

Form 990 as a Tool for Positive Accountability

As some of you are aware, I have been looking at the Federal Form 990 (990) for a couple of years now in an attempt to see how useful it is for purposes of ensuring nonprofit accountability. My focus has been for the most part on the use of the 990 for detecting and stopping abuses such as the improper diversion of money into private hands that should have been used to advance exempt purposes. These abuses range from minor conflict-of-interest problems to more serious self-dealing transactions to quasi-looting and finally to outright stealing. I have called accountability concerns with such abuses "negative accountability." I have contrasted negative accountability with positive accountability, the latter being concerned with such questions as whether a nonprofit is doing anything worthwhile and whether it is operating effectively. As more and more money is poured into nonprofits¹ policy makers and the public have become increasingly focused on the question of whether we are getting our money's worth. These concerns have moved positive accountability towards the front burner. This paper assays the effectiveness of the 990 as

¹ A recent report prepared for the Community Service Society of New York and the Institute for Education and Social Policy of New York University suggests that despite the enormous fear and trembling that beset the city's human service community after the 1994 election, there have not been drastic cuts to human service funding. Arete Corporation, *Impacts of Budget Changes in New York City 1993-1996* (1997). Indeed, in a draft of its Executive Summary the following is said: "Those agencies responsible for serving needy clients in the poor and working class neighborhoods we surveyed are gradually growing -- in budget, staff, programs -- at the same time that their fiscal stability, weak to begin with, becomes more perilous. The growth is being fueled by government funding, partly through privatization of government-run services and partly through increases in Federal and State support, and (we surmise) through the assumption of other services of defunded programs." To put this in context it may be recalled that the city alone lets out contracts to human service nonprofits at the level of between two and a half and three *billion* dollars a year. One may suppose that the experience with nonprofit funding in other parts of the country has not been too dissimilar to the city's. Even if there have been cuts, of course, the cuts have not been massive and the nonprofit system has not been dismantled.

positive accountability tool². One might put forth the following generality. Negative accountability is the primary concern of the nonprofit cops, the Exempt Organization Division of the Internal Revenue Service (EO Division) and the state charities offices³, and positive accountability is of primary concern to those who are thinking of giving money to nonprofits, such as individual donors, foundations or government agencies. This would be misleading. State charities offices are frequently asked by the public whether one or another nonprofit is worth supporting and the occurrence of abuses at nonprofits is of direct and real interest to those contemplating supporting them.

I conclude, and this is what I hope we talk about, that the 990 is not a good instrument for positive accountability purposes. (In contrast, my N.Y.U. paper concludes that the 990 is a very good instrument for negative accountability⁴.)

As part of reaching this conclusion I compare the Securities and Exchange Commission's regulation of the securities markets to the two generic regulatory agencies that oversee the nonprofit sector, namely, the EO Division and the

² My work assaying the 990 as a negative accountability tool is contained in a paper I have prepared for New York University's National Center on Philanthropy and the Law Fall 1997 Conference on Accountability to be held on October 30 and 31, 1997. A good part of this paper is contained in that paper as Appendix B. If anyone is crazy or idle enough to want to see that paper, I will of course make it available to them.

³ Below the EO Division and the state charities offices are referred to as the two nonprofit generic regulatory agencies.

⁴ I also conclude that because the two generic nonprofit regulatory agencies are so under-funded, its use as a tool for negative accountability has never been fully realized. Thus, I call for the advent of cyber-accountability – that is that 990s be made available on the internet – as a way of bringing the public more into the field of nonprofit, negative accountability and thus perhaps enhancing efforts to reduce abuses.

state charities offices. The comparison seems particularly apt for our purposes. We are looking at the primary *disclosure* instrument that is used to regulate the nonprofit world. The Securities and Exchange Commission (SEC) uses a highly elaborate disclosure system for achieving its goals. Many use the information made available through the SEC's disclosure system to help them make investment decisions. Considerations involving investments in the securities world are roughly analogous to those involving what I have called positive accountability concerns in the nonprofit world. I emphasize two significant differences between these two systems. First, the SEC system looks primarily at financial performance. Past financial performance as a predictor of future financial performance is a, if not the, major concern of those interested in the securities markets. In contrast, I submit that in the nonprofit world, so far as positive accountability is concerned, program performance is the major focus and financial performance is only a secondary concern. Related to this point is my assumption that the SEC disclosure system works quite well for its purposes whereas, to return to my main conclusion, the same cannot be said for the 990 as a tool for positive accountability. The second difference that I see between the two systems is that the public cares a great deal more about the securities market than it does about the state of our nonprofit sector and this is reflected in the disparate amounts it allocates to the regulatory systems that oversee both worlds. This hardly amounts to a momentous discovery, but it seems important to bear in mind as a general contextual point as work goes forward in trying to improve nonprofit accountability.

To begin, it will be useful to briefly describe the two different worlds that these systems apply to. First the securities world. About 12,000 corporations are registered with the SEC and subject to its mandated disclosure requirements. This represents over seven trillion dollars of value⁵. In contrast, it is estimated that about 250,000 501(c)(3) nonprofits file 990s each year representing about []⁶ of value. As will be described below, the SEC has a staff of slightly more than 3,000 while that of the EO Division is less than 1,000 and it is roughly estimated that the aggregate staff count of all state charities offices is less than two hundred.

The roots of the securities law system lie in the country's response to the fear of a loss of confidence in the U.S. financial markets brought about by the Great Depression. Behind this collapse were multiple incidences of stock manipulation and other abuses. Out of it developed a number of securities laws and the creation of the Securities and Exchange Commission which administers and enforces these laws. Central to securities regulation is a mandated disclosure system which is elaborate and extensive. Companies whose securities are traded on national securities exchanges must file annual (Form 10-K)⁷ and quarterly

⁵ "While only a small fraction of companies are publicly traded -- roughly 12,000 -- they represent the preponderance of enterprise values, over seven trillion dollars of equities alone. Individual investors still own over half of all common stocks, and workers' retirement funds, both corporate and governmental, own another thirty percent -- socialism American-style." Lowenstein, Financial Transparency and Corporate Governance: You Manage What You Measure, 96 Columbia Law Review 1335,133X (1996) [hereinafter "Financial Transparency"].

⁶ While much effort was made in trying to develop a figure, I was unable to conclude my efforts in time to get this paper out. See text at note 18 below.

⁷ Form 10-K includes audited financial statements, management's discussion of the corporation's financial condition and results of operations, disclosure concerning legal proceedings, developments in the corporation's business, executive compensation and other specified issues.

(Form 10-Q)⁸ reports with the SEC and Form 8-Ks⁹ which report on certain transactions within 15 days of their occurrence. See Securities Exchange Act Rules 13a-1, 13a-11 and 13a-13. Most of these reports are required to be electronically filed and are available to anyone with a computer and modem within 24 hours of being filed¹⁰. In addition to these disclosure requirements, there are Proxy Rules requiring the disclosure of information in connection with transactions that shareholders are being asked to approve, such as mergers, certificate amendments, or the election of directors. See Securities Exchange Act Rule 14a-3 and Schedule 14A. There are also certain forms of annual disclosure required by the Proxy Rules. These also must be filed electronically by most corporations and become available to the public within 24 hours of their filing.

In addition to review by SEC personnel these filings are poured over by an army of security analysts who make a healthy living reporting on their contents¹¹.

The SEC carries out its enforcement mandate through its Division of Enforcement. This division brings civil injunction actions and administrative

⁸ Form 10-Q includes quarterly financial data prepared in accordance with GAAP, a management report, disclosure of certain legal proceedings, defaults on senior securities, and other specified issues.

⁹ Among the matters that Require a Form 8-K to be filed are a change in control of the corporation, the acquisition or disposition of a significant amount of assets, and a change in accountants.

¹⁰ Companies electronically file with the SEC most of the reports mentioned above through a system called EDGAR, Electronic Data Gathering, Analysis, and Retrieval system.

