

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2000 calendar year, or tax year period beginning July 1, 1999 and ending June 30, 2000

B Check if applicable: <input checked="" type="checkbox"/> Change of address <input type="checkbox"/> Change of name <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return	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 125 University Avenue, Second Floor		E Telephone number (510) 204-9296
		City or town, state or country, and ZIP code Berkeley, CA 94710-1616		F Check <input type="checkbox"/> if application pending

G Organization type (check only one) 501(c) (3) (insert no.) 527 or 4947(a)(1)
 • Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

Note: H and I are not applicable to section 527 orgs.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates N/A
H(c) Are all affiliates included? Yes No (If "No," attach a list. See inst.) N/A
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Enter 4-digit group exemption no. (GEN) N/A

J Accounting method: Cash Accrual Other (specify)

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) **N/A** 1999

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	\$ 1,345,109		
	b Indirect public support	1b	-0-		
	c Government contributions (grants)	1c	10,024		
	d Total (add lines 1a through 1c) (cash \$ 1,355,133 noncash \$ -0-)	1d		\$ 1,355,133	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		19,746	
	3 Membership dues and assessments	3		-0-	
	4 Interest on savings and temporary cash investments	4		44,514	
	5 Dividends and interest from securities	5		-0-	
	6a Gross rents	6a	-0-		
	b Less: rental expenses	6b	-0-		-0-
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c			-0-
7 Other investment income (describe <input type="checkbox"/>)	7			-0-	
Revenue	8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
		-0-	8a	-0-	
	b Less: cost or other basis and sales expenses	-0-	8b	-0-	
	c Gain or (loss) (attach schedule)	-0-	8c	-0-	
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d			-0-	
Revenue	9 Special events and activities (attach schedule)				
	a Gross revenue (not including \$ -0- of contributions reported on line 1a)	9a	-0-		
	b Less: direct expenses other than fundraising expenses	9b	-0-		
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c			-0-
Revenue	10a Gross sales of inventory, less returns and allowances	10a	-0-		
	b Less: cost of goods sold	10b	-0-		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c			-0-
11 Other revenue (from Part VII, line 103)	11			-0-	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12			1,419,393	
Expenses	13 Program services (from line 44, column (B))	13		901,368	
	14 Management and general (from line 44, column (C))	14		489,848	
	15 Fundraising (from line 44, column (D))	15		151,536	
	16 Payments to affiliates (attach schedule)	16		-0-	
	17 Total expenses (add lines 16 and 44, column (A))	17			1,542,752
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		(123,359)	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,221,925	
	20 Other changes in net assets or fund balances (attach explanation)	20		-0-	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			1,098,566

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 20.)

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 \$ -0- noncash \$ -0-)	-0-	-0-		
23	Specific assistance to individuals (attach schedule)	\$ 1,960	\$ 1,960		
24	Benefits paid to or for members (attach schedule)	-0-	-0-		
25	Compensation of officers, directors, etc.	252,000	126,000	\$ 69,300	\$ 56,700
26	Other salaries and wages	441,466	194,245	203,074	44,147
27	Pension plan contributions	28,659	13,183	11,177	4,299
28	Other employee benefits	63,292	29,114	24,684	9,494
29	Payroll taxes	50,726	23,334	19,783	7,609
30	Professional fundraising fees	-0-	-0-	-0-	-0-
31	Accounting fees	3,061	-0-	3,061	-0-
32	Legal fees	700	700	-0-	-0-
33	Supplies	54,506	29,367	24,899	240
34	Telephone	18,865	10,100	8,564	201
35	Postage and shipping	4,574	2,250	1,907	417
36	Occupancy	123,100	55,396	46,777	20,927
37	Equipment rental and maintenance	18,872	8,492	7,172	3,208
38	Printing and publications	15,849	12,628	3,019	202
39	Travel	224,076	206,421	13,963	3,692
40	Conferences, conventions, and meetings	25,834	25,560	274	-0-
41	Interest	-0-	-0-	-0-	-0-
42	Depreciation, depletion, etc. (attach schedule)	13,301	13,301	-0-	-0-
43	Other expenses (itemize):				
43a	Subcontractors	800	800	-0-	-0-
43b	Commissioned Authors	30,302	29,902	-0-	400
43c	Consultants and Interns	140,412	109,991	30,421	-0-
43d	Dues, Donations & Fees Paid	1,020	620	400	-0-
43e	Contract Temporary Help	776	776	-0-	-0-
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	28,601	7,728	21,373	-0-
44		1,542,752	901,368	489,848	151,536

*Line 43f -- Insurance (directors' & officers, life ins., liab.)

