Form **990** | **Return of Organization Exempt From Income Tax**

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

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

Department of the Treasury
Internal Revenue Service

OMB No. 1545-0047

2002

Open to Public Inspection

A For the 2002 calendar year, or tax year beginning 08/01, 2002, and ending 07/31/2003

B Check if applicable: Address change ☐ Name change ☐ Initial return ☐ Final return ☐ Amended return ☐ Application pending ☐

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: FRANKLIN FURNACE ARCHIVE, INC.

Number and street (or P.O. box if mail is not delivered to street address): C/O HECHT AND CO., P.C. 111 WEST
111 W. 40TH STREET | Room/suite

City or town, state or country, and ZIP + 4: NEW YORK, NY 10018

CLIENTS COPY

D Employer identification number: 13-2879766

E Telephone number: (212)766-2606

F Accounting method: ☐ Cash X Accrual ☐ Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

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

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? ☐ Yes ☐ No (If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes X No

G Web site: ▶//WWW.FRANKLINFURNACE.ORG

J Organization type (check only one) ▶ X 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

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.**

I Enter 4-digit GEN ▶

M Check ▶ ☐ if the organization is **not** required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 339,092.

Part I **Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See page 17 of the instructions.)

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a	102,500.		
	b	Indirect public support	1b			
	c	Government contributions (grants)	1c	34,585.		
	d	Total (add lines 1a through 1c) (cash $ 141,085. noncash $)			1d	141,085.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2	500.
	3	Membership dues and assessments			3	57,265.
	4	Interest on savings and temporary cash investments			4	
	5	Dividends and interest from securities			5	13,097.
	6 a	Gross rents	6a			
	b	Less: rental expenses	6b			
	c	Net rental income or (loss) (subtract line 6b from line 6a)			6c	
	7	Other investment income (describe ▶)			7	

		(A) Securities		(B) Other
8 a	Gross amount from sales of assets other than inventory STMT 1	127,145.	8a	
b	Less: cost or other basis and sales expenses	128,466.	8b	
c	Gain or (loss) (attach schedule)	-1,321.	8c	

Revenue	d	Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	-1,321.
	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			
	c	Net income or (loss) from special events (subtract line 9b from line 9a)			9c	
	10 a	Gross sales of inventory, less returns and allowances	10a			
	b	Less: cost of goods sold	10b			
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	
	11	Other revenue (from Part VII, line 103)			11	
	12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	210,626.
Expenses	13	Program services (from line 44, column (B))			13	182,149.
	14	Management and general (from line 44, column (C))			14	79,590.
	15	Fundraising (from line 44, column (D))			15	13,681.
	16	Payments to affiliates (attach schedule)			16	
	17	**Total expenses** (add lines 16 and 44, column (A))			17	275,420.
Net Assets	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18	-64,794.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19	403,202.
	20	Other changes in net assets or fund balances (attach explanation) STMT 1			20	15,806.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	354,214.

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2002)

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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 page 21 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) (cash $ 71,520. noncash $)	22	71,520.	71,520.	SMT 13	
23 Specific assistance to individuals (attach schedule)	23				
24 Benefits paid to or for members (attach schedule)	24				
25 Compensation of officers, directors, etc.	25	59,961.	30,580.	26,982.	2,399.
26 Other salaries and wages	26	16,886.	10,163.	6,174.	549.
27 Pension plan contributions	27				
28 Other employee benefits	28	10,302.	5,254.	4,636.	412.
29 Payroll taxes	29	7,650.	3,902.	3,443.	305.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	24,724.	16,958.	7,766.	
34 Telephone	34	5,399.	2,427.	1,824.	1,148.
35 Postage and shipping	35	4,509.	1,608.	1,621.	1,280.
36 Occupancy	36				
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	5,032.		5,032.	
42 Depreciation, depletion, etc. (attach schedule) STMT 2	42	2,042.		2,042.	
43 Other expenses not covered above (itemize): STMT 3	43a	67,395.	39,737.	20,070.	7,588.
b	43b				
c	43c				
d	43d				
e	43e				
44 **Total functional expenses** (add lines 22 through 43). *Organizations completing columns (B)-(D), carry these totals to lines 13-15*	44	275,420.	182,149.	79,590.	13,681.

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

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ▶ ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs $ ______ ; (ii) the amount allocated to Program services $ ______ ;

(iii) the amount allocated to Management and general $ ______ ; and (iv) the amount allocated to Fundraising $ ______

Part III Statement of Program Service Accomplishments (See page 24 of the instructions.)

What is the organization's primary exempt purpose? ▶ STMT 4

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

		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
a	VISUAL ARTS PROGRAM - SEE STATEMENT 14 (Grants and allocations $ 64,320)	158,240.
b	EDUCATION PROGRAM - SEE STATEMENT 14 (Grants and allocations $ 7,200)	23,909.
c	(Grants and allocations $)	
d	(Grants and allocations $)	
e	Other program services (attach schedule) (Grants and allocations $)	
f	**Total of Program Service Expenses** (should equal line 44, column (B), Program services) ▶	182,149.

Part IV Balance Sheets (See page 24 of the instructions.)

	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				45	
	46 Savings and temporary cash investments			50,630.	46	111,556.
	47a Accounts receivable	47a	1,000.			
	b Less: allowance for doubtful accounts	47b		600.	47c	1,000.
	48a Pledges receivable	48a				
	b Less: allowance for doubtful accounts	48b			48c	
	49 Grants receivable			55,500.	49	37,000.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)				50	
	51a Other notes and loans receivable (attach schedule)	51a				
	b Less: allowance for doubtful accounts	51b			51c	
	52 Inventories for sale or use			44,800.	52	20,800.
	53 Prepaid expenses and deferred charges			NONE	53	528.
	54 Investments - securities (attach schedule) STMT 5 ▶ [ ] Cost [X] FMV			362,688.	54	253,121.
	55a Investments - land, buildings, and equipment: basis STMT	55a	54,306.			
	b Less: accumulated depreciation (attach schedule)	55b	51,999.	3,397.	55c	2,307.
	56 Investments - other (attach schedule)				56	
	57a Land, buildings, and equipment: basis	57a				
	b Less: accumulated depreciation (attach schedule)	57b			57c	
	58 Other assets (describe ▶ STMT 6)			3,345.	58	3,345.
	59 **Total assets** (add lines 45 through 58) (must equal line 74)			520,960.	59	429,657.
Liabilities	60 Accounts payable and accrued expenses			66,017.	60	17,282.
	61 Grants payable				61	
	62 Deferred revenue				62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)				63	
	64a Tax-exempt bond liabilities (attach schedule)				64a	
	b Mortgages and other notes payable (attach schedule)			47,500.	64b	46,754.
	65 Other liabilities (describe ▶ STMT 7)			4,241.	65	11,407.
	66 **Total liabilities** (add lines 60 through 65)			117,758.	66	75,443.
Net Assets or Fund Balances	**Organizations that follow SFAS 117, check here** ▶ [X] and complete lines 67 through 69 and lines 73 and 74.					
	67 Unrestricted			347,702.	67	317,214.
	68 Temporarily restricted			55,500.	68	37,000.
	69 Permanently restricted				69	
	Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 70 through 74.					
	70 Capital stock, trust principal, or current funds				70	
	71 Paid-in or capital surplus, or land, building, and equipment fund				71	
	72 Retained earnings, endowment, accumulated income, or other funds				72	
	73 **Total net assets or fund balances** (add lines 67 through 69 **or** lines 70 through 72; column (A) **must** equal line 19; column (B) **must** equal line 21)			403,202.	73	354,214.
	74 **Total liabilities and net assets / fund balances** (add lines 66 and 73)			520,960.	74	429,657.