¹¹ "Disclosure documents are not simply filed at the offices of the SEC. An array of services and mechanisms have sprung up to process, analyze and deliver the data. Sitting at a computer, I can dial up the reports of public companies filed as recently as twenty-four hours ago. The reports are promptly digested, repackaged and interpreted, not just by security analysts but by the financial press, a host of advisory services and others." Financial Transparency at 1353.

proceedings as well as civil and criminal contempt proceedings in efforts to ferret out fraud and abuse. In 1996, 453 such cases were instituted. These involved security offering cases (28% of total cases), broker-dealer cases (22%), issuer financial statement cases (17%) and other matters¹². About 57% of the division's staff works in regional offices.

In addition to the SEC's own enforcement powers, private rights of action to enforce the proxy rules under Securities Act Rule 14a-9¹³ are an important element of the overall enforcement of the securities laws¹⁴. It is estimated that between 150 and 200 federal securities class actions are filed annually¹⁵.

We continue with a preliminary sketch of the budgets and staff sizes of the EO Division, state charities' offices and the Securities and Exchange Commission. Some estimates will be sheer guesses. This, however is all that is possible given the available information. It is hoped that the comparisons will suggest orders of magnitude that approximate actuality and shed some light on our inquiry. The term "securities market" is meant to roughly include those persons and entities regulated by the Securities and Exchange Commission. For purposes of these

¹² 1996 Annual Report, United States Securities and Exchange Commission, Table 1.

¹³ This rule reads in pertinent part: "No solicitation .. shall be made by means of any proxy statement ... containing any statement which, at the time and in the light of the circumstances under which it is made, is false or misleading with respect to any material fact, or which omits to state any material fact necessary in order to make the statements therein not false or misleading ..."

¹⁴ "Private enforcement of the proxy rules provides a necessary supplement to Commission action. As in antitrust treble damage litigation, the possibility of civil damages or injunctive relief serves as a most effective weapon in the enforcement of proxy requirements." J.I. Case co. v. Borak, 377 U.S. 426 at 432-33 (1964).

¹⁵ See, Report to the President and the Congress on the First Year of practice Under the Private Securities

comparisons, the term "nonprofit sector" refers to those organizations described under sections 501(c)(3) and (c)(4) of the Code, i.e., what the Independent Sector calls the "independent sector" in its Nonprofit Almanac 1997/1998 ("Nonprofit Almanac").¹⁶

As a preliminary point, to put these comparisons in a proper context some effort was spent trying to figure out how to compare the size and significance of the securities markets to the nonprofit sector, but the difficulty of finding relevant and comparable data ended this quest, at least temporarily, empty handed. The Independent Sector's Nonprofit Almanac 1996-1997 shows that the independent sector for 1994 totaled 6.5% of national income,¹⁷ but no comparable data about the securities market was found. Indeed, even if data were readily available, it is not clear what should be compared: portions of national income, gross domestic product, work force, etc.

An aggregate comparison will now be made of staffs and resources devoted to the Securities and Exchange Commission, the EO Division of the Internal Revenue Service and the various state charities offices. For fiscal 1996 the SEC had 3,039 positions allocated to it and a budget of \$300,921,000.¹⁸ (The U.S.

Litigation Reform Act of 1996, SEC, Office of the General Counsel (April 1997) at page 20.

¹⁶ Hodgkinson & Weitzman, Nonprofit Almanac 1996-1997, Dimensions of the Independent Sector, Independent Sector (1996).

¹⁷ See Nonprofit Almanac. Table I shows that the business sector took up 77% of national income and the government 15 1/2%. The residue consisted of that part of the nonprofit sector which is not made up of the independent sector.

¹⁸ 1996 Annual Report, United States Securities and Exchange Commission, Table 25.

Securities and Exchange Commission Budget Estimate Fiscal 1998 shows a position allocation figure of 3,039¹⁹ and a total funding figure of \$369,354,339.) For fiscal 1996 the EO Division had 957²⁰ positions allocated to it and a budget of \$58,100,000.²¹

There is very little information about the size of state charities offices. Every year the National Association of Attorneys General (NAAG) publishes a book of statistics on the office of the attorney general.²² The most recent book shows that nation-wide there are about 85 full-time equivalent attorney positions assigned to "Charities."²³ New York's Charities Bureau is shown as having 18 FTE attorneys; and a total full-time staff of 51²⁴ -- about two and one-half times the number of its attorneys. If one assumes that on average states had charities offices with staff sizes double their number of attorneys,²⁵ this would bring the total person power assigned to these offices nation-wide to about 170. However, these statistics only cover those cases where the state charities office is located

¹⁹ Of the total of 3,039 positions, 1,913 were assigned to the Washington Headquarters office (63%) and 1,126 to regional offices (37%). See Budget Estimate 1998 table entitled "Position and Cost Data for 1996-1998."

²⁰ Of the total of 957, 118 were assigned to the Washington Headquarters office (12%) and 839 to regional offices (88%).

²¹ These figures were supplied by Marcus Owens, Director of the EO Division.

²² See NAAG Management Series, Statistics on the Office of Attorney General March 1997. [Hereinafter AG Statistics.]

²³ See AG Statistics, Table III-B.

²⁴ This information was supplied by Karin K. Goldman, Assistant Attorney General, Charities Bureau, New York State.

²⁵ Sheer guess department.

in the office of the attorney general. Twenty-two states have no state charities office located in the office of the attorney general. According to a report done in 1996 by NAAG, nine of these states do nothing in the field of charities while 13 exercise some jurisdiction.²⁶ If we assume that these 13 states assign 25 persons to charity, this would bring the total staff of all state charities offices up to 195.²⁷

AG Statistics indicate that as of January 1997 there were 9,671 full-time equivalent attorney positions assigned to the offices of attorney general throughout the country.²⁸ If we assume that the estimated 13 state charities offices that assign some personnel to charities employ the equivalent of 8 full-time attorneys, this brings our total figure for attorneys assigned to state charities offices to 93²⁹, or about 1 percent of the total ($93/9,671 = 1\%$). AG Statistics show that the total 1996-1997 attorneys general budgets stood at \$1,970,908,018.³⁰ If we assume that the total state charities offices budget as a portion of the total attorneys general offices budget is the same as the portion of the total number of state charities offices attorneys to the total number of attorneys general, namely 1%,³¹ then we can grossly estimate a total 1996-1997 state charities offices budget of \$19,709,080.

²⁶ See Report on NAGG/NASCO Charities Survey 1996, National Association of Attorneys General (1996).

²⁷ Sheer guess department -- 170 plus 25 = 195.

²⁸ See AG Statistics. Table III-A. AG Statistics includes information for American Samoa, the District of Columbia, North Mariana Islands and Puerto Rico. Data from these regions is not included in the text.

²⁹ 85 plus 8 = 93.

³⁰ See AG Statistics, Table II.

³¹ Sheer guess department verging on the tipsy perhaps.

Thus, remembering the shaky nature of our AG estimates, we can conclude from these figures that the SEC's staff is over three times the size of the EO Division,³² and over fifteen times the size of the aggregate staff of all state charities offices.³³ Further we can conclude that the SEC's budget is over five and one-half times as large as the EO Division's budget³⁴ and 17 times that of the aggregate of the budgets of all state charities offices.³⁵ Finally, we can conclude that the staff of the EO Division is about five times larger than the aggregate staff of all state charities offices³⁶ and that its budget is about three times as large as the aggregate of the budgets of all state charities offices.³⁷

One way to approach the differences between these two systems is by testing the following theorem: the securities law system was primarily designed to protect individual investors when they risk their individual assets and secondarily to protect the general interest of the public, whereas the charities oversight system was designed primarily to protect the public as such and secondarily to protect individuals. Thus, the charities system attempts to insure that the public's interest is not compromised by the improper use of charitable assets for private gain. There is a smaller concern about individuals in their private capacity as

³² 3,039 divided by 957.

