

## Return of Organization Exempt From Income Tax

1998

This Form is  
Open to Public  
Inspection

Department of the Treasury

Internal Revenue Service

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

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

A For the 1998 calendar year, OR tax year period beginning 1998, and ending 19

|   |  |  |            |   |
|---|--|--|------------|---|
| <b>B</b> Check if:<br><input type="checkbox"/> Change of address<br><input type="checkbox"/> Initial return<br><input type="checkbox"/> Final return<br><br><input type="checkbox"/> Amended return (required also for state reporting) | <b>Please use IRS label or print or type. See Specific Instructions.</b> | <b>C</b> Name of organization  |            | <b>D</b> Employer identification number                                     |
|   |  | THE FUND FOR ANIMALS, INC.   |            | 13-6218740  |
|   |  | Number and street (or P.O. box if mail is not delivered to street address) | Room/suite | <b>E</b> Telephone number   |
|   |  | 200 WEST 57TH STREET   | 705        | (212) 246-2096  |
|   |  | City or town, state or country, and ZIP + 4                                |            | <b>F</b> Check <input type="checkbox"/> If exemption application is pending |
|   |  | NEW YORK, NY 10019   |            |   |

G Type of organization → ☒ Exempt under section 501(c) ( 3 ) (insert number) OR ☐ section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H (a) Is this a group return filed for affiliates? ☐ Yes ☒ No **I** If either box in H is checked "Yes," enter four-digit group exemption number (GEN) ☐(b) If "Yes," enter the number of affiliates for which this return is filed: ☐ **J** Accounting method: ☐ Cash ☒ Accrual(c) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No ☐ Other (specify) ☐**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

**Part I** Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 13.)

|            |          |  |   |             |            |
|------------|----------|--|---|-------------|------------|
| Revenue    | 1        | Contributions, gifts, grants, and similar amounts received: <b>STMT 1</b>                          |   |             |            |
|            | a        | Direct public support  | 1a  | 6,537,938.  |            |
|            | b        | Indirect public support  | 1b  |             |            |
|            | c        | Government contributions (grants)  | 1c  |             |            |
|            | d        | Total (add lines 1a through 1c) (attach schedule of contributors)                                  |   |             |            |
|            |          | (cash \$ 6,537,938. noncash \$ )   | 1d  | 6,537,938.  |            |
|            | 2        | Program service revenue including government fees and contracts (from Part VII, line 93)           | 2   |             |            |
|            | 3        | Membership dues and assessments  | 3   |             |            |
|            | 4        | Interest on savings and temporary cash investments   | 4   | 580,885.    |            |
|            | 5        | Dividends and interest from securities   | 5   | 35,720.     |            |
| Revenue    | 6a       | Gross rents  | 6a  |             |            |
|            | b        | Less: rental expenses  | 6b  |             |            |
|            | c        | Net rental income or (loss) (subtract line 6b from line 6a)  | 6c  |             |            |
|            | 7        | Other investment income (describe <input type="checkbox"/> )                                       | 7   |             |            |
|            | 8a       | Gross amount from sale of assets other than inventory  | (A) Securities                                    | (B) Other   |            |
|            |          | 22119996.  | 8a  |             |            |
|            | b        | Less: cost or other basis and sales expenses   | 21433822.   | 8b          |            |
|            | c        | Gain or (loss) (attach schedule)   | 686,174.  | 8c          |            |
|            | d        | Net gain or (loss) (combine line 8c, columns (A) and (B))  | 8d  | 686,174.    |            |
|            | 9        | Special events and activities (attach schedule)  |   |             |            |
| Revenue    | a        | Gross revenue (not including \$ of contributions reported on line 1a)                              | 9a  |             |            |
|            | b        | Less: direct expenses other than fundraising expenses  | 9b  |             |            |
|            | c        | Net income or (loss) from special events (subtract line 9b from line 9a)                           | 9c  |             |            |
|            | 10a      | Gross sales of inventory, less returns and allowances  | 10a   |             |            |
|            | b        | Less: cost of goods sold   | 10b   |             |            |
|            | c        | Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) | 10c   |             |            |
|            | 11       | Other revenue (from Part VII, line 103)  | 11  |             |            |
|            | 12       | Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)                               | 12  | 7,840,717.  |            |
|            | Expenses | 13   | Program services (from line 44, column (B))       | 13          | 4,392,006. |
|            |          | 14   | Management and general (from line 44, column (C)) | 14          | 480,526.   |
| 15         |          | Fundraising (from line 44, column (D))   | 15  | 572,923.    |            |
| 16         |          | Payments to affiliates (attach schedule)   | 16  |             |            |
| 17         |          | Total expenses (add lines 16 and 44, column (A))   | 17  | 5,445,455.  |            |
| Net Assets | 18       | Excess or (deficit) for the year (subtract line 17 from line 12)                                   | 18  | 2,395,262.  |            |
|            | 19       | Net assets or fund balances at beginning of year (from line 73, column (A))                        | 19  | 14,406,517. |            |
|            | 20       | Other changes in net assets or fund balances (attach explanation) <b>STMT. 2.</b>                  | 20  | -87,634.    |            |
|            | 21       | Net assets or fund balances at end of year (combine lines 18, 19, and 20)                          | 21  | 16,714,145. |            |

**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 Specific Instructions on page 17.)

| 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 |
|--|----------------|----------------------|----------------------------|-----------------|
| 22 Grants and allocations (attach schedule) (cash <u>208,123.</u> noncash _____)   | 22 208,123.    | 208,123.             | STMT 3                     |                 |
| 23 Specific assistance to individuals (attach schedule)  | 23             |                      |                            |                 |
| 24 Benefits paid to or for members (attach schedule)   | 24             |                      |                            |                 |
| 25 Compensation of officers, directors, etc.   | 25 NONE        |                      |                            |                 |
| 26 Other salaries and wages  | 26 435,534.    | 347,753.             | 57,791.                    | 29,990.         |
| 27 Pension plan contributions  | 27             |                      |                            |                 |
| 28 Other employee benefits   | 28             |                      |                            |                 |
| 29 Payroll taxes   | 29 107,432.    | 100,131.             | 4,928.                     | 2,373.          |
| 30 Professional fundraising fees   | 30 10,510.     | 1,635.               |                            | 8,875.          |
| 31 Accounting fees   | 31 48,000.     |                      | 48,000.                    |                 |
| 32 Legal fees  | 32 208,998.    | 135,131.             | 73,867.                    |                 |
| 33 Supplies  | 33 178,203.    | 103,306.             | 57,441.                    | 17,456.         |
| 34 Telephone   | 34 62,015.     | 50,172.              | 10,215.                    | 1,628.          |
| 35 Postage and shipping  | 35 167,167.    | 88,212.              | 6,652.                     | 72,303.         |
| 36 Occupancy   | 36 197,358.    | 137,469.             | 51,252.                    | 8,637.          |
| 37 Equipment rental and maintenance  | 37 14,256.     | 6,877.               | 6,765.                     | 614.            |
| 38 Printing and publications   | 38             |                      |                            |                 |
| 39 Travel  | 39 141,983.    | 112,527.             | 3,502.                     | 25,954.         |
| 40 Conferences, conventions, and meetings  | 40             |                      |                            |                 |
| 41 Interest  | 41             |                      |                            |                 |
| 42 Depreciation, depletion, etc. (attach schedule)   | 42 166,443.    | 148,535.             | 17,908.                    |                 |
| 43 Other expenses (itemize): a STMT 7  | 43a 3,499,433. | 2,952,135.           | 142,205.                   | 405,093.        |
| b _____  | 43b            |                      |                            |                 |
| c _____  | 43c            |                      |                            |                 |
| d _____  | 43d            |                      |                            |                 |
| e _____  | 43e            |                      |                            |                 |
| 44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15 | 44 5,445,455.  | 4,392,006.           | 480,526.                   | 572,923.        |

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ☒ Yes ☐ NoIf "Yes," enter (i) the aggregate amount of these joint costs \$ 521,000.; (ii) the amount allocated to Program services \$ 292,000.; (iii) the amount allocated to Management and general \$ NONE; and (iv) the amount allocated to Fundraising \$ 229,000.**Part III Statement of Program Service Accomplishments** (See Specific Instructions on page 20.)What is the organization's primary exempt purpose? SEE FOOTNOTE

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses  
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

|   |                             |            |
|---|-----------------------------|------------|
| a SEE STATEMENT 8   | (Grants and allocations \$) | 3,307,368. |
| b HUMANE EDUCATION - EDUCATE THE PUBLIC ON ISSUES AND EVENTS AFFECTING ANIMAL RIGHTS AND WELFARE.             | (Grants and allocations \$) | 839,584.   |
| c LEGISLATIVE - LOBBYING FOR HUMANE ANIMAL LITIGATION AND AGAINST LAWS WHICH SUBJECT ANIMALS TO MISTREATMENT. | (Grants and allocations \$) | 245,054.   |
| d   | (Grants and allocations \$) |            |
| e Other program services (attach schedule)  | (Grants and allocations \$) |            |
| f Total of Program Service Expenses (should equal line 44, column (B), Program services)                      |                             | 4,392,006. |

