

EXTENSION ATTACHED

14502 12/05/2006 11:31 AM

OMB No. 1545-0045

2005

**Return of Private Foundation
or Section 4947(a)(1) Nonexempt Charitable Trust
Treated as a Private Foundation**

Department of the Treasury
Internal Revenue Service

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

For calendar year 2005, or tax year beginning **7/01/05**, and ending **6/30/06**

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization NANCIS ANIMAL RIGHTS FOUNDATION INC	A Employer identification number 65-1174489
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 7809 AFTON VILLA COURT	B Telephone number (see page 10 of the instructions) 954-474-7600
	City or town, state, and ZIP code BOCA RATON FL 33433	C If exemption application is pending, check here <input type="checkbox"/> D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 73,032,658		
J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)		

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), & (d) may not necessarily equal the amounts in column (a) (see page 11 of the instr.))		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
	1 Contributions, gifts, grants, etc., received (attach schedule)	25,000,000			
	2 Check <input type="checkbox"/> if the foundation is not required to attach Sch B				
	3 Interest on savings and temporary cash investments				
	4 Dividends and interest from securities	2,582,357	2,582,357	2,582,357	
Revenue	5a Gross rents				
	b Net rental income or (loss)				
	6a Net gain/(loss) from sale of assets not on ln 10	19,042			
	b Gross sales price for all assets on line 6a 19,042				
	7 Capital gain net income (from Part IV, line 2)		19,042		
	8 Net short-term capital gain			0	
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less: Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)					
12 Total. Add lines 1 through 11		27,601,399	2,601,399	2,582,357	
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc.				
	14 Other employee salaries and wages				
	15 Pension plans, employee benefits				
	16a Legal fees (attach schedule)				
	b Accounting fees (attach schedule) STMT 1	3,000	3,000	3,000	
	c Other professional fees (att. schedule)				
	17 Interest				
	18 Taxes (att. schedule) (see pg 14 of the instr.)				
	19 Depreciation (att. schedule) & depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings				
	22 Printing and publications				
	23 Other exps (att sch) STMT 2	61	61	61	
	24 Total operating and administrative expenses. Add lines 13 through 23	3,061	3,061	3,061	0
	25 Contributions, gifts, grants paid	10,040,000			10,040,000
26 Total expenses and disbursements. Add lines 24 and 25	10,043,061	3,061	3,061	10,040,000	
27 Subtract line 26 from line 12:					
a Excess of revenue over expenses and disbursements	17,558,338				
b Net investment income (if negative, enter -0-)		2,598,338			
c Adjusted net income (if negative, enter -0-)			2,579,296		

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Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1 Cash non-interest-bearing			
	2 Savings and temporary cash investments			
	3 Accounts receivable ▶ Less: allowance for doubtful accounts ▶			
	4 Pledges receivable ▶ Less: allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7 Other notes and loans receivable ▶ Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments-U S and state government obligations (attach schedule)			
	b Investments-corporate stock (attach schedule) SEE STMT 3		143,744	143,744
	c Investments-corporate bonds (attach schedule)			
	11 Investments-land, buildings, and equipment, basis ▶ 278,880 Less: accumulated depreciation ▶ STMT 4		278,880	278,880
	12 Investments-mortgage loans			
	13 Investments-other (attach schedule) SEE STATEMENT 5	55,487,486	72,589,034	72,589,034
	14 Land, buildings, and equipment: basis ▶ Less: accumulated depreciation ▶			
15 Other assets (describe ▶ SEE STATEMENT 6)		21,000	21,000	
16 Total assets (to be completed by all filers-see page 16 of the instructions Also, see page 1, item I)	55,487,486	73,032,658	73,032,658	
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (att. schedule)			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)		0	0
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg, and equipment fund			
29 Retained earnings, accumulated income, endowment, or other funds	55,487,486	73,032,658		
30 Total net assets or fund balances (see page 17 of the instructions)	55,487,486	73,032,658		
31 Total liabilities and net assets/fund balances (see page 17 of the instructions)	55,487,486	73,032,658		