³³ 3,039 divided by 195

³⁴ \$330,000,000 divided by \$58,100,000.

³⁵ \$58,100,000 divided by \$19,700,000.

³⁶ 957 divided by 195.

³⁷ \$58,100,000 divided by \$19,700,000.

contributors being hurt³⁸.

Let us begin by examining the private interests that the two systems protect: investors in securities on the one hand and contributors to charities on the other. Huge amounts of private money are protected by the securities system. It is estimated that at the current time [] trillions of dollars of individual private assets are invested by Americans in securities. In contrast the amount of private money today in the charities system that has been contributed by private individuals is estimated at [] billions. Thus, the amount of individual wealth invested in securities is [] times more than that contributed to charities. These differences alone would seem to support the theorem. (We must await another day to fill in the blanks in this paragraph.)

Next we compare the differences in the personal stakes between investors in securities and contributors to charities. For most people, the money they invest in the securities market comes from their personal savings. In many cases they will be saving for the future and will be most concerned that their investments remain sound. For many of these investors, they would be devastated if their investments were lost. Others spurred by the hope of rapid gain and visions of material enhancement are willing to take more risks. But these investors, while not being as risk adverse as those who invest for their retirement or to protect against some unforeseen calamity, also do not want to lose their investments. In

³⁸ Of course, the beneficiaries of charities might be hurt by their inadequate operation. To the extent they are injured personally, the tort laws and the like are in place to protect them. In the instance where they are simply not particularly helped because of the inefficiency of the charity that sets out to help them, theoretically the harm that is caused is harm to the public, not to the individual.

all these cases, the money invested continues to be owned by the investors and in virtually all of these cases the investors do not want to lose their investments.

Contrast the case when individuals contribute to charities. Here ownership in the funds contributed is totally relinquished. There remains no expectation of ever having the funds returned to the contributor. If the funds are never used by the charity to promote activities that the contributor was interested in supporting (e.g., they are lost by the charity), while the contributor might be disappointed or even infuriated, only the most sensitive of souls will be devastated in a manner even closely resembling what people experience when their life savings are lost.

Let us now turn to the public interests served by these two systems. The public goals of the securities law system are to promote the fairness and efficiency of our financial markets. These markets have made available to business enterprises levels of equity capital that are unknown anywhere else in the world and this is surely a primary reason for America's amazing prosperity³⁹.

The public's interest in the charities oversight system may be thought of as being

³⁹ These public reasons are reflected in what might be called the preamble to the Securities Exchange Act of 1934, namely section 2, Necessity of Regulation. This section reads in pertinent part as follows:

[T]ransactions in securities as commonly conducted upon the securities exchanges and over-the-counter markets are affected with a national public interest which makes it necessary to provide for the regulation and control of such transactions ...and to require appropriate reports to remove impediments ... and to impose requirements necessary to make such regulation and control reasonably complete and effective, in order to protect interstate commerce, the national credit, the Federal taxing power, to protect and make more effective the national banking system and Federal Reserve system, and to insure the maintenance of fair and honest markets in such transactions ...

more direct. Charities are set up for the exclusive purpose of benefiting the public. (Businesses are set up for the purpose of benefiting their owners and to the extent that they contribute to the country's prosperity they indirectly benefit the public at large.) To the extent that the charities are ill-managed and do not effectively achieve their charitable purposes, the public is directly hurt. (To the extent that businesses are ill-managed and do not effectively achieve the levels of profit sought, their owners are hurt and arguably the public is indirectly hurt.) Funds are given to charities in trust for the public. The primary function of the charities oversight system is to protect the public's direct interest in assuring that these funds are properly used.

Taking into account what has just been said and returning to our theorem that the securities law system was primarily designed to protect individual investors and secondarily to protect the general interest of the public, whereas the charities oversight system was designed primarily to protect the public as such and secondarily to protect individuals, we might ask what the relevance of these differences are for the levels of support that the public accords to these two systems. Firstly, it seems a safe proposition that the public is more interested in supporting systems designed to protect their individual, private interests as contrasted with what might be called their collective interest as members of the public. Thus, to the extent that the securities law system is designed primarily to protect the private interests of investors while the charities oversight system is designed primarily to protect the public's collective interest, it is understandable that there is more support for the securities system.

Secondly, let us focus just on the private interests that the two systems are established to protect, namely investors in securities in the one case and contributors to charities in the other. Recalling what has been said about the differences in the stakes that investors and contributors have, it seems entirely reasonable that the public would support a system designed to protect their investments in securities at a much a higher level than they would be willing to support a system designed to protect their contributions in charities.

Finally, it might reasonably be argued that the public's interest in the public goals of the securities law system are greater than they are in the public goals of the charities oversight system. General prosperity, the protection of the national credit, banking and Federal Reserve system and interstate commerce might be thought by the public to be of greater importance than the effective functioning of the charities system.

Mandated disclosure is the primary tool that both the securities law and charities oversight systems use in carrying out their goals. Examining the types of information elicited and the purposes for which such information is elicited will shed further light on the differences between these two systems. To begin with most of the information elicited by the securities law system is aimed at providing information to facilitate informed investment analyses and decisions by the investing public. The investing public includes individual and institutional investors⁴⁰. In keeping with our theorem, the primary purpose of such disclosure

⁴⁰ In many cases institutional investors will be investing on behalf of individuals. For example, mutual funds and pension or retirement funds invest directly on behalf of individuals. Arguably, all institutional investment ultimately redound to the benefit of individuals. For example businesses who place their surplus funds with institutional investors do so ultimately for the benefit of their individual owners. Or universities

is to protect and help individuals. In contrast, most of the information elicited by the charities oversight system is primarily for the charity regulators in helping them protect the public's collective interest in charities⁴¹. While there is some information which may be used by the broader public in making positive evaluations of a nonprofit or nonprofits, the question this paper raises is how useful for these purposes this information is.

With this background, we turn now to a more detailed analysis of the 990 as a positive tool. First, there are those parts which are essentially financial disclosure sections, namely, Parts I, II, IV, IV-A, IV-B, and V of the 990 proper and Parts I & II of Schedule A. These parts make up somewhat less than half of the Form 990. Second, there are those parts which are essentially tax information sections,⁴² namely, Parts VI, VII, VIII and IX of the 990 proper and Parts III, IV, IV-A, V, VI-A, VI-B and VII of Schedule A. These parts also make up somewhat less than half of Form 990. Third, there is Part III (Statement of Program Service Accomplishments) which elicits direct program information and is designed to elicit the kinds of information that positive accountability is

that place their endowment funds with institutional investors do so ultimately in part for the benefit of their students.

⁴¹ I am aware that in my emphasis on the "positive" – is this company worth investing in or is this nonprofit worth contributing to – I may have suggested that the SEC has to a large extent set about making information known to individuals to aid in their decision making. This is no doubt an important function of the SEC. But there are enormous abuses that take place in the securities markets -- fraud, stock manipulation, unfair insider trading, etc., - and a large function of the SEC is in addressing such abuses. Indeed, if you look at how its staff is allocated you find that 17% of the total is devoted to disclosure while 31% is devoted to a category called "Prevention and Suppression of Fraud." See, SEC Budget Estimate Fiscal 1998.

⁴² These parts elicit information that the IRS needs to administer the tax laws. For example, Part IV of Schedule A elicits information by which an organization establishes whether it is a private foundation or

most interested in. Part III makes up less than 10% of the 990.⁴³

To make this analysis manageable, we eliminate those parts of the 990 eliciting tax information which might only be of marginal interest. Thus, a few questions from Part VI (Other Information) of the 990 proper may be omitted. These are questions which do not relate to 501(c)(3) nonprofits, namely questions 85, 86 and 87. Parts VII and VIII of the 990 proper relating to unrelated business income may be of only marginal interest⁴⁴ and therefore could be omitted. Turning to Schedule A, Parts IV and IV-A, regarding an organization's private foundation status, are of only of marginal interest and so might be omitted from our consideration.⁴⁵ If we also assume that we are not concerned about an organization's political activity, we can also omit Parts VI-A, VI-B and VII. This leaves us with Parts I, II, IV, IV-A, V, VI (several lines) and IX of the 990 proper and Parts I, II, III of Schedule A to look at.