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

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 26 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements	a	226,432.
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): STMT 8 $ 15,806.		
	Add amounts on lines (1) through (4)	b	15,806.
c	Line a minus line b	c	210,626.
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	210,626.

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

a	Total expenses and losses per audited financial statements	a	275,420.
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	275,420.
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	275,420.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 26 of the instructions.)

(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
SEE STATEMENT 10		59,961.	NONE	NONE

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 page 26 of the instructions.

Part VI **Other Information** (See page 27 of the instructions.)

			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	76		X
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.	77		X
78 a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80 a	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?	80a		X
b	If "Yes," enter the name of the organization ▶ ______ and check whether it is ☐ exempt or ☐ nonexempt.			
81 a	Enter direct or indirect political expenditures. See line 81 instructions — 81a: NONE			
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) — 82b: N/A			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	*501(c)(4), (5), or (6) organizations.* a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b	N/A	
	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.			
c	Dues, assessments, and similar amounts from members — 85c: N/A			
d	Section 162(e) lobbying and political expenditures — 85d: N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices — 85e: N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) — 85f: N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	*501(c)(7) orgs.* Enter: a Initiation fees and capital contributions included on line 12 — 86a: N/A			
b	Gross receipts, included on line 12, for public use of club facilities — 86b: N/A			
87	*501(c)(12) orgs.* Enter: a Gross income from members or shareholders — 87a: N/A			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) — 87b: N/A			
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88		X
89 a	*501(c)(3) organizations.* Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ NONE ; section 4912 ▶ NONE ; section 4955 ▶ NONE			
b	*501(c)(3) and 501(c)(4) orgs.* Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X

c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ NONE

d Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ NONE

90 a List the states with which a copy of this return is filed ▶ NEW YORK

b Number of employees employed in the pay period that includes March 12, 2002 (See instructions) 90b 3

91 The books are in care of ▶ FRANKLIN FURNACE ARCHIVE, INC. Telephone no. ▶ 212-766-2606

Located at ▶ 45 JOHN STREET, NY, NY ZIP + 4 ▶ 10038

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041* - Check here ▶ ☐

and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 92 N/A

Part VII Analysis of Income-Producing Activities (See page 31 of the instructions.)

Note: *Enter gross amounts unless otherwise indicated.*	Unrelated business income		Excluded by section 512, 513, or 514		(E)
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	Related or exempt function income
93 Program service revenue:					
a PUBLICATIONS					500.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					57,265.
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	13,097.	
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			18	-1,321.	
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))				11,776.	57,765.

105 Total (add line 104, columns (B), (D), and (E)) ▶ 69,541.

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 page 32 of the instructions.)

Line No. ▼	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	FUNDS COLLECTED FROM THE SALE OF PUBLICATIONS THAT ACCOMPANY
	EXEMPT FUNCTION EXHIBITS SERVE A VITAL EDUCATION PURPOSE.
94	MEMBERSHIP DUES SUPPORT ALL ACTIVITIES OF THE ORGANIZATION

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 of the instructions.)

(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
	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 33 of the instructions.)

(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.

▶ Signature of officer CLIENTS COPY Date

▶ Type or print name and title.

Paid Preparer's Use Only

Preparer's signature ▶		Date	Check if self-employed ▶ ☐	Preparer's SSN or PTIN (See Gen. Inst. W)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶	Hecht & Company 111 West 40 Street New York, NY 10018		EIN ▶ 13-2891505	
			Phone no. ▶ 212-819-5000	

Form 8868 (December 2000)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ▶ [x]
- If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** (on page 2 of this form).

Note: *Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.*

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

Note: *Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only* ▶ [ ]

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print	Name of Exempt Organization	Employer identification number
File by the due date for filing your return. See instructions.	FRANKLIN FURNACE ARCHIVE, INC.	13-2879766
	Number, street, and room or suite no. If a P.O. box, see instructions. C/O HECHT AND CO., P.C. 111 WEST 40TH ST.	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. NEW YORK, NY 10018	

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

[x] Form 990	[ ] Form 990-T (corporation)	[ ] Form 4720
[ ] Form 990-BL	[ ] Form 990-T(sec. 401(a) or 408(a) trust)	[ ] Form 5227
[ ] Form 990-EZ	[ ] Form 990-T (trust other than above)	[ ] Form 6069
[ ] Form 990-PF	[ ] Form 1041-A	[ ] Form 8870

- If the organization does **not** have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a **Group Return,** enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the **whole** group, check this box ▶ [ ] . If it is for part of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension will cover.

1 I request an automatic 3-month (6-month, for **990-T corporation**) extension of time until 03/15 , 2004 , to file the exempt organization return for the organization named above. The extension is for the organization's return for:

▶ [ ] calendar year ______ or

▶ [x] tax year beginning 08/01 , 2002 , and ending 07/31 , 2003 .

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions . . . . $

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit . . . . $

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions . . . . $

Signature and Verification

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

Signature ▶ Elia Koon Title ▶ ATTY Date ▶ 12/10/03

For Paperwork Reduction Act Notice, see Instruction Form **8868** (12-2000)

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If you are filing for an **Additional (not automatic) 3-Month Extension, complete only Part II** and check this box ▶ [x]

Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an **Automatic 3-Month Extension, complete only Part I** (on page 1).

Part II Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Type or print

File by the extended due date for filing the return. See instructions.

Name of Exempt Organization: FRANKLIN FURNACE ARCHIVE, INC.

Employer identification number: 13-2879766

Number, street, and room or suite no. If a P.O. box, see instructions.: C/O HECHT AND CO., P.C. 111 WEST 40TH ST

For IRS use only

City, town or post office, state, and ZIP code. For a foreign address, see instructions.: NEW YORK, NY 10018

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

[X] Form 990 [ ] Form 990-EZ [ ] Form 990-T (sec. 401(a) or 408(a) trust) [ ] Form 1041-A [ ] Form 5227 [ ] Form 8870
[ ] Form 990-BL [ ] Form 990-PF [ ] Form 990-T (trust other than above) [ ] Form 4720 [ ] Form 6069

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- If the organization does **not** have an office or place of business in the United States, check this box ▶ [ ]
- If this is for a **Group Return,** enter the organization's four digit Group Exemption Number (GEN) ______ . If this is for the **whole** group, check this box ▶ [ ] . If it is for **part** of the group, check this box ▶ [ ] and attach a list with the names and EINs of all members the extension is for.

4 I request an additional 3-month extension of time until 06/15/2004 .

5 For calendar year ______ , or other tax year beginning 08/01/2002 and ending 07/31/2003 .

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

7 State in detail why you need the extension ALL INFORMATION NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN IS NOT YET AVAILABLE.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions . . . . $

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 . . . . $

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions . . . . $

Signature and Verification

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

Signature ▶ [signature] Title ▶ CPA Date ▶ 3/15/04

Notice to Applicant - To Be Completed by the IRS

[X] We have approved this application. Please attach this form to the organization's return.

