					112,498.
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	63.	
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					8,391.
103 Other revenue: a MISC					3.
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), & (E))				63.	177,692.
105 Total (add line 104, columns (B), (D), and (E))					177,755.

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	ACTIVITIES BY DIVERS TO COLLECT DATA DISSEMINATED TO PUBLIC
93G	ACTIVITIES BY DIVERS TO COLLECT DATA DISSEMINATED TO GOVT
102	SALE OF PRODUCTS PROMOTING REEF AWARENESS & PROTECTION
103A	COVER ADMINISTRATIVE COSTS

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 int.	(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 yr, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

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

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

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

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

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a						
b						
c						
Totals						

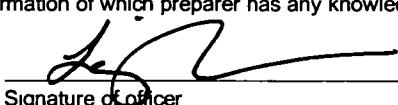
107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code?
 If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer	Yes	No
a						
b						
c						
Totals						

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

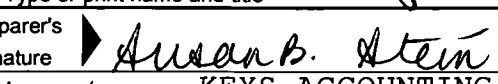
Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Signature of officer:  Date: 8/15/07

Type or print name and title: Leda A. Cunningham Executive Director

Paid Preparer's Use Only

Preparer's signature:  Date: 07/30/2007 Check if self employed: Preparer's SSN or PTIN (See Gen Inst X): P00271333

Firm's name (or yours if self-employed), address, and ZIP + 4: KEYS ACCOUNTING & TAX SERVIC P O BOX 1578 KEY LARGO FL 33037- EIN: 65-0054773 Phone no.: 305-451-3464

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
REEF ENVIRONMENTAL EDUCATION

Employer identification number
65-0270064

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See 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 ▶

Part II-A Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation

Total number of other contractors receiving over \$50,000 for other services ▶

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

Schedule A (Form 990 or 990-EZ) 2006

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

Part IV Reason for Non-Private Foundation Status (See the instructions.)

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

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

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

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

- 14 An organization organized and operated to test for public safety Section 509(a)(4). (See 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)	288953	234412	183144	292254	998763
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	173376	199190	217592	262278	852436
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	15	30	49	654	748
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	147	115	4642	5419	10323
23 Total of lines 15 through 22	462491	433747	405427	560605	1862270
24 Line 23 minus line 17	289115	234557	187835	298327	1009834
25 Enter 1% of line 23	4625	4337	4054	5606	

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	20197
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a Do not file this list with your return. Enter the total of all these excess amounts		26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)		26c	1009834
d Add Amounts from column (e) for lines:	18 <u>748</u> 19 _____	26d	11071
	22 <u>10323</u> 26b _____	26e	998763
e Public support (line 26c minus line 26d total)		26f	98.90 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))			

27 Organizations described on line 12:

a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person" Do not file this list with your return. Enter the sum of such amounts for each year:

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

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 _____	27c	
	17 _____ 20 _____ 21 _____	27d	
d Add: Line 27a total _____ and line 27b total _____		27e	
e Public support (line 27c total minus line 27d total)		27f	
f Total support for section 509(a)(2) test Enter amount from line 23, column (e)		27g	%
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))		27h	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))			

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See the instructions.)

(To be completed ONLY by an eligible organization that filed Form 5768)

Check **a** if the organization belongs to an affiliated group. Check **b** if you checked **a** and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

	(a) Affiliated group totals	(b) To be completed for all electing organizations
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 -		
Not over \$500,000		
Over \$500,000 but not over \$1,000,000		
Over \$1,000,000 but not over \$1,500,000		
Over \$1,500,000 but not over \$17,000,000		
Over \$17,000,000		
The lobbying nontaxable amount is -		
20% of the amount on line 40		
\$100,000 plus 15% of the excess over \$500,000		
\$175,000 plus 10% of the excess over \$1,000,000	41	
\$225,000 plus 5% of the excess over \$1,500,000		
\$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.)

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

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See 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:

- 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.)

Yes	No	Amount
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

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

WAS

Depreciation and Amortization

(Including Information on Listed Property)

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

Name(s) shown on return REEF ENVIRONMENTAL EDUCATION	Business or activity to which this form relates REEF ENVIRONMENTAL	Identifying number 65-0270064
----------------------------------------------------------------	------------------------------------------------------------------------------	-----------------------------------------

Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount. See the instructions for a higher limit for certain businesses	1	108,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation	3	430,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		8
9 Tentative deduction. Enter the smaller of line 5 or line 8		9
10 Carryover of disallowed deduction from line 13 of your 2005 Form 4562		10
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)		11
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11		12
13 Carryover of disallowed deduction to 2007. Add lines 9 and 10, less line 12	▶ 13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions)

14 Special allowance for qualified New York Liberty or Gulf Opportunity Zone property (other than listed property) placed in service during the tax year (see instructions)		14
15 Property subject to section 168(f)(1) election		15
16 Other depreciation (including ACRS)		16

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2006		6,532.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B-Assets Placed in Service During 2006 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depr. (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property		9,560.	5	HY	SL	956.
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			27.5 yrs.	MM	S/L	
			39 yrs.	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2006 Tax Year Using the Alternative Depreciation System

20a Class life				S/L	
b 12-year			12 yrs.		S/L
c 40-year			40 yrs.	MM	S/L

Part IV Summary (see instructions)

21 Listed property. Enter amount from line 28		21
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions		7,488.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	▶ 23	

For Paperwork Reduction Act Notice, see separate instructions.