**Part IV Balance Sheets** (See Specific Instructions on page 20.)

| Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only. |  |  | (A)<br>Beginning of year |             | (B)<br>End of year |
|--|--|--|--------------------------|-------------|--------------------|
| Assets   | 45   | Cash - non-interest-bearing . . . . .  | 510.                     | 45          | 555.               |
|  | 46   | Savings and temporary cash investments . . . . .   | 737,368.                 | 46          | 1,538,966.         |
|  | 47a  | Accounts receivable . . . . .  | 47a                      |             |                    |
|  | b  | Less: allowance for doubtful accounts . . . . .  | 47b                      | 47c         |                    |
|  | 48a  | Pledges receivable . . . . .   | 48a                      |             |                    |
|  | b  | Less: allowance for doubtful accounts . . . . .  | 48b                      | 48c         |                    |
|  | 49   | Grants receivable . . . . .  |                          | 49          |                    |
|  | 50   | Receivables from officers, directors, trustees, and key employees<br>(attach schedule) . . . . .   |                          | 50          |                    |
|  | 51a  | Other notes and loans receivable (attach<br>schedule) . . . . .  | 51a                      |             |                    |
|  | b  | Less: allowance for doubtful accounts . . . . .  | 51b                      | 51c         |                    |
|  | 52   | Inventories for sale or use . . . . .  |                          | 52          |                    |
|  | 53   | Prepaid expenses and deferred charges . SEE. STATEMENT. 9. . . . .   | 35,848.                  | 53          | 49,206.            |
|  | 54   | Investments - securities (attach schedule) SEE. STATEMENT. 10. . . . .   | 11,820,916.              | 54          | 13,077,401.        |
|  | 55a  | Investments - land, buildings, and<br>equipment: basis . . . . .   | 55a                      |             |                    |
|  | b  | Less: accumulated depreciation (attach<br>schedule) . . . . .  | 55b                      | 55c         |                    |
| 56   | Investments - other (attach schedule) . . . . .  |  | 56                       |             |                    |
| 57a  | Land, buildings, and equipment: basis . . . . .  | 57a  | 2,829,642.               |             |                    |
| b  | Less: accumulated depreciation (attach<br>schedule) . . . . .  | 57b  | 790,005.                 | 57c         | 2,039,637.         |
| 58   | Other assets (describe ► SEE STATEMENT 11 . . . . .)   | 216,708.   | 58                       | 213,980.    |                    |
| 59   | <b>Total assets</b> (add lines 45 through 58) (must equal line 74) . . . . .   | 14,562,001.  | 59                       | 16,919,745. |                    |
| Liabilities  | 60   | Accounts payable and accrued expenses . . . . .  | 155,484.                 | 60          | 205,600.           |
|  | 61   | Grants payable . . . . .   |                          | 61          |                    |
|  | 62   | Deferred revenue . . . . .   |                          | 62          |                    |
|  | 63   | Loans from officers, directors, trustees, and key employees (attach<br>schedule) . . . . .   |                          | 63          |                    |
|  | 64a  | Tax-exempt bond liabilities (attach schedule) . . . . .  |                          | 64a         |                    |
|  | b  | Mortgages and other notes payable (attach schedule) . . . . .  |                          | 64b         |                    |
|  | 65   | Other liabilities (describe ► . . . . .)   |                          | 65          |                    |
| 66   | <b>Total liabilities</b> (add lines 60 through 65) . . . . .   | 155,484.   | 66                       | 205,600.    |                    |
| 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 . . . . .   | 14,406,517.              | 67          | 16,714,145.        |
|  | 68   | Temporarily restricted . . . . .   |                          | 68          |                    |
|  | 69   | Permanently restricted . . . . .   |                          | 69          |                    |
|  | Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 70 through 74.                         |  |                          |             |                    |
|  | 70   | Capital stock, trust principal, or current funds . . . . .   |                          | 70          |                    |
|  | 71   | Paid-in or capital surplus, or land, building, and equipment fund . . . . .  |                          | 71          |                    |
|  | 72   | Retained earnings, endowment, accumulated income, or other funds . . . . .   |                          | 72          |                    |
|  | 73   | <b>Total net assets or fund balances</b> (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21) . . . . . | 14,406,517.              | 73          | 16,714,145.        |
|  | 74   | <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73) . . . . .  | 14,562,001.              | 74          | 16,919,745.        |

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.

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

|   |                     |  |                     |
|---|---------------------|--|---------------------|
| <b>a</b> Total revenue, gains, and other support per audited financial statements . . . ▶ | <b>a</b> 7,840,717. | <b>a</b> Total expenses and losses per audited financial statements . . . ▶    | <b>a</b> 5,533,089. |
| <b>b</b> Amounts included on line a but not on line 12, Form 990:                         |                     | <b>b</b> Amounts included on line a but not on line 17, Form 990:              |                     |
| (1) Net unrealized gains on investments . . \$  |                     | (1) Donated services and use of facilities \$                                  |                     |
| (2) Donated services and use of facilities \$   |                     | (2) Prior year adjustments reported on line 20, Form 990 . . . . \$            |                     |
| (3) Recoveries of prior year grants . . . . \$  |                     | (3) Losses reported on line 20, Form 990 \$ 87,634.                            |                     |
| (4) Other (specify):  |                     | (4) Other (specify):   |                     |
| ----- \$  |                     | ----- \$   |                     |
| Add amounts on lines (1) through (4) ▶  | <b>b</b>            | Add amounts on lines (1) through (4) . . ▶                                     | <b>b</b> 87,634.    |
| <b>c</b> Line a minus line b . . . . . ▶  | <b>c</b> 7,840,717. | <b>c</b> Line a minus line b . . . . . ▶                                       | <b>c</b> 5,445,455. |
| <b>d</b> Amounts included on line 12, Form 990 but not on line a:                         |                     | <b>d</b> Amounts included on line 17, Form 990 but not on line a:              |                     |
| (1) Investment expenses not included on line 6b, Form 990 . . . \$                        |                     | (1) Investment expenses not included on line 6b, Form 990 . . . \$             |                     |
| (2) Other (specify):  |                     | (2) Other (specify):   |                     |
| ----- \$  |                     | ----- \$   |                     |
| Add amounts on lines (1) and (2) ▶  | <b>d</b>            | Add amounts on lines (1) and (2) . . ▶   | <b>d</b>            |
| <b>e</b> Total revenue per line 12, Form 990 (line c plus line d) . . . . . ▶             | <b>e</b> 7,840,717. | <b>e</b> Total expenses per line 17, Form 990 (line c plus line d) . . . . . ▶ | <b>e</b> 5,445,455. |

**Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 22.)**

[illegible]

**75** Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ☐ Yes ☒ No  
If "Yes," attach schedule - see Specific Instructions on page 22.

**Yes No**

7

[illegible]

N/A

| Name, address, and employer identification number of corporation or partnership | Percentage of ownership interest | Nature of business activities | Total income | End-of-year assets |
|---|----------------------------------|-------------------------------|--------------|--------------------|
|   | %                                |                               |              |                    |
|   | %                                |                               |              |                    |
|   | %                                |                               |              |                    |
|   | %                                |                               |              |                    |

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.

Date \_\_\_\_\_

Type or print name and title:

Check it

Preparer's SSN

**SCHEDULE A  
(Form 990)**

**Organization Exempt Under Section 501(c)(3)**

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**Supplementary Information**

See separate instructions.

OMB No. 1545-0047

**1998**

Department of the Treasury  
Internal Revenue Service

► Must be completed by the above organizations and attached to their Form 990 or 990-EZ.

Name of the organization

**THE FUND FOR ANIMALS, INC.**

Employer identification number

**13-6218740**

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See instructions on page 1. 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  |  | NONE             | NONE  | NONE                                     |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
|   |  |                  |   |  |
| Total number of other employees paid over \$50,000            |  |                  |   |  |

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions on page 1. 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 |
|---|---------------------|------------------|
| MEYER & GLITZENSTEIN  |                     |                  |
| 1601 CT. AVE NW 700 WASHINGTON, DC 20009                                    | LEGAL               | 148,254.         |
| VEDDER, PRICE, KAUFMAN, KAMMHOLTZ   |                     |                  |
| 805 3RD AVE., NEW YORK, NY 10022-2203                                       | LEGAL               | 51,340.          |
| Rhonda Albright, DVM<br>P.O. Box 234 Richmond, Texas 77406                  | VETERINARIAN        | 53,674.          |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
| Total number of others receiving over \$50,000 for professional services    |                     |                  |

**Part III** Statements About Activities

|  | Yes     | No |
|--|---------|----|
| 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? . . . . .   | 1 X     |    |
| If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ <u>245,054.</u>  |         |    |
| Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.   |         |    |
| 2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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: |         |    |
| a Sale, exchange, or leasing of property? . . . . .  | 2a      | X  |
| b Lending of money or other extension of credit? . . . . .   | 2b      | X  |
| c Furnishing of goods, services, or facilities? . . . . .  | 2c      | X  |
| d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? . . . . .  | 2d      | X  |
| e Transfer of any part of its income or assets? . . . . .  | 2e      | X  |
| If the answer to any question is "Yes," attach a detailed statement explaining the transactions.   |         |    |
| 3 Does the organization make grants for scholarships, fellowships, student loans, etc.? . . . .  | 3       | X  |
| 4a Do you have a section 403(b) annuity plan for your employees? . . . . .   | 4a      | X  |
| b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions on page 2.)   | STMT 14 |    |

**Part IV** Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

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, page 4.)
- 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 supports organization's described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions on page 4.)

| (a) Name(s) of supported organization(s) | (b) Line number from above |
|--|----------------------------|
|  |                            |
|  |                            |
|  |                            |
|  |                            |

JSA 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions on page 4.)

8E1220 1.000



**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) 1997  | (b) 1996  | (c) 1995  | (d) 1994  | (e) Total      |
|---|-----------|-----------|-----------|-----------|----------------|
| 15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) . . . . .   | 4,243,875 | 3,842,153 | 3,646,462 | 3,870,790 | 15,603,280     |
| 16 Membership fees received . . . . .   |           |           |           |           |                |
| 17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose . . . . .   |           |           |           |           |                |
| 18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975 . . . . .   | 796,648   | 645,937   | 605,274   | 544,695   | 2,592,554      |
| 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 . . . . .   |           |           |           |           |                |
| 23 Total of lines 15 through 22 . . . . .   | 5,040,523 | 4,488,090 | 4,251,736 | 4,415,485 | 18,195,834     |
| 24 Line 23 minus line 17 . . . . .  | 5,040,523 | 4,488,090 | 4,251,736 | 4,415,485 | 18,195,834     |
| 25 Enter 1% of line 23 . . . . .  | 50,405    | 44,881    | 42,517    | 44,155    |                |
| 26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24 . . . . .   |           |           |           |           | 363,917        |
| b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1994 through 1997 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts . . . . .   |           |           |           |           | 866,305        |
| c Total support for section 509(a)(1) test: Enter line 24, column (e) . . . . .   |           |           |           |           | 18,195,834     |
| d Add: Amounts from column (e) for lines: 18 2,592,554 19 . . . . .   |           |           |           |           |                |
| 22 866,305 26b . . . . .  |           |           |           |           | 3,458,859      |
| e Public support (line 26c minus line 26d total) . . . . .  |           |           |           |           | 14,736,975     |
| f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) . . . . .  |           |           |           |           | 80.9909 %      |
| 27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: . . . . .  |           |           |           |           | NOT APPLICABLE |
| (1997) (1996) (1995) (1994) . . . . .   |           |           |           |           |                |
| b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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 11, as well as individuals.) 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: . . . . . |           |           |           |           |                |
| (1997) (1996) (1995) (1994) . . . . .   |           |           |           |           |                |
| c Add: Amounts from column (e) for lines: 15 16 . . . . .   |           |           |           |           |                |
| 17 20 21 . . . . .  |           |           |           |           | 27c            |
| d Add: Line 27a total and line 27b total . . . . .  |           |           |           |           | 27d            |
| e Public support (line 27c total minus line 27d total) . . . . .  |           |           |           |           | 27e            |
| f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) . . . . .   |           |           |           |           | 27f            |
| g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) . . . . .  |           |           |           |           | 27g %          |
| h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . . . . .  |           |           |           |           | 27h %          |
| 28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1994 through 1997, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.) . . . . .   |           |           |           |           |                |

