

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)

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 2004 calendar year, or tax year beginning 08/01, 2004, and ending 07/31/2005

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization FRANKLIN FURNACE ARCHIVE, INC.	D Employer identification number 13-2879766
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite C/O HECHT & CO. P.C., 111 W 40TH ST	E Telephone number (212) 766-2606
	City or town, state or country, and ZIP + 4 NEW YORK, NY 10018	F Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)
	Please use IRS label or print or type. See Specific Instructions.	

CLIENTS COPY

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.

G Website: //WWW.FRANKLINFURNACE.ORG

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

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

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

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

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.

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

I Group Exemption Number

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 **446,195.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:			
	a Direct public support	1a	254,725.	
	b Indirect public support	1b		
	c Government contributions (grants)	1c	83,600.	
	d Total (add lines 1a through 1c) (cash \$ 338,325. noncash \$)	1d	338,325.	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,403.	
	3 Membership dues and assessments	3	70,360.	
	4 Interest on savings and temporary cash investments	4	1,875.	
	5 Dividends and interest from securities	5	9,232.	
	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			
8 a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other	
	25,000.	8a		
	Less: cost or other basis and sales expenses	8b	26,082.	
	c Gain or (loss) (attach schedule) <i>STMT N</i>	8c	-1,082.	
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	-1,082.		
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	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	420,113.		
Expenses	13 Program services (from line 44, column (B))	13	254,496.	
	14 Management and general (from line 44, column (C))	14	83,390.	
	15 Fundraising (from line 44, column (D))	15	81,827.	
	16 Payments to affiliates (attach schedule)	16		
	17 Total expenses (add lines 16 and 44, column (A))	17	419,713.	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18	400.	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19	343,139.	
	20 Other changes in net assets or fund balances (attach explanation) <i>STMT 1</i>	20	17,766.	
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	361,305.	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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 22 of the instructions.)

Do not include amounts reported on line 8b, 8c, 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 \$ 124,163, noncash \$ <u>STMT 14</u>)	124,163.	124,163.		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.	58,789.	29,395.	23,515.	5,879.
26	Other salaries and wages	16,853.	8,426.	6,405.	2,022.
27	Pension plan contributions				
28	Other employee benefits	9,553.	4,777.	3,779.	997.
29	Payroll taxes	6,642.	3,321.	2,628.	693.
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees				
33	Supplies	25,770.	7,041.	10,610.	8,119.
34	Telephone	6,257.	2,814.	3,158.	285.
35	Postage and shipping	8,126.	689.	744.	6,693.
36	Occupancy				
37	Equipment rental and maintenance				
38	Printing and publications				
39	Travel				
40	Conferences, conventions, and meetings				
41	Interest	1,188.		1,188.	
42	Depreciation, depletion, etc. <u>STMT 2</u> (attach schedule)	3,514.		3,514.	
43	Other expenses not covered above (itemize): <u>STMT 3</u>	158,858.	73,870.	27,849.	57,139.
	b -----				
	c -----				
	d -----				
	e -----				
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15	419,713.	254,496.	83,390.	81,827.

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 25 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	<u>VISUAL ARTS PROGRAM - SEE STATEMENT # 13</u>	(Grants and allocations \$ 112,163.)	229,449.
b	<u>EDUCATION - SEE STATEMENT # 13</u>	(Grants and allocations \$ 12,000.)	25,047.
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)		254,496.

Part IV Balance Sheets (See page 25 of the instructions.)

		(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	86,056.	45	145,995.	
	46	Savings and temporary cash investments	50,000.	46	50,000.	
	47a	Accounts receivable	47a	NONE		
		b Less: allowance for doubtful accounts	47b	NONE	47c	NONE
	48a	Pledges receivable	48a		48c	
		b Less: allowance for doubtful accounts	48b		48c	
	49	Grants receivable	52,500.	49	12,500.	
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
	51a	Other notes and loans receivable (attach schedule)	51a		51c	
		b Less: allowance for doubtful accounts	51b		51c	
	52	Inventories for sale or use	17,300.	52	23,800.	
	53	Prepaid expenses and deferred charges	2,500.	53	NONE	
	54	Investments - securities (attach schedule) STMT 6 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	219,850.	54	218,991.	
	55a	Investments - land, buildings, and equipment: basis	55a		55c	
		b Less: accumulated depreciation (attach schedule)	55b		55c	
56	Investments - other (attach schedule)		56			
57a	Land, buildings, and equipment basis	57a	68,667.			
	b Less: accumulated depreciation (attach schedule)	57b	56,978.	57c	11,689.	
58	Other assets (describe STMT 7)	8,357.	58	5,164.		
59	Total assets (add lines 45 through 58) (must equal line 74)	439,255.	59	468,139.		
Liabilities	60	Accounts payable and accrued expenses	25,508.	60	47,002.	
	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)	61,144.	64b	48,464.	
	65	Other liabilities (describe STMT 8)	9,464.	65	11,368.	
66	Total liabilities (add lines 60 through 65)	96,116.	66	106,834.		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	67	Unrestricted	290,639.	67	320,305.	
	68	Temporarily restricted	52,500.	68	41,000.	
	69	Permanently restricted		69		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.					
	70	Capital stock, trust principal, or current funds		70		
	71	Paid-in or capital surplus, or land, building, and equipment fund		71		
	72	Retained earnings, endowment, accumulated income, or other funds		72		
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	343,139.	73	361,305.		
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	439,255.	74	468,139.		

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 27 of the instructions.)	
a Total revenue, gains, and other support per audited financial statements	437,879.
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 9 \$ 17,766.	
Add amounts on lines (1) through (4)	17,766.
c Line a minus line b	420,113.
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)	
e Total revenue per line 12, Form 990 (line c plus line d)	420,113.