Part III (Statement of Program Service Accomplishments), which asks the filing organization to state its primary exempt purpose and then to describe its

public charity (i.e., other than a private foundation)

⁴³ In figuring these proportions, Part V of Schedule A (Private School Questionnaire) was omitted because it involves an infinitesimal portion of the whole 501(c)(3) sector. The distinction made in the text between "financial disclosure" and "tax information" is quite arbitrary. Some parts are useful for both purposes, e.g., Part V (List of Officers, Directors, Trustees, and Key Employees).

⁴⁴ In the huge majority of cases, 501(c)(3) nonprofits do not engage in unrelated businesses. If, however, an organization does do a fair or large amount of unrelated business, this might be of interest to an information seeker as it may suggest that the organization has been spending too much of its time and efforts pursuing such activities to the detriment of seeking to achieve its exempt purposes.

⁴⁵ Of course, if a 501(c)(3) nonprofit has not achieved other-than-private-foundation status, this may mean it has not been able to garner a wide level of public support and this might well be of interest.

exempt purpose achievements for each of its program services,⁴⁶ appears to aim at the bulls eye of positive accountability.⁴⁷ For each program service listed, the filer must enter such service's total expense.⁴⁸ Furthermore, it is asked to state "the number of clients served, publications issued, etc." and to "[d]iscuss achievements that are not measurable."⁴⁹ If any effort is taken in answering this part, the reader of the 990 may derive a fair sense of what the filing

⁴⁶ More precisely, the Instructions ask for information regarding "...the organization's four largest program services (as measured by total expenses incurred) or for each program service if the organization engaged in four or fewer such activities." A "program service" is defined as "... a major (usually ongoing) objective of an organization, such as adoptions, recreation for the elderly, rehabilitation, or the publication of journals or newsletters."

⁴⁷ Eliciting information about program service accomplishments began with Line 67 of the 1979 Form 990, which merely asked the filer to "Describe each significant program service activity and indicate the total expenses paid or incurred in connection with each." Line 67 provided much less space for describing each program service activity than the current Part III does nor did it require disclosure of the dollar amount of grants and allocations included in the expense total for each activity. The 1979 form was a major revision of the 1978 form. It incorporated the reporting format recommend by the Filer Commission, which was essentially the New York State Form 497. Before adopting the 1979 form, the IRS held meetings with the National Association of College and University Business Officers, NAAG/NASCO, and other outside groups. Line 67 became Part III in the 1981 version of Form 990. This was one of the changes the IRS agreed to in order to induce the states to adopt Form 990 as their basic reporting form. In addition, NAAG/NASCO, the National Health Council, United Way of America and AICPA promoted the change. The IRS agreed to the change in recognition that it had misunderstood the significance of Part III information and its value to regulators and the general public. The information contained in this footnote was supplied to the author by Robert W. Gardiner, Senior Program Analyst, EO Division, Internal Revenue Service.

⁴⁸ Three lines are provided on the form for each program service and in parentheses at the at the bottom of these three lines the amount of grants and allocations made with respect to such an activity is elicited. The instructions provide: "If part of the total expenses of any program service consists of grants and allocations reported on line 22, show the amount of the grants and allocations in the provided space."

⁴⁹ The Instructions elaborate as follows: "Specify the service outputs, products, or other measures of a program service, such as clients served, days of care, therapy sessions, or publications issued. Indicate the number of outputs or products rendered, such as 4,800 counseling contacts.

If the quantity of output is intangible, such as in a research activity, describe the objective of the activity for this time period as well as the overall longer-term goal.

Give reasonable estimates for the statistical information (number of clients, patients, etc.) asked for in Part III if exact figures are not readily available from the organization's records. Indicate that the information provided is an estimate."

organization does and the volume of its efforts. Given that the volume of each program service is linked to the total expenses incurred for such service, perhaps some inferences could be made about efficiency. But such efficiency may not tell you much. Knowing that an organization had 4,080 counseling contacts does not tell you anything about whether they were useful contacts. These kinds of evaluations are very difficult to make and to turn them into objective assessments is even more difficult. Assuming this can be done, to reduce these objective assessments to text entries seems highly problematical.⁵⁰ For one thing, given the large subjective component of such evaluations, it is hard to imagine that most filers' strong biases for presenting a favorable picture of their organizations would not skew their assessments. What has just been said relates mostly to "tangible" outputs. For the more "intangible" outputs the problems of reporting useful information seem even more difficult.

In fact, Part III does not seek information about ultimate outcomes.⁵¹ Essentially it limits its request for data to units of service delivered. While in many cases such inputs can be measured and data may be developed showing an organization's ability to serve more inputs over time (input efficiency),⁵² Part III would seem to reflect an understanding that, in the nature of things, most of

⁵⁰ What would a preparer say? "We had 4,080 counseling contacts and all were good" or "... and the clients expressed satisfaction with 85% of the contacts" or "... and in most cases the clients went on to lead productive lives."

⁵¹ For example, it does not ask whether the community has been improved as a result of a nonprofit organization's efforts.

⁵² It might happen, however, that a reporting form's emphasis on such inputs will ultimately be counterproductive for an organization's outcomes.

the outcomes that are sought to be accomplished by nonprofits simply cannot be measured.⁵³

So having looked at that part of the Form 990 which was expressly designed to elicit positive accountability information and having found it of somewhat limited use, are there other parts of the 990 that might illuminate the search for information on positive accountability? As suggested above most of those parts where we might find some help are financial disclosure sections. Financial disclosure provisions are, of course, designed to give information about financial performance. Such provisions are useful for those seeking positive accountability-type information about for-profit companies as financial performance is usually exactly what is being assessed. In contrast, nonprofit financial performance, while important, is not the ultimate concern. For purposes of positive accountability, financial performance will be of interest only in so far as it sheds light upon an organization's actual performance: on what it does and how well it is able to do it. Knowledge about the latter is the final end for those seeking positive accountability information about nonprofits and financial performance is only an intermediate means to reaching the final end.⁵⁴

⁵³ While it is very likely that we will never be able to know "scientifically" what the final outcome of a program service (e.g., a counseling service) may be, this is not to say that it is impossible to gain some fair idea of how successful it has been, and on this basis to make decisions about whether the program service is worthy of support. This may be done, for example, by making on-site visits to the nonprofits being evaluated and interviewing those who have been served. Rather, the contention here is that these kinds of judgments cannot be very well made from examining text entries.

⁵⁴ For those seeking information about for-profits, financial performance for the most part is the final end.

Before examining these parts in some detail, a few introductory comments about the relevance of financial disclosure information for purposes of nonprofit positive accountability are in order. Such information may suggest whether an organization is being well managed. This information is of obvious importance, but it does not shed much light on how well an organization is doing in terms of ultimate outcomes. Financial performance can also indicate how widely an organization is supported, and given the fact of external support inferences might be drawn as to what others believe about the value of what the organization is doing. Information about who controls a nonprofit organization might also suggest conclusions about its likely performance.⁵⁵ Perhaps as important as anything, financial performance indicators may show that an organization is in financial trouble and that its future financial viability is not secure. These points are elaborated upon below.

In some of what follows it may seem that the lines between negative and positive accountability are being blurred. This is because in many cases a particular piece of information has relevance for both kinds of accountability. A key employee's salary, for example, may raise questions about excessive compensation or it may be of relevance in suggesting the experience level of the personnel employed by an organization. Of course, evidence of a negative accountability abuse itself may suggest something about how well an organization is being managed. Keep in mind, however, that questions of

⁵⁵ For example, if the board of directors of a nonprofit is small and if all its members appear to have the same last name (or perhaps to be in-laws), a question may be raised as to whether the organization has been set up primarily to benefit the family (a negative accountability issue) or whether the organization is driven with missionary zeal by a relatively narrow ideological view (perhaps, a positive accountability issue). See the following paragraph in the text on the difficulty of clearly separating positive and

positive accountability will be the principal thrust of the analysis that follows. We are now ready to continue with a part-by-part analysis.

