

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 1995 calendar year, OR tax year period beginning July 1, 1995, and ending June 30, 1996

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

Please use IRS label or print or type. See Specific Instructions.	C Name of organization Nautilus of America, Inc.		D Employer identification number 95 3608292
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite		E State registration number
	1831 Second Street		D-1014921
	City, town, or post office, state, and ZIP code Berkeley, CA 94710-1902		F Check <input type="checkbox"/> if exemption application is pending

G Type of organization— Exempt under section 501(c)(3) (insert number) OR section 4947(a)(1) nonexempt charitable trust
Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No

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

(b) If "Yes," enter the number of affiliates for which this return is filed:

J Accounting method: Cash Accrual 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 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 instructions on pages 9-14.)

Revenue	1	Contributions, gifts, grants, and similar amounts received:		
	a	Direct public support	1a	671,000
	b	Indirect public support	1b	
	c	Government contributions (grants)	1c	
	d	Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ <u>671,000</u> noncash \$ <u>---</u>)	1d	671,000
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	16,369
	3	Membership dues and assessments	3	
	4	Interest on savings and temporary cash investments	4	7,313
	5	Dividends and interest from securities	5	
	6a	Gross rents	6a	800
	6b	Less: rental expenses	6b	
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	800
7	Other investment income (describe <input type="checkbox"/>)	7		
8a	Gross amount from sale of assets other than inventory	(A) Securities	(B) Other	
		8a		
		8b		
		8c		
8d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		
9	Special events and activities (attach schedule)			
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10a	Gross sales of inventory, less returns and allowances	10a		
10b	Less: cost of goods sold	10b		
10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11	Other revenue (from Part VII, line 103)	11		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	695,482	
Expenses	13	Program services (from line 44, column (B))	13	510,498
	14	Management and general (from line 44, column (C))	14	109,733
	15	Fundraising (from line 44, column (D))	15	49,912
	16	Payments to affiliates (attach schedule)	16	-
	17	Total expenses (add lines 16 and 44, column (A))	17	670,143
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	25,339
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	152,917
	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	178,256

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 instructions on page 14.)

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 \$ _____)	-			
23	Specific assistance to individuals (attach schedule)	-			
24	Benefits paid to or for members (attach schedule)	-			
25	Compensation of officers, directors, etc.	129,500	64,750	32,375	32,375
26	Other salaries and wages	154,590	131,402	15,459	7,730
27	Pension plan contributions				
28	Other employee benefits	19,059	14,562	3,757	739
29	Payroll taxes	24,391	18,636	4,808	946
30	Professional fundraising fees	-			
31	Accounting fees	4,207	3,214	829	163
32	Legal fees	50	50	0	0
33	Supplies	84,975	64,926	16,752	3,297
34	Telephone	17,574	13,428	3,464	682
35	Postage and shipping	8,423	6,436	1,660	327
36	Occupancy	71,087	54,327	14,004	2,756
37	Equipment rental and maintenance	26,120	20,970	5,149	0
38	Printing and publications	19,499	15,398	3,844	257
39	Travel	15,850	12,110	3,125	615
40	Conferences, conventions, and meetings	5,030	4,038	992	0
41	Interest	-			
42	Depreciation, depletion, etc. (attach schedule)	13,301	13,301		
43	Other expenses (itemize): a Insurance	14,355	10,968	3,387	0
	b Consultants (\$31,011)	31,011	31,011	0	0
	c Writers	30,447	30,477	0	0
	d Temporary Office Help	645	493	127	25
	e				
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	670,143	510,498	109,733	49,912

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 instructions on page 17.)

What is the organization's primary exempt purpose? ▶	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a Global Peace & Security Program -- Daily news digest distributed to 400+ email subscribers; articles, papers on Asia security issues published; seminar series held; energy futures study launched; energy & security policy study group launched. (Grants and allocations \$ _____)	293,257
b Sustainable Development Program -- Online environmental information network expanded; trade/environment policy study launched; environment conference held in Bangkok; articles, papers on trade & environment published, conferences attended. (Grants and allocations \$ _____)	139,856
c Pegasus Project -- Teens at risk and schoolchildren taken sailing, taught about environment and responsibility; boat upgraded as model of environmentally sound sailing; study of San Francisco Bay pollution launched. (Grants and allocations \$ _____)	77,385
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)	510,498