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
a Total expenses and losses per audited financial statements	419,713.
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)	
c Line a minus line b	419,713.
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)	
e Total expenses per line 17, Form 990 (line c plus line d)	419,713.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see page 27 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		58,789.	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 28 of the instructions.

Part VI Other Information (See page 28 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		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.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		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?		X
b	If "Yes," enter the name of the organization _____ and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81 a	Enter direct and 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? 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.	85b	N/A
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 <u>NONE</u> ; section 4912 <u>NONE</u> ; section 4955 <u>NONE</u>		
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 <u>NEW YORK</u>	90a	
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	3
91	The books are in care of <u>FRANKLIN FURNACE ARCHIVE, INC.</u> Telephone no. <u>718-398-7255</u> Located at <u>80 HANSON PLACE #301, BROOKLYN, NY</u> ZIP + 4 <u>11217</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> 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 33 of the instructions.)

Note: 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 PUBLICATIONS					1,403.
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					70,360.
95 Interest on savings and temporary cash investments			14	1,875.	
96 Dividends and interest from securities			14	9,232.	
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	-1,082.	
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))				10,025.	71,763.
105 Total (add line 104, columns (B), (D), and (E))					81,788.

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 34 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 34 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
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 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).

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.

Please Sign Here

CLIENT'S COPY

Signature of officer _____ Date _____

Type or print name and title _____

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN (See Gen. Inst. W)
	Firm's name (or yours if self-employed), address, and ZIP + 4	HECHT AND COMPANY, P.C. 111 WEST 40TH STREET NEW YORK, NY 10018	EIN 13-2891505	Phone no. 212 819-8000

Application for Extension of Time To File an Exempt Organization Return

Department of the Treasury Internal Revenue Service

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).

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)

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.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868.

Table with 2 columns: Type or print, Name of Exempt Organization, Employer identification number. Includes address: FRANKLIN FURNACE ARCHIVE, INC., 111 W. 40TH STREET, NEW YORK, NY 10018.

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

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

The books are in the care of FRANKLIN FURNACE ARCHIVE, INC.

Telephone No. 212 766-2606 FAX No. 212 766-2740

- 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-months for a Form 990-T corporation) extension of time until 03/15, 2006 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
[X] tax year beginning 08/01, 2004, and ending 07/31, 2005.

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 \$ 0

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

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

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	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

Schedule A (Form 990 or 990-EZ) 2004

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 \$ <u>NONE</u> (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) 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 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?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets?		X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments.)	X	
b Do you have a section 403(b) annuity plan for your employees?		X
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?		X
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?		X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	174,339.	178,085.	153,900.	232,400.	738,724.
16 Membership fees received	76,387.	57,265.	71,040.	58,297.	262,989.
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	32.	500.	27.	187.	746.
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	8,979.	13,097.	21,484.	31,606.	75,166.
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	259,737.	248,947.	246,451.	322,490.	1,077,625.
24 Line 23 minus line 17	259,705.	248,447.	246,424.	322,303.	1,076,879.
25 Enter 1% of line 23	2,597.	2,489.	2,465.	3,225.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 21,538.
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b 281,572.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 1,076,879.
d Add: Amounts from column (e) for lines: 18 <u>75,166.</u> 19 _____					26d 356,738.
22 _____ 26b <u>281,572.</u>					26e 720,141.
e Public support (line 26c minus line 26d total)					26f 66.8730 %
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
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:					
(2003) _____ (2002) _____ (2001) <u>NOT APPLICABLE</u> (2000) _____					
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:					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					27c _____
17 _____ 20 _____ 21 _____					27d _____
d Add: Line 27a total _____ and line 27b total _____					27e _____
e Public support (line 27c total minus line 27d total)					27f _____
f Total support for section 509(a)(2) test: Enter amount from line 23, column (e)					27g _____ %
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27h _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					
28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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.)

NOT APPLICABLE

(To be completed ONLY by schools that checked the box on line 6 in Part IV)

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See 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.)

Calendar year (or fiscal year beginning in)	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(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.)		X	
If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.			NONE

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 11 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:

- (i) Cash
- (ii) Other assets

b Other transactions:

- (i) Sales or exchanges of assets with a noncharitable exempt organization
- (ii) Purchases of assets from a noncharitable exempt organization
- (iii) Rental of facilities, equipment, or other assets
- (iv) Reimbursement arrangements
- (v) Loans or loan guarantees
- (vi) Performance of services or membership or fundraising solicitations

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:

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

(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		

Name of organization
FRANKLIN FURNACE ARCHIVE, INC.

Employer identification number
13-2879766

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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 boxes 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 -

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 2 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).

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	THE ANDY WARHOL FOUNDATION 65 BLEEKER ST., 7TH FLOOR NEW YORK, N.Y. 10012	50,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	NYS COUNCIL ON THE ARTS 175 VARICK ST., 3RD FLR NEW YORK, N.Y. 10014	44,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	THE NATHAN CUMMINGS FOUNDATION 475 TENTH AVE., 14TH FLOOR NEW YORK, NY 10018	25,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	THE GLADYS KRIEBLE DELMAS FOUNDATION 521 FIFTH AVE., SUITE 1612 NEW YORK, NY 10175	20,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	THE NATIONAL ENDOWMENT FOR THE ARTS 1100 PENNSYLVANIA AVE NW WASHINGTON DC 20506	22,500.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
6	NYC DEPT OF CULTURAL AFFAIRS 330 WEST 42ND ST NEW YORK, NY 10036	9,100.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

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
7	JEROME FOUNDATION 400 SIBLEY ST., SUITE 125 SAINT PAUL, MN 55101	41,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
---	_____ _____ _____	_____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