Part I (Statement of Revenue, Expenses and Changes in Net Assets or Fund Balances) -- Most of Part I elicits information about revenues. Expenses are summarized and a summary indication of net balances for the beginning and end of the year are requested. From examining this part an information seeker can tell the level and the kinds of support the organization received during the year and whether it ran at a surplus or deficit. By looking at the organization's 990 for the prior two years⁵⁶ a seeker can garner a fair idea of how constant an organization's level of support has been, whether it has been running in balance or near balance or whether it has been regularly generating surpluses or running at deficits and, if the later, s/he can learn how serious those deficits have been. That is, s/he can develop some idea of how financially viable the organization has been. This is not insignificant information. From the fact that an organization has enjoyed financial health for a number of years, a fair inference may be drawn that it is well managed. Indeed, a potential contributor, for example, might feel assured that she was not about to contribute to a failing organization, but, this is hardly a reason for contributing to a charity.

negative accountability issues.

⁵⁶ An organization must, during the three year period beginning with the due date, make its 990 available to the public on request. Consequently, an information seeker can get access to an organization's current 990 and those for the prior two years. (As of this writing an organization need only show the 990s to those who visit their offices and ask to see them. Soon they will have to be mailed out upon request and before too long it is hoped all filed 990s will be accessible on the Internet.)

Perhaps more useful conclusions can be drawn from looking at the types of revenues an organization has received. If the group received a large amount of support from the general public (Line 1a) this could mean that a good number of people think well of it.⁵⁷ Of course, most of its contributions might have come from a direct mail or telemarketing campaign raising the possibility that most individual contributors knew relatively little about the organization.⁵⁸ Light on this possibility might be shed by seeing how much money was expended on fundraising (Line 15).⁵⁹ The receipt of government grants (Line 1c) or government contracts (Line 2)⁶⁰ might also be reassuring.⁶¹ In like manner, the receipt of substantial amounts of program service revenues (Line 2)⁶² might be reassuring. If people are willing to pay for the service provided by the organization and have done so for a few years, it may well be concluded that the organization is worthy. On the other hand if virtually all of its income comes from program service revenue and virtually none from contributions or

⁵⁷ It could, of course, have received a large number of contributions from only a very few sources. Knowing this might remove whatever assurance an information seeker might gain from believing that the organization was widely supported. These questions might be resolved by looking at those sections of the 990 where an organization establishes its status as other-than-a-private-foundation, namely Part IV and IV-A of Schedule A.

⁵⁸ I have in mind situations similar to the United Cancer Council case.

⁵⁹ And, in turn, a careful inspection of Part II (**Statement of Functional Expenses**) of the 990 proper.

⁶⁰ An information seeker would have to turn to line 93 of Part VII (**Analysis of Income-Producing Activities**) to sort out government contract(s) from other kinds of program service revenues (e.g., tuition or fees for services, etc.)

⁶¹ One might presume that experienced government officials have awarded these grants or contracts only after concluding that the organization was providing an important public service efficiently.

⁶² An information seeker would have to turn to line 93 of Part VII (**Analysis of Income-Producing Activities**) to sort out the various kinds of program service revenues (e.g., tuition or government contracts, etc.).

government support, a question may be raised as to whether the organization is truly a charitable entity.⁶³ Questions may also be raised if most of an organization's revenue was derived from passive income sources, namely, interest income, dividends, rents, sale of assets, etc., (Lines 4, 5, 6, 7 and 8). By like token, doubts about an organization may be raised if most of its revenue was derived from special events (Line 9) or the sale of inventory (Line 10). Finally, if a large part of an organization's revenue was reported as "other revenue" (Line 11), this would surely bear some further inquiry.

Part II (Statement of Functional Expenses) -- Perhaps some useful conclusions may be drawn from inspecting this area. Large amounts spent on professional fundraising fees (Line 30) might suggest that the organization's success in generating individual contributions is derived more from the professional fundraiser's skills than by the intrinsic worth of what the organization does. Or worse it might suggest that the organization has effectively been taken over by a fundraising firm and is being used as a vehicle by which the fundraising concern can produce funds for itself.⁶⁴ Perhaps the expenditure of large sums on accounting and legal fees (Lines 31 and 32) may raise questions about whether the organization is struggling with some sort of adverse circumstances. Also, large amounts spent on travel, conferences, conventions and meetings (Lines 39 and 40) may suggest a laxness in controlling expenses.⁶⁵

⁶³ There are a good number of people who abuse the charitable form by organizing what is essentially a small business as a charity. See *Lorain Avenue Clinic v. Commissioner*, 31 T.C. 141 (1958).

⁶⁴ Again I have in mind the United Cancer Council case.

⁶⁵ This, of course, would not be so if travel or holding of conferences were intrinsic to what the organization did.

More generally, large amounts spent on fundraising which would be reflected on Line 44, Column D may raise questions similar to those suggested above on whether the support for an organization is due more to the skills of the fundraising efforts rather than to the intrinsic worth of what the organization does.⁶⁶ At the bottom of Part I there is an un-numbered question asking whether the organization reported as program service expenditures (in Column B) any joint costs from a combined educational campaign and fundraising solicitation. Since there have been a number of instances where groups have spent large amounts of money on fundraising while claiming that its fundraising communications were educational in circumstances (and where reasonable people might differ as to the value of the educational material), if this question is answered "yes," an information seeker might want to explore this aspect of the organization's functioning before reaching any decision as to its worth. Finally, if Part II discloses that large amounts were spent on Management and General (Column C), some questions about the effectiveness of the an organization's program may be raised.⁶⁷

Part IV (Balance sheets) - This area will shed considerable light on an organization's financial performance and viability. Right off the bat it suggests

⁶⁶ This statement would appall most of my friends who work as fundraisers or work for fundraisers. (I have met many of them over the past few years and they strike me as being very good people.) But despite what my friends might feel, it would seem to be a perfectly legitimate line of exploration for someone trying to size up the worth of an organization.

⁶⁷ This brief statement covers a mountain of debate as to dividing expenses between program services and management and general and whether those not familiar with the nonprofit world really understand how much must be spent on management and services to successfully run a nonprofit. This debate is way beyond the scope of this paper.

how much an organization has in reserves to weather the storms of year-to-year travail (Line 67 (unrestricted net assets) less Lines 55 and 58 (the fixed/non-current asset portion of net assets)). If the 990s for several years are available, one, by examining changes in net assets, can see whether the organization is failing financially or is proceeding on a financially even keel.

Many believe that the ratio of available net assets to total expenses (Line 67 less Lines 55 and 58/Line 44A) is the most significant information that can be gleaned from the balance sheet. Nonprofits with less than three months of their expense budgets in available reserves (i.e., an available net asset ratio of less than 25%) may, for example, be determined to have moderate financial viability problems.⁶⁸

More particularly, accounts receivable (Line 47) can suggest that a seemingly weak balance sheet is not all that weak as significant receivables may be expected to strengthen the organization's financial position.⁶⁹ Line 50 (Receivables from officers, directors, trustees, and key employees) may raise some questions about the actual financial strength of the organization.⁷⁰ On the other hand, Line 60 (Accounts payable and accrued expenses) may suggest

⁶⁸ Nonprofits with six months of their expense budgets in available reserves (i.e., an available net asset ratio of 50%) may be determined to have mildly problematical problems, where as a net asset ratio of 10% may be considered quite serious. On the other hand, some believe that the net asset ratio should not exceed 200% (i.e., that available net assets are double the size of total annual expense). This is the position of the National Charities Information Bureau. Many donors of unrestricted gifts do not expect their money to be used to build up unreasonable reserves.