**Part V****Private School Questionnaire** (See instructions on page 4.)(To be completed **ONLY** by schools that checked the box on line 6 in Part IV)**NOT APPLICABLE**

|     |   | Yes | No |
|-----|---|-----|----|
| 29  | Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?   |     |    |
| 30  | Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?  |     |    |
| 31  | Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?<br>If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.) |     |    |
| 32  | Does the organization maintain the following:   |     |    |
| a   | Records indicating the racial composition of the student body, faculty, and administrative staff?   |     |    |
| b   | Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?   |     |    |
| c   | Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?   |     |    |
| d   | Copies of all material used by the organization or on its behalf to solicit contributions?  |     |    |
|     | If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)  |     |    |
| 33  | Does the organization discriminate by race in any way with respect to:  |     |    |
| a   | Students' rights or privileges?   |     |    |
| b   | Admissions policies?  |     |    |
| c   | Employment of faculty or administrative staff?  |     |    |
| d   | Scholarships or other financial assistance?   |     |    |
| e   | Educational policies?   |     |    |
| f   | Use of facilities?  |     |    |
| g   | Athletic programs?  |     |    |
| h   | Other extracurricular activities?   |     |    |
|     | If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)   |     |    |
| 34a | Does the organization receive any financial aid or assistance from a governmental agency?   |     |    |
| b   | Has the organization's right to such aid ever been revoked or suspended?<br>If you answered "Yes" to either 34a or b, please explain using an attached statement.   |     |    |
| 35  | Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation   |     |    |

**Part VI-A Lobbying Expenditures by Electing Public Charities** (See instructions on page 6.)(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

**Limits on Lobbying Expenditures**

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

|  |  | (a)<br>Affiliated group<br>totals | (b)<br>To be completed<br>for ALL electing<br>organizations |
|--|--|-----------------------------------|---|
| 36   | Total lobbying expenditures to influence public opinion (grassroots lobbying) . . .  | 36                                | 60,922.   |
| 37   | Total lobbying expenditures to influence a legislative body (direct lobbying) . . .  | 37                                | 184,132.  |
| 38   | Total lobbying expenditures (add lines 36 and 37) . . . . .  | 38                                | 245,054.  |
| 39   | Other exempt purpose expenditures . . . . .  | 39                                | 5,200,401.  |
| 40   | Total exempt purpose expenditures (add lines 38 and 39) . . . . .  | 40                                | 5,445,455.  |
| 41   | Lobbying nontaxable amount. Enter the amount from the following table -<br>If the amount on line 40 is - The lobbying nontaxable amount is - |                                   |   |
|  | Not over \$500,000 . . . . . 20% of the amount on line 40 . . . . .  |                                   |   |
|  | Over \$500,000 but not over \$1,000,000 . . . \$100,000 plus 15% of the excess over \$500,000  |                                   |   |
|  | Over \$1,000,000 but not over \$1,500,000 . . \$175,000 plus 10% of the excess over \$1,000,000  | 41                                | 422,273.  |
|  | Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000  |                                   |   |
|  | Over \$17,000,000 . . . . . \$1,000,000 . . . . .  |                                   |   |
| 42   | Grassroots nontaxable amount (enter 25% of line 41) . . . . .  | 42                                | 105,568.  |
| 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                                |   |
| <b>Caution:</b> If there is an amount on either line 43 or line 44, you must file Form 4720. |  |                                   |   |

**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.

See the instructions for lines 45 through 50 on page 7.)

| <b>Lobbying Expenditures During 4-Year Averaging Period</b> |             |             |             |             |              |
|---|-------------|-------------|-------------|-------------|--------------|
| Calendar year (or fiscal year beginning in) ▶               | (a)<br>1998 | (b)<br>1997 | (c)<br>1996 | (d)<br>1995 | (e)<br>Total |
| 45 Lobbying nontaxable amount . . . . .                     | 422,273.    | 365,261.    | 357,445.    | 319,504.    | 1,464,483.   |
| 46 Lobbying ceiling amount (150% of line 45(e)) . . . . .   |             |             |             |             | 2,196,725.   |
| 47 Total lobbying expenditures                              | 245,054.    | 136,525.    | 126,899.    | 58,370.     | 566,848.     |
| 48 Grassroots nontaxable amount . . . . .                   | 105,568.    | 91,315.     | 89,361.     | 79,876.     | 366,120.     |
| 49 Grassroots ceiling amount (150% of line 48(e)) . . . . . |             |             |             |             | 549,180.     |
| 50 Grassroots lobbying expenditures . . . . .               | 60,922.     | 80,273.     | 62,717.     | 21,864.     | 225,776.     |

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See instructions on page 8.)

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

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

**Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

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

THE FUND FOR ANIMALS, INC.  
ATTACHMENT TO FORM 2758  
12/31/98

13-6218740

NOTE: AS OF THE DATE OF FILING THE ATTACHED FORM 990, THE EXTENSION REQUEST  
ORIGINALLY FILED HAD NOT BEEN FORMALLY APPROVED. THE EXTENSION REQUEST ENCLOSED  
IS A COPY OF THE ORIGINAL AS FILED.

FORM 990, PART I - LIST OF CONTRIBUTORS  
=====

(NOT OPEN TO PUBLIC INSPECTION)

DIRECT  
PUBLIC  
SUPPORT

NAME AND ADDRESS

DATE

TRUSTS AND FOUNDATIONS

77,000.

DIRECT MAIL FROM GENERAL PUBLIC

3,218,165.

BEQUESTS AND LEGACIES

3,242,773.

TOTAL CONTRIBUTION AMOUNTS

6,537,938.

FORM 990, PART I - OTHER DECREASES IN FUND BALANCES  
=====DESCRIPTION  
-----AMOUNT  
-----

UNREALIZED LOSSES ON SECURITIES CARRIED  
AT LOWER OF COST OR MARKET IN THE BOOKS  
OF THE ACCOUNT.

87,634.

TOTAL

-----  
87,634.  
=====

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

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND  
FOUNDATION STATUS OF RECIPIENT

## RECIPIENT NAME AND ADDRESS

## PURPOSE OF GRANT OR CONTRIBUTION

## AMOUNT

## GRANTS PAID

|                          |      |         |         |
|--------------------------|------|---------|---------|
| CHAI                     | NONE | VARIOUS | 10,000. |
| WILD BURRO RESCUE        | NONE | VARIOUS | 15,000. |
| BUFFALO NATIONS          | NONE | VARIOUS | 250.    |
| COMPASSION OVER KILLING  | NONE | VARIOUS | 400.    |
| VEGAN OUTREACH           | NONE | VARIOUS | 100.    |
| LEBANON CO HUMANE SOC    | NONE | VARIOUS | 50.     |
| THE ANIMALS' AGENDA      | NONE | VARIOUS | 5,000.  |
| TARA WILDLIFE SANCTUARY  | NONE | VARIOUS | 1,000.  |
| ANIMAL LIBERATION LEAGUE | NONE | VARIOUS | 200.    |



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

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND  
FOUNDATION STATUS OF RECIPIENT

## RECIPIENT NAME AND ADDRESS

## PURPOSE OF GRANT OR CONTRIBUTION

## AMOUNT

MASCOTAS JIBARAS

NONE

VARIOUS

5,000.

SAVE THE DOVES

NONE

VARIOUS

130,000.

PAWS

NONE

VARIOUS

10,000.

CHARC

NONE

VARIOUS

400.

NO COMPROMISE

NONE

VARIOUS

20.

ALASKANS AGAINST SNARLING

NONE

VARIOUS

5,000.

ANIMAL PROTECTION INST

NONE

VARIOUS

2,000.

MISSOURIANS AGAINST CFGTG

NONE

VARIOUS

500.

THE ANIMAL AGENDA

NONE

VARIOUS

5,000.

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

RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR  
AND  
FOUNDATION STATUS OF RECIPIENT

## RECIPIENT NAME AND ADDRESS

## PURPOSE OF GRANT OR CONTRIBUTION

## AMOUNT

ANIMAL RIGHTS AMERICA

NONE

VARIOUS

100.

COALITION TO ABOLISH FUR

NONE

VARIOUS

300.

ANIMAL RIGHTS FRONT

NONE

VARIOUS

500.

CAMPAIGN HUMANE

NONE

VARIOUS

1,000.

SAVE THE HORSES

NONE

VARIOUS

5,000.

AVAR

NONE

VARIOUS

100.

NATL ACTIVISTS NETWORK

NONE

VARIOUS

100.

FARM SANCTUARY

NONE

VARIOUS

50.

THE ECOLOGY CENTER

NONE

VARIOUS

500.

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

## RELATIONSHIP TO SUBSTANTIAL CONTRIBUTOR

AND

FOUNDATION STATUS OF RECIPIENT

RECIPIENT NAME AND ADDRESS

PURPOSE OF GRANT OR CONTRIBUTION

AMOUNT

POPLAR SPRING ANIMAL SANCTUARY

NONE

VARIOUS

50.

COMPASSION OVER KILLING

NONE

VARIOUS

53.

ANIMAL LIBERATION OF TEXAS

NONE

VARIOUS

200.

ANIMAL ADVOCATES OF NEW YORK

NONE

VARIOUS

250.

SEA SHEPHERD

NONE

VARIOUS

5,000.