2006 ASSET DETAIL REPORT

Description	Date Acqd	Cost	Use Spec.	Bus. 179+	Basis	Method	Rec. Per. Cv	Prior Depr.	Current Depr.	Next Year	Prior AMT	Current AMT	Gain/Price	Sales Price	Date Sold
Form: REEF ENVIRONMENTAL															
Rental Property: N/A															
Depreciation Class: N/A															
In Service Year: 1999															
EQUIPMENT	01/99	19183	100		19183	SL	8.7 HY	16311	2206	666	16311	2206			
In Service Year: 2001															
BUILDING	10/01	144551	100		144551	SL	40.0 MM	15359	3614	3614	15359	3614			
In Service Year: 2004															
DVD	11/04	55	100		55	SL	5.0 HY	17	11	11	17	11			
SCANNER	12/04	207	100		207	SL	5.0 HY	62	41	41	62	41			
LAPTOP COMPU	12/04	2313	100		2313	SL	5.0 HY	694	463	463	694	463			
		2575			2575			773	515	515	773	515			
In Service Year: 2005															
EQUIPMENT	03/05	252	100		252	MACRS	7.0 HY	36	62	44	27	48			
HYDROPHONE	04/05	515	100		515	MACRS	7.0 HY	74	126	90	55	99			
OFFICE CHAIR	04/05	66	100		66	SL	7.0 HY	9	9	9	7	9			
		833			833			119	197	143	89	156			
In Service Year: 2006															
DESKS	08/06	900	100		900	SL	5.0 HY		90	180		90			
2 LAPTOPS	07/06	3400	100		3400	SL	5.0 HY		340	680		340			
LCD PROJECTO	07/06	3000	100		3000	SL	5.0 HY		300	600		300			
2 UNDERWATER	12/06	2260	100		2260	SL	5.0 HY		226	452		226			
		9560			9560				956	1912		956			
Form Totals:		176702			176702			32562	7488	6850	32532	7447			

Gross Profit on Sales of Inventory**US 990 990: Page 8, Line 102; 990-EZ: Page 1, Line 7; 990-PF: Page 11, Line 10****2006**

Description	Gross Sales Less Returns	Cost of Goods Sold	Gross Profit
MERCH SALES	33,825.	25,434.	8,391.
	33,825.	25,434.	8,391.

US 990

Other Functional Expenses: Page 2, Line 43

2006

Description of the Asset	Total	Program Services	Management and General	Fundraising
BANK FEES	4,004.	17.	3,855.	132.
CONSULTING	24,859.	24,859.		
DATA MANAGEMENT	12,049.	12,049.		
DIVE SUPPLIES & GEAR	658.	658.		
FIELD ACTIVITIES	46,403.	46,403.		
DUES & SUBSCRIPTIONS	354.		354.	
INSURANCE	2,664.		2,664.	
INTERNET	462.		462.	
LICENSES & PERMITS	260.		260.	
MEALS & ENTERTAINMENT	4,940.	4,032.	908.	
PHOTOGRAPHY & REPROD	535.	82.	453.	
PROGRAM FEE EXP	26,336.	26,336.		
REGISTRATION FEES	615.	615.		
REPAIRS & MAINTENANCE	1,341.		1,341.	
STIPENDS	4,000.	3,000.	1,000.	
UTILITIES	4,625.	2,474.	2,151.	
WEBSITE	255.		255.	
	134,360.	120,525.	13,703.	132.

Name: REEF ENVIRONMENTAL EDUCATION

ID: 65-0270064

STATEMENT ABOUT ACTIVITIES: PART III, 2D:

PAYMENT OF COMPENSATION: EXECUTIVE DIRECTORS ARE PAID ON SALARY.

JOHN AKINS - EXECUTIVE DIRECTOR - JAN - AUG 17 - 31731

LEDA CUNNINGHAM - EXEC DIRECTOR - AUG 17 - DEC 31 - 22707

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box
 - If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed)

Section 501(c)(3) corporations required to file Form 990-T & requesting an automatic 6-month extension - check this box and complete Part I only
 All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T) However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile, and click on e-file for Charities and Nonprofits.

Type or print <small>File by the due date for filing your return. See instructions.</small>	Name of Exempt Organization REEF ENVIRONMENTAL EDUCATION	Employer identification number 65-0270064
	Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 0246	
	City, town or post office, state, and ZIP code For a foreign address, see instructions. KEY LARGO FL 33037	

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

- | | | |
|----------------------------------------------|------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **LEDA CUNNINGHAM**
 Telephone No. ▶ **305-852-0030** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until **AUG 15** , 20 **07** , to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year **2006** or
 ▶ tax year beginning _____, 20 _____, and ending _____, 20 _____

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions	3a	\$
3b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit	3b	\$
3c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions	3c	\$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

Section 501(c)(3) corporations required to file Form 990-T & requesting an automatic 6-month extension - check this box and complete Part I only
 All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for section 501(c)(3) corporations required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile, and click on e-file for Charities and Nonprofits.

Type or print	Name of Exempt Organization REEF ENVIRONMENTAL EDUCATION FOUNDA	Employer identification number 65-0270064
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. PO BOX 0246	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. KEY LARGO FL 33037	

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

- | | | |
|----------------------------------------------|-------------------------------------------------------------------|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **JOHN AKINS**
 Telephone No. ▶ **305-852-0030** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-months for a section 501(c)(3) corporation required to file Form 990-T) extension of time until **AUG 15**, 20 **07**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year 20 **06** or
 ▶ tax year beginning _____, 20 _____, and ending _____, 20 _____.

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a \$
3b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b \$
3c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c \$

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