⁶⁹ Line 51 (Other notes and loans receivable) may also suggest additional strength.

⁷⁰ It may also suggest some negative accountability problems.

significant problems. Since neither Line 47 nor Line 60 require schedules,⁷¹ important interpretative information will be missing. This would include information about how likely the receivables are to be received and when they can be expected. It could also show whether the accounts payable include, for example, significant salary amounts (which would suggest that the organization is in severe trouble) or whether they only include a number of small bills to vendors (which would suggest no cause for serious alarm).

Before leaving Parts I, II and IV a few words should be said about ratio analysis. Ratio analysis is a method by which ratios whose numerators and denominators are taken from line entries⁷² and are developed for monitoring the financial position and health of nonprofits. It has been said that, “[f]inancial ratios can help board members and managers understand financial statements, compare an organization’s financial picture with past years and see how it ranks compared to similar organizations.”⁷³ Attached to this Appendix is a set of performance-indicator ratios derived from the Form 990 developed in the early 1980s by a group of state charity officials with the assistance of representatives from the nonprofit sector. They have been circulated by the National Charities Information Bureau and the Nonprofit Management Group at Baruch College for

⁷¹ In contrast, lines 50 and 51 both require schedules. This is likely to be the case as these lines could show negative accountability-type information which is important for the government regulators.

⁷² For example, Fundraising expenses (Line 15)/Total contributions (Line 1d); Program services expenses (Line 13)/Total revenue (Line 12); Program service expenses (Line 13)/Total functional expenses (Line 44A), Management & general expenses (Line 14)/Total functional expenses (Line 44A); Officers compensation (Line 25A)/ Total functional expenses (Line 44A) or Total compensation (Lines 25-29)/Total functional expenses (Line 44A).

⁷³ See, Bograd, Alerting Nonprofit Boards to Financial Trouble; Variations on a Theme. PONPO (Yale university) Working Paper 226 (1995) at page 3. This fine paper provides a useful description and history

the past fifteen years or so.⁷⁴ If ratio analysis becomes widely used by those assessing nonprofit groups it may be legitimately wondered whether these groups will feel pressure to develop their underlying figures in a way that will produce favorable ratios. Here we touch upon a more general problem with financial disclosure statements, namely, the degree of absolute accuracy with which figures are reported. How one figures their time is allocated, say, between program and fundraising, is usually not done with minute by minute care (nor should it be) and will very likely be influenced by what it is understood that people expect.⁷⁵

Part V (List of Officers, Directors, Trustees, and Key Employees) -- may provide useful material for an information seeker. To begin with, the number and identity of the directors can be revealing. If there are few directors and they appear to be related, questions may be raised.⁷⁶ High levels of compensation paid to directors might also raise questions. Finally, the levels of compensation paid to officers and key employees might also affect decisions about whether an organization is worthy of support. Some people, for example, may not want to contribute a part of their hard earned income to organizations that pay their top

of ratio analysis as it has been used in the nonprofit world.

⁷⁴ These ratios have been used by a number of state charities offices (Connecticut, Maryland, New Hampshire, New Jersey and some others) to prepare report cards for the public on charities that file reports with them. (My understanding is that several states have stopped issuing such report cards.) California has developed a set of 100 ratios for these purposes as well as for its own efforts at overseeing nonprofits.

⁷⁵ It is submitted that entries made reflecting these kinds of judgment calls are vastly different than those entries that deliberately cover-up self-dealing or other improper payments that are known to be improper, that is, the stuff of negative accountability.

⁷⁶ See Note 55.

staff compensation far in excess of what they are making or what they think is appropriate for a charitable organization to pay. On the other hand, if the compensation levels for officers and key employees are low, this information may also appear significant. Finally, Question 75 at the bottom of Part V, which asks whether any officer, key employee, etc., who received aggregate compensation in excess of \$100,000 from the filing organization and all related organizations of which more than \$10,000 was provided by the related organizations, may suggest further inquiry. Part V, of course, is a fruitful source of information for those seeking information about possible negative accountability problems, e.g., excessive compensation. See main article at page 29. While what has been said above may suggest a negative accountability inquiry, the focus has been in fact on positive accountability concerns. Key employees may be being paid levels of compensation that do not constitute inurement or are otherwise excessive and yet, as suggested above, may suggest an operation that is not one that a potential supporter would be happy with. Similarly, as also mentioned above, an organization controlled and run by what appears to be all members of the same family may very well not be abusing the charitable form but may nevertheless raise questions for a potential supporter. Again, the lines between negative and positive accountability can be blurry.

Part VI (Other Information) -- For the most part, this part is not a financial disclosure section but rather one that collects tax information. Nevertheless, a fair amount of positive accountability-type information can be gleaned from it.

Line 76 asks whether the filing organization engaged in any activity not previously reported to the IRS and, if it did, asks for a detailed description

of each activity. If this question is answered "Yes," the description of any new activity might be of obvious interest in developing a sense of what the organization does.

Line 77 asks whether any changes have been made in the organizing or governing documents and, if so, asks that a copy of the changes be attached. Here also the provisions of a new by-law section or of an amended certificate of incorporation, for example, would be of obvious interest to a careful analyst.

Line 79 asks whether a liquidation, dissolution, termination or substantial contraction took place during the year covered by the return and, if so, requires that a statement be attached describing the changes. This too is of obvious importance.

Line 80 asks whether the organization is related through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization and asks for the names of the organizations to which the filing organization is related. While this is a key question for negative accountability concerns (see main article at page 65), it might also raise some positive accountability concerns.

Line 88 asks whether at any time during the year the organization owned a 50% or greater interest in a taxable corporation or partnership and, if so, directs the filer to complete Part IX. Again, of perhaps more interest to

those concerned about negative accountability (see main article at page 66), but such information could also justify further inquiry by those trying to gain a picture of what the organization does.

Line 90 asks for a list of states with which a copy of the 990 is filed. If a fair or large number of states are listed, this might suggest that the organization engages in multi-state solicitations, either through direct mail or telemarketing campaigns, and this would raise all the questions mentioned above about organizations that rely heavily on direct mail campaigns and the like.⁷⁷

Schedule A can be dealt with in a fairly summary fashion since much of the financial disclosure information it collects is of interest to those seeking positive accountability data and is very similar to that elicited by the 990 proper about which comment has already been made. For example, Part I (Compensation of the Highest Paid Employees Other Than Officers, Directors and Trustees) elicits data identical to Part V of the 990 proper for the five highest employees who make more than \$50,000 a year other than those listed in Part V. All the concerns mentioned in discussing Part V would apply here. What can be inferred from the level of salaries that high-level employees are being paid? Does it reflect on their experience and competence or does it reflect perhaps an organization overly comfortable in terms of what the seeker of information thinks is appropriate for a charitable organization?

⁷⁷ See Note 58.

Part II (Compensation of the Five Highest Paid Independent Contractors for Professional Services) may be of more interest. Here would be listed independent fundraising concerns, law and accounting firms. Levels of payment may suggest all the concerns mentioned above about the use of professional fundraisers or, for example, the need for a high level of legal service may reflect a struggle that bears looking into.

Part III (Statement About Activities) comprises what the text refers to as the great self-dealing question. (It also includes a question about political activity.) The great self-dealing question is perhaps the ne plus ultra of negative accountability question (see main article at page 47)), but it may also raise some positive accountability concerns. Significant dealings between an organization and its insiders may suggest management concerns or otherwise trigger a wish for further information.