FORM 990, PART I - OTHER INCREASES IN FUND BALANCES

DESCRIPTION	AMOUNT
-----	-----
UNREALIZED GAINS ON SECURITIES	17,766.
TOTAL	----- 17,766. =====

2004

Description of Property															
GENERAL DEPRECIATION															
DEPRECIATION															
Asset description	Date placed in service	Unadjusted Cost or basis	Bus. %	179 exp. reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me-thod	Conv.	Life	ACRS class	MA CRS class	Current-year 179 expense	Current-year depreciation
FURNITURE & FIXTUR	08/01/1987	18,427.	100.000			18,427.	18,426.	18,426.	SL		7.000				
OFFICE EQUIPMENT	08/01/1987	491.	100.000			491.	491.	491.	SL		5.000				
COMPUTER	08/01/1989	2,111.	100.000			2,111.	2,111.	2,111.	SL		5.000				
COMPUTER	02/01/1991	6,320.	100.000			6,320.	6,320.	6,320.	SL		5.000				
OFFICE EQUIPMENT	08/01/1990	855.	100.000			855.	855.	855.	SL		5.000				
FIXTURE - STEEL SH	08/01/1991	2,026.	100.000			2,026.	2,026.	2,026.	DB		7.000				
EQUIPMENT	12/20/1993	5,884.	100.000			5,884.	5,325.	5,325.	DDB		5.000				
OFFICE EQUIPMENT	03/01/1998	3,605.	100.000			3,605.	3,184.	3,184.	SL		5.000				
COMPUTER EQUIPMENT	02/01/1998	6,884.	100.000			6,884.	6,884.	6,884.	SL		5.000				
COMPUTER EQUIPMENT	02/07/1999	2,828.	100.000			2,828.	2,828.	2,828.	SL		5.000				
COMPUTER EQUIPMENT	06/08/2000	1,627.	100.000			1,627.	1,341.	1,627.	SL	MO	5.000		5	286.	
DIGITAL VID CAMERA	05/30/2002	2,296.	100.000			2,296.	1,510.	1,775.	200DB	MO			5	265.	
SHELVINGS	09/10/2004	2,150.	100.000			2,150.		307.	200DB	HY			7	307.	
COMPUTER	02/15/2005	12,211.	100.000			12,211.		2,656.	200DB	HY			5	2,656.	
Less: Retired Assets															
Subtotals		67,715.				67,715.	51,301.	54,815.							3,514.
Listed Property															
Less: Retired Assets															
Subtotals															
TOTALS		67,715.				67,715.	51,301.	54,815.							3,514.
AMORTIZATION															
Asset description	Date placed in service	Cost or basis					Accumulated amortization	Ending Accumulated amortization	Code		Life				Current-year amortization
TOTALS															

FORM 990, PART II - OTHER EXPENSES

DESCRIPTION	TOTAL	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING
CONSULTING	83,506.	33,097.	5,659.	44,750.
PUBLIC RELATIONS AND ADVERTISI	10,768.	4,584.		6,184.
UTILITIES	3,610.	1,262.	1,627.	721.
PROFESSIONAL FEES	10,525.	7,446.	3,079.	
INSURANCE	3,805.	1,940.	1,714.	151.
OFFICE EXPENSE	28,770.	13,935.	11,513.	3,322.
TRAVEL	5,084.	3,350.	1,734.	
STORAGE	3,600.	3,060.	540.	
MISCELLANEOUS	9,190.	5,196.	1,983.	2,011.
TOTALS	158,858.	73,870.	27,849.	57,139.

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

TAXPAYER'S MISSION IS TO PRESENT, PRESERVE, INTERPRET, PROSELYTIZE AND ADVOCATE ON BEHALF OF AVANT-GARDE ART, ESPECIALLY FORMS THAT MAY BE VULNERABLE DUE TO INSTITUTIONAL NEGLECT, THEIR EPHEMERAL NATURE, OR POLITICALLY UNPOPULAR CONTENT. TAXPAYER IS DEDICATED TO SERVING ARTISTS BY PROVIDING BOTH PHYSICAL AND VIRTUAL VENUES FOR THE PRESENTATION OF TIME-BASED VISUAL ART, INCLUDING BUT NOT LIMITED TO ARTISTS' BOOKS AND PERIODICALS, INSTALLATION ART, PERFORMANCE ART, "LIVE ART ON THE INTERNET"; AND TO UNDERTAKE OTHER ACTIVITIES RELATED TO THESE PURPOSES. TAXPAYER IS COMMITTED TO SERVING EMERGING ARTISTS; TO ASSUMING AN AGGRESSIVE PEDAGOGICAL STANCE WITH REGARD TO THE VALUE OF AVANT-GARDE ART TO CULTURAL LIFE; AND TO FOSTERING ARTISTS' ZEAL TO BROADCAST IDEAS.

FORM 990, PART IV - PREPAID EXPENSES AND DEFERRED CHARGES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PREPAID RENT	1,670.	NONE
PREPAID ANNUITY	830.	NONE
	-----	-----
TOTALS	<u>2,500.</u>	<u>NONE</u>

FORM 990, PART IV - INVESTMENTS - SECURITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
AT&T CORP 3/15/2004	26,463.	NONE
ALLIANCE WORLDWIDE CL B	3,712.	4,861.
BEAR STERNS SMALL CAP CL C	15,091.	18,337.
DELAWARE SMALL CAP CL B	19,528.	25,175.
SCUDDER HIGH RETURN CL B	18,299.	21,651.
NICOLAS APPLGATE SMALL CAP	5,278.	6,799.
OPPENHEIMER QUEST CL B	16,866.	NONE
WASHINGTON MUTUAL INVESTORS	NONE	18,849.
PIONEER BOND CL B	39,237.	41,156.
EATON VANCE TX MANAGED GROWTH	6,762.	7,531.
DAVIS NY VENTURE CL B	7,819.	9,022.
EVERGREEN SMALL GROWTH CL B	14,026.	16,428.
EVERGREEN EQUITY TR ASSET CL A	12,624.	14,529.
PIMCO LOW DURATION FUND CL A	34,145.	34,653.
TOTALS	----- 219,850. -----	----- 218,991. -----

FORM 990, PART IV - OTHER ASSETS

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
SECURITY DEPOSITS	8,357.	5,164.
TOTALS	<u>8,357.</u>	<u>5,164.</u>

FORM 990, PART IV - OTHER LIABILITIES

DESCRIPTION -----	BEGINNING BOOK VALUE -----	ENDING BOOK VALUE -----
PAYROLL TAXES PAYABLE	9,464.	11,368.
TOTALS	9,464.	11,368.