THE ANIMAL PLACE

NONE

VARIOUS

5,000.

TOTAL CONTRIBUTIONS PAID

208,123.

## FORM 990, PART II - OTHER EXPENSES

| DESCRIPTION                  | TOTAL      | PROGRAM<br>SERVICES | MANAGEMENT<br>AND GENERAL | FUNDRAISING |
|------------------------------|------------|---------------------|---------------------------|-------------|
| BLACK BEAUTY RANCH EXPENSES  | 600,539.   | 600,539.            |                           |             |
| HOUSTON & SAN ANTONIO CLINIC | 1,404,684. | 1,334,088.          |                           | 70,596.     |
| NEW YORK HAVE-A-HEART CLINIC | 407,776.   | 407,776.            |                           |             |
| RAMONA CALIFORNIA REHAB CTR  | 155,709.   | 155,709.            |                           |             |
| SOUTH CAROLINA SANCTUARY     | 25,301.    | 25,301.             |                           |             |
| OTHER - ANIMAL WELFARE       | 31,568.    | 31,568.             |                           |             |
| DATA PROCESSING              | 3,145.     |                     | 3,145.                    |             |
| PRINTED LITERATURE           | 345,913.   | 110,597.            | 781.                      | 234,535.    |
| OTHER MEDIA                  | 216,437.   | 159,847.            | 402.                      | 56,188.     |
| INSURANCE                    | 92,645.    | 55,587.             | 37,058.                   |             |
| INVESTMENT ADVISORY FEES     | 73,513.    |                     | 73,513.                   |             |
| MISCELLANEOUS                | 64,540.    | 5,348.              | 20,416.                   | 38,776.     |
| CONSULTING FEES              | 77,663.    | 65,775.             | 6,890.                    | 4,998.      |
| TOTALS                       | 3,499,433. | 2,952,135.          | 142,205.                  | 405,093.    |

FORM 990, PART III - STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION

EXPENSES

ANIMAL PROTECTION - OPERATION OF A RANCH IN TEXAS FOR ABUSED  
ANIMALS, EMERGENCY RESCUE OF ANIMALS, OPERATION OF OTHER  
ANIMAL PROTECTION AND WELFARE FACILITIES AND OTHER ANIMAL  
PROTECTION MATTERS.

3,307,368.

TOTAL

4,392,006.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES  
=====

| DESCRIPTION<br>----- | BEGINNING<br>BOOK VALUE<br>----- | ENDING<br>BOOK VALUE<br>----- |
|----------------------|----------------------------------|-------------------------------|
| PREPAID INSURANCE    | 24,419.                          | 27,707.                       |
| PREPAID RENT         | 7,632.                           | 18,389.                       |
| PREPAID OTHER        | 3,797.                           | 3,110.                        |
| TOTALS               | =====35,848.=====                | =====49,206.=====             |

FORM 990, PART IV - INVESTMENTS - SECURITIES  
=====

| DESCRIPTION<br>-----   | BEGINNING<br>BOOK VALUE<br>----- | ENDING<br>BOOK VALUE<br>----- |
|------------------------|----------------------------------|-------------------------------|
| GOVERNMENT OBLIGATIONS | 8,958,618.                       | 10,360,815.                   |
| COMMON STOCK           | 1,545,050.                       | 2,464,984.                    |
| CORPORATE BONDS        | 1,294,248.                       | 228,602.                      |
| OTHER                  | 23,000.                          | 23,000.                       |
|                        | -----                            | -----                         |
| TOTALS                 | 11,820,916.                      | 13,077,401.                   |
|                        | =====                            | =====                         |

FORM 990, PART IV - OTHER ASSETS  
=====

| DESCRIPTION<br>-----        | BEGINNING<br>BOOK VALUE<br>----- | ENDING<br>BOOK VALUE<br>----- |
|-----------------------------|----------------------------------|-------------------------------|
| ACC. INT. PURC/BBR          | 10,484.                          | NONE                          |
| ACCOUNTS RECEIVABLE         | 100.                             | 472.                          |
| ACCRUED INTEREST REC. - GEN | 101,025.                         | 115,494.                      |
| ACCRUED INTEREST REC - BBR  | 61,075.                          | 59,416.                       |
| SECURITY DEPOSITS           | 30,185.                          | 32,218.                       |
| OTHER ASSETS                | 6,380.                           | 6,380.                        |
| ACC. INT. PURC/GEN FD       | 7,459.                           | NONE                          |
|                             | -----                            | -----                         |
| TOTALS                      | 216,708.                         | 213,980.                      |
|                             | =====                            | =====                         |



## FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

| NAME AND ADDRESS  | TITLE AND TIME<br>DEVOTED TO POSITION | COMPENSATION |
|---|---------------------------------------|--------------|
| MS. MARIAN PROBST<br>9 EAST 75TH STREET<br>NEW YORK, NY 10021           | PRESIDENT                             | NONE         |
| MS. BARBARA BRACK<br>200 WEST 57TH STREET<br>NEW YORK, NY 10019         | DIRECTOR                              | NONE         |
| MRS. DEL DONATI,<br>923 FIFTH AVENUE<br>NEW YORK, NY                    | DIRECTOR                              | NONE         |
| MR. MICHAEL KILIAN<br>1003 HESTNER HILL COURT<br>MCLEAN, VIRGINIA 32181 | DIRECTOR                              | NONE         |
| MRS. JUDITH NEY<br>435 EAST 52ND STREET<br>NEW YORK, NY 10017           | VICE PRESIDENT                        | NONE         |
| MRS. ALLISON STERN<br>200 WEST 57TH STREET<br>NEW YORK, NY 10019        | DIRECTOR                              | NONE         |
| MRS. KATHRYN WALKER<br>333 WEST END AVENUE<br>NEW YORK, NY              | DIRECTOR                              | NONE         |
| MR. EDGAR SMITH   | DIRECTOR                              | NONE         |
| MR. EDWARD J. WALSH, JR.  | SECRETARY                             | NONE         |

THE FUND FOR ANIMALS, INC.

13-6218740

FORM 990, PART V - LIST OF OFFICERS, DIRECTORS, AND TRUSTEES

NAME AND ADDRESS

TITLE AND TIME

DEVOTED TO POSITION

COMPENSATION

VEDDER, PRICE, KAUFMAN, KAMMHOLZ  
805 THIRD AVENUE  
NEW YORK, NEW YORK 1002-2203

GRAND TOTALS

NONE

**SCHEDULE A, PART III - EXPLANATION FOR LINE 4**  
=====

AN ANALYSIS AND CALCULATION IS MADE FOR ALL REQUESTS FOR FUNDS TO OTHER ORGANIZATIONS. IF THE SOLICITING ORGANIZATION IS IN THE POSITION OF AIDING IN THE FUND'S GOALS, THEN THE MONEY WILL BE GRANTED.

THE FUND FOR ANIMALS, INC.  
LIST OF STATES  
12/31/98

13-6218740  
STATEMENT 16

---

PART VI, LINE 90

CALIFORNIA  
CONNECTICUT  
ILLINOIS  
KENTUCKY  
MARYLAND  
MASSACHUSETTS  
MICHIGAN  
MINNESOTA  
NEW HAMPSHIRE  
NEW JERSEY  
NEW YORK  
NORTH CAROLINA  
OHIO  
PENNSYLVANIA  
TENNESSEE  
WISCONSIN  
WASHINGTON

FEDERAL FOOTNOTES  
=====

THE ORGANIZATIONS PRIMARY EXEMPT PURPOSE IS THE ALLEVIATION OF FEAR,  
THE PREVENTION OF PAIN AND THE RELIEF OF SUFFERING OF ANIMALS  
EVERYWHERE AND TO FOSTER HUMANE CONDUCT TOWARD ANIMALS AND ENCOURAGE  
AND SUPPORT THE COOPERATION AMONG ALL PERSONS INTERESTED IN HUMANE  
ACTIVITIES.



## MEMORANDUM OF AGREEMENT

### BETWEEN

L.W. ROBBINS ASSOCIATES INC.

### AND

THE FUND FOR ANIMALS, INC.

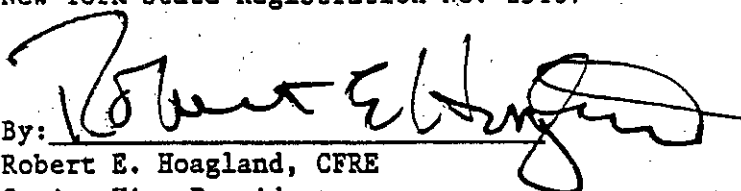
1. The Fund for Animals, Inc., 401 Studewood, Suite 350, Houston, Texas 77077, a non-profit Texas organization, (hereinafter referred to as The Fund), hereby agrees to retain the professional direct mail fund-raising counseling services of L.W. Robbins Associates Inc., 693 East Central Street, Franklin, Massachusetts 02038, a Massachusetts corporation, (hereinafter referred to as Robbins Associates).
2. The period of time covered by this Agreement shall be from August 1, 1998 through July 31, 1999. However, this Agreement may be terminated by either party at any time during the above time period by giving a thirty (30) days written notice of termination to the other party. The exercise by either party of the option to terminate shall in no way be construed as a release or waiver of any rights or obligations accrued to date. It is understood that in the event of termination no further professional fees will be due Robbins Associates from The Fund beyond the thirty (30) day period.
3. A direct mail fundraising and public education program will be designed and counseled through July 31, 1999 by Robbins Associates on behalf of The Fund for the purpose of obtaining for The Fund the maximum possible direct mail gift support from such donors.
4. As compensation for providing the above professional direct mail fund-raising counseling services to The Fund, a creative fee in the amount of Seven Thousand Five Hundred Dollars (\$7,500), a design fee in the amount of Four Thousand Eight Hundred Dollars (\$4,800), a production fee in the amount of Three Thousand Dollars (\$3,000) and an administrative fee in the amount of Three Thousand Dollars (\$3,000) will be paid to Robbins Associates. All fees will be payable within thirty (30) days of the original mailing invoice.