Part III Analysis of Changes in Net Assets or Fund Balances

1 Total net assets or fund balances at beginning of year-Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	55,487,486
2 Enter amount from Part I, line 27a	2	17,558,338
3 Other increases not included in line 2 (itemize) ▶	3	
4 Add lines 1, 2, and 3	4	73,045,824
5 Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 7	5	13,166
6 Total net assets or fund balances at end of year (line 4 minus line 5)-Part II, column (b), line 30	6	73,032,658

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shs MLC Co)		(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr)	(d) Date sold (mo., day, yr)
1a CAPITAL GAIN DISTRIBUTION				
b				
c				
d				
e				
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)	
a 19,042			19,042	
b				
c				
d				
e				
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69				(i) Gains (Col (h) gain minus col (k), but not less than -0- or Losses (from col (h)))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any		
a			19,042	
b				
c				
d				
e				
2 Capital gain net income or (net capital loss)		[If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7]		2 19,042
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions) If (loss), enter -0- in Part I, line 8		[]		3

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income.)

If section 4940(d)(2) applies, leave this part blank.

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see page 18 of the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col. (c))
2004	10,000,000	46,144,988	0.216708
2003	15,001,000	38,774,212	0.386881
2002			
2001			
2000			
2 Total of line 1, column (d)			2 0.603589
3 Average distribution ratio for the 5-year base period-divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.301795
4 Enter the net value of noncharitable-use assets for 2005 from Part X, line 5			4 65,176,987
5 Multiply line 4 by line 3			5 19,670,089
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 25,983
7 Add lines 5 and 6			7 19,696,072
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 18			8 10,040,000

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948-see page 18 of the instructions)

1a Exempt operating foundations described in section 4940(d)(2), check here and enter "N/A" on line 1.
Date of ruling letter. (attach copy of ruling letter if necessary-see instructions)

b Domestic organizations that meet the section 4940(e) requirements in Part V, check here and enter 1% of Part I, line 27b

c All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)

1	51,967
2	0
3	51,967
4	0
5	51,967
6 Credits/Payments:	
6a	21,000
6b	
6c	35,000
6d	
7	56,000
8	168
9	
10	3,865
11	

2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

3 Add lines 1 and 2

4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)

5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-

6 Credits/Payments:

a 2005 estimated tax payments and 2004 overpayment credited to 2005

b Exempt foreign organizations-tax withheld at source

c Tax paid with application for extension of time to file (Form 8868)

d Backup withholding erroneously withheld

7 Total credits and payments. Add lines 6a through 6d

8 Enter any penalty for underpayment of estimated tax. Check here if Form 2220 is attached

9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed

10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid

11 Enter the amount of line 10 to be: Credited to 2006 estimated tax **3,865** Refunded

Part VII-A Statements Regarding Activities

	Yes	No
1a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 19 of the instructions for definition)? If the answer is "Yes" to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities		X
c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization. \$ _____ (2) On organization managers. \$ _____		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers. \$ _____		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? If "Yes," attach a detailed description of the activities.		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? If "Yes," attach a conformed copy of the changes		X
4a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If "Yes," has it filed a tax return on Form 990-T for this year?		
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? If "Yes," attach the statement required by General Instruction T.		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: ● By language in the governing instrument, or ● By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? If "Yes," complete Part II, col. (c), and Part XV	X	
8a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) FL		
b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? If "No," att. explanation	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2005 or the taxable year beginning in 2005 (see instructions for Part XIV on page 26)? If "Yes," complete Part XIV		X
10 Did any persons become substantial contributors during the tax year? If "Yes," attach a schedule listing their names & addresses	X	
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address N/A	X	
12 The books are in care of NORMAN M. KRONSTADT, PA Telephone no. 954-474-7600 8211 WEST BROWARD BOULEVARD Located at PLANTATION, FL ZIP+4 33324		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 -Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year		

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.