Part IV Balance Sheets (See instructions on pages 17-19.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year	
Assets	45 Cash—non-interest-bearing	851	45	83,583	
	46 Savings and temporary cash investments	191,676	46	151,280	
	47a Accounts receivable	47a 44,813			
	b Less: allowance for doubtful accounts	47b	15,335	47c 44,813	
	48a Pledges receivable	48a			
	b Less: allowance for doubtful accounts	48b	0	48c 0	
	49 Grants receivable	6,500	49	0	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)	8,821	50	7,026	
	51a Other notes and loans receivable (attach schedule)	51a			
	b Less: allowance for doubtful accounts	51b	0	51c 0	
	52 Inventories for sale or use	0	52	0	
	53 Prepaid expenses and deferred charges	686	53	0	
	54 Investments—securities (attach schedule)	0	54	0	
	Liabilities	55a Investments—land, buildings, and equipment: basis	55a 98,007		
b Less: accumulated depreciation (attach schedule)		55b 22,751	53,550	55c 75,256	
56 Investments—other (attach schedule)		0	56	0	
57a Land, buildings, and equipment: basis		57a			
b Less: accumulated depreciation (attach schedule)		57b	0	57c 0	
58 Other assets (describe ► _____)		35,007	58	0	
59 Total assets (add lines 45 through 58) (must equal line 74)		312,426	59	361,958	
Net Assets or Fund Balances	60 Accounts payable and accrued expenses	11,193	60	736	
	61 Grants payable	0	61	0	
	62 Deferred revenue	148,316	62	182,966	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)	0	63	0	
	64a Tax-exempt bond liabilities (attach schedule)	0	64a	0	
	b Mortgages and other notes payable (attach schedule)	64b	0	64b 0	
65 Other liabilities (describe ► _____)	0	65	0		
66 Total liabilities (add lines 60 through 65)	159,509	66	183,702		
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
Net Assets or Fund Balances	67 Unrestricted	101,945	67	50,079	
	68 Temporarily restricted	50,972	68	128,177	
	69 Permanently restricted	0	69	0	
	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, bldg., and equipment fund		71		
72 Retained earnings, accumulated income, endowment, 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)	152,917	73	178,256		
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	312,426	74	361,958		

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

N/A

a Total revenue, gains, and other support per audited financial statements . . . ▶ **a**

b Amounts included on line **a** but not on line 12, Form 990:

(1) Net unrealized gains on investments . . . \$ _____

(2) Donated services and use of facilities \$ _____

(3) Recoveries of prior year grants . . . \$ _____

(4) Other (specify):

 _____ \$ _____

Add amounts on lines (1) through (4) ▶ **b**

c Line **a** minus line **b** ▶ **c**

d Amounts included on line 12, Form 990 but not on line **a**:

(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____

(2) Other (specify):

 _____ \$ _____

Add amounts on lines (1) and (2) ▶ **d**

e Total revenue per line 12, Form 990 (line **c** plus line **d**) ▶ **e**

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

N/A

a Total expenses and losses per audited financial statements . . . ▶ **a**

b Amounts included on line **a** but not on line 17, Form 990:

(1) Donated services and use of facilities \$ _____

(2) Prior year adjustments reported on line 20, Form 990 \$ _____

(3) Losses reported on line 20, Form 990 . . . \$ _____

(4) Other (specify):

 _____ \$ _____

Add amounts on lines (1) through (4) ▶ **b**

c Line **a** minus line **b** ▶ **c**

d Amounts included on line 17, Form 990 but not on line **a**:

(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____

(2) Other (specify):

 _____ \$ _____

Add amounts on lines (1) and (2) ▶ **d**

e Total expenses per line 17, Form 990 (line **c** plus line **d**) ▶ **e**

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see instructions on page 19.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
BOARD OF DIRECTORS				
Harriet Barlow Blue Mountain Ctr., Blue Mt. Lake NY 12812	President 1 hr/wk	0	0	0
Walden Bello 204D Tuazon, Quezon City, Philippines	Vice President 1 hour/week	0	0	0
Marcy Darnovsky 547 Crofton, Oakland CA 94710	Secretary 1 hour/week	0	0	0
Tom Athanasiou 1247 Potrero Av., San Francisco CA 94707	Treasurer 1 hr/week	0	0	0
KEY EMPLOYEES				
Lyuba Zarsky 1831 2nd St., Berkeley CA 94710	Co-Executive Director 40+ hours/week	\$62,500	0	0
Peter Hayes 1831 2nd St., Berkeley CA 94710	Co-Executive director 40+ hours/week	\$67,000	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
 If "Yes," attach schedule—see instructions on page 20.