[ ] We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.

[ ] We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.

[ ] We cannot consider this application because it was filed after the due date of the return for which an extension was requested.

[ ] Other ______

Director ______ By: ______ Date ______

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print

Name: HECHT AND COMPANY, P.C.

Number and street (include suite, room, or apt. no.) Or a P.O. box number: 111 WEST 40TH STREET

City or town, province or state, and country (including postal or ZIP code): NEW YORK, NY 10018

EXTENSION APPROVED
APR 0 6 2004

JSA
2F8055 1.000

28A0G1 7601 03/15/2004 09:31:45

SCHEDULE A
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information - (See separate instructions.)

▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ

OMB No. 1545-0047

2002

Name of the organization: FRANKLIN FURNACE ARCHIVE, INC.

Employer identification number: 13-2879766

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
NONE				
Total number of other employees paid over $50,000 . . . . ▶	NONE			

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

(See page 2 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 . . . . ▶ NONE		

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

JSA
2E1210 1.000

28A0G1 7601 04/29/2004 10:30:04 V02-8.1

Part III Statements About Activities (See page 2 of the instructions.)

			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 ▶ $ ______ (Must equal amounts on line 38, Part VI-A, or line i or Part VI-B.)	1		X
	Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? *(If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)*			
a	Sale, exchange, or leasing of property?	2a		X
b	Lending of money or other extension of credit?	2b		X
c	Furnishing of goods, services, or facilities?	2c		X
d	Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d	X	
e	Transfer of any part of its income or assets?	2e		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)	3	X	
4	Do you have a section 403(b) annuity plan for your employees?	4		X

Note: *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.* STMT 11

Part IV Reason for Non-Private Foundation Status (See pages 3 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.)

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

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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	153,900	232,400	270,300.	103,680.	760,280.
16 Membership fees received	71,040	58,297	35,239.	18,591.	183,167.
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	27	187		329.	543.
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	21,484	31,606	20,222.	20,693.	94,005.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	246,451	322,490	325,761.	143,293.	1,037,995.
24 Line 23 minus line 17	246,424	322,303	325,761.	142,964.	1,037,452.
25 Enter 1% of line 23	2,465	3,225	3,258.	1,433.	

26 **Organizations described on lines 10 or 11:** a Enter 2% of amount in column (e), line 24 ▶ 26a 20,749.

b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1998 through 2001 exceeded the amount shown in line 26a. **Do not file this list with your return.** Enter the total of all these excess amounts ▶ 26b 225,412.

c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶ 26c 1,037,452.

d Add: Amounts from column (e) for lines: 18 94,005. 19 ______ 22 ______ 26b 225,412. ▶ 26d 319,417.

e Public support (line 26c minus line 26d total) ▶ 26e 718,035.

f **Public support percentage (line 26e (numerator) divided by line 26c (denominator))** ▶ 26f 69.2114 %

27 **Organizations described on line 12:** a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." **Do not file this list with your return. Enter the sum of such amounts for each year:**

(2001) ______ (2000) ______ (1999) NOT APPLICABLE (1998) ______

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) $5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(2001) ______ (2000) ______ (1999) ______ (1998) ______

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 from 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 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return. Do not include these grants in line 15.**

Part V **Private School Questionnaire** (See page 7 of the instructions.)
(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?	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?	32a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	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?	33a		
b	Admissions policies?	33b		
c	Employment of faculty or administrative staff?	33c		
d	Scholarships or other financial assistance?	33d		
e	Educational policies?	33e		
f	Use of facilities?	33f		
g	Athletic programs?	33g		
h	Other extracurricular activities?	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 page 9 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768) NOT APPLICABLE

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is - / **The lobbying nontaxable amount is -**			
Not over \$500,000 / 20% of the amount on line 40			
Over \$500,000 but not over \$1,000,000 / \$100,000 plus 15% of the excess over \$500,000			
Over \$1,000,000 but not over \$1,500,000 / \$175,000 plus 10% of the excess over \$1,000,000	41		
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 11 of the instructions.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(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 11 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		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.)			None

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 12 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?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of:			
(i) Cash	51a(i)		X
(ii) Other assets	a(ii)		X
b Other transactions:			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b(i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b(ii)		X
(iii) Rental of facilities, equipment, or other assets	b(iii)		X
(iv) Reimbursement arrangements	b(iv)		X
(v) Loans or loan guarantees	b(v)		X
(vi) Performance of services or membership or fundraising solicitations	b(vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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
N/A			

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		

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Supplementary Information for line 1 of Form 990, 990-EZ, and 990-PF (see instructions)

OMB No. 1545-0047

2002

Name of organization: FRANKLIN FURNACE ARCHIVE, INC.

Employer identification number: 13-2879766

Organization type (check one):

Filers of:	**Section:**
Form 990 or 990-EZ	[x] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note:** *Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule - see instructions.)*

General Rule -

[ ] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. (Complete Parts I and II.)

Special Rules -

[x] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of $5,000 or 2% of the amount on line 1 of these forms. (Complete Parts I and II.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. (Complete Parts I, II, and III.)

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) . . . . ▶ $ ________

Caution: *Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).*

If a section 501(c)(7), (8), or (10) organization received contributions or bequests for use exclusively for religious, charitable, etc., purposes (sections 170(c)(4), 2055(a)(3), or 2522(a)(3)) -

List in Part I each contributor whose contributions total more than $1,000 during the year that were for a religious, charitable, etc., purpose. To determine the $1,000, aggregate all of a contributor's gifts for the year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that received **any** charitable contributions and listed **any** charitable contributors on Part I must also complete Part III.

If a section 501(c)(7), (8), or (10) organization received charitable gifts, but is not required to list **any** charitable contributors on Part I, check the box on line **A** at the top of Schedule B (Form 990 or 990-EZ) and enter the amount of charitable contributions received in the space provided. The organization need not complete and attach Part III.

Specific Instructions

Note: *You may duplicate Parts I, II, and III if more copies are needed. Number each page of each Part.*

Part I. In column **(a)**, identify the first contributor listed as no. 1 and the second contributor as no. 2, etc. Number consecutively. Show the contributor's name, address, aggregate contributions for the year; and the type of contribution (e.g., whether an individual, payroll, or noncash contribution). Report payroll contributions by listing the employer's name, address, and total amount given (unless an employee gave enough to be listed individually).

Part II. In column **(a)**, show the number that corresponds to the contributor's number in Part I. Describe the noncash contribution fully. Report on property with readily determinable market value (i.e., market quotations for securities) by listing its fair market value (FMV). For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the bona fide bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property's fair market value.

Part III. Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes must complete Parts I through III for those persons whose gifts totaled more than $1,000 during the year. Show also, in the heading of Part III, total gifts that were $1,000 or less and were for a religious, charitable, etc., purpose. *Complete this information only on the first Part III page.*

If an amount is set aside for a religious, charitable, etc., purpose, show in column **(d)** how the amount is held (e.g., whether it is mingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column **(e)** and explain the relationship between the two organizations.

Name of organization: FRANKLIN FURNACE ARCHIVE, INC.