5. Miscellaneous expenses incurred by Robbins Associates during the conduct of its direct mail fundraising counseling services on behalf of the Client, such as normal travel, Xerox charges, telephone, delivery charges and miscellaneous postage, are to be the financial responsibility of Robbins Associates and are not to be billed for reimbursement to The Fund.
6. All copy and rough artwork produced by Robbins Associates on behalf of The Fund will be submitted to The Fund for approval before mailing. The Fund will maintain complete control over list segmentation, copy, graphics, package cost and volumes to be mailed.
7. Estimated postage for each approved mailing to be conducted by Robbins Associates on behalf of The Fund is to be paid by The Fund to Robbins Associates no less than ten (10) days in advance of the scheduled mailing date.
8. All approved and authorized invoices for professional services and mailing materials and services submitted by Robbins Associates to The Fund are to be paid within thirty (30) days from date of invoice.
9. All solicited funds and gifts will be mailed directly to The Fund's New York City address, or other addresses as determined by The Fund for Animals. L.W. Robbins Associates will not at any time have custody or control of any contributions.
10. Robbins Associates has made projections of monies to be raised, levels of responses to its promotional efforts, the estimated costs of these efforts, and will exercise reasonable efforts to help The Fund achieve projected goals within these projected costs. These estimates were provide to The Fund in a letter dated September 17, 1998. It is expressly understood, however, that any such projections by Robbins Associates are estimates and not guarantees that any program will achieve any projected minimum goals at the projected costs.
11. The Fund and/or its vendors agree to maintain accurate records of mailing results and agrees to provide Robbins Associates with certain periodic reports during the conduct of the program for evaluation. Robbins Associates will establish procedures to ensure that this is done on an efficient, economical basis.
12. The mailing list and other donor/organizational information of The Fund shared with Robbins Associates is confidential and will remain the property of The Fund. Robbins Associates shall not use the contents of The Fund's mailing list for any purpose without the prior authorization of The Fund. Subsequent to the termination of this agreement, Robbins Associates shall not maintain possession of the mailing list or any copies thereof, and the mailing list and all copies shall be returned to The Fund.

13. The Fund has worked to promote animals and end animal cruelty for over twenty-five years. The monies received by The Fund through its member information program will be used for the continuance of that work.
14. This Agreement may not be modified except as mutually agreed to in writing by both parties.


Accepted for L.W. ROBBINS ASSOCIATES INC.  
New York State Registration No. 25107

Dated: September 24, 1998

By:   
Robert E. Hoagland, CFRE  
Senior Vice President

Accepted for THE FUND FOR ANIMALS, INC.  
New York State Registration No. 12749

Dated: Sept. 29, 1998

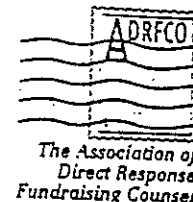
By:   
Title Director of Development

Dated: 

By: 

Title 





## MEMORANDUM OF AGREEMENT

BETWEEN

L.W. ROBBINS ASSOCIATES INC.

AND

THE FUND FOR ANIMALS, INC.

1. The Fund for Animals, Inc., 200 West 57th Street, New York, New York 10019, a non-profit New York organization, (hereinafter referred to as The Fund), hereby agrees to retain the professional direct mail fundraising counseling services of L.W. Robbins Associates Inc., 693 East Central Street, Franklin, Massachusetts 02038, a Massachusetts corporation, (hereinafter referred to as Robbins Associates).
2. The period of time covered by this Agreement shall be from May 15, 1997 through May 14, 1998. However, this Agreement may be terminated by either party at any time during the above time period by giving a thirty (30) days written notice of termination to the other party. The exercise by either party of the option to terminate shall in no way be construed as a release or waiver of any rights or obligations accrued to date. It is understood that in the event of termination no further professional fees will be due Robbins Associates from The Fund beyond the thirty (30) day period.
3. *Membership renewal*  
A direct mail fundraising and public education program will be designed and counseled through May 14, 1998 by Robbins Associates on behalf of The Fund for the purpose of obtaining for The Fund the maximum possible direct mail gift support from such donors.
4. As compensation for providing the above professional direct mail fundraising counseling services to The Fund, an annual professional fee at the annual rate of Ten Thousand Dollars (\$10,000) will be paid to Robbins Associates. This professional fee will be payable monthly in the amount of Eight Hundred and Thirty Three Dollars (\$833) by The Fund for the duration of this Agreement as outlined in Section 2.

5. Miscellaneous expenses incurred by Robbins Associates during the conduct, of its direct mail fundraising counseling services on behalf of the Client, such as normal travel, Xerox charges, telephone, delivery charges and miscellaneous postage, are to be the financial responsibility of Robbins Associates and are not to be billed for reimbursement to The Fund.
6. All copy and rough artwork produced by Robbins Associates on behalf of The Fund will be submitted to The Fund for approval before mailing. The Fund will maintain complete control over list segmentation, copy, graphics, package cost and volumes to be mailed.
7. Estimated postage for each approved mailing to be conducted by Robbins Associates on behalf of The Fund is to be paid by The Fund to Robbins Associates no less than ten (10) days in advance of the scheduled mailing date.
8. All approved and authorized invoices for professional services and mailing materials and services submitted by Robbins Associates to The Fund are to be paid within thirty (30) days from date of invoice.
9. All solicited funds and gifts will be mailed directly to The Fund's New York City address, or other addresses as determined by The Fund for Animals. L.W. Robbins Associates will not at any time have custody or control of any contributions.
10. Robbins Associates will make projections of monies to be raised, levels of responses to its promotional efforts, the cost of these efforts, and will exercise reasonable efforts to help The Fund achieve projected goals within these projected costs. It is expressly understood, however, that any such projections by Robbins Associates are estimates and not guarantees that any program will achieve any projected minimum goals at the projected costs.
11. The Fund and/or its vendors agree to maintain accurate records of mailing results and agrees to provide Robbins Associates with certain periodic reports during the conduct of the program for evaluation. Robbins Associates will establish procedures to ensure that this is done on an efficient, economical basis.
12. The mailing list and other donor/organizational information of The Fund shared with Robbins Associates is confidential and will remain the property of The Fund. Robbins Associates shall not use the contents of The Fund's mailing list for any purpose without the prior authorization of The Fund. Subsequent to the termination of this agreement, Robbins Associates shall not maintain possession of the mailing list or any copies thereof, and the mailing list and all copies shall be returned to The Fund.

13. The Fund has worked to promote animals and end animal cruelty for over twenty-five years. The monies received by The Fund through its direct mail fundraising program will be used for the continuance of that work.
14. This Agreement may not be modified except as mutually agreed to in writing by both parties.

Accepted for L.W. ROBBINS ASSOCIATES INC.  
New York State Registration No. 25107

Dated: May 14, 1997

By: 

Robert E. Hoagland, CFRE  
Senior Vice President

Accepted for THE FUND FOR ANIMALS, INC.  
New York State Registration No. 12749

Dated: May 27, 1997

By: 

Title President

Dated: MAY 27, 1997

By: 

Title SECRETARY

STATE OF NEW YORK  
OFFICE OF THE ATTORNEY GENERAL  
CHARITIES BUREAU

THE CAPITOL  
ALBANY, NY 12224  
(518) 486-9797

1. This addendum may be used by professional fund raisers and fund raising counsels who contract with charitable organizations.
2. The provisions of this addendum will be accepted as complying with the Executive Law, section 174-a. Professional fund raisers and fund raising counsels are not required to use this specific form. However, they are required to insure that their contracts will comply with the NYS Executive Law, section 174-a.
3. Professional fund raisers should strike out references in the addendum to fund raising counsels, and fund raising counsels should strike out all references to professional fund raisers.
4. The addendum must be signed by both parties to the contract and be attached to the contract when it is submitted to the Charities Bureau for filing.

ADDENDUM TO CONTRACT  
WITH  
CHARITABLE ORGANIZATIONS

The parties to the attached contract are The Fund for Animals, Inc.

(charitable organization)

and L. W. Robbins Associates Inc.

(~~professional fund raiser~~) (fund raising counsel)

and the parties acknowledge that the attached contract was signed by the charitable organization on May 15, 1997, and by the (~~professional fund raiser~~) (fund raising counsel) on May 15, 1997.

The parties hereby agree that the provisions of this addendum shall be made part of the contract and shall be incorporated therein as if fully set forth in the contract itself. The parties further agree that the following terms and conditions shall supercede and control any provisions in the contract that are contrary to or inconsistent with the terms of this addendum.

Therefore, the parties further agree as follows:

1) *Charity's right to cancel this contract:* It is understood by both parties that the charitable organization has the right under New York State law to cancel this contract and that the charitable organization does not have to give any reason for the cancellation. By law, the parties to this contract cannot waive or modify this right by any pre-existing agreement or by any subsequent agreement between the parties. Therefore, the charitable organization may cancel this contract without cost, penalty or liability if the charitable organization notifies the (~~professional fund raiser~~) (fund raising counsel) in writing as provided below.

2) *Period during which contract may be cancelled:* If the (~~professional fund raiser~~) (fund raising counsel) is registered with the New York State Charities Bureau, the charitable organization may cancel this contract at any time up to and including the fifteenth day after this contract was filed by the (~~professional fund raiser~~) (fund raising counsel) with the New York State Charities Bureau.

If, however, the professional fund raiser is not registered with the New York State Charities Bureau at the time this contract is signed, the charitable organization may cancel this contract at any time after it is signed.

3) *Procedure for cancelling this contract:* The charitable organization may cancel this contract by giving the (~~professional fund raiser~~) (fund raising counsel) written notice of cancellation. This notice can be in the form of a letter indicating that the charitable organization does not intend to be bound by the contract. The notice of cancellation may be hand-delivered or mailed to the (~~professional fund raiser~~) (fund raising counsel). If mailed, it must be sent to the following address:

Name: L. W. Robbins Associates Inc.