Part VI Other Information (See instructions on pages 20-23.)

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		<input checked="" type="checkbox"/>
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.		<input checked="" type="checkbox"/>
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		<input checked="" type="checkbox"/>
78b	b If "Yes," has it filed a tax return on Form 990-T, Exempt Organization Business Income Tax Return, for this year?		N/A
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
80b	b If "Yes," enter the name of the organization and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81.	81a	-0-
81b	b Did the organization file Form 1120-POL, U.S. Income Tax Return for Certain Political Organizations, for this year?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
82b	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.)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?		<input checked="" type="checkbox"/>
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?		<input checked="" type="checkbox"/>
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
84b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		N/A
85a	Section 501(c)(4), (5), or (6) organizations.—a Were substantially all dues nondeductible by members?		N/A
85b	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.		N/A
85c	c Dues, assessments, and similar amounts from members	85c	
85d	d Section 162(e) lobbying and political expenditures	85d	
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
85g	g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A
85h	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?	85h	N/A
86a	Section 501(c)(7) organizations.—Enter: a Initiation fees and capital contributions included on line 12	86a	
86b	b Gross receipts, included on line 12, for public use of club facilities.	86b	
87a	Section 501(c)(12) organizations.—Enter: a Gross income from members or shareholders	87a	
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
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	88	<input checked="" type="checkbox"/>
89	Public interest law firms.—Attach information described in the instructions.		
90	List the states with which a copy of this return is filed California		
91	The books are in care of Nautilus of America Telephone no. (510) 204-9296 Located at 1831 Second St., Berkeley CA ZIP code 94710-1902		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041, U.S. Income Tax Return for Estates and Trusts.—Check here N/A and enter the amount of tax-exempt interest received or accrued during the tax year	92	

Nautilus of America, Inc.

EIN 95-3608292

Line 1d - Schedule of Contributors

Contributors of \$5,000 or more in Fiscal 1995-96

<u>Amount Given</u>	<u>Contributor</u>
\$ 90,000	The Ford Foundation 320 E. 43rd St., New York, NY 10017-4890
30,000	John Merck Fund 11 Beacon St., Suite 1230, Boston, MA 02108-3002
30,000	Ploughshares Fund Fort Mason, San Francisco, CA 94123
25,000	Prospect Hill Foundation 99 Park Avenue, Suite 2200, New York, NY 10016-1601
113,000	Rockefeller Brothers Fund 1290 Avenue of the Americas, New York, NY 10104-0223
185,000	Rockefeller Foundation 420 Fifth Avenue, New York, NY 10018-2729
6,500	The University of California Berkeley, CA
165,000	W. Alton Jones Foundation 232 E. High St., Charlottesville, VA 22901-5178
25,000	Winston Foundation 2040 S Street, NW #201, Washington, DC 20009-1110
1,500	Individual small contributors
=====	
\$671,000	Total contributions, gifts, grants and similar

Nautilus of America, Inc.

EIN 95-3608292

Line 42 - Depreciation, Depletion, Etc.

See below, **Line 55b**, rightmost column

Line 50 - Schedule of Receivables from Officers, Directors, Trustees, and Key Employees

Amount	Due From	Notes
\$7,026.00	Lyuba Zarsky	Ms. Zarsky authorized use of her personal credit card for Nautilus charges. Nautilus paid the card each month, then obtained reimbursement for personal expenditures from Ms. Zarsky. This amount represents personal expenditures for which Nautilus was due reimbursement on June 30, 1996. Such reimbursement has been made.

Line 55b - Accumulated Depreciation Schedule

Item	Acquired	Cost/Basis	Prior Yrs' Deprecia.	Method	Rate/Life	Deprecia. This Year (Line 42)
Boat	1/94	\$63,000	\$ 9,450	SL	10	\$6,300
Library	Prior to 6/95	35,007	0	SL	5	7,001
TOTAL						\$13,301

**SCHEDULE A
(Form 990)**

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information

See separate instructions.