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

DESCRIPTION

AMOUNT

UNREALIZED GAINS ON SECURITIE

17,766.

TOTAL

17,766.
=====

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
BRAD BROCKMAN ST. JOHN'S RD. #16 CAMBRIDGE, MA 02138	DIRECTOR AS REQ'D	NONE	NONE	NONE
JON HENDRICKS 488 GREENWICH ST. NY, NY 10013	DIRECTOR AS REQ'D	NONE	NONE	NONE
JOSEPH KOSUTH 591 BROADWAY NY, NY 10012	DIRECTOR AS REQ'D	NONE	NONE	NONE
DAVID S. PERLMUTTER 37 LUDLOW DR. CHAPPAQUA, NY 10514	DIRECTOR AS REQ'D	NONE	NONE	NONE
ALLAN SCHWARTZMAN 40 E. 10TH ST. NY, NY 10003	DIRECTOR AS REQ'D	NONE	NONE	NONE
MARTHA WILSON 432 DEAN ST. BROOKLYN, NY 11217	DIRECTOR AS REQ'D	45,834.	NONE	NONE
ALEXANDRA ANDERSON-SPIVY 125 W. 12TH ST. #1D NEW YORK, N.Y. 10010	CHAIRMAN 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
TANYA BARFIELD 447 FT. WASHINGTON AVE., #61 NEW YORK, N.Y. 10033	DIRECTOR AS REQ'D	NONE	NONE	NONE
DAVID CALE 504 E. 5TH ST. NEW YORK, N.Y. 10009	DIRECTOR AS REQ'D	NONE	NONE	NONE
ADAM M. COHEN 1130 AVE. OF THE AMERICAS NEW YORK, N.Y. 10019	SECRETARY AS REQ'D	NONE	NONE	NONE
CHRISSIE ILES 945 MADISON AVE. NEW YORK, N.Y. 10021	DIRECTOR AS REQ'D	NONE	NONE	NONE
HARLEY SPILLER 501 E. 78TH STREET APT 2E NEW YORK, N.Y. 10021	ASST SECRE AS REQ'D	12,955.	NONE	NONE
MICHAEL SMITH 208 JACKSON ST. BROOKLYN, N.Y. 11211	DIRECTOR AS REQ'D	NONE	NONE	NONE
GRAND TOTALS		58,789.	NONE	NONE

SCHEDULE A, PART III - EXPLANATION FOR LINE 3A

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.
FORM 990
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS
PART III
JULY 31, 2005

VISUAL ARTS PROGRAM

EXPENSES-----\$229,449.

The Future of the Present continues Franklin Furnace's pioneering exploration of the Internet as an art medium. Inaugurated in 1998 as a series of performance art netcasts for worldwide audiences, The Future of the Present has evolved into a sophisticated examination of issues raised by the Internet as an artistic medium and public venue. Franklin Furnace produces works of "live art on the Internet" in collaboration with an array of venues in New York such as Parsons School of Design, the Kitchen, DCTV, Eyebeam Atelier, Location One, Rhizome.org, Hunter College and Rensselaer Polytechnic Institute, as well as internationally in such places as Split, Croatia; Managua, Nicaragua; and Tokyo, Japan. In 2004, three proposals, by artists Joshua Kinberg/Yury Gitman, Jenny Polak, and Marie Sester were selected from among 300 received to receive \$4,000 awards.

The Franklin Furnace Fund For Performance Art: Since 1985, Franklin Furnace has annually awarded grants to artists selected by peer panel review to enable them to prepare major performance art works for presentation in New York. In 2004 Franklin Furnace made seven \$4,000 grants to individual artists/collaborations Cave Dogs, Gary Corbin, Nicolas Dumit Estevez, Ex.Pgirl, Melissa Madden Gray/Lance Horne, Alexander Komlosi, and Red Dive. The selection panel consisted of Zhang Ga, Julia Heyward, Yael Kanareck, James Scruggs, and Juana Valdes. Franklin Furnace has no curator; each year a new panel of artists reviews all proposals. We believe that this peer panel system allows artists from all over the world an equal shot at presenting their work. Every year the panel changes, as the definitions of "emerging artist," the notion of "live art on the Internet," and "performance art" itself also change.

The Fund has consistently identified emerging talent in advance of wider artworld recognition: Karen Finley and Holly Hughes received support before the "culture wars" made their names household words; artists of color such as Papo Colo, Tanya Barfield and Patty Chang received support at crucial, early points in their careers, facilitating access to commercial venues. We believe this success is due to the composition of Franklin Furnace's peer panels, representing a diverse range of practice, ethnic and cultural background, sexual preference, age and physical ability, as well as familiarity with new technology.