Employer identification number: 13-2879766

Part I **Contributors** (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JEROME FOUNDATION 400 SIBLEY STREET, SUITE 125 ST. PAUL, MN 55101	74,000.	Person X Payroll Noncash (Complete Part II if there is a noncash contribution.)
2	NYC DEPT OF CULTURAL AFFAIRS 330 WEST 42N STREET NEW YORK, NY 10036	9,500.	Person X Payroll Noncash (Complete Part II if there is a noncash contribution.)
3	TRUST FOR MUTUAL UNDERSTANDING 30 ROCKEFELLER PLAZA NEW YORK, NY 10112	10,500.	Person X Payroll Noncash (Complete Part II if there is a noncash contribution.)
4	E & H HANCOCK FOUNDATION P.O. BOX 236 ST. LOUIS, MO 63166	12,000.	Person X Payroll Noncash (Complete Part II if there is a noncash contribution.)
5	NATIONAL ENDOWMENT FOR THE ARTS 1100 PENNSYLVANIA AVENUE WASHINGTON, DC 20506	18,000.	Person X Payroll Noncash (Complete Part II if there is a noncash contribution.)
6	FEMA WASHINGTON, DC 20506	7,085.	Person X Payroll Noncash (Complete Part II if there is a noncash contribution.)

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION		AMOUNT
UNREALIZED GAINS ON INVESTMENTS		15,806.
	TOTAL	15,806.

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
CONSULTING	22,075.	20,485.	1,590.	
PUBLIC RELATIONS AND ADVERTISI	7,143.	2,132.		5,011.
UTILITIES	2,101.	734.	947.	420.
PROFESSIONAL FEES	8,328.		8,328.	
INSURANCE	2,809.	1,432.	1,266.	111.
OFFICE EXPENSE	17,085.	8,542.	6,586.	1,957.
TRAVEL	1,900.	1,871.	29.	
STORAGE	3,970.	2,859.	1,111.	
MISCELLANEOUS	1,984.	1,682.	213.	89.
TOTALS	67,395.	39,737.	20,070.	7,588.

FORM 990, PART III - ORGANIZATION'S PRIMARY EXEMPT PURPOSE
==

TAXPAYER PROVIDES A PUBLIC ARCHIVE OF BOOKS PRODUCED BY ARTISTS AS ARTWORKS AND MAINTAINS AN EXHIBITION SPACE FOR SUCH WORKS.

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
FED NATL MTG NOTES 10/08/2002	100,786.	NONE
FORD MTRS SR NOTES 2/23/2004	25,384.	26,121.
AT&T CORP 3/15/2004	23,813.	26,243.
FORD MOTOR CREDIT 3/15/2005	26,131.	27,153.
NORWEST FINANCIAL 9/30/2003	25,829.	25,605.
ALLIANCE WORLDWIDE CL B	2,629.	2,928.
BEAR STERNS SMALL CAP CL C	11,890.	13,103.
DELAWARE SMALL CAP CL B	14,065.	16,561.
SCUDDER HIGH RETURN CL B	14,486.	15,341.
NICOLAS APPLEGATE SMALL CAP	3,984.	4,135.
OPPENHEIMER QUEST CL B	11,556.	12,245.
WASHINGTON MUTUAL INVESTORS	13,692.	14,685.
PIONEER BOND CL B	34,356.	36,816.
EATON VANCE TX MANAGED GROWTH	5,699.	6,093.
DAVIS NY VENTURE CL B	6,049.	6,673.
EVERGREEN SMALL GROWTH CL B	9,678.	12,914.
CASH MANAGEMENT FUND	32,661.	6,505.
TOTALS	362,688.	253,121.

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
SECURITY DEPOSITS	3,345.	3,345.
TOTALS	3,345.	3,345.

STATEMENT 6

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION	BEGINNING BOOK VALUE	ENDING BOOK VALUE
PAYROLL TAXES PAYABLE	4,241.	11,407.
TOTALS	4,241.	11,407.

FORM 990, PART IV-A - OTHER REVENUE ON BOOKS BUT NOT ON RETURN

DESCRIPTION	AMOUNT
UNREALIZED GAINS ON SECURITIES	15,806.
TOTAL	15,806.

STATEMENT 8

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

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
SUSAN WIDERMAN BLOG 2 EAGLE HILL CT. HUNTINGTON, NY 11743	TREASURER AS REQ'D	NONE	NONE	NONE
JON HENDRICKS 488 GREENWICH ST. NY, NY 10013	DIRECTOR AS REQ'D	NONE	NONE	NONE
DAVID S. PERLMUTTER 37 LUDLOW DR. CHAPPAQUA, NY 10514	DIRECTOR AS REQ'D	NONE	NONE	NONE
MARTHA WILSON 432 DEAN ST. BROOKLYN , NY 11217	DIRECTOR AS REQ'D	47,917.	NONE	NONE
DAVID CALE 504 E. 5TH ST. NEW YORK, N.Y. 10009	DIRECTOR AS REQ'D	NONE	NONE	NONE
ADAM M. COHEN 1350 SIXTH AVENUE NEW YORK, N.Y. 10019	SECRETARY AS REQ'D	NONE	NONE	NONE
HARLEY SPILLER 501 E. 78TH STREET APT 2E NEW YORK, N.Y. 10021	ASST SECRE AS REQ'D	12,044.	NONE	NONE
MICHAEL SMITH 208 JACKSON ST.	DIRECTOR AS REQ'D	NONE	NONE	NONE

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

NAME AND ADDRESS	TITLE AND TIME DEVOTED TO POSITION	COMPENSATION	CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS	EXPENSE ACCT AND OTHER ALLOWANCES
BROOKLYN, N.Y. 11211				
CHRIS DAZE ELLIS 1575 LEXINGTON AVENUE NEW YORK, NY 10029	DIRECTOR AS REQ'D	NONE	NONE	NONE
JESSICA HANLON 152 ICELAND DRIVE HUNTINGTON STATION, NY 11746	DIRECTOR AS REQ'D	NONE	NONE	NONE
RUTH HARDINGER 20 N MOORE STREET, #1E NEW YORK, NY 10013	DIRECTOR AS REQ'D	NONE	NONE	NONE
JON HENDRICKS 488 GREENWICH STREET NEW YORK, NY 10013	DRECTOR AS REQ'D	NONE	NONE	NONE
RUSSET LEDERMAN 161 WEST 75TH STREET NEW YORK, NY 10023	DIRECTOR AS REQ'D	NONE	NONE	NONE
	GRAND TOTALS	59,961.	NONE	NONE

SCHEDULE A, PART III - EXPLANATION FOR LINE 4

THE FRANKLIN FURNACE FUND FOR PERFORMANCE ART AWARDS GRANTS TO EMERGING PERFORMING ARTISTS TO ENABLE THEM TO PRODUCE MAJOR WORK FOR THE FIRST TIME AT ANY VENUE IN THE STATE OF NEW YORK. EACH YEAR, FRANKLIN FURNACE SELECTS A PANEL OF ARTISTS WHO REVIEW PROPOSALS RECEIVED FROM ALL PARTS OF THE WORLD.