OMB No. 1545-0047

1995

Department of the Treasury
Internal Revenue Service

▶ **Must be completed by the above organizations and attached to their Form 990 (or 990-EZ).**

Name of the organization Nautilus of America, Inc.	Employer identification number 95 3608292
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Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See instructions on page 1. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Lyuba Zarsky 1831 Second Street Berkeley, CA 94710-1902	Co-Executive Director 40+ hours/week	\$ 62,500	-0-	-0-
Dr. Peter Hayes 1831 Second Street Berkeley, CA 94710-1902	Co-Executive Director 40+ hours/week	67,000	-0-	-0-
Total number of other employees paid over \$50,000 ▶	-0-			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See instructions on page 1. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None.		
Total number of others receiving over \$50,000 for professional services ▶	-0-	

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 ▶ \$ <u>-0-</u> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
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.		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
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 5.)

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: (a) 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, and (b) 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. 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
None.	

- 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) 1994	(b) 1993	(c) 1992	(d) 1991	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	\$264,508	\$391,000	\$208,500	\$103,994	\$ 968,002
16 Membership fees received	-0-	-0-	-0-	-0-	-0-
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	80,516	53,800	63,417	40,275	238,008
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	6,885	6,976	2,383	3,088	19,332
19 Net income from unrelated business activities not included in line 18	-0-	-0-	-0-	-0-	-0-
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf.	-0-	-0-	-0-	-0-	-0-
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.	-0-	-0-	-0-	-0-	-0-
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	-0-	-0-	5,330	8,050	13,380
23 Total of lines 15 through 22.	451,909	451,776	279,630	155,407	1,238,722
24 Line 23 minus line 17.	271,393	397,976	216,213	115,132	1,000,714
25 Enter 1% of line 23	3,519	4,518	2,796	1,554	
26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 20,014
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 1991 through 1994 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts. ▶					26b 824,916
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c \$ 1,238,722
d Add: Amounts from column (e) for lines: 18 \$ 19,332 19 \$ -0- ▶					26d \$ 857,628
22 \$ 13,380 26b \$ 824,916 ▶					
e Public support (line 26c minus line 26d total) ▶					26e \$ 381,094
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 31%
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: (1994) (1993) ^{N/A} (1992) (1991)					
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: (1994) (1993) (1992) (1991)					
c Add: Amounts from column (e) for lines: 15 \$ _____ 16 \$ _____ ▶					27c \$ _____
17 \$ _____ 20 \$ _____ 21 \$ _____ ▶					
d Add: Line 27a total \$ _____ and line 27b total \$ _____ ▶					27d \$ _____
e Public support (line 27c total minus line 27d total). ▶					27e \$ _____
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶					27f \$ _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). ▶					27g %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶					27h %
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1991 through 1994, 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 5.) N/A					

Part V Private School Questionnaire (See instructions on page 5.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

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?

	Yes	No
29		

30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?

30		
----	--	--

31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?

31		
----	--	--

If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)

32 Does the organization maintain the following:

- a Records indicating the racial composition of the student body, faculty, and administrative staff?
- 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?

32a		
32b		
32c		
32d		

If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)

33 Does the organization discriminate by race in any way with respect to:

- a Students' rights or privileges?
- 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?

33a		
33b		
33c		
33d		
33e		
33f		
33g		
33h		

If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)

34a Does the organization receive any financial aid or assistance from a governmental agency?

34a		
-----	--	--

b Has the organization's right to such aid ever been revoked or suspended?

34b		
-----	--	--

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

35		
----	--	--

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions on page 5.)

N/A (To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures

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

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

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

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 7.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 1995	(b) 1994	(c) 1993	(d) 1992	(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 7.)

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		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (add lines c through h)			-0-

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

Nautilus of America, Inc.
 Employer ID # 95-3608292
 Form 990 — FY 1995

Attachment to Schedule A, Line 26(b)
 Amounts contributed by each person whose total gifts for 1991-1994
 exceeded the amount shown in Line 26(a) [\$20,014]

Contributor	FY 1994	FY 1993	FY 1992	FY 1991	TOTAL Excess
Ford Foundation			\$90,000		\$90,000
MacArthur Foundation		\$30,000			\$30,000
John Merck Fund	\$50,000	\$50,000		\$30,000	\$130,000
Rocketfeller Foundation	\$200,000	\$245,000	\$40,000		\$485,000
W. Alton Jones Foundation	\$120,000		\$40,000		\$160,000
Winston Foundation	\$25,000	\$25,000			\$50,000
Totals	\$395,000	\$350,000	\$170,000	\$30,000	\$945,000
					\$824,916

Facts and Circumstances

The Nautilus Institute is supported by a wide range of foundations which do not have representation on our Board of Directors or our staff. As a rule, project descriptions and grant applications are originated by Nautilus, which then seeks funding from prospects identified by Nautilus. Control of Nautilus rests with its Board of Directors and staff.