Address: 693 East Central Street, Franklin, Massachusetts 02038

The charitable organization must also mail a duplicate copy of the notice of cancellation to the State of New York, Office of the Attorney General, Charities Bureau, The Capitol, Albany, NY 12224.

|                        |           |           |           |         |         |           |           |        |
|------------------------|-----------|-----------|-----------|---------|---------|-----------|-----------|--------|
| TOTAL PURCHASED STOCKS | 1,283,634 | 1,186,500 | 1,301,155 | 948,037 | 333,048 | 1,512,047 | 1,432,886 | 11,648 |
|------------------------|-----------|-----------|-----------|---------|---------|-----------|-----------|--------|

| GENERAL FUND<br>COMMON STOCKS (CONT) |                              |           |                  |             |                  | INVENTORY<br>AT 1.1.98 |                  | PURCHASES<br>SPLITS 1998 |              | SALES/EXCHANGES<br>1998 |      | INVENTORY<br>AT 12.31.98 |                 |               |                  |
|--------------------------------------|------------------------------|-----------|------------------|-------------|------------------|------------------------|------------------|--------------------------|--------------|-------------------------|------|--------------------------|-----------------|---------------|------------------|
| Date Acq                             | Description                  | No. shs.  | Cost             | No. shs.    | Cost             | No. shs.               | Proceeds         | Cost                     | Date Sold    | Gain/Loss               | COST | NO SHS                   | MARKET<br>VALUE |               |                  |
| <b>FOUNDED STOCKS</b>                |                              |           |                  |             |                  |                        |                  |                          |              |                         |      |                          |                 |               |                  |
| Nov 17, 1997                         | Ballsouth                    | 26        | 1,409            |             |                  | 26                     | 1,689            | 1,409                    | Mar 20, 1998 | 280                     |      |                          |                 |               |                  |
| Nov 16, 1998                         | SPLIT DEC 1998 =13 SHS       |           |                  | 13          | 1,028            |                        |                  |                          |              | 0                       |      | 0                        |                 |               |                  |
| Feb 22, 1998                         | Lucant (on 620.175 shs AT&T) | 200       | 11,448           |             |                  | 200                    | 23,890           | 11,448                   | Mar 18, 1998 | 12,241                  |      | 0                        | 1,028           | 26            | 1,297            |
| Oct 16, 1997                         | Pentacel                     | 7         | 557              |             |                  | 7                      | 462              | 557                      | Apr 14, 1998 | (95)                    |      | 0                        |                 |               |                  |
| Nov 7, 1997                          | Aparitech                    | 1,040,732 | 69,729           | 46/114,124  | 621              |                        | 24               | 24                       | 0            | 30,060                  |      | 0                        |                 |               |                  |
| Jan 28, 1998                         |                              |           |                  | 54/1040,732 |                  | 2,085                  | 100,430          | 70,350                   | Jul 16, 1998 | 30,060                  |      | 0                        |                 |               |                  |
| Nov 7, 1997                          | First Investors              | 3,436,543 | 35,297           |             |                  | 3,436,543              | 36,146           | 35,297                   | Jan 31, 1998 | 849                     |      | 0                        |                 |               |                  |
| Dec 18, 1997                         | CoreStates Financial         | 75        | 6,108            |             |                  | 75                     | 7,256            | 6,108                    | Apr 14, 1998 | 1,148                   |      | 0                        |                 |               |                  |
| Oct 16, 1997                         | Dupont De Nemours            | 50        | 2,942            |             |                  | 50                     | 3,884            | 2,942                    | Apr 14, 1998 | 942                     |      | 0                        |                 |               |                  |
| Oct 16, 1997                         | "E" Stamp                    | 1,000     | 20,000           |             |                  |                        |                  |                          |              | 0                       |      |                          |                 |               |                  |
| Dec 1998                             | Rubbenaid                    | 1,428     | 35,700           | 2,000       | 40,000           |                        |                  |                          |              | 0                       |      | 60,000                   | 3,000           | 60,000        | 228              |
| Dec 30, 1997                         | Microsoft Corp               | 1,428     | 35,700           | 20          | 1,600            | 1,428                  | 41,593           | 35,700                   | Apr 16, 1998 | 5,893                   |      | 0                        |                 |               |                  |
| Sep 29, 1998                         | Morgan Stanley/Dean Witter   | 1,700     | 76,712           | 1,700       | 76,712           | 20                     | 1,766            | 1,600                    | Apr 14, 1998 | 166                     |      | 0                        | 76,712          | 1,700         | 120,700          |
| Sep 15, 1998                         | Salomon Bros. Investors Fund | 10        | 207              | 0.775       | 16               |                        |                  |                          |              | 0                       |      |                          |                 |               |                  |
| Dividends reinvested                 |                              |           |                  |             |                  |                        |                  |                          |              |                         |      |                          |                 |               |                  |
| Dec 11, 1998                         | Seagram Co Ltd               | 15        | 525              |             |                  |                        |                  |                          |              | 0                       |      | 223                      | 10,775          | 233           | 1                |
| Dec 21, 1998                         | Banc One Corp                | 50        | 2,553            |             |                  |                        |                  |                          |              | 0                       |      | 525                      | 15              | 570           |                  |
| Dec 15, 1998                         | First Union Corp             | 160       | 9,760            |             |                  |                        |                  |                          |              | 0                       |      | 2,553                    | 50              | 2,553         |                  |
| Dec 15, 1998                         | Intel Corp                   | 18        | 2,040            |             |                  |                        |                  |                          |              | 0                       |      | 9,760                    | 160             | 9,760         |                  |
| Dec 29, 1998                         | Symbol Technologies Inc      | 28        | 1,508            |             |                  |                        |                  |                          |              | 0                       |      | 2,040                    | 18              | 2,134         |                  |
| Dec 7, 1998                          | Pfizer                       | 88        | 10,027           |             |                  | 88                     | 10,027           | 10,027                   | Dec 7, 1998  | 0                       |      | 0                        |                 |               |                  |
| Dec 11, 1998                         | Pfizer                       | 15        | 1,676            |             |                  | 15                     | 1,676            | 1,676                    | Dec 11, 1998 | 0                       |      | 0                        |                 |               |                  |
| Dec 31, 1998                         | Putnam Investments           | 241,779   | 5,000            |             |                  | 242                    | 5,157            | 5,000                    | Dec 31, 1998 | 157                     |      | 0                        |                 |               |                  |
| Dec 31, 1998                         | American Funds               | 1,787,907 | 51,706           |             |                  |                        |                  |                          |              | 0                       |      | 51,706                   | 1,787,907       | 51,706        |                  |
| <b>TOTAL DONATED STOCKS</b>          |                              |           | <b>183,191</b>   |             | <b>284,979</b>   |                        | <b>233,780</b>   | <b>192,115</b>           |              | <b>51,665</b>           |      | <b>208,055</b>           |                 | <b>634</b>    | <b>250,585</b>   |
| <b>TOTAL COMMON STOCKS</b>           |                              |           | <b>1,476,825</b> |             | <b>1,391,470</b> |                        | <b>1,534,935</b> | <b>1,150,202</b>         |              | <b>384,733</b>          |      | <b>1,716,102</b>         |                 | <b>12,282</b> | <b>1,693,481</b> |



| GENERAL FUND<br>OTHER DONATED INVESTMENTS | INVENTORY<br>AT 1.1.98 |          | PURCHASES<br>SPLITS 1997 |          | SALES/EXCHANGES<br>1997 |            | INVENTORY<br>AT 12.31.98 |           | MARKET<br>VALUE |           | INCOME  |
|---|------------------------|----------|--------------------------|----------|-------------------------|------------|--------------------------|-----------|-----------------|-----------|---------|
| Date Acq                                  | Description            | No. shs. | Cost                     | No. shs. | Cost                    | Proceeds   | Cost                     | Date Sold | Gain/Loss       | NO SHS    |         |
| Dec 31, 1996                              | Schlusser LTP          |          | 23,000                   |          |                         |            |                          |           |                 | 23,000    |         |
|   | VALUATION ALLOWANCE    |          |                          |          |                         |            |                          |           |                 |           |         |
| TOTAL INVESTMENTS / GENERAL FUND          |                        |          | 7,770,149                |          | 12,004,533              | 11,461,152 | 10,933,780               |           | 527,551         | 8,150,293 | 363,149 |
|   |                        |          |                          |          |                         |            |                          |           |                 | 8,492,024 | 363,149 |











| Date Acq     | Description                                     | INVENTORY AT 1.1.98 |         | PURCHASES SPLITS 1997 |         | SALES/EXCHANGES 1997 |         | INVENTORY AT 12.31.98 |              | Market Value | Income |
|--------------|---|---------------------|---------|-----------------------|---------|----------------------|---------|-----------------------|--------------|--------------|--------|
|              |   | Face Value          | Cost    | Face Value            | Cost    | Proceeds             | Cost    | Cost                  | Cost         |              |        |
| May 6, 1997  | Bear Stearns Cos 7.00% due 3.01.2007            | 125,000             | 121,196 |                       |         | 125,000              | 129,386 | 121,196               | Jun 2, 1998  | 0            | 3,686  |
| May 28, 1997 | Frontier Corp Nt 7.25% due 5.15.2004            | 125,000             | 124,926 |                       |         | 125,000              | 134,187 | 124,926               | Oct 27, 1998 | 0            | 7,543  |
| Jul 3, 1997  | Ford Motor Co. 6.25% due 12.8.2005              | 125,000             | 120,497 |                       |         | 125,000              | 125,827 | 120,497               | Jan 5, 1998  | 0            | 137    |
| Jun 16, 1997 | Harford Life Inc 7.10% due 6.15.2007            | 125,000             | 125,370 |                       |         | 125,000              | 130,375 | 125,370               | Mar 18, 1998 | 0            | 2,027  |
| Jun 20, 1997 | West Tex Utils Co 6.125% due 2.1.2004           | 125,000             | 120,723 |                       |         | 125,000              | 124,755 | 120,723               | May 29, 1998 | 0            | 3,192  |
| Jun 23, 1997 | Hertz Corp 7% due 7.1.2004                      | 125,000             | 125,000 |                       |         | 125,000              | 129,666 | 125,000               | Jan 13, 1999 | 0            | 329    |
| Jul 20, 1997 | Commercial Cr Co Nt 6.50% due 8.1.2004          | 125,000             | 124,931 |                       |         | 125,000              | 126,560 | 124,931               | Jul 30, 1998 | 0            | 4,074  |
| Nov 7, 1997  | Natl Rural Utils coop 6.10% due 6.15.2002       | 125,000             | 127,100 |                       |         | 125,000              | 128,641 | 127,100               | Jan 7, 1999  | 0            | 261    |
| Dec 4, 1997  | California Infrastructure 6.35% due 9.25.2008   | 75,000              | 74,967  |                       |         | 75,000               | 76,198  | 74,967                | May 21, 1998 | 0            | 1,944  |
| Dec 8, 1997  | GMAC 6.375% due 12.1.2001                       | 100,000             | 99,852  |                       |         | 100,000              | 101,223 | 99,852                | Jan 5, 1999  | 0            | 114    |
| Dec 10, 1997 | Union Tank Car Co 6.68% due 1.15.2006           | 100,000             | 100,000 |                       |         | 100,000              | 101,742 | 100,000               | Aug 10, 1998 | 0            | 4,123  |
| Jan 7, 1998  | IBM Corp 6.50% due 1.15.2028                    |                     |         | 95,000                | 93,694  | 95,000               | 93,694  | 93,694                | Apr 2, 1998  | 0            | 1,458  |
| Jan 7, 1998  | National Rural Utils 6.0% due 1.15.2004         |                     |         | 125,000               | 124,812 | 125,000              | 124,563 | 124,812               | May 21, 1998 | 0            | 2,813  |
| Jan 15, 1998 | Ameritech Cap Fdg 6.15% due 1.15.2009           |                     |         | 60,000                | 59,902  | 60,000               | 59,820  | 59,902                | Feb 3, 1998  | 0            | 154    |
| Jan 22, 1998 | GMAC 6.125% due 1.22.2008                       |                     |         | 115,000               | 114,052 | 115,000              | 112,717 | 114,052               | May 19, 1998 | 0            | 2,348  |
| Feb 18, 1998 | Bellsouth Telecommunication 6.3% due 12.15.2015 |                     |         | 90,000                | 86,325  | 85,163               | 84,912  | 86,325                | Jun 1, 1998  | 0            | 1,467  |