FRANKLIN FURNACE ARCHIVE, INC. ID# 13-2879766

FORM 990, PART I YEAR 7/31/03

LINE 8 - NET GAIN (LOSS) FROM SALES OF ASSETS OTHER THAN INVENTORY

DATE ACQUIRED	DATE SOLD	# OF SH OR PAR	DESCRIPTION	PROCEEDS	COST BASIS	GAIN (LOSS)
05/04/1998	10/08/2002	100,000	FED'L NAT'L MTG ASSN NOTES, 6.06% DUE 10/8/02	100,000	102,310	(2,310)
VARIOUS	VARIOUS	26,156	CASH MANAGEMENT FUND	26,156	26,156	0
			CAPITAL GAIN DISTRIBUTIONS	989	0	989
				127,145	128,466	(1,321)

FRANKLIN FURNACE ARCHIVES, INC ID # 13-2879766
Form 990 Part II Line 22
GRANTS PAID TO ARTISTS
FYE 7/31/2003

ARTISTS' NAME	ADDRESS	AMOUNT	Visual Arts Program	Education Program
Donna Henes	279 Sterling Place, Brooklyn, NY 11238	3,175	3,175	
Diane Torr	P.O. Box 481, New York, NY 10009	1,000	1,000	
Steven Watson	603 W. 111th St., 6W, NY, NY 10025	100	100	
Ron Littke	401 8th Ave., #32, Brooklyn, NY 11215	2,100		2,100
Jim Calder	26 Riverside Ave., Haverstraw, NY 10927	950	950	
Kathleen Brandt	37 Dove St., Albany, NY 11220	5,000	5,000	
Rev. Billy Talen	PO Box 1556 Canal St Station, NYC 10013	19,730	19,730	
Ricardo Miranda	1717 Troutman St., #313, Ridgewood NY 11385	5,050	5,050	
Mouchete	Amsterdam, The Netherlands	1,500	1,500	
Robin Holder	121 Greenpoint Ave., Brooklyn, NY 11222	100		100
Zlatko Kopljar	Bacunski Krc 59, 10040 Zagreb, Croatia	10,215	10,215	
Benita Abrams	401 8th Ave., #32, Brooklyn, NY 11215	2,000		2,000
Chris Ellis	1575 Lexington Ave., NY, NY 10029	2,000		2,000
Aaron Goodstone	127 Stanton St., NY, NY 10002	1,000		1,000
William Pope	102 Nicolas St., 2nd Flr., Lewiston, ME 04240	300	300	
Zhang Ga	452 W. 23rd St., #3A, NYC 10011	300	300	
Tiffany Ludwig	253 1/2 Fifth St., #1 Jersey City, NJ 07302	300	300	
Deborah Edmeades	415 Grand St., Apt #1, Brooklyn, NY 11211	300	300	
Pat Oleszko	190 Duane St., NYC 10013	11,400	11,400	
Vivian Babuts	316 Westminster Rd., Dewitt, NY 11234	5,000	5,000	
		71,520	64,320	7,200

Statement 13

FRANKLIN FURNACE ARCHIVE, INC. ID#13-2879766
FORM 990
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS
PART III
JULY 31, 2003

VISUAL ARTS PROGRAM Expenses------ $158,240

The following programs were initiated by the organization

1. The Future of the Present 2003, a series of live art on the Internet presentations by international artists were produced in an array of New York State venues.
2. Recording the Work of Franklin Furnace 2003, a program whereby digital records of artists books, temporary installations, performance art, netcasts and "live art on the Internet" were assembled and developed in conformity with the standards of the Conceptual and Intermedia Arts Online (CIAO) consortium.
3. Archives of the Avant-Garde 2003 continued developing plans to survey the location, legal status, quantity and condition of archives of artists' groups and organizations that flourished in lower Manhattan after 1960, in order to build a location database.
4. Franklin Furnace Fund for Performance Art 2003-2004, a program of giving grants to international artists selected by peer panel review to enable them to prepare major performance art works in New York State.

EDUCATION PROGRAM Expenses ------$ 23,909

Franklin Furnace has sponsored arts-in-education workshops in New York City public schools led by professional artists, performance artists, videographers, photographers, animators and collectors in a program entitled Sequential Art for Kids (SAK). The program continues to emphasize literacy by using sequential art media to enhance cognitive development among children.

Two video artists worked with SAK this year, reinforcing the curriculum goals of the English as a Second Language program at PS 52 in Sheepshead Bay, Brooklyn.

A collector/artist presented an object-based manipulative learning program that helps recent immigrants become excited about learning language and other skills such as tolerance and acceptance.

CHAR 497 *ANNUAL FINANCIAL REPORT* *(Charitable Organization)* FOR THE YEAR ENDED 07/31/2003	STATE OF NEW YORK DEPARTMENT OF LAW CHARITIES BUREAU - REGISTRATION SECTION 120 BROADWAY New York, NY 10271 www.oag.state.ny.us/charities/charities.html
FULL OFFICIAL NAME AND ADDRESS OF ORGANIZATION Official Name: FRANKLIN FURNACE ARCHIVE, INC. Street Address: C/O HECHT AND CO.,111 WEST 40TH ST City: NEW YORK State: NY Zip: 10018	ORGANIZATION'S MAIL ADDRESS, TELEPHONE NUMBER & EMAIL Street Address: Same City: State: Zip: Phone Number: (212)766-2606 Ext: Email: //WWW.FRANKLINFURNACE.ORG

STATE REGISTRATION NUMBER	FEDERAL I.D. NUMBER	For Office Use Only	
46053	13-2879766	DATE RECEIVED	EXAMINED BY/DATE
This form, including any attachments, is a public record and a copy will be provided upon request to any interested persons.		RECEIPT NO.	AMOUNT

☐ Executive Law Annual Filing Exemption: "X" box if your total contributions did not exceed $25,000 and you did not engage the services of a professional fund raiser or fund raising counsel during this fiscal year. (See page 4)

☐ EPTL Annual Filing Exemption: "X" box if your total gross receipts for this fiscal year did not exceed $25,000 and the assets (market value) of the organization did not exceed $25,000 at any time during this fiscal year. (For dual registrants only - see page 4)

☐ This is a combined report for ______ organizations. (Prior written approval of Attorney General required to submit combined reports)

FINANCIAL SUMMARY	TOTAL
Support and Revenue	
1. Direct public support (line 14, Schedule 1, page 2)	102,500.
2. Indirect public support (line 18, Schedule 1, page 2)	
3. Government grants (line 20, Schedule 1, page 2)	38,585.
4. Program service revenue	500.
5. Other revenue SEE STATEMENT 1	69,041.
6. Total support and revenue (add lines 1 through 5)	210,626.
Expenses	
Program services (list individually):	
7. VISUAL ARTS PROGR-SEE FORM 990	158,240.
8. EDUCATION PROGRAM-SEE FORM 990	23,909.
9.	
10.	
11. Public information combined with fund raising	
12. Payments to affiliates/services to affiliates	
13. Total program services (add lines 7 through 12)	182,149.
14. Management and general expenses	79,590.
15. Fund raising expenses	13,681.
16. Total expenses (add lines 13 through 15)	275,420.
17. Excess (deficit) of support and revenue over expenses (line 6 minus line 16)	-64,794.
18. Fund balances or net worth at beginning of year	403,202.
19. Other changes in fund balances or net worth (attach explanation) STMT 2	15,806.
20. Fund balances or net worth at end of year (add lines 17 through 19)	354,214.
Summary of Balance Sheet (as of 07/31/2003)	
21. Assets	429,657.
22. Liabilities	75,443.
23. Fund balances (line 21 minus line 22)	354,214.