California Exempt Organization Annual Information Statement or Return

1995

199

For calendar or fiscal year beginning	MONTH July	DAY 1	YEAR 1995,	and ending	MONTH June	DAY 30	YEAR 1996
---------------------------------------	---------------	----------	---------------	------------	---------------	-----------	--------------

D-1014921 N05A1 L 06
NAUTILUS OF AMERICA, INC.

~~746 CRSENA DA AV~~
~~BERKELEY CA 94707~~

NAUT746 947073017 1A95 07/20/96
NOTIFY SENDER OF NEW ADDRESS
: NAUTILUS INSTITUTE
1031 2ND ST
BERKELEY CA 94710-1902

A Final return?
 Dissolved Withdrawn Merged/Reorganized (attach explanation)
 If a box is checked, enter date ● _____

B Check forms filed this year: State: 109 100 100S
 Federal: 990 990EZ 990T 990PF 1041 1120H 1120

C If organization is exempt under R&TC Section 23701d and is a school, public charity, religious organization or is controlled by a religious organization, check box. See General Instruction F. No filing fee is required. ●

D Is this a group filing? See General Instruction M. Yes No

E Is this a nonexempt charitable trust as described in IRC Section 4947(a)(1)?
 Yes No

F Accounting method used Accrual

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	\$ 24,482
	2	Gross dues and assessments from members and affiliates	2	-0-
	3	Gross contributions, gifts, grants, and similar amounts received. See instructions page 2	3	671,000
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C	4	695,482
	5	Cost of goods sold	5	-0-
	6	Cost or other basis and sales expenses of assets sold	6	-0-
	7	Total costs. Add line 5 and line 6	7	-0-
	8	Total gross income. Subtract line 7 from line 4	8	695,482
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18.	9	670,143
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	25,339
Filing Fee	11	Filing fee \$10 or \$25. See General Instruction F.	11	10
	12	Penalty for failure to file on time. See General Instruction L	12	-0-
	13	Balance due. Add line 11 and line 12	13	10

- 14 If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign, or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If "yes," complete and attach form FTB 3509 Yes No
- 15 Did the organization have any changes in its activities, governing instrument, articles of incorporation or bylaws that have not been reported to the Franchise Tax Board? If "Yes," complete an explanation and attach copies of revised documents Yes No
- 16 Is the organization exempt under R&TC Section 23701g? Yes No
 If "yes," enter amount of gross receipts from nonmember sources \$ _____
- 17 Did the organization file Form 100, Form 100S or Form 109 to report taxable income? Yes No
 If "yes," enter amount of total income reported \$ _____

18 The books are in care of Nautilus of America, Inc. Daytime telephone (510) 204-9296
 located at 1831 Second Street, Berkeley, CA 94710-1902

Please Sign Here

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

Signature of officer: [Signature] Date: 6/12/97 Title: Managing Director Daytime telephone: (510) 204-9296

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____ Check if self-employed: Preparer's social security no. _____
 Firm's name (or yours, if self-employed) and address: _____ FEIN: _____
 Daytime telephone (): _____

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts — complete Part II or furnish substitute information. See Specific Line Instructions.