| BLACK BEAUTY RANCH           |   | INVENTORY AT 1.1.98 |         | PURCHASES SPTS 1997 |         | SALES/EXCHANGES 1997 |         | INVENTORY AT 12.31.98 |           |      |              |
|------------------------------|---|---------------------|---------|---------------------|---------|----------------------|---------|-----------------------|-----------|------|--------------|
| CORPORATE OBLIGATIONS (CONT) |   |                     |         |                     |         |                      |         |                       |           |      |              |
| Date Acq                     | Description                                       | Face Value          | Cost    | Face Value          | Cost    | Proceeds             | Cost    | Date Sold             | Gain/Loss | Cost | Market Value |
| Mar 5, 1998                  | Boston Scientific 6.625%<br>due 3.15.2005         | 85,000              | 84,957  | 85,000              | 85,239  | 85,239               | 84,957  | Mar 6, 1998           | 282       | 0    | 16           |
| Mar 15, 1998                 | Tennessee Valley Auth 6.00%<br>due 3.15.2013      | 160,000             | 159,592 | 160,000             | 160,326 | 160,326              | 159,592 | Aug 5, 1998           | 734       | 0    | 3,653        |
| Mar 19, 1998                 | Lincoln Natl Corp 6.50%<br>due 3.15.2008          | 125,000             | 124,578 | 125,000             | 125,249 | 125,249              | 124,578 | May 20, 1998          | 671       | 0    | 1,399        |
| Mar 20, 1998                 | BankBoston NA 6.375%<br>due 3.25.2008             | 125,000             | 124,839 | 125,000             | 125,201 | 125,201              | 124,839 | Apr 16, 1998          | 262       | 0    | 576          |
| Apr 7, 1998                  | Sears Roebuck Assoc Corp 6%<br>due 3.20.2003      | 125,000             | 124,620 | 125,000             | 124,620 | 199,794              | 198,971 | Jul 13, 1998          | 823       | 0    | 2,996        |
| Apr 13, 1998                 |   | 75,000              | 74,351  |                     |         |                      |         |                       |           |      |              |
| Apr 8, 1998                  | Ford Motor Cr Co 6%<br>due 1.14.2003              | 135,000             | 134,875 | 220,000             | 219,569 | 219,569              | 219,288 | Jul 22, 1998          | 281       | 0    | 2,785        |
| Jun 19, 1998                 |   | 85,000              | 84,413  |                     |         |                      |         |                       |           |      |              |
| Apr 13, 1998                 | Equitable Cos Inc Deb 7%<br>due 4.1.2028          | 125,000             | 125,123 | 125,000             | 127,007 | 127,007              | 125,123 | Sep 17, 1998          | 1,884     | 0    | 3,767        |
| Apr 15, 1998                 | Lehman Bros Inc. Nt 6.50%<br>due 4.15.2008        | 115,000             | 114,968 | 115,000             | 111,165 | 111,165              | 114,968 | Sep 24, 1998          | (3,803)   | 0    | 3,301        |
| Apr 15, 1998                 | Public Svc Co Colo 6%<br>due 4.15.98              | 55,000              | 54,919  | 55,000              | 54,843  | 54,843               | 54,919  | May 26, 1998          | (76)      | 0    | 339          |
| Apr 16, 1998                 | First Union Corp Sub Nt 8.30%<br>due 4.15.2008    | 90,000              | 89,660  | 90,000              | 89,330  | 89,330               | 89,660  | May 27, 1998          | (330)     | 0    | 598          |
| Apr 22, 1998                 | GTE Corp 6.94%<br>due 4.15.2028                   | 140,000             | 139,838 | 140,000             | 145,600 | 145,600              | 139,838 | SEP 22, 1998          | 5,762     | 0    | 3,994        |
| May 11, 1998                 | Solomon Smith Barney 6.25%<br>due 5.15.2003       | 190,000             | 189,565 | 190,000             | 189,652 | 189,652              | 189,565 | May 12, 1998          | 87        | 0    | 33           |
| May 19, 1998                 | General Mtn Corp 6.375%<br>due 5.1.2008           | 220,000             | 219,632 | 220,000             | 234,122 | 234,122              | 218,632 | Oct 6, 1998           | 14,490    | 0    | 5,337        |
| May 20, 1998                 | National Fuel Gas Co. 6.303%<br>due 5.27.2008     | 220,000             | 220,000 |                     |         |                      |         |                       |           |      |              |
| May 21, 1998                 | National Rural Utils Coop 6.125%<br>due 5.15.2005 | 220,000             | 219,489 | 220,000             | 222,791 | 222,791              | 219,489 | Sep 3, 1998           | 3,302     | 0    | 3,818        |



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## CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Report of Independent Certified Public Accountants | 3           |
| Financial Statements                               |             |
| Statement of Financial Position                    | 4           |
| Statement of Activities and Changes in Net Assets  | 5           |
| Statement of Functional Expenses                   | 6           |
| Statement of Cash Flows                            | 7           |
| Notes to Financial Statements                      | 8 - 10      |

## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors  
The Fund for Animals, Inc.

We have audited the accompanying statement of financial position of The Fund for Animals, Inc. as of December 31, 1998, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Fund for Animals, Inc. at December 31, 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Grant Thornton LLP*

New York, New York  
April 8, 1999

The Fund for Animals, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 1998

ASSETS

|   |                  |                     |
|---|------------------|---------------------|
| Cash and cash equivalents                     |                  | \$ 1,539,521        |
| Investments                                   |                  |                     |
| Operating                                     | \$8,492,024      |                     |
| Board-designated - Black Beauty Ranch account | <u>4,585,377</u> | 13,077,401          |
| Prepaid expenses and other                    |                  | 224,588             |
| Fixed assets                                  |                  |                     |
| Library of animal books                       | 10,000           |                     |
| Furniture and fixtures                        | 327,174          |                     |
| Equipment                                     | 433,681          |                     |
| Building and improvements                     | 1,138,615        |                     |
| Land  | <u>920,172</u>   |                     |
|   | 2,829,642        |                     |
| Less accumulated depreciation                 | <u>790,005</u>   | 2,039,637           |
| Security deposits and other                   |                  | <u>38,598</u>       |
|   |                  | <u>\$16,919,745</u> |

LIABILITIES AND NET ASSETS

|                                       |  |                     |
|---------------------------------------|--|---------------------|
| Accounts payable and accrued expenses |  | \$ 205,600          |
| Net assets                            |  |                     |
| Unrestricted                          |  | 11,974,210          |
| Operating                             |  | <u>4,739,935</u>    |
| Board-designated                      |  |                     |
| Total net assets                      |  | <u>16,714,145</u>   |
|                                       |  | <u>\$16,919,745</u> |

*The accompanying notes are an integral part of this statement.*

# STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 1998

|  |                  |                     |
|--|------------------|---------------------|
| Support                                    |                  |                     |
| Contributions                              | \$3,295,165      |                     |
| Bequests                                   | <u>3,242,773</u> | \$ 6,537,938        |
| Revenue                                    |                  |                     |
| Investment income                          | 616,605          |                     |
| Net realized gain on sale of investments   | 686,174          |                     |
| Net unrealized depreciation of investments | <u>(87,634)</u>  | <u>1,215,145</u>    |
| Total support and revenue                  |                  | 7,753,083           |
| Expenses                                   |                  |                     |
| Program services                           |                  |                     |
| Humane education                           | 839,584          |                     |
| Animal rescue and protection               | 3,307,368        |                     |
| Legislative activities                     | <u>245,054</u>   |                     |
| Total program services                     |                  | 4,392,006           |
| Supporting services                        |                  |                     |
| Management and general                     | 480,526          |                     |
| Fund raising                               | <u>572,923</u>   |                     |
| Total supporting services                  |                  | <u>1,053,449</u>    |
| Total expenses                             |                  | <u>5,445,455</u>    |
| Change in net assets                       |                  | <u>2,307,628</u>    |
| Net assets at January 1, 1998              |                  |                     |
| Unrestricted                               |                  |                     |
| Operating                                  |                  | 9,928,843           |
| Board-designated                           |                  | <u>4,477,674</u>    |
|  |                  | <u>14,406,517</u>   |
| Net assets at December 31, 1998            |                  |                     |
| Unrestricted                               |                  |                     |
| Operating                                  |                  | 11,974,210          |
| Board-designated                           |                  | <u>4,739,935</u>    |
|  |                  | <u>\$16,714,145</u> |