FRANKLIN FURNACE ARCHIVE, INC.
FORM 990
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS
PART III
JULY 31, 2005

VISUAL ARTS PROGRAM (CONTINUED)

The Unwritten History Project is Franklin Furnace's plan to make all of its archival event records accessible online. Franklin Furnace plans to continue the work of creating a permanent, accessible and ongoing record of its 29-year history of exhibitions of artists' books, temporary installations, performance art, netcasts, and works of live art on the Internet. The Unwritten History Project is creating a research resource that is electronically accessible from any point on the globe. Through linkage with the Conceptual and Intermedia Arts Online (CIAO) consortium, Franklin Furnace will provide the contextual information of other collections of conceptual and intermedia art, facilitating research and understanding of the formal, social and political issues raised. Our goal is to make these works of art, which speak to an array of social issues, accessible to a wide audience beyond conventional art history classes, and to create a model for small arts organizations to participate fully and professionally in the development of museum standards that remain sensitive to the form in which artworks were originally conceived. In 2004-05 Franklin Furnace filed its second application with the National Endowment for the Humanities to digitize its first ten years of event records and publish these records online.

Art Spaces Archives Project (AS-AP) In 2003-04 and 04-05, Franklin Furnace served as the fiscal sponsor of six organizations comprising the Arts Spaces Archives Project (AS-AP), which are spearheading a national effort to locate, document, preserve and make accessible the archives of art spaces which nurtured and presented art practice of the last five decades. In 2000, Franklin Furnace was awarded \$15,000 to develop a plan for The Archives of the Avant-Garde to survey the location, legal status, quantity and condition of archives of artists' groups that flourished during the 1970s, 80s and 90s in and around lower Manhattan; and to create a Location Database to serve as a model for other such efforts around the globe. In the spring of 2004, this database became the basis of a national one being created by AS-AP.

FRANKLIN FURNACE ARCHIVE, INC.
FORM 990
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS
PART III
JULY 31, 2005

EDUCATION PROGRAM

EXPENSES \$25,047

Sequential Art For Kids: Since 1985, Franklin Furnace has sponsored arts-in-education workshops in New York City public schools, led by professional artists including book- and paper-makers, performance artists, collectors, videographers, photographers and animators. SAK continues to be a literacy program taught in NYC public schools by artists who use sequential art media -- artists' books, performance art, photography, film and video -- to enhance literacy and cognitive development among children. Franklin Furnace started planning a collaboration with P.S. 52, Sheepshead Bay, Brooklyn in 1997, introducing video artists Ron Littke and Benita Abrams to an environment which had \$80,000 of new video equipment and no staff to exploit its potential. Since 1997, these artists have worked with the English as a Second Language teacher, Odette Lozada, to create videotapes in workshops which make use of the children's Russian, Chinese and Middle Eastern heritage, and clearly show the delight of the children in learning and understanding a new language in a new environment. In the 2002-03 academic year, Franklin Furnace contracted for the services of an arts-in-education consultant; installed new tools for evaluation; and added Harley Spiller a.k.a. Inspector Collector to the roster of artist-educators. In 2004-05, Franklin Furnace served 210 students in ten-week video workshops, Benita Abrams teaching two for 2nd and 3rd grade, and Ron Littke two for 4th and 5th graders; and Harley Spiller taught one 4th grade and one 2nd grade workshop.

FRANKLIN FURNACE ARCHIVES, INC				
GRANTS PAID TO ARTISTS				
FYE 7/31/2005				
FORM 990 PART II LINE 22			VISUAL	
			ARTS	EDUCATION
ARTISTS' NAMES	ADDRESS	AMOUNT	PROGRAM	PROGRAM
Alexander Komlosi	Jaselska 25, 160.00 Prague 6, Czech Rep	4,000	4,000	
Andrea Fraser	178 E 2nd St., NY NY 10003	100	100	
Andrew Hewitz	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	1,500	1,500	
Annie Sprinkle	322 Courtland Ave., SF CA 94110	100	100	
Benita Abrams	127 Stanton St., NY, NY 10002	4,000		4,000
Bill Talen	PO Box 1556 Canal St Station, NYC 10013	19,703	19,703	
Billy X. Curmano	28401 Hartwood Dr., Rushford MN 55971	100	100	
Britta Wheeler	670 Ninth Ave, #45, NY NY 10036	1,100	1,100	
Clarissa Sligh	465 W Broadway, NY NY 10012	500	500	
Coco Fusco	5 Monroe St., Brooklyn NY 11238	100	100	
Conrad Gleber	2522 Marston Rd., Tallahassee, FL 32308	500	500	
Courtney J. Martin	PO Box 207113, New Haven CT 06520	3,000	3,000	
David Platzker	100 Wooster St #2, NY NY 10012	18,251	18,251	
Deborah Edmeades	151 First Ave #238, NY NY 10003	100	100	
Donna Henes	279 Sterling Place, Brooklyn NY 11238	339	339	
Fund for Women	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	3,000	3,000	
G.H. Hovagimyan	11 Harrison St #6, NY NY 10013	300	300	
Gary Corbin	170 Milford St 1-B, Brooklyn NY 11208	4,300	4,300	
Gloria Williams	35 W 106th St, NY NY 10029	500	500	
Harley Spiller	501 E. 78th St., NY, NY 10021	4,000	1,000	3,000
Here Arts Center	145 Sixth Ave, NY NY 10013	4,000	4,000	
Ilona Granet	42 Second Ave, NY NY 10003	100	100	
Jenny Polak	179 Washington Park #3, Brooklyn NY 11205	4,000	4,000	
Jessie Jane Lewis	4372 Fleming St, Phla, PA 19128	100	100	
John Ahearn	132 Tenth Ave, NY NY 10011	4,500	4,500	
John Fleck	3377 Ley Drive, LA CA 90027	100	100	
Jon Hendricks	488 Hendricks St, NY NY 10013	500	500	
Josh Kanuck	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	600	600	
Joshua Kinberg	6 Todd Drive, East Hampton NY 11937	300	300	
Julie Ault	88 Blecker St #4G, NY NY	250	250	
Julie Laffin	690 Selborne Rd, Riverside IL 60504	100	100	
Kim Irwin	675 Vanderbilt Ave, Brooklyn NY 11238	100	100	
Kriota Willberg	10 Stuyvesant Oval #10D, NY NY 10009	100	100	
Lance Horne	135 W 70th St, NY NY 10023	4,000	4,000	
Linda Montano	185 Abeel St, Kingston NY 12401	100	100	
Marella Rodewald	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	250	250	
Marie Sester	47 Ann St., 3F, NY NY 10038	1,000	1,000	
Martha Wilson	432 Dean St, Brooklyn NY 11217	1,500	1,500	
Marvin J. Taylor	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	250	250	
Matt Mullican	441 Greene St, NY NY 10013	100	100	
Maureen Brennan	10 Jay St 9th Flr, Brooklyn NY 11201	4,000	4,000	
Nicolas Dumit Estevez	895 West End Ave, NY NY 10025	4,300	4,300	
Nigel Rolfe	8 Inchicore Rd, Dublin Ireland	100	100	
Pat Oleszko	190 Duane St., NY NY 10013	100	100	
Patty Chang	206 Rivington St #4E, NY NY 10002	100	100	
Ron Litke	26 Riverside Ave. Haverstraw, NY 10927	5,000		5,000
Savitri Durkee	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	950	950	
Shirin Neshat	463 Broome St, NY NY 10013	3,250	3,250	
Simon Cutts	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	2,210	2,210	
Susan Mogul	1776 Griffith Park Blvd, LA CA 90026	100	100	