Receipts from Other Sources	1 Gross sales or receipts from all business activities. See instructions page 3	1	
	2 Interest	2	
	3 Dividends	3	
	4 Gross rents	4	
	5 Gross royalties	5	
	6 Gross amount received from sale of assets	6	
	7 Other income. Attach schedule	7	
	8 Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	8	
Expenses and Disbursements	9 Contributions, gifts, grants, and similar amounts paid. Attach schedule	9	
	10 Disbursements to or for members.	10	
	11 Compensation of officers, directors and trustees. Attach schedule	11	
	12 Other salaries and wages	12	
	13 Interest	13	
	14 Taxes	14	
	15 Rents	15	
	16 Depreciation and depletion.	16	
	17 Other. Attach schedule.	17	
	18 Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9.	18	

Schedule L Balance Sheets	Beginning of income year		End of income year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash				
2 Net accounts receivable.				
3 Net notes receivable. Attach schedule.				
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds. Attach schedule				
7 Investments in stock. Attach schedule.				
8 Mortgage loans (number of loans _____).				
9 Other investments. Attach schedule				
10 a Depreciable assets				
b Less accumulated depreciation	()		()	
11 Land				
12 Other assets. Attach schedule				
13 Total assets				
Liabilities and net worth				
14 Accounts payable				
15 Contributions, gifts, grants payable.				
16 Bonds and notes payable. Attach schedule				
17 Mortgages payable				
18 Other liabilities. Attach schedule				
19 Capital stock or principle fund				
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund				
22 Total liabilities and net worth				

Schedule M-1 Reconciliation of income per books with income per return			
Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000.			
1 Net income per books		7 Income recorded on books this year not included in this return. Attach schedule	
2 Federal income tax		8 Deductions in this return not charged against book income this year. Attach schedule	
3 Excess of capital losses over capital gains		9 Total. Add line 7 and line 8	
4 Income not recorded on books this year. Attach schedule		10 Net income per return. Subtract line 9 from line 6	
5 Expenses recorded on books this year not deducted in this return. Attach schedule			
6 Total. Add line 1 through line 5			

PERIODIC REPORT

TO ATTORNEY GENERAL OF CALIFORNIA
 Section 12586, California Government Code

Failure to file this report by the 15th day of the fifth month after the close of your accounting period may result in the loss of your tax exemption and the assessment of a minimum tax of \$800 plus interest.

ACCOUNTING PERIOD — For the Year Beginning July 1, 1995 and Ending June 30, 1996

If address changed check here and show changes below
 File Form with label. Otherwise, print or type address.

State Charity registration number CT 4 2 5 4 2
 (If unknown, leave blank)

Corporate or Organization No. D-1014921

042542 YEAR ENDED 06/30/96

NAUTILUS OF AMERICA INC
~~740 ELMSTAD AVE~~ 1831 SECOND STREET
 BERKELEY CA ~~94707~~ BERKELEY, CA
 94710-1902

Yes	No
X	

A. Is the organization exempt from federal income tax?
 B. If "no", is this entity a split-interest trust? If "no", affix Exhibit A to explain your federal tax status. N/A

PART I FILING REQUIREMENTS: CHECK ONE BOX AND ATTACH THE REQUIRED IRS FORMS

- This entity is not a private foundation. We have attached a completed copy of IRS Form 990 or 990EZ, and Schedule A (Form 990) and related attachments (even though we may not be required to file these uniform forms with the IRS). Omit Part III below.
- This entity is a private foundation. We have attached a completed copy of IRS Form 990-PF and related attachments. Complete all Parts below.

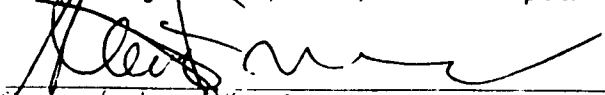
PART IA ACTIVITIES: ENTER AMOUNTS AND CHECK BOX

Gross receipts \$ 695,482 Total assets \$ 361,958
 Are the program activities of this entity limited solely to grantmaking? Yes No
X