*The accompanying notes are an integral part of this statement.*

The Fund for Animals, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 1998

|  | Program services |                              |                        | Supporting services    |              |                |
|--|------------------|------------------------------|------------------------|------------------------|--------------|----------------|
|  | Humane education | Animal rescue and protection | Legislative activities | Management and general | Fund raising | Total expenses |
| Animal welfare, rescue operations and cruelty investigations       |                  | \$ 600,539                   |                        |                        |              | \$ 600,539     |
| Black Beauty Ranch operating expenses                              |                  | 1,321,357                    |                        |                        |              | 1,404,684      |
| Spay/neuter clinic and van, Houston, San Antonio and Dallas, Texas | \$ 12,731        | 407,776                      |                        |                        | \$ 70,596    | 407,776        |
| Have-a-Heart Clinic, New York                                      |                  | 155,709                      |                        |                        |              | 155,709        |
| Wild Life Rehabilitation Center, Ramona, California                |                  | 25,301                       |                        |                        |              | 25,301         |
| Rabbit Sanctuary, South Carolina                                   |                  | 31,568                       |                        |                        |              | 31,568         |
| Other  |                  |                              |                        |                        |              |                |
|  | 12,731           | 2,542,250                    |                        |                        | 70,596       | 2,625,577      |
|  |                  |                              |                        | \$ 3,145               |              | 3,145          |
| Data processing  |                  |                              |                        |                        |              |                |
| Educational expense  | 63,423           | 46,249                       | \$ 925                 | 781                    | 234,535      | 345,913        |
| Printed literature   | 138,416          |                              | 21,431                 | 402                    | 56,188       | 216,437        |
| Other media  | 72,291           | 36,776                       | 3,460                  | 3,502                  | 25,954       | 141,983        |
| Field expenses and travel  |                  | 58,123                       | 150,000                |                        |              | 208,123        |
| Gifts and services to allied organizations                         |                  | 55,587                       |                        |                        |              | 55,587         |
| Insurance  |                  |                              |                        | 37,058                 |              | 37,058         |
| Investment advisory fees   |                  |                              |                        | 73,513                 |              | 73,513         |
| Miscellaneous  | 3,021            | 3,728                        | 234                    | 20,416                 | 47,651       | 75,050         |
| Postage  | 72,328           | 6,996                        | 8,888                  | 6,652                  | 72,303       | 167,167        |
| Professional fees  | 4,698            | 185,208                      | 11,000                 | 128,757                | 4,998        | 334,661        |
| Rent   | 43,736           | 87,804                       | 3,094                  | 47,665                 | 8,267        | 190,566        |
| Rental of office equipment   | 4,450            | 1,841                        | 586                    | 6,765                  | 614          | 14,256         |
| Salaries and related payroll taxes                                 | 311,907          | 101,045                      | 34,932                 | 62,719                 | 32,363       | 542,966        |
| Stationery and office supplies                                     | 80,138           | 17,008                       | 6,160                  | 57,441                 | 17,456       | 178,203        |
| Telephone  | 31,987           | 14,023                       | 4,162                  | 10,215                 | 1,628        | 62,015         |
| Utilities  | 458              | 2,195                        | 182                    | 3,587                  | 370          | 6,792          |
| Total expenses before depreciation                                 | 839,584          | 3,158,833                    | 245,054                | 462,618                | 572,923      | 5,279,012      |
| Depreciation   |                  | 148,535                      |                        | 17,908                 |              | 166,443        |
| Total expenses   | \$839,584        | \$3,307,368                  | \$245,054              | \$480,526              | \$572,923    | \$5,445,455    |

The accompanying notes are an integral part of this statement.

The Fund for Animals, Inc.

STATEMENT OF CASH FLOWS

Year ended December 31, 1998

|  |                     |
|--|---------------------|
| Cash flows from operating activities   |                     |
| Change in net assets   | \$ 2,307,628        |
| Adjustments to reconcile change in net assets<br>to net cash provided by operating activities                                  |                     |
| Depreciation   | 166,443             |
| Net realized gain on investment transactions   | (686,174)           |
| Net unrealized appreciation of investments   | 87,634              |
| Decrease in prepaid expenses and other   | (8,597)             |
| Increase in security deposits and other  | (2,033)             |
| Decrease in accounts payable and accrued expenses  | <u>50,134</u>       |
| Net cash provided by operating activities  | 1,915,035           |
| Cash flows from investing activities   |                     |
| Purchase of and reinvestments in securities<br>(principally in United States government<br>obligations)                        | (22,777,956)        |
| Proceeds from sales of investments and reinvestments<br>in securities (principally in United States government<br>obligations) | 22,119,996          |
| Purchases of fixed assets  | <u>(455,432)</u>    |
| Net cash used in investing activities  | <u>(1,113,392)</u>  |
| Net decrease in cash and cash equivalents  | 801,643             |
| Cash and cash equivalents, beginning of year   | <u>737,878</u>      |
| Cash and cash equivalents, end of year   | <u>\$ 1,539,521</u> |

*The accompanying notes are an integral part of this statement.*

The Fund for Animals, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 1998

NOTE A - SUMMARY OF ACCOUNTING POLICIES

The Fund for Animals, Inc. (the "Fund") is a New York not-for-profit corporation, qualifying under Section 501(c)(3) of the Internal Revenue Code. The Fund's purpose is the alleviation of fear and the prevention of pain and the relief of suffering of animals everywhere and to foster humane conduct toward animals and encourage and support the cooperation among all persons interested in humane activities.

A summary of the Fund's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

1. *Investments*

Investments are stated at market value. Marketable securities acquired by gift are initially recorded at publicly traded values at the date of donation and, if not publicly traded, then at values determined by the management of the Fund, which, in their opinion, represents fair value at the date of donation.

2. *Fixed Assets*

Fixed assets acquired by purchase are stated at cost. Fixed assets acquired by gift, consisting principally of land valued at approximately \$48,000, are recorded at values determined by independent appraisal, or at values determined by the management of the Fund, which, in their opinion, represent fair market value at the dates of donation.

Depreciation is provided for in amounts sufficient to relate the cost or value of depreciable assets to expenses over their estimated service lives on a straight-line basis.

3. *Allocation of Costs and Expenses*

Costs and expenses that are incurred for or attributable to a program or supporting service are allocated directly to that category. Costs and expenses that apply to more than one functional purpose are allocated based on the amount of time employees spend on various program

The Fund for Animals, Inc.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1998

NOTE A (continued)

services as determined from their daily time and expense records. Costs of printed material are allocated on the basis of the uses made of the material, content, distribution and the intended audience.

4. *Donated Services*

The financial statements of the Fund do not reflect any financial valuation for the donation of personal services to the Fund. Along with hundreds of volunteers, Marian Probst, the Fund's new President, and, until his passing in 1998, the former President and Founder, Cleveland Amory, serve without salary. The value of contributed time is not reflected in the accompanying financial statements because it is not susceptible to objective measurement.

5. *Contributions and Bequests*

All contributions and bequests are considered to be available for unrestricted use unless specifically restricted by the donor.

6. *Use of Estimates in Financial Statements*

In preparing financial statements in conformity with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. *Cash and Cash Equivalents*

The Fund considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.



The Fund for Animals, Inc.

NOTES TO FINANCIAL STATEMENTS (continued)

December 31, 1998

NOTE B - INVESTMENTS

The investments of the Fund as of December 31, 1998, were as follows:

|                        | <u>Operating</u>   | <u>Board<br/>Designated</u> |
|------------------------|--------------------|-----------------------------|
| Government obligations | \$6,785,543        | \$3,575,272                 |
| Common stock           | 1,683,481          | 781,503                     |
| Corporate bonds        |                    | 228,602                     |
| Other                  | <u>23,000</u>      | <u></u>                     |
|                        | <u>\$8,492,024</u> | <u>\$4,585,377</u>          |

NOTE C - JOINT COSTS

In 1998, the Fund incurred costs for multi-purpose activities of approximately \$521,000. These costs were for newsletters, bulletins and mailings that included fund raising related articles. Of these costs, approximately \$229,000 was allocated to fund raising and \$292,000 was allocated to program services.

NOTE D - COMMITMENTS

The Fund leases office facilities under operating leases. The approximate minimum annual payments for these leases are as follows:

|            |                    |
|------------|--------------------|
| 1999       | \$ 199,000         |
| 2000       | 203,000            |
| 2001       | 207,000            |
| 2002       | 193,000            |
| 2003       | 170,000            |
| Thereafter | <u>231,000</u>     |
|            | <u>\$1,203,000</u> |

Application for Extension of Time to File  
Certain Excise, Income, Information, and Other Returns

OMB No. 1545-0148

Department of the Treasury  
Internal Revenue Service

File a separate application for each return.

Please type or  
print the  
name and  
one copy by  
the due date  
for filing your  
return. See  
instructions on  
back.

Name

THE FUND FOR ANIMALS, INC.

Employer identification number

13-6218740

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

200 WEST 57TH STREET

City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

NEW YORK, NY 10019

**Note:** Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trust must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.1 I request an extension of time until 08/15/1999, to file (check only one):

- |  |   |   |                                    |
|--|---|---|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D)                | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8612 |
| <input type="checkbox"/> Form 706-GS(T)                | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 3520-A                    | <input type="checkbox"/> Form 8613 |
| <input checked="" type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see instructions)    | <input type="checkbox"/> Form 4720                      | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL                   | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 5227                      | <input type="checkbox"/> Form 8804 |
| <input type="checkbox"/> Form 990-PF                   | <input type="checkbox"/> Form 1042                                | <input type="checkbox"/> Form 6069                      | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box ☐2a For calendar year 98, or other tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No4 State in detail why you need the extension ADDITIONAL TIME IS NEEDED TO FILE A COMPLETE AND ACCURATE RETURN.5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions \$ NONE

b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ \_\_\_\_\_

Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions \$ NONE

## Signature and Verification

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

Signature

Title GRANT THORNTON LLPDate 4/29/99

FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.

## Notice to Applicant - To Be Completed by the IRS

- ☐ We HAVE approved your application. Please attach this form to your return.
- ☐ We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
- ☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.
- ☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other: \_\_\_\_\_

By: \_\_\_\_\_

Director

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please  
Type  
or  
Print

Name

GRANT THORNTON LLP

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

9 CAMPUS DRIVE

City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

PARSIPPANY

NJ 07054