STATEMENT # 14

FRANKLIN FURNACE ARCHIVES, INC					
GRANTS PAID TO ARTISTS					
FYE 7/31/2005					
FORM 990 PART II LINE 22				VISUAL	
				ARTS	EDUCATION
<u>ARTISTS' NAMES</u>	<u>ADDRESS</u>	<u>AMOUNT</u>	<u>PROGRAM</u>	<u>PROGRAM</u>	<u>PROGRAM</u>
Suzanne Lacy	9045 Lincoln Blvd, LA CA 90045	100		100	
Tari Ito	18 Babshitomachi, Shintoku, Tokyo Japan	100		100	
The-Ching Hsieh	721 Lafayette Ave, Brooklyn 11238	100		100	
Various interns	c/o FF, 80 Hanson Pl., Brooklyn NY 11217	760		760	
William Cole	132 10th Ave, NY NY 10011	1,400		1,400	
William Pope	102 Nichols St., Lewiston, ME 04240	700		700	
William Wegman	239 W 18th St, NY NY 10011	5,100		5,100	
Yasmin Ramirez	196 Prospect Park Pl #4, Brooklyn NY 11238	250		250	
Yoko Inoue	39 Remsen St #4B, Brooklyn NY 11201	4,000		4,000	
Yuri Gitman	377 Park Place #1, Brooklyn NY 11238	4,000		4,000	
Yvette Helin	61 Greenpoint Ave, Brooklyn NY 11222	100		100	
		124,163		112,163	12,000

STATEMENT # 14

Form CHAR500 <small>*This form used for Article 7-A, EPTL and dual filers (replaces forms CHAR 497, CHAR 010 and CHAR 006)</small>	Annual Filing for Charitable Organizations New York State Department of Law (Office of the Attorney General) Charities Bureau - Registration Section 120 Broadway New York, NY 10271 www.oag.state.ny.us/charities/charities.html	2004 Open to Public Inspection
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1. General Information		
a. For the fiscal year beginning (mm/dd/yyyy) <u>08/01/2004</u> and ending (mm/dd/yyyy) <u>07/31/2005</u>		
b. Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial filing <input type="checkbox"/> Final filing <input type="checkbox"/> Amended filing <input type="checkbox"/> NY registration pending	c. Name of organization FRANKLIN FURNACE ARCHIVE, INC.	d. Fed. employer ID no. (EIN) (##-####) 13-2879766
	Number and street (or P.O. box if mail is not delivered to street address) Room /suite C/O HECHT & CO.P.C., 111 W 40TH ST	e. NY State registration no. (###-##) 02-28-18
	City or town, state or country and zip + 4 NEW YORK, NY, 10018	f. Telephone number (212) 766-2606
		g. Email

2. Certification - Two Signatures Required			
We certify under penalties for 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.			
a. President or Authorized Officer/Trustee	Signature _____	Printed Name CLIENTS COPY	Title _____ Date _____
a. Chief Financial Officer or Treasurer	Signature _____	Printed Name _____	Title TREASURER Date _____

3. Annual Report Exemption Information	
a. Article 7-A annual report exemption (Article 7-A registrants and dual registrants) Check <input type="checkbox"/> if total contributions from NY State (including residents, foundations, corporations, government agencies, etc.) did not exceed \$25,000 and the organization did not use the services of a professional fund raiser (PFR) or fund raising counsel (FRC) to solicit contributions during this fiscal year. <small>NOTE: An organization may also check the box to claim this exemption if no PFR or FRC was used and either: 1) the organization received an allocation from a federated fund, United Way or incorporated community appeal and contributions from all other sources did not exceed \$25,000 or 2) it received all or substantially all of its contributions from a single government agency to which it submitted an annual financial report similar to that required by Article 7-A).</small>	
b. EPTL annual report exemption (EPTL registrants and dual registrants) Check <input type="checkbox"/> if 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 EPTL or Article-7A registrants claiming the annual report exemption under the one law under which they are registered and for dual registrants claiming the annual report exemptions under both laws, simply complete part 1 (General Information), part 2 (Certification) and part 3 (Annual Report Exemption Information) above. <i>Do not submit a fee, do not complete the following schedules and do not submit any attachments to this form.</i>	

4. Article 7-A Schedules	
If you did not check the Article 7-A annual report exemption above, complete the following for this fiscal year:	
a. Did the organization use a professional fund raiser, fund raising counsel or commercial co-venturer for fund raising activity in NY State? . . .	<input type="checkbox"/> Yes* <input checked="" type="checkbox"/> No
* If "Yes", complete Schedule 4a.	
b. Did the organization receive government contributions (grants)?	<input type="checkbox"/> Yes* <input checked="" type="checkbox"/> No
* If "Yes", complete Schedule 4b.	