		Yes	No
1a	During the year did the organization (either directly or indirectly):		
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(6) Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A <input type="checkbox"/>	
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2005?	N/A	
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2005 did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2005? If "Yes," list the years <input type="checkbox"/> 20 , <input type="checkbox"/> 20 , <input type="checkbox"/> 20 , <input type="checkbox"/> 20	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement-see page 20 of the instructions.)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/> 20 , <input type="checkbox"/> 20 , <input type="checkbox"/> 20 , <input type="checkbox"/> 20		
3a	Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2005 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2005.)	N/A	
4a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2005?		X
5a	During the year did the organization pay or incur any amount to:		
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A <input type="checkbox"/>	
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d).	N/A <input type="checkbox"/> Yes	<input type="checkbox"/> No
6a	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870.		X

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 21 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) Contrib to employee benefit plans and deferred compensation	(e) Expense account, other allowances
NANCI ALEXANDER 7809 AFTON VILLA BOCA RATON FL 33433	PRESIDENT AS NEEDED	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1-see page 21 of the instructions). If 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 and deferred compensation	(e) Expense account, other allowances
NONE				

Total number of other employees paid over \$50,000 ▶

3 Five highest-paid independent contractors for professional services-(see page 21 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 22 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
3 All other program-related investments See page 22 of the instructions	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 22 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes:	
a Average monthly fair market value of securities	1a 63,761,055
b Average of monthly cash balances	1b 2,108,595
c Fair market value of all other assets (see page 23 of the instructions)	1c 299,880
d Total (add lines 1a, b, and c)	1d 66,169,530
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0
2 Acquisition indebtedness applicable to line 1 assets	2 0
3 Subtract line 2 from line 1d	3 66,169,530
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 23 of the instructions)	4 992,543
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 65,176,987
6 Minimum investment return. Enter 5% of line 5	6 3,258,849

Part XI Distributable Amount (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1 3,258,849
2a Tax on investment income for 2005 from Part VI, line 5	2a 51,967
b Income tax for 2005 (This does not include the tax from Part VI)	2b
c Add lines 2a and 2b	2c 51,967
3 Distributable amount before adjustments. Subtract line 2c from line 1	3 3,206,882
4 Recoveries of amounts treated as qualifying distributions	4
5 Add lines 3 and 4	5 3,206,882
6 Deduction from distributable amount (see page 24 of the instructions)	6 10,040,000
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7 -6,833,118

Part XII Qualifying Distributions (see page 24 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc.-total from Part I, column (d), line 26	1a 10,040,000
b Program-related investments-total from Part IX-B	1b
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3 Amounts set aside for specific charitable projects that satisfy the:	
a Suitability test (prior IRS approval required)	3a
b Cash distribution test (attach the required schedule)	3b
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 10,040,000
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see page 24 of the instructions)	5 0
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 10,040,000

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.

Part XIII Undistributed Income (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2004	(c) 2004	(d) 2005
1 Distributable amount for 2005 from Part XI, line 7				-6833118
2 Undistributed income, if any, as of the end of 2004:				
a Enter amount for 2004 only				
b Total for prior years: 20____, 20____, 20____				
3 Excess distributions carryover, if any, to 2005:				
a From 2000				
b From 2001				
c From 2002				
d From 2003	13069603			
e From 2004	17713517			
f Total of lines 3a through e	30783120			
4 Qualifying distributions for 2005 from Part XII, line 4: ▶ \$ 10040000				
a Applied to 2004, but not more than line 2a				
b Applied to undistributed income of prior years (Election required-see page 25 of the instructions)				
c Treated as distributions out of corpus (Election required-see page 25 of the instructions)				
d Applied to 2005 distributable amount				-6833118
e Remaining amount distributed out of corpus	16873118			
5 Excess distributions carryover applied to 2005 (If an amount appears in column (d), the same amount must be shown in column (a).)				
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	47656238			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount-see page 25 of the instructions				
e Undistributed income for 2004. Subtract line 4a from line 2a Taxable amount-see page 25 of the instructions				
f Undistributed income for 2005. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2006				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)				
8 Excess distributions carryover from 2000 not applied on line 5 or line 7 (see page 25 of the instructions)				
9 Excess distributions carryover to 2006. Subtract lines 7 and 8 from line 6a	47656238			
10 Analysis of line 9:				
a Excess from 2001				
b Excess from 2002				
c Excess from 2003	13069603			
d Excess from 2004	17713517			
e Excess from 2005	16873118			