Explanation of income and expense items, if required:

N/A

SCHEDULE 1: CONTRIBUTIONS NOTE: Do not report donated services or facilities in this schedule.	Total Amount	Portion Other Than Cash
Direct Public Support		
1. Direct mail		
2. Telephone solicitation campaigns		
3. Commercial co-venturers (complete Schedule 4)		
4. Door-to-Door		
5. Special events (contribution portion only)		
6. Telethon		
7. Other (specify):		
8. Other (specify):		
9. Other (specify):		
10. Total general public support (add lines 1 through 9)		
11. Foundation and trust grants	102,500.	
12. Corporate and other business grants		
13. Legacies and bequests		
14. Total direct public support (add lines 10 through 13) (Transfer total line 14 to page 1, line 1)	102,500.	
Indirect Public Support		
15. From Federated Fund Raising Agencies		
16. From affiliates		
17. From other fund raising agencies		
18. Total indirect public support (add lines 15 through 17) (Transfer total line 18 to page 1, line 2)		
Government Grants		
19. Specify Agency:		
(a) SEE FORM 990	38,585.	
(b)		
(c)		
(d)		
(e) All other government grants		
20. Total government grants (add lines 19(a) through 19(e)) (Transfer total line 20 to page 1, line 3)	38,585.	
21. Total contributions (sum of lines 14, 18 and 20)	141,085.	

ACTIVITY STATEMENTS

1. Have your books/records been audited by or for any government agency/funding source this fiscal year? ☐ YES* ☒ NO
   * If YES, specify agency: ____________ Period audited: ____________

2. Does your organization allocate costs of multipurpose activities among program services, management and general, and fund raising; i.e., Direct Mail, Telethon? ☐ YES* ☒ NO
   * If YES, See IRS Instructions - Reporting Joint Costs of Multi-Purpose Activities.

3. Did your organization receive donated services or the use of materials, equipment or facilities at no charge or at substantially less than fair rental value? ☐ YES* ☒ NO
   * If YES, indicate the value: ____________. Do not include this amount as support or as an expense on page 1.

SCHEDULE 2: PROFESSIONAL FUND RAISERS (PFR)

Item	Contract 1	Contract 2	Contract 3	Contract 4
1. Name, address and telephone number of PFR	N/A			
2. Contract Period				
3. Type of services provided by PFR				
4. Total gross revenue				
5. Total expenses, including payments to PFR				
6. Total uncollected pledges				
7. Accounting method used in preparing this report	☐ CASH ☐ ACCRUAL ☐ OTHER *(Specify)*	☐ CASH ☐ ACCRUAL ☐ OTHER *(Specify)*	☐ CASH ☐ ACCRUAL ☐ OTHER *(Specify)*	☐ CASH ☐ ACCRUAL ☐ OTHER *(Specify)* ....
8. Did service result in solicitation in New York State	☐ YES ☐ NO	☐ YES ☐ NO	☐ YES ☐ NO	☐ YES ☐ NO

* DO NOT exclude amounts retained by PFR (e.g. amounts reported on line 5).

SCHEDULE 3: FUND RAISING COUNSEL (FRC)

Item	Contract 1	Contract 2	Contract 3	Contract 4
1. Name, address, telephone number of FRC	N/A			
2. Contract period				
3. Type of services provided by FRC				
4. Total paid to FRC				
5. Did services result in solicitation in New York State?	☐ YES ☐ NO	☐ YES ☐ NO	☐ YES ☐ NO	☐ YES ☐ NO

SCHEDULE 4: COMMERCIAL CO-VENTURERS (CCV)

Item	Contract 1	Contract 2	Contract 3	Contract 4
1. Name, address and telephone number of CCV	N/A			
2. Contract period				
3. Description of co-venture				
4. Brief description of financial terms and conditions of written contract				
5. Has the organization received an accounting from the CCV as required by § 173-a(3) of Article 7-A of the Executive Law?	☐ YES ☐ NO	☐ YES ☐ NO	☐ YES ☐ NO	☐ YES ☐ NO

DOCUMENT ATTACHMENT CHECK-OFF:

Check the boxes for the documents you are attaching:

Article 7-A Filing Fee

- [ ] $25.00 fee (total support & revenue more than $250,000)
- [X] $10.00 fee (total support & revenue $250,000 or less)
- [ ] No Article 7-A fee (total contributions less than $25,000 and did not engage PFR or FRC) - *Submit CHAR006 (Notice of Annual Filing Exemption)*

Independent Accountant's Report

- [X] Audit Report (total support & revenue more than $250,000)
- [ ] Review Report (total support & revenue $100,001 to $250,000)
- [ ] No Accountant's Report Required (total support & revenue not more than $100,000 or contributions received not more than $25,000 with no PFR/FRC)

Completed Internal Revenue Service Forms

- [X] IRS Form 990
- [X] Schedule A to IRS Form 990
- [X] Schedule B to IRS Form 990
- [ ] IRS Form 990-T

- [ ] IRS Form 990-EZ
- [ ] Schedule A to IRS Form 990-EZ
- [ ] Schedule B to IRS Form 990-EZ
- [ ] IRS Form 990-T

- [ ] IRS Form 990-PF
- [ ] Schedule B to IRS Form 990-PF
- [ ] IRS Form 990-T

Additional Documents for Dual Registrants

EPTL Filing Fee:

- [ ] $25.00 (net worth of less than $50,000)
- [ ] $50.00 (net worth of $50,000 or more, but less than $250,000)
- [X] $100.00 (net worth of $250,000 or more, but less than $1,000,000)
- [ ] $250.00 (net worth of $1,000,000 or more, but less than $10,000,000)
- [ ] $750.00 (net worth of $10,000,000 or more, but less than $50,000,000)
- [ ] $1500.00 (net worth of $50,000,000 or more)
- [ ] No EPTL fee (total gross receipts less than $25,000 and assets did not exceed $25,000 at any time during year) - *Submit CHAR006 (Notice of Annual Filing Exemption)*

- [X] CHAR003 (Securities Schedule) - required if securities are held at any time during the year

Other Attachments (if any)

- [ ] List: ______________ ______________ ______________

CERTIFICATION BY CHARITABLE ORGANIZATION

We certify under penalties of perjury that we reviewed this report, including all attachments, and to the best of our knowledge and belief, they are true, correct and complete in accordance with the laws of the State of New York applicable to this report.

Signature of President or Authorized Officer	Printed Name	Title	Date Signed
Signature of Chief Financial Officer	Printed Name	Title	Date Signed

After this report has been executed by two distinct officials, please send it with the appropriate **attachments** and **fee** to:

State of New York Department of Law
Charities Bureau - Registration Section
120 Broadway
New York, NY 10271-0332

Forms and instructions for registration and annual financial filing are available on the Charities Bureau website at www.oag.state.ny.us/charities/charities.html

NEW YORK 497 - LINE 5 - OTHER REVENUE

MEMBERSHIP DUES AND ASSESSMENTS	57,265.
DIVIDENDS AND INTEREST FROM SECURITIES	13,097.
NET GAIN OR (LOSS) FROM SALE OF ASSETS	-1,321.
TOTAL OTHER REVENUE	69,041.