5. Fee Submitted	
Indicate the filing fee(s) you are submitting along with this form:	
a. Article 7-A filing fee \$ <u>25.</u>	<i>Submit only one check or money order for the total fee, payable to "NYS Department of Law"</i>
b. Estates, Powers and Trusts Law filing fee \$ <u>100.</u>	
c. Total fee \$ <u>125.</u>	

6. Attachments: For organizations that are not claiming annual report exemptions under both laws, see last page for required attachments.
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6. ATTACHMENTS - DOCUMENT ATTACHMENT CHECK-LIST:

Check the boxes for the documents you are attaching.

FOR ALL FILERS - COPIES OF INTERNAL REVENUE SERVICE FORMS

IRS Form 990

Schedule A to IRS Form 990

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 ARTICLE 7-A DOCUMENT ATTACHMENT REQUIREMENT

Independent Accountant's Report

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)

FRANKLIN FURNACE ARCHIVE, INC.

FINANCIAL STATEMENTS

JULY 31, 2005

FRANKLIN FURNACE ARCHIVE, INC.

Table of Contents

July 31, 2005 and 2004

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-8
Supplementary Information	
Schedule of Functional Expenses - 2005	9
Schedule of Functional Expenses - 2004	10

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, 2005 and 2004 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, 2005 and 2004 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.

January 16, 2006

HECHT AND COMPANY P.C.

FRANKLIN FURNACE ARCHIVE, INC.
Statements of Financial Position
July 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash	\$ 145,995	\$ 86,056
Certificate of deposit (Note 5)	50,000	50,000
Grants receivable (Note 2)	12,500	52,500
Investment in securities (Note 3)	218,991	219,850
Prepaid expenses	-	2,500
Works of art	23,800	17,300
Property and equipment, at cost, less accumulated depreciation (Note 4)	11,689	2,692
Security deposits	5,164	8,357
	<u>468,139</u>	<u>439,255</u>
Total assets	<u>\$ 468,139</u>	<u>\$ 439,255</u>
LIABILITIES		
Note payable (Note 5)	\$ 48,464	\$ 61,144
Accounts payable and other liabilities	47,002	25,508
Payroll taxes payable	11,368	9,464
	<u>106,834</u>	<u>96,116</u>
Total liabilities	<u>106,834</u>	<u>96,116</u>
Commitments and contingencies (Note 6)		
NET ASSETS		
Unrestricted	320,305	290,639
Temporarily restricted	41,000	52,500
Total net assets	<u>361,305</u>	<u>343,139</u>
Total liabilities and net assets	<u>\$ 468,139</u>	<u>\$ 439,255</u>

FRANKLIN FURNACE ARCHIVE, INC.
 Statements of Activities
 For the Years Ended July 31, 2005 and 2004

	2005	2004
Changes in unrestricted net assets		
Unrestricted revenues and gains (losses)		
Foundations and corporations	\$ 93,000	\$ 73,739
Government grants	83,600	79,100
Membership and individual	70,360	76,387
Art sale	120,725	-
Interest, dividends and other income	11,428	9,011
Unrealized gain on securities	17,766	12,251
Realized losses on securities, net	-	(809)
Total unrestricted revenues and gains	<u>396,879</u>	<u>249,679</u>
Net assets released from restrictions		
Satisfaction of program restrictions	52,500	37,000
Total unrestricted revenues and other support	<u>449,379</u>	<u>286,679</u>
Expenses		
Visual arts	229,449	204,282
Education	25,047	21,028
Management and general	83,390	78,942
Fund raising	81,827	9,002
Total expenses	<u>419,713</u>	<u>313,254</u>
Increase (decrease) in unrestricted net assets	<u>29,666</u>	<u>(26,575)</u>
Changes in temporarily restricted net assets		
Foundation grants	41,000	52,500
Net assets released from restrictions	<u>(52,500)</u>	<u>(37,000)</u>
Increase (decrease) in temporarily restricted net assets	<u>(11,500)</u>	<u>15,500</u>
Increase (decrease) in net assets	18,166	(11,075)
Net assets - beginning	<u>343,139</u>	<u>354,214</u>
Net assets - end	<u>\$ 361,305</u>	<u>\$ 343,139</u>

FRANKLIN FURNACE ARCHIVE, INC.
 Statements of Cash Flows
 For the Years Ended July 31, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 18,166	\$ (11,075)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,514	1,465
Unrealized gain on securities	(17,766)	(12,251)
Realized losses from securities	-	809
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable	40,000	(15,500)
Decrease in due from employee	-	1,000
Decrease (increase) in prepaid expenses	2,500	(1,972)
Decrease (increase) in works of art	(6,500)	3,500
Decrease (increase) in security deposits	3,193	(5,012)
Increase (decrease) in payroll taxes payable	1,904	(1,943)
Increase in accounts payable	21,494	8,226
Total adjustments	48,339	(21,678)
Net cash provided by (used in) operating activities	66,505	(32,753)
Cash flows from investing activities		
Acquisition of property and equipment	(12,511)	(1,850)
Purchase of marketable securities	(6,375)	(97,759)
Proceeds from sale of marketable securities	25,000	89,880
Net cash used in investing activities	6,114	(9,729)
Cash flows from financing activities		
Proceeds of note payable	-	26,000
Payment of note payable	(12,680)	(11,610)
Net cash provided by (used in) financing activities	(12,680)	14,390
Net increase (decrease) in cash	59,939	(28,092)
Cash - beginning	86,056	114,148
Cash - end	\$ 145,995	\$ 86,056
Supplemental disclosures of cash flow information		
Interest paid	\$ 702	\$ 2,290

FRANKLIN FURNACE ARCHIVE, INC.
Notes to Financial Statements
July 31, 2005 and 2004

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 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 note 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.