PART II STATEMENTS REGARDING THIS ORGANIZATION DURING THE PERIOD OF THIS REPORT

		Yes	No
1 Was 50% or more of your total revenue from government agencies? (See line 1 instructions) 1 If "yes", affix in sequence Exhibit 1. List the name, address or telephone number, grant amount, and purpose of grant for your two main granting agencies.	1		X
2 Were you audited by any government agency which resulted in audit exceptions in excess of \$50,000 being taken? 2 If "yes", affix as Exhibit 2 a copy of the audit report. Enter here the total exceptions. 2a \$ <u>-0-</u>	2		X
3 Did or will an independent public accountant issue a report on your financial statements? 3 If "yes", enter here: Accountant's Name <u>N/A</u> Telephone () _____	3		X
4 Is any of your property held in the name of or commingled with the property of any other organization or person, other than pooled investment funds? 4 If "yes", affix in sequence as Exhibit 4 a justification. Include a list and value of assets commingled if not provided in a prior year.	4		X
5 Were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest? (Exclude compensation for services that is disclosed and attached on the List of Officers, Directors and Trustees on Form 990, Part V; Form 990EZ, Part IV; or Form 990-PF, Part VIII.) 5 If "yes", affix in sequence as Exhibit 5 a full explanation. Enter here the amount involved. 5a \$ <u>-0-</u>	5		X
6 Did you transfer or donate anything to an organization that is not tax-exempt under Section 501 (c) (3) or 501 (c) (4) of the IRC? 6 If "yes", affix in sequence as Exhibit 6 a justification of why noncharitable entities receive your charitable property. Enter here the fair market value of the donations. 6a \$ <u>-0-</u>	6		X
7 Did this organization regularly solicit salvage, sell salvage in a thrift store, or was it a party to a contract involving the solicitation or sale of salvage? If "yes", include amounts on Form 990, line 10. 7	7		X
8 Was there any theft, embezzlement or diversion of your charitable property; or, were you or any of your officers, directors or trustees a party to any court action in which it was alleged that any trust or fiduciary duty was breached? 8 If "yes", affix in sequence as Exhibit 8 a full explanation.	8		X
9 Were any organization funds used to pay any penalty, fine or judgment? 9 If "yes", affix as Exhibit 9 a full explanation. Enter here the total amount involved. 9a \$ <u>-0-</u>	9		X

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


 Organization's area code and telephone number (510) 204 - 9296
 Steve Freedkin Managing Director 6/12/97
 Signature of authorized officer (See instructions) Printed Name Title Date

PART III ADDITIONAL INFORMATION FROM PRIVATE FOUNDATIONS ONLY

N/A

31 Did you file a Form 4720 with the Internal Revenue Service? 31
 If "yes", affix in sequence as Exhibit 31 a copy of Form 4720 and enter here the amount of total taxes paid with
 that return 31a _____
 (32-39 not currently in use)

Yes	No
	X

PART IV FUNDRAISING CONSULTANT OR COMMERCIAL FUNDRAISER (FC-CFR) (SEE QUESTION 11)

N/A	ACTIVITY #1	ACTIVITY #2	ACTIVITY #3**	TOTAL
40 Brief Description of Campaign, Drive, Event, or Services				
41 Date or Period Covered				
42 Name of FC-CFR				
43 Address of FC-CFR				
44 Gross Receipts from Donors*			44	
45 Total Retained by or Paid to FC-CFR			45	
46 All Other Fund-Raising Expenses			46	
47 Net Proceeds (Line 44 Less 45 and 46)			47	

(48-59 not currently in use) * On line 44, do not deduct any costs from gross donations.

** NOTE: If more than three activities, attach a schedule using the same format and include amounts in Part IV totals.

PART V SUMMARY OF INVESTMENTS TOTALING \$50,000 OR MORE (SEE QUESTION 12) N/A

60 Securities, beginning of year at cost	60
61 Securities acquired, at cost or original basis	61
62 Securities sold, at cost or original basis (may include sales expenses)	62
63 Securities, end of year at cost	63
64 Securities, end of year at market value	64
65 Sum of all gains on sales during the year	65
66 Sum of all losses on sales during the year	66
67 Dividends and interest from securities (990, line 5 or 990-PF, Part I, line 4, column (a))	67
68 Total return realized (line 65 less line 66, plus line 67)	68
69 Less all fees, salaries, and other costs incurred to earn investment income	69
70 Net return realized from investments in securities (line 68 less line 69)	70

Has this organization engaged in, purchased, sold or held during the year:

	Yes	No
71 Investments (any type) which produce no current income?	71	
72 Investments (any type) worth one half or less of original basis?	72	
73 Securities on margin?	73	
74 Warrants, puts, calls, options, commodity futures, or short sales?	74	
75 Stocks rated "Speculative Grade" by Moody's, or ranked "B-" or lower by Standard & Poor's?	75	
76 Securities not publicly traded?	76	
77 Municipal bonds or similar tax-exempt securities which yield less than taxable securities?	77	
78 Stock in which an officer, director or trustee owns 10% or more of the outstanding shares?	78	

If "yes" on any line from 71-78, affix in sequence as Exhibit 78 a full explanation including original basis and current value.