Return of Organization Exempt From Income Tax
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

Department of the Treasury Internal Revenue Service

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

A For the 1996 calendar year, OR tax year period beginning, 1996, and ending, 19

- B Check if: Change of address, Initial return, Final return, Amended return (required also for State reporting)

C Name of organization, Number and street (or P.O. box if mail is not delivered to street address) Room/suite, City, town, or post office, state, and ZIP+4

D Employer identification number, E State registration number, F Check if exemption application is pending

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

H(a) Is this a group return filed for affiliates? Yes No, (b) If "Yes," enter the number of affiliates for which this return is filed, (c) Is this a separate return filed by an organization covered by a group ruling? Yes No

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 9.)

Table with 21 rows and 4 columns. Rows 1-12: Revenue. Rows 13-17: Expenses. Rows 18-21: Net Assets. Columns: Description, Sub-column (a, b, c), Total, and Line number.

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 13.)

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 \$ _____ noncash \$ _____)	22			
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			
26	Other salaries and wages	26			
27	Pension plan contributions	27			
28	Other employee benefits	28			
29	Payroll taxes	29			
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses (itemize): a	43a			
	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			

Reporting of Joint Costs.—Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 16.)

What is the organization's primary exempt purpose? <input type="checkbox"/> _____	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a _____ _____ (Grants and allocations \$ _____)	
b _____ _____ (Grants and allocations \$ _____)	
c _____ _____ (Grants and allocations \$ _____)	
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)	

Part IV Balance Sheets (See Specific Instructions on page 16.)

		(A) Beginning of year	(B) End of year
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.			
Assets	45 Cash—non-interest-bearing		45
	46 Savings and temporary cash investments		46
	47a Accounts receivable	47a	47c
	b Less: allowance for doubtful accounts	47b	
	48a Pledges receivable	48a	48c
	b Less: allowance for doubtful accounts	48b	
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50
	51a Other notes and loans receivable (attach schedule).	51a	51c
	b Less: allowance for doubtful accounts	51b	
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges		53
	54 Investments—securities (attach schedule)		54
	55a Investments—land, buildings, and equipment: basis	55a	55c
	b Less: accumulated depreciation (attach schedule).	55b	
56 Investments—other (attach schedule)		56	
57a Land, buildings, and equipment: basis	57a	57c	
b Less: accumulated depreciation (attach schedule).	57b		
58 Other assets (describe ► _____)		58	
59 Total assets (add lines 45 through 58) (must equal line 74)		59	
Liabilities	60 Accounts payable and accrued expenses		60
	61 Grants payable		61
	62 Deferred revenue		62
	63 Loans from officers, directors, trustees, and key employees (attach schedule).		63
	64a Tax-exempt bond liabilities (attach schedule)		64a
	b Mortgages and other notes payable (attach schedule)		64b
	65 Other liabilities (describe ► _____)		65
66 Total liabilities (add lines 60 through 65)		66	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted		67
	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 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)		73	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		74	

Part VI Other Information (See Specific Instructions on page 19.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	86	
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	87	
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	88a	
b	If "Yes," has it filed a tax return on Form 990-T for this year?	88b	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	89	
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	90a	
b	If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.	90b	
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81.	91a	
b	Did the organization file Form 1120-POL for this year?	91b	
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	92a	
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III).	92b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	93a	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	93b	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	94a	
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	94b	
85	501(c)(4), (5), or (6) organizations.—a Were substantially all dues nondeductible by members?	95a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	95b	
c	Dues, assessments, and similar amounts from members	95c	
d	Section 162(e) lobbying and political expenditures	95d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	95e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	95f	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	95g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	95h	
86	501(c)(7) organizations.—Enter: a Initiation fees and capital contributions included on line 12	96a	
b	Gross receipts, included on line 12, for public use of club facilities.	96b	
87	501(c)(12) organizations.—Enter: a Gross income from members or shareholders	97a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	97b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	98	
89a	501(c)(3) organizations.—Enter: Amount of tax paid during the year under: section 4911 section 4912 ; section 4955	99a	
b	501(c)(3) and 501(c)(4) organizations.—Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction	99b	
c	Enter: Amount of tax paid by the organization managers or disqualified persons during the year under section 4958	99c	
d	Enter: Amount of tax in 89c, above, reimbursed by the organization	99d	
90	List the states with which a copy of this return is filed	100	
91	The books are in care of Telephone no. () Located at ZIP + 4	101	
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here and enter the amount of tax-exempt interest received or accrued during the tax year	102	<input type="checkbox"/>

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? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ 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?		
b Lending of money or other extension of credit?		
c Furnishing of goods, services, or facilities?		
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		
e Transfer of any part of its income or assets? 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.?		
4 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.)		

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 organizations 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

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

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) *Use cash method of accounting.*
 Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) . ▶	(a) 1995	(b) 1994	(c) 1993	(d) 1992	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)					
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					
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.					
24 Line 23 minus line 17.					
25 Enter 1% of line 23					

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

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 1992 through 1995 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts. ▶ **26b** \$

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ **26c** \$

d Add: Amounts from column (e) for lines: 18 \$ _____ 19 \$ _____ ▶ **26d** \$

22 \$ _____ 26b \$ _____ ▶ **26e** \$

e Public support (line 26c minus line 26d total) ▶ **26f** %

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

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:

(1995) _____ (1994) _____ (1993) _____ (1992) _____

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:

(1995) _____ (1994) _____ (1993) _____ (1992) _____

c Add: Amounts from column (e) for lines: 15 \$ _____ 16 \$ _____ ▶ **27c** \$

17 \$ _____ 20 \$ _____ 21 \$ _____ ▶ **27d** \$

d Add: Line 27a total \$ _____ and line 27b total \$ _____ ▶ **27e** \$

e Public support (line 27c total minus line 27d total) ▶ **27f** \$

f Total support for section 509(a)(2) test: Enter amount 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 1992 through 1995, 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)

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32	Does the organization maintain the following:		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
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? 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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39).	40	
41	Lobbying nontaxable amount. Enter the amount from the following table— If the amount on line 40 is— The lobbying nontaxable amount is— Not over \$500,000 20% of the amount on line 40. Over \$500,000 but not over \$1,000,000 . \$100,000 plus 15% of the excess over \$500,000 Over \$1,000,000 but not over \$1,500,000 . \$175,000 plus 10% of the excess over \$1,000,000 Over \$1,500,000 but not over \$17,000,000 . \$225,000 plus 5% of the excess over \$1,500,000 Over \$17,000,000 \$1,000,000	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, 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 8.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1996	(b) 1995	(c) 1994	(d) 1993	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

RPT2 (H481.0525)

IRS FORM 990

Ratio Analysis of Form 990 for Year Ended December 31, 19X2

For Use in Financial Self-Assessment

Ratio Name	Formula ---->	----- Numerator -----		----- Denominator -----		Current Year Ratio	Prior Year Ratio	Variance
		Form 990 Line#'s	Amount	Form 990 Line#'s	Amount			
		(A)	(B)	(D=Prior)	(C=A/B)	(D-C)		
1 Program service expense as % of revenue ...		13 507,400	12 765,300		66.3%			
2 Program service as % of total expense		13 507,400	44/A 635,200		79.9%			
3 Fundraising costs as % of contributions ...		15 65,400	1d 721,500		9.1%			
4 Management & general as % of total expense		14 62,400	44/A 635,200		9.8%			
5 Interest as % of cash plus savings		4 16,500	45+46 228,500		7.2%			
6 Income from securities		5 14,700	54 480,400		3.1%			
7 Income from investments in LB&E		6c 0	55c 0		0.0%			
8 Gain (loss) on sale of securities	8c/sec.	500	2,300		17.9%			
9 Gain (loss) on sale of other assets	8c/other	0	0		0.0%			
10 Income as % of investments	5+6c+7+8c	15,200	480,400	54+55c+56	3.2%			
11 Gross profit (loss) on sales	10c	400	1,400	10a	28.6%			
12 Officers compensation as % of total expense	25/A	0	635,200	44/A	0.0%			
13 Total compensation as % of total expense ..	S:25 to 29	292,600	635,200	44/A	46.1%			
14 Accounting fees as % of expense	31/A	2,000	635,200	44/A	0.3%			
15 Legal fees as % of total expense	32/A	600	635,200	44/A	0.1%			
16 Occupancy expense as % of total expense ...	36/A	6,750	635,200	44/A	1.1%			
17 Travel expense as % of total expense	39/A	12,000	635,200	44/A	1.9%			
18 Interest expense as % of total liabilities	41/A	900	112,300	66	0.8%			
19 Depreciation as % of buildings & equipment	57b	29,000	203,800	57a	14.2%			
20 Cash as % of total expense	45	6,400	635,200	44/A	1.0%			
21 Cash as % of total assets	45	222,100	970,800	59	22.9%			
22 Notes & loans receivable as % of assets ...	50+51a	1,000	970,800	59	0.1%			
23 Available net assets as % of total expense	67a+67b	497,500	635,200	44/A	78.3%			
24 Other revenue on attached schedule	11	2,800	765,300	12	0.4%			
25 Other expenses on attached schedule	43/A	6,500	635,200	44/A	1.0%			
26 Other assets on attached schedule	58	0	970,800	59	0.0%			
27 Govt support/revenue as % of total revenue	1c+93g	300	765,300	12	0.0%			