NEW YORK 497 - LINE 19 - CHANGES TO NET WORTH OR FUND BALANCES

DESCRIPTION	AMOUNT
OTHER INCREASES IN FUND BALANCES	
UNREALIZED GAINS ON INVESTMENTS	15,806.
TOTAL	15,806.
NET CHANGE FOR FUND BALANCES GRAND TOTAL	15,806.

FORM CHAR 003

FRANKLIN FURNACE ARCHIVE, INC.
NAME OF ORGANIZATION

STATE OF NEW YORK, OFFICE OF THE ATTORNEY GENERAL
CHARITIES BUREAU
120 BROADWAY NEW YORK, NEW YORK 10271
SECURITIES SCHEDULE

07/31/03
CALENDAR OR FISCAL YEAR

DATE ACQUIRED	TYPE AND NAME OF SECURITY	INVENTORY AT START OF PERIOD		PURCHASES OR OTHER ACQUISITIONS			SALES OR OTHER DISPOSITIONS			DATE SOLD	GAIN OR (LOSS)	INVENTORY END OF PERIOD			INCOME RECEIVED
		SHARES OR PRINCIPAL	ACQUISITION OR COST VALUE	# OF SHARES	COST PER SHARE	GROSS COST	# OF SHARES	PRICE SHARE	PROCEEDS OF SALE			# OF SHARES	COST VALUE	MARKET VALUE	
FIXED INCOME OBLIGATIONS															
05/04/98	FED'L NATL MTG NOTES														
	6.06% 10/08/02	100,000	102,310				100,000		100,000	10/8/02	(2,310)	0	0	0	
05/06/99	FORD MTRS 5.75% 2/23/2004	25,000	25,229									25,000	25,229	26,121	
07/31/00	A T & T CORP DUE 3/15/2004	25,000	24,610									25,000	24,610	26,243	9,800
07/31/00	FORD MOTOR CREDIT 3/15/2005	25,000	26,082									25,000	26,082	27,153	
07/31/00	NORWEST FINANCIAL 9/30/2003	25,000	24,468									25,000	24,468	25,605	
	SUBTOTAL		202,699						100,000		(2,310)		100,389	105,122	
MUTUAL FUNDS															
05/06/98	ALLIANCE WORLDWIDE CL B	364.639	4,474			0						364.639	4,474	2,928	
05/06/98	BEAR STERNS SM CAP CL C	785.861	17,542	66.657		831	Capital gain distribution		510		510	847.518	18,373	13,103	
05/06/98	DELAWARE SM CAP CL B	542.407	15,989	18.618		457	Capital gain distribution		457		457	561.025	16,446	16,561	
05/06/98	EVERGREEN SM CO GRTH CL B	3,269.498	22,498			0						3,269.498	22,498	12,914	
05/06/98	SCUDDER DREMAN CL B	471.405	16,163	5.173		154						476.578	16,317	15,341	
05/06/98	ING MUT FDS SM CAP CLB	185.113	4,146			0						185.113	4,146	4,135	2,970
05/06/98	OPPENHEIMER QUEST CL B	765.306	16,840			0						765.306	16,840	12,245	
05/06/98	WASHINGTON MUTUAL	555.701	18,953	13.709		324	Capital gain distribution		22		22	569.410	19,277	14,685	
05/06/99	PIONEER BOND CL B	3,899.669	35,298	177.383		1,605						4,077.052	36,903	36,816	
07/31/00	EATON VANCE TX MGED GRWTH	345.000	8,014									345.000	8,014	6,093	
07/31/00	DAVIS NY VENTURE FUND CL B	293.944	8,733			0						293.944	8,733	6,673	
	SUBTOTAL		168,650			3,371			989		989		172,021	141,494	
CASH MANAGEMENT FUND			32,661			0			26,156	Various	0		6,505	6,505	327
	TOTAL		404,010			3,371			127,145		(1,321)		278,915	253,121	13,097

FRANKLIN FURNACE ARCHIVE, INC.

FINANCIAL STATEMENTS

JULY 31, 2003

FRANKLIN FURNACE ARCHIVE, INC.
Table of Contents
July 31, 2003 and 2002

HECHT AND COMPANY, P.C.
Certified Public Accountants

111 West 40th Street
New York, NY 10018
(212) 819-8000
Fax: (212) 302-0973

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Franklin Furnace Archive, Inc.

We have audited the accompanying statements of financial position of Franklin Furnace Archive, Inc. as of July 31, 2003 and 2002 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Franklin Furnace Archive, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Franklin Furnace Archive, Inc. as of July 31, 2003 and 2002 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Hecht And Company P.C.

March 30, 2004

FRANKLIN FURNACE ARCHIVE, INC.
Statements of Financial Position
July 31, 2003 and 2002

		2003		2002
ASSETS				
Cash	$	61,556	$	630
Certificate of deposit (Note 5)		50,000		50,000
Grants receivable (Note 2)		37,000		55,500
Investment in securities (Note 3)		253,121		362,688
Due from employee		1,000		600
Prepaid insurance		528		-
Works of art		20,800		44,800
Property and equipment, at cost, less accumulated depreciation (Note 4)		2,307		3,397
Security deposits		3,345		3,345
Total assets	$	429,657	$	520,960
LIABILITIES				
Payroll taxes payable	$	11,407	$	4,241
Note payable (Note 5)		46,754		47,500
Accounts payable and other liabilities		17,282		66,017
Total liabilities		75,443		117,758
Commitments and contingencies (Note 6)				
NET ASSETS				
Unrestricted		317,214		347,702
Temporarily restricted		37,000		55,500
Total net assets		354,214		403,202
Total liabilities and net assets	$	429,657	$	520,960

FRANKLIN FURNACE ARCHIVE, INC.
Statements of Activities
For the Years Ended July 31, 2003 and 2002

	2003	2002
Changes in unrestricted net assets		
Unrestricted revenues and gains (losses)		
Foundations and corporations	$ 65,500	$ 97,300
Government grants	38,585	55,100
Membership and individual	57,265	71,040
Interest, dividends and other income	13,597	18,788
Income (losses) on securities	(1,321)	2,723
Unrealized gain (losses) on securities	15,806	(27,788)
Total unrestricted revenues and gains	189,432	217,163
Net assets released from restrictions		
Satisfaction of program restrictions	55,500	57,000
Total unrestricted revenues and other support	244,932	274,163
Expenses		
Visual arts	158,240	203,402
Education	23,909	29,055
Management and general	79,590	77,957
Fund raising	13,681	9,267
Total expenses	275,420	319,681
Decrease in unrestricted net assets	(30,488)	(45,518)
Changes in temporarily restricted net assets		
Foundation grants	37,000	70,500
Net assets released from restrictions	(55,500)	(57,000)
Increase (decrease) in temporarily restricted net assets	(18,500)	13,500
Decrease in net assets	(48,988)	(32,018)
Net assets - beginning	403,202	435,220
Net assets - end	$ 354,214	$ 403,202

FRANKLIN FURNACE ARCHIVE, INC.
Statements of Cash Flows
For the Years Ended July 31, 2003 and 2002