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 \$ N/A ; (ii) the amount allocated to Program services \$ N/A ; (iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 23.)

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 PEACE & SECURITY -- Published original research on U.S. nuclear weapons doctrine; conducted expert workshops on global insecurity and Theater Missile Defense; delivered series of daily, weekly, and monthly news services. (Grants and allocations \$ -0-)	\$216,328
b GLOBALIZATION & GOVERNANCE -- Commissioned papers on the high-tech sector's overseas operations and social responsibility; held a workshop on improving non-governmental organization -- industry dialog on corporate accountability. (Grants and allocations \$ -0-)	378,575
c ENERGY -- Provided renewable energy to famine-afflicted villagers in North Korea; conducted analytical/training workshops for East Asia regional specialists; exchanged energy datasets; published expert papers. (Grants and allocations \$ -0-)	243,369
d PEGASUS PROJECT -- provided marine environment education to primary & secondary school students and youth-at-risk. Includes training volunteers, maintaining safety & mechanical systems for sailing field trips, and publishing news updates. (Grants and allocations \$ 1,960)	63,096
e Other program services (attach schedule) NONE (Grants and allocations \$ N/A)	N/A
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶	901,368

Part IV Balance Sheets (See Specific Instructions on page 23.)

		(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	\$ 8,799	45	\$ 49,889	
	46 Savings and temporary cash investments	1,130,725	46	776,702	
	47a Accounts receivable	47a -0-	2,250	47c -0-	
	b Less: allowance for doubtful accounts	47b -0-			
	48a Pledges receivable	48a -0-	-0-	48c -0-	
	b Less: allowance for doubtful accounts	48b -0-			
	49 Grants receivable		260,835	49	545,250
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		(838)	50	(3,241)
	51a Other notes and loans receivable (attach schedule).	51a 1,347	11,781	51c	1,347
	b Less: allowance for doubtful accounts	51b -0-			
	52 Inventories for sale or use		-0-	52	-0-
	53 Prepaid expenses and deferred charges		(50)	53	-0-
	54 Investments—securities (attach schedule).	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	-0-	54	-0-
	55a Investments—land, buildings, and equipment: basis	55a -0-	-0-	55c	-0-
b Less: accumulated depreciation (attach schedule).	55b -0-				
56 Investments—other (attach schedule)		-0-	56	-0-	
57a Land, buildings, and equipment: basis	57a 98,007	35,353	57c	22,052	
b Less: accumulated depreciation (attach schedule).	57b 75,955				
58 Other assets (describe ▶ Life insur. on founders)		62,629	58	80,000	
59 Total assets (add lines 45 through 58) (must equal line 74)		1,511,484	59	1,471,999	
Liabilities	60 Accounts payable and accrued expenses	61,290	60	129,135	
	61 Grants payable	-0-	61	-0-	
	62 Deferred revenue	228,269	62	244,298	
	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)	-0-	64b	-0-	
	65 Other liabilities (describe ▶ None.)	-0-	65	-0-	
66 Total liabilities (add lines 60 through 65)		289,559	66	373,433	
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.	N/A		N/A	
	67 Unrestricted		67		
	68 Temporarily restricted		68		
	69 Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/> and complete lines 70 through 74.				
	70 Capital stock, trust principal, or current funds	1,221,925	70	826,630	
	71 Paid-in or capital surplus, or land, building, and equipment fund	-0-	71	-0-	
	72 Retained earnings, endowment, accumulated income, or other funds	-0-	72	271,936	
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)		1,221,925	73	1,098,566	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		1,511,484	74	1,471,999	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 25.)			Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return		
N/A			N/A		
a	Total revenue, gains, and other support per audited financial statements . . . ▶	a	a	Total expenses and losses per audited financial statements . . . ▶	a
b	Amounts included on line a but not on line 12, Form 990:	b	b	Amounts included on line a but not on line 17, Form 990:	b
	(1) Net unrealized gains on investments . . . \$ _____			(1) Donated services and use of facilities \$ _____	
	(2) Donated services and use of facilities \$ _____			(2) Prior year adjustments reported on line 20, Form 990 \$ _____	
	(3) Recoveries of prior year grants \$ _____			(3) Losses reported on line 20, Form 990 . . . \$ _____	
	(4) Other (specify): \$ _____			(4) Other (specify): \$ _____	
	Add amounts on lines (1) through (4) ▶	b		Add amounts on lines (1) through (4) ▶	b
c	Line a minus line b ▶	c	c	Line a minus line b ▶	c
d	Amounts included on line 12, Form 990 but not on line a:	d	d	Amounts included on line 17, Form 990 but not on line a:	d
	(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____			(1) Investment expenses not included on line 6b, Form 990 . . . \$ _____	
	(2) Other (specify): \$ _____			(2) Other (specify): \$ _____	
	Add amounts on lines (1) and (2) ▶	d		Add amounts on lines (1) and (2) ▶	d
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	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 Specific Instructions on page 25.)