990

Return of Organization Exempt From Income Tax

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

GMB No. 1545-0047

1992

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the calendar year 1992, or fiscal year beginning , 1992, and ending , 19

Please use IRS label or print or type. See specific instructions.	B Name of organization		C Employer identification number
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	D State registration number
	City, town, or post office, state, and ZIP code		E If address changed, check box. <input type="checkbox"/>

F Check type of organization—Exempt under section 501(c)() (insert number), OR section 4947(a)(1) charitable trust

G If exemption application pending, check box

H(a) Is this a group return filed for affiliates? Yes No
 (b) If "Yes," enter the number of affiliates for which this return is filed:

I If either box in H is checked "Yes," enter four-digit group exemption number (GEN)

J Accounting method: Cash Accrual Other (specify)

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

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 990EZ 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 Statement of Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:					
	a	Direct public support		1a			
	b	Indirect public support		1b			
	c	Government grants		1c	27N		
	d	Total (add lines 1a through 1c) (attach schedule—see instructions)		1d		3D	
	2	Program service revenue (from Part VII, line 93)		2			
	3	Membership dues and assessments (see instructions)		3			
	4	Interest on savings and temporary cash investments		4		5N	
	5	Dividends and interest from securities		5		6N, 10N	
	6a	Gross rents		6a			
	b	Less: rental expenses		6b			
	c	Net rental income or (loss)		6c		7N, 10N	
7	Other investment income (describe <input type="checkbox"/>)		7		10N		
Revenue	8a	Gross amount from sale of assets other than inventory	(A) Securities	8a			
	b	Less: cost or other basis and sales expenses	8b	8D	9D		
	c	Gain or (loss) (attach schedule)	8c	8N, 10N	9N		
	d	Net gain or (loss) (combine line 8c, columns (A) and (E))	8d				
Revenue	9	Special fundraising events and activities (attach schedule—see instructions):					
	a	Gross revenue (not including \$_____ of contributions reported on line 1a)	9a				
	b	Less: direct expenses	9b				
	c	Net income	9c				
Revenue	10a	Gross sales less returns and allowances	10a	11D			
	b	Less: cost of goods sold	10b				
	c	Gross profit or (loss) (attach schedule)	10c		11N		
	11	Other revenue (from Part VII, line 103)		11		24N	
	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)		12		1D, 24D, 27D	
Exp	13	Program services (from line 44, column (B)) (see instructions)		13		1N, 2N	
	14	Management and general (from line 44, column (C)) (see instructions)		14		4N	
	15	Fundraising (from line 44, column (D)) (see instructions)		15		3N	
	16	Payments to affiliates (attach schedule—see instructions)		16			
	17	Total expenses (add lines 16 and 44, column (A))		17			
Not Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)		18			
	19	Net assets or fund balances at beginning of year (from line 74, column (A))		19			
	20	Other changes in net assets or fund balances (attach explanation)		20			
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21			

Part I 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 4947(a)(1) charitable trusts but optional for others. (See instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)	22			
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 12N, 13N			
26	Other salaries and wages	26 13N			
27	Pension plan contributions	27 13N			
28	Other employee benefits	28 13N			
29	Payroll taxes	29 13N			
30	Professional fundraising fees	30			
31	Accounting fees	31 14N			
32	Legal fees	32 15N			
33	Supplies	33			
34	Telephone	34			
35	Postage and shipping	35			
36	Occupancy	36 16N			
37	Equipment rental and maintenance	37			
38	Printing and publications	38			
39	Travel	39 17N			
40	Conferences, conventions, and meetings	40			
41	Interest	41 18N			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses (itemize): a	43a 25N			
	b	43b 25N			
	c	43c 25N			
	d	43d 25N			
	e	43e 25N			
	f	43f 25N			
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44			

Reporting of Joint Costs.—Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to program services \$ _____; (iii) the amount allocated to management and general \$ _____; and (iv) the amount allocated to fundraising \$ _____.

Part II Statement of Program Service Accomplishments (See instructions.)

Describe what was achieved in carrying out the organization's exempt purposes. Fully describe the services provided; the number of persons benefited; or other relevant information for each program title. Section 501(c)(3) and (4) organizations and section 4947(a)(1) charitable trusts must also enter the amount of grants and allocations to others.	Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)
a	
(Grants and allocations \$ _____)	
b 2.D, 4.D, 12.D, 13.D, 14.D, 15.D, 16.D, 17.D, 20.D, 23.D, 25.D	
(Grants and allocations \$ _____)	
c	
(Grants and allocations \$ _____)	
d	
(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)
f Total (add lines a through e) (should equal line 44 column (A))	

Part VII Balance Sheets

		(A) Beginning of year	(B) End of year
Assets			
45	Cash—non-interest-bearing		45 5D, 20N, 21N
46	Savings and temporary cash investments		46 5D
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 due from officers, directors, trustees, and key employees (attach schedule)		50 22N
51a	Other notes and loans receivable (attach schedule)	51a 22N	
b	Less: allowance for doubtful accounts	51b	51c
52	Inventories for sale or use		52
53	Prepaid expenses and deferred charges		53
54	Investments—securities (attach schedule)		54 6D, 10D
55a	Investments—land, buildings, and equipment: basis	55a	
b	Less: accumulated depreciation (attach schedule)	55b	55c 7D, 10D
56	Investments—other (attach schedule)		56 10D
a	Land, buildings, and equipment: basis	57a 19D	
b	Less: accumulated depreciation (attach schedule)	57b 19N	57c
58	Other assets (describe ▶ _____)		58 26N
59	Total assets (add lines 45 through 58) (must equal line 75)		59 21D, 22D, 26D
Liabilities			
60	Accounts payable and accrued expenses		60
61	Grants payable		61
62	Support and revenue designated for future periods (attach schedule)		62
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63
64	Mortgages and other notes payable (attach schedule)		64
65	Other liabilities (describe ▶ _____)		65
66	Total liabilities (add lines 60 through 65)		66 18D
Fund Balances or Net Assets			
Organizations that use fund accounting, check here <input type="checkbox"/> and complete lines 67 through 70 and lines 74 and 75 (see instructions).			
67a	Current unrestricted fund		67a 23N
b	Current restricted fund		67b 23N
68	Land, buildings, and equipment fund		68
69	Endowment fund		69
70	Other funds (describe ▶ _____)		70
Organizations that do not use fund accounting, check here <input type="checkbox"/> and complete lines 71 through 75 (see instructions).			
71	Capital stock or trust principal		71
72	Paid-in or capital surplus		72
73	Retained earnings or accumulated income		73
Total fund balances or net assets (add lines 67a through 70 OR lines 71 through 73; column (A) must equal line 19 and column (B) must equal line 21)			
74			74
75	Total liabilities and fund balances/net assets (add lines 66 and 74)		75