	2003	2002
Cash flows from operating activities		
Decrease in net assets	$ (48,988)	$ (32,018)
Adjustments to reconcile decrease in net assets to net cash used in operating activities:		
Depreciation	2,042	2,307
Unrealized (gain) loss on marketable securities	(15,806)	27,788
Realized (gain) loss from marketable securities	1,321	(18,375)
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable	18,500	(55,210)
Increase in due from employee	(400)	-
Decrease (increase) in prepaid expenses	(528)	1,257
Decrease in works of art	24,000	-
Increase in security deposits	-	(1,070)
Increase (decrease) in payroll taxes payable	7,166	(17,349)
Increase (decrease) in accounts payable other liabilities	(48,735)	22,885
Total adjustments	(12,440)	(37,767)
Net cash used in operating activities	(61,428)	(69,785)
Cash flows from investing activities		
Acquisition of property and equipment	(952)	(2,296)
Proceeds from sale of marketable securities	124,052	15,000
Net cash provided by investing activities	123,100	12,704
Cash flows from financing activities		
Proceeds of note payable		47,500
Payment of note payable	(746)	-
Net cash provided by (used in) financing activities	(746)	47,500
Net increase (decrease) in cash	60,926	(9,581)
Cash - beginning	630	10,211
Cash - end	$ 61,556	$ 630
Supplemental disclosures of cash flow information		
Interest paid	$ 4,767	$ 3,790

Note 1 - Summary of Significant Accounting Policies

Business
Franklin Furnace Archive, Inc. (the "Organization") is a non-profit corporation chartered by the State of New York. Franklin Furnace Archive, Inc. provides a public archive of books produced by artists as artworks, and maintains an exhibition space for such works; catalogs and preserves examples of artists' books; curates and rents traveling exhibits of artists' books; exhibits rare artists' books and collections seldom seen by the public; provides performance space for artist-writers; provides information and encourages exchange of information between the artistic community and the public. The Organization receives its funding primarily from government, foundation and corporate sponsors.

Fair Value of Financial Instruments
The carrying amount of cash, certificate of deposit, grants receivable, payroll taxes payable, and accounts payable and other liabilities reported in the statement of financial position approximates fair value due to the short-term maturity of these financial instruments. The carrying amount of notes payable approximates fair value as it bears market interest rates.

Promises To Give
Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Note 1 - Summary of Significant Accounting Policies (continued)

Investment in Securities
Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains or losses are included in the change in net assets.

Property and Equipment
Property and equipment are stated at cost. Depreciation is provided by the straight-line or accelerated method over the estimated useful lives of the assets.

Concentration of Credit Risk
Financial instruments that potentially subject the Organization to credit risk consist principally of cash in financial institutions, which from time to time, exceeds Federal deposit insurance limits.

Use of Estimates
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

Note 2 - Grants Receivable

Grants receivable consist of the following:

	2003	2002
New York State Council on the Arts	$ -	$ 40,500
The Andy Warhol Foundation for the Visual Arts	-	15,000
Jerome Foundation	37,000	-
	$ 37,000	$ 55,500

Note 3 - Investment in Securities

As of July 31, 2003, investments are stated at fair value and consist of the following:

	Cost	Fair Value
Corporate bonds	$ 50,550	$ 52,758
International bonds	86,742	89,180
Mutual funds	135,118	104,678
Cash management fund	6,505	6,505
	$ 278,915	$ 253,121

Note 4 - Property and Equipment

Property and equipment consist of the following:

	2003	2002
Office equipment	$ 6,001	$ 6,001
Furniture and fixtures	20,453	20,453
Computer and video equipment	27,852	26,900
	54,306	53,354
Accumulated depreciation	51,999	49,957
	$ 2,307	$ 3,397

Note 5 - Note Payable

In May 2003, the Organization refinanced an existing obligation, which was due in January 2003 and payable with interest at the rate of 10.15% per annum. The new obligation, with the Nonprofit Finance Fund, is payable in 60 monthly payments, through June 1, 2008, with interest at the rate of 2% per annum, and is collateralized by a $50,000 certificate of deposit.

Maturities of loan payable for the next five years are as follows:

Year ended July 31,	Amount
2004	$ 9,141
2005	9,325
2006	9,513
2007	9,705
2008	9,070

Note 6 - Commitments and Contingencies

(a) The Organization conducts its operations from a facility leased under an operating lease expiring in February 2005. Future minimum annual payments required under a noncancelable operating lease having terms in excess of one year as of July 31, 2003 for each of the next two years and in the aggregate are:

Year ended July 31,	Amount
2004	$ 20,800
2005	12,400
Total minimum future rental payments	$ 33,200

Rent expense for the years ended July 31, 2003 and 2002 amounted to $16,409 and $14,147, respectively.

(b) Government supported projects are subject to audit by the applicable government granting agencies.

SUPPLEMENTARY INFORMATION

FRANKLIN FURNACE ARCHIVE, INC.
Schedule of Functional Expenses
For the Year Ended July 31, 2003

	Visual Arts	Education	Management and General	Fund Raising	Total
Salaries and payroll taxes	$ 32,072	$ 14,661	$ 41,235	$ 3,665	$ 91,633
Honoraria	68,390	6,296	-	-	74,686
Consulting	20,485	-	1,590	-	22,075
Public relations and advertising	2,132	-	-	5,011	7,143
Utilities	734	-	947	420	2,101
Postage and printing	1,608	-	1,621	1,280	4,509
Supplies	16,958	-	7,766	-	24,724
Telephone	1,888	539	1,824	1,148	5,399
Professional fees	-	-	8,328	-	8,328
Insurance	1,432	-	1,266	111	2,809
Office expense and maintenance	6,834	1,708	6,586	1,957	17,085
Documentation	334	-	-	-	334
Travel	1,871	-	29	-	1,900
Storage	2,206	653	1,111	-	3,970
Interest; fees and bank charges	-	-	5,032	-	5,032
Miscellaneous	1,296	52	213	89	1,650
Expenses before depreciation	158,240	23,909	77,548	13,681	273,378
Depreciation	-	-	2,042	-	2,042
Total functional expenses	$ 158,240	$ 23,909	$ 79,590	$ 13,681	$ 275,420

See Independent Auditor's Report

FRANKLIN FURNACE ARCHIVE, INC.
Schedule of Functional Expenses
For the Year Ended July 31, 2002

	Visual Arts	Education	Management and General	Fund Raising	Total
Salaries and payroll taxes	$ 33,980	$ 15,533	$ 43,687	$ 3,883	$ 97,083
Honoraria	117,492	10,815	-	-	128,307
Consulting	29,101	-	2,258	-	31,359
Public relations and advertising	611	-	-	1,436	2,047
Utilities	709	-	914	405	2,028
Postage and printing	769	-	775	612	2,156
Supplies	5,444	-	2,493	-	7,937
Telephone	1,411	403	1,363	857	4,034
Professional fees	-	-	9,858	-	9,858
Insurance	1,352	-	1,195	105	2,652
Office expense and maintenance	6,689	1,672	6,446	1,915	16,722
Documentation	1,258	-	-	-	1,258
Travel	1,794	-	28	-	1,822
Storage	2,000	600	1,000	-	3,600
Interest, fees and bank charges	-	-	5,503	-	5,503
Miscellaneous	792	32	130	54	1,008
Expenses before depreciation	203,402	29,055	75,650	9,267	317,374
Depreciation	-	-	2,307	-	2,307
Total functional expenses	$ 203,402	$ 29,055	$ 77,957	$ 9,267	$ 319,681

See Independent Auditor's Report