(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
Peter Hayes, Ph.D. 125 University Ave., Berkeley, CA 94710	Executive Director 40+	126,000	6,825*	4,800
Lyuba Zarsky 125 University Ave., Berkeley, CA 94710	Program Director 40	126,000	6,873*	4,800
*Column (D) includes taxable benefit from life insurance policy				

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? Yes No
If "Yes," attach schedule—see Specific Instructions on page 26.

Part VI Other Information (See Specific Instructions on page 26.)

Table with columns: Question, N/A, Yes, No. Rows include questions 76-92 regarding organizational activities, financial reporting, and tax compliance.

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 30.)

Enter gross amounts unless otherwise indicated.	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Cost Reimbursement Grants					\$ 9,930
b Consulting Income					6,568
c Honoraria					2,230
d Royalties					218
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					800
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	\$ 44,514	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				44,514	19,746
105 Total (add line 104, columns (B), (D), and (E))					\$ 64,260

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 31.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93a	Reimbursements of expenses incurred in projects directly related to Nautilus mission.
93b	Consulting work substantially similar to the grant-funded project work of Nautilus.
93c,d	Honoraria for talks and royalties on books related directly to Nautilus's work.
93g	Fee paid for gov't official to attend training session on Nautilus areas of work.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
None.	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 31.)

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

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

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge. (Important: See General Instruction W, on page 14.)

Signature of officer: Peter Hayes Date: 2/15/2001 Type or print name and title: Peter Hayes, Executive Director

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours if self-employed) and address, and ZIP code	EIN	Phone no. ()	



SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No. 1545-0047

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

1999

Supplementary Information—(See separate instructions.)

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

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Peter Hayes 125 University Ave., Berkeley, CA 94710	Executive Director 40+	\$126,000	\$ 6,825*	\$ 4,800
Lyuba Zarsky 125 University Ave., Berkeley, CA 94710	Program Director 40	\$126,000	6,873*	4,800
Steve Freedkin 125 University Avenue, Berkeley, CA 94710-1616	Operations & Finance Director 40+	66,890	2,985	-0-
Wade Huntley 125 University Ave., Berkeley, CA 94710	Security Program Director 40+	60,976	2,567	-0-
*(d) where indicated by asterisk includes taxable benefit life insurance policy				
Total number of other employees paid over \$50,000	4			

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

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
None.		
Total number of others receiving over \$50,000 for professional services	-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 ► \$ _____ 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)? Salaries.	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	
4a Do you have a section 403(b) annuity plan for your employees?	X	
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.)		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions.)

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 5.)
- 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 page 5 of the instructions.)

(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 page 5 of the instructions.)