FRANKLIN FURNACE ARCHIVE, INC.

Notes to Financial Statements

July 31, 2005 and 2004

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 statement of activities.

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:

	2005	2004
The Andy Warhol Foundation for the Visual Arts, Inc.	\$ -	\$ 50,000
Altria Group	-	2,500
National Endowment for the Arts	7,500	-
The New York Times Company Foundation	5,000	-
	<u>\$ 12,500</u>	<u>\$ 52,500</u>

FRANKLIN FURNACE ARCHIVE, INC.
Notes to Financial Statements
July 31, 2005 and 2004

Note 3 - Investment in Securities

As of July 31, 2005, investments are stated at fair value and consist of the following:

	<u>Cost</u>	<u>Fair Value</u>
International bonds	\$ 76,815	\$ 75,808
Mutual funds	136,939	143,183
	<u>\$ 213,754</u>	<u>\$ 218,991</u>

Note 4 - Property and Equipment

Property and equipment consist of the following:

	<u>2005</u>	<u>2004</u>
Office equipment	\$ 7,851	\$ 7,851
Furniture and fixtures	22,603	20,453
Computer and video equipment	38,213	27,852
	<u>68,667</u>	<u>56,156</u>
Accumulated depreciation	56,978	53,464
	<u>\$ 11,689</u>	<u>\$ 2,692</u>

Note 5 - Note Payable

In May 2004, the Organization refinanced its existing obligation with the Nonprofit Finance Fund, which is payable in 60 monthly payments, through May 1, 2009, with interest at the rate of 1% per annum. The obligation is collateralized by a \$50,000 certificate of deposit.

FRANKLIN FURNACE ARCHIVE, INC.

Notes to Financial Statements

July 31, 2005 and 2004

Note 5 - Note Payable (continued)

Maturities of note payable for the next four years are as follows:

<u>Year ending July 31,</u>	<u>Amount</u>
2006	\$ 12,759
2007	12,887
2008	13,017
2009	9,801
	<u>\$ 48,464</u>

Note 6 - Commitments and Contingencies

Leases

The Organization conducts its operations from facilities leased under operating leases expiring through September 2014. Future minimum annual payments required under the noncancelable operating leases having terms in excess of one year as of July 31, 2005 for each of the next five years and in the aggregate are:

<u>Year ended July 31,</u>	<u>Amount</u>
2006	\$ 20,600
2007	21,200
2008	21,800
2009	22,500
2010	23,100
Subsequent to 2010	104,000
Total minimum future rental payments	<u>\$ 213,200</u>

Rent expense for the years ended July 31, 2005 and 2004 amounted to \$22,962 and \$18,725 respectively.

Governmental Projects

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, 2005**

	Visual Arts	Education	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 36,735	\$ 9,184	\$ 36,327	\$ 9,591	\$ 91,837
Honoraria	112,163	12,000	-	44,750	168,913
Consulting	33,097	-	5,659	-	38,756
Public relations and advertising	4,584	-	-	6,184	10,768
Utilities	1,262	-	1,627	721	3,610
Postage and printing	120	-	744	2,621	3,485
Supplies	7,041	-	10,610	8,119	25,770
Telephone	2,188	626	3,158	285	6,257
Professional fees	7,446	-	3,079	-	10,525
Insurance	1,940	-	1,714	151	3,805
Office expense and maintenance	11,058	2,877	11,513	3,322	28,770
Documentation	3,956	-	-	-	3,956
Travel	3,350	-	1,734	-	5,084
Storage	2,700	360	540	-	3,600
Shipping	569	-	-	4,072	4,641
Interest, fees and bank charges	-	-	1,188	-	1,188
Miscellaneous	1,240	-	1,983	2,011	5,234
Expenses before depreciation	229,449	25,047	79,876	81,827	416,199
Depreciation	-	-	3,514	-	3,514
Total functional expenses	\$ 229,449	\$ 25,047	\$ 83,390	\$ 81,827	\$ 419,713

FRANKLIN FURNACE ARCHIVE, INC.

Schedule of Functional Expenses

For the Year Ended July 31, 2004

	Visual Arts	Education	Management and General	Fund Raising	Total
Salaries and payroll taxes	\$ 40,989	\$ 10,247	\$ 46,112	\$ 5,123	\$ 102,471
Honoraria	93,034	8,000	-	-	101,034
Consulting	34,384	-	5,404	-	39,788
Public relations and advertising	1,350	-	-	-	1,350
Utilities	801	-	1,033	458	2,292
Postage and printing	40	-	1,144	272	1,456
Supplies	5,934	-	4,153	-	10,087
Telephone	1,096	313	1,057	668	3,134
Professional fees	9,988	-	4,131	-	14,119
Insurance	2,178	-	1,925	169	4,272
Office expense and maintenance	8,074	2,018	7,781	2,312	20,185
Documentation	692	-	-	-	692
Travel	2,347	-	288	-	2,635
Storage	3,375	450	675	-	4,500
Interest, fees and bank charges	-	-	2,788	-	2,788
Miscellaneous	-	-	986	-	986
Expenses before depreciation	204,282	21,028	77,477	9,002	311,789
Depreciation	-	-	1,465	-	1,465
Total functional expenses	\$ 204,282	\$ 21,028	\$ 78,942	\$ 9,002	\$ 313,254

See Independent Auditor's Report