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

Calendar year (or fiscal year beginning in) ▶	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	\$2,183,146	\$1,362,515	\$ 789,933	\$ 671,000	\$ 5,006,594
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	68,629	58,133	74,517	16,369	217,648
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	23,998	23,315	13,473	8,113	68,899
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	5,632	2,205	-0-	-0-	7,837
23 Total of lines 15 through 22.	2,281,405	1,446,168	877,923	695,482	5,300,978
24 Line 23 minus line 17.	2,212,776	1,388,035	803,406	679,113	5,083,330
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24. . . . ▶	26a	101,667
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 1995 through 1998 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts. . . . ▶	26b	3,310,349
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶	26c	5,083,330
d Add: Amounts from column (e) for lines: 18 <u>68,899</u> 19 <u>-0-</u> 22 <u>7,837</u> 26b <u>3,310,349</u> ▶	26d	3,387,085
e Public support (line 26c minus line 26d total) ▶	26e	1,696,245
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶	26f	33.37%

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 (which is not open to public inspection) 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:

N/A (1999) (1998) (1997) (1996)

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:

(1999) (1998) (1997) (1996)

c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶	27c	
d Add: Line 27a total _____ and line 27b total _____ ▶	27d	
e Public support (line 27c total minus line 27d total). ▶	27e	
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) . . . ▶	27f	
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶	27g	%
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) . ▶	27h	%

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, 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 page 5 of the instructions.)

None

Part V Private School Questionnaire (See page 5 of the instructions.)
 N/A (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.)		
32a	Does the organization maintain the following: a Records indicating the racial composition of the student body, faculty, and administrative staff?		
32b	b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
32c	c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
32d	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:		
33a	a Students' rights or privileges?		
33b	b Admissions policies?		
33c	c Employment of faculty or administrative staff?		
33d	d Scholarships or other financial assistance?		
33e	e Educational policies?		
33f	f Use of facilities?		
33g	g Athletic programs?		
33h	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?		
34b	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 page 7 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

Check here **a** if the organization belongs to an affiliated group. N/A
 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		
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
 See the instructions for lines 45 through 50 on page 9 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(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 page 9 of the instructions.)

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 9 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

- a** Transfers from the reporting organization to a noncharitable exempt organization of:

	Yes	No
51a(i) (i) Cash		X
a(ii) (ii) Other assets		X
b(i) (i) Sales or exchanges of assets with a noncharitable exempt organization		X
b(ii) (ii) Purchases of assets from a noncharitable exempt organization		X
b(iii) (iii) Rental of facilities, equipment, or other assets		X
b(iv) (iv) Reimbursement arrangements		X
b(v) (v) Loans or loan guarantees		X
b(vi) (vi) Performance of services or membership or fundraising solicitations		X
c		X
- b** Other transactions:
- c** Sharing of facilities, equipment, mailing lists, other assets, or paid employees
- d** If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

(a) Line no.	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
None.			

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3) or in section 527? Yes No

b If "Yes," complete the following schedule:

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		



Nautilus of America, Inc.
Employer ID # 95-3608292
Form 990 — FY 1999

Attachment to Schedule A, Line 26(b)

Amounts contributed by each person whose total gifts for 1995-1998 exceeded the amount shown in Line 26(a):

Line 26(a):
\$101,667

Contributor	FY 1998	FY 1997	FY 1996	FY 1995	TOTAL	Excess
Ford Foundation	\$ 300,000	\$ 100,000	\$ 135,000	\$ 100,000	\$ 635,000	\$ 533,333
John Merck Fund	\$ 40,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 130,000	\$ 28,333
Rockefeller Brothers Fund	\$ 40,000	-	\$ 75,000	\$ 113,000	\$ 228,000	\$ 126,333
Rockefeller Foundation	\$ 363,000	\$ 160,500	\$ 150,000	\$ 185,000	\$ 858,500	\$ 756,833
United States-Japan Foundation	\$ 112,500	\$ 129,345	\$ 188,408	-	\$ 430,253	\$ 328,586
W. Alton Jones Foundation	\$ 646,000	\$ 545,000	\$ 240,000	\$ 165,000	\$ 1,596,000	\$ 1,494,333
Winston Foundation	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 50,000	\$ -
CGP Japan Fund	\$ 144,265	\$ -	\$ -	\$ -	\$ 144,265	\$ 42,598
Totals	\$ 1,645,765	\$ 964,845	\$ 843,408	\$ 618,000	\$ 4,072,018	\$ 3,310,349

Facts and Circumstances

The Nautilus Institute is supported by a wide range of foundations that have no 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.

The Nautilus Institute has worked diligently to broaden its funding base. Public support grew markedly in FYs 1997 through 1999. As of the current return, the 33-1/3% support test has been met.

Nautilus of America, Inc.

EIN 95-3608292

Line 1d - Schedule of Contributors

Contributors of \$5,000 or more in Fiscal 1999-2000

<u>Amount Given</u>	<u>Contributor</u>
\$ 250,000	Ford Foundation 320 E. 43rd St., New York, NY 10017-4890
40,000	John Merck Fund 11 Beacon St., Ste. 1230, Boston, MA 02108-3002
99,984	Korea Foundation Diplomatic Center Building, 1376-1, Seocho 2-dong, Seocho-gu, Seoul 137-072, Korea
100,000	John D. and Catherine T. MacArthur Foundation 140 S. Dearborn St., Chicago, IL 60603-5202
20,000	Management Assistance Group 1555 Connecticut Ave., NW, 3d Fl., Washington, DC 20036-1103
60,183	Natural Heritage Institute 114 Sansome St., #1200, San Francisco, CA 94104-3823
20,000	Ploughshares Fund Fort Mason Ctr., San Francisco, CA 94123-9712
40,000	Rockefeller Brothers Fund 437 Madison Ave., 37th Fl., New York, NY 10022-7011
210,000	Rockefeller Foundation 420 Fifth Avenue, New York, NY 10018-2729
500,000	W. Alton Jones Foundation 232 E. High St., Charlottesville, VA 22901-5178

Line 23 - Specific Assistance to Individuals

\$1,600 to the Sea Education Association for tuition and \$360 reimbursement of airfare to Marta Zekos for sending student Chris Zekos to summer institute. This was the Pegasus Project's first summer scholarship for youth. Of the total, \$1,025 was received in the form of restricted contributions from individuals, and \$575 was funded by Nautilus Institute from general funds.

Nautilus of America, Inc.

EIN 95-3608292

Line 42 - Depreciation, Depletion, Etc.

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

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

Amount	Due From	Notes
(\$ 3,241)	Peter Hayes and Lyuba Zarsky	Net of reimbursements owed by Key Employees to Nautilus, and reimbursements owed by Nautilus to Key Employees, for routine expenses. At June 30, 2000, Nautilus owed Key Employees net \$3,241.

Line 51a - Schedule of Other Notes and Loans Receivable

\$1,347	Various Staff	Routine travel advances and personal expenses not yet reimbursed to Nautilus. Staff owed a net of \$1,347 to Nautilus as of June 30, 2000. Reimbursements have since been received
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Line 57b - Accumulated Depreciation Schedule

Item	Acquired	Cost/Basis	Prior Yrs' Deprecia.	Method	Rate/ Life	Deprecia. This Year
Boat	1/94	\$ 63,000	\$ 34,650	SL	10	\$6,300
Library	Prior to 6/95	35,007	28,004	SL	5	7,001
		=====	=====			=====
SUBTOTALS		\$ 98,007	\$ 62,654			\$13,301
		(Line 57a)	\			/ (Line 42 Col. A)
DEPRECIATION TOTAL						\$75,955
						(Line 57b)
VALUE AFTER DEPRECIATION:						\$22,052 (Line 57c)

Form 990, Schedule A**1999**

Nautilus of America, Inc.

EIN 95-3608292

Part IV-A, Line 22 - Other Income

\$ 2,770	Increase in cash value on life insurance policy on Executive Directors
702	Federal Form 941 refund of tax overpayments in a previous fiscal year
2,129	California refund of unemployment tax overpayments in previous fiscal years
31	sale of used equipment
<u>\$ 5,632</u>	TOTAL