Part XIV Private Operating Foundations (see page 26 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2005, enter the date of the ruling ▶

b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)

	Tax year				(e) Total
	(a) 2005	(b) 2004	(c) 2003	(d) 2002	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon.					
a "Assets" alternative test-enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test-enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test-enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 26 of the instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000). (See section 507(d)(2))
NANCI ALEXANDER 25000000

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest
N/A

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 26 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d.

a The name, address, and telephone number of the person to whom applications should be addressed:
N/A

b The form in which applications should be submitted and information and materials they should include:
N/A

c Any submission deadlines:
N/A

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors:
N/A

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year JUNGLE FRIENDS 13915 NSR 121 GAINESVILLE FL 32653	NONE		ANIMAL RIGHTS	5,000
FARM SANCTUARY PO BOX 150 WATKINS GLEN NY 14891	NONE		ANIMAL RIGHTS	25,000
PCRM FOUNDATION PO BOX 6322 WASHINGTON DC DC 20015	NONE		ANIMAL RIGHTS	5,000,000
PETA 301 FRONT STREET NORFOLK VA 23510	NONE		ANIMAL RIGHTS	5,000,000
WILDCARE FOUNDATION 7601 84 STREET NOBLE OK 73068	NONE		ANIMAL RIGHTS	10,000
Total			▶ 3a	10,040,000
b Approved for future payment N/A				
Total			▶ 3b	

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

Schedule of Contributors

OMB No 1545-0047

2005

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

Name of organization

Employer identification number

NANCIS ANIMAL RIGHTS FOUNDATION INC

65-1174489

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

 501(c)() (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 under Regulations sections 1.509(a)-3/1.170A-9(e) 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).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2005)

Name of organization NANCIS ANIMAL RIGHTS FOUNDATION INC	Employer identification number 65-1174489
--	---

Part I Contributors (See Specific Instructions.)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	<u>NANCI ALEXANDER</u> <u>7809 AFTON VILLA COURT</u> <u>BOCA RATON FL 33433</u>	\$ 25,000,000	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.)
—	_____ _____ _____	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Form **2220**

Underpayment of Estimated Tax by Corporations

OMB No 1545-0142

2005

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

▶ Attach to the corporation's tax return.

Name **NANCIS ANIMAL RIGHTS FOUNDATION INC** Employer identification number **65-1174489**

Note: Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 34 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.

Part I Required Annual Payment

1	Total tax (see instructions)		1	51,967
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c	Credit for Federal tax paid on fuels (see instructions)	2c		
d	Total. Add lines 2a through 2c	2d		
3	Subtract line 2d from line 1. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty	3		51,967
4	Enter the tax shown on the corporation's 2004 income tax return (see instructions) Caution: If the tax is zero or the tax year was for less than 12 months, skip this line & enter the amt. from ln. 3 on ln. 5	4		20,766
5	Required Annual Payment. Enter the smaller of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3	5		20,766

Part II Reasons for Filing- Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220 even if it does not owe a penalty (see instructions).

- 6 The corporation is using the adjusted seasonal installment method.
- 7 The corporation is using the annualized income installment method.
- 8 The corporation is a "large corporation" figuring its first required installment based on the prior year's tax

Part III Figuring the Underpayment

	(a)	(b)	(c)	(d)	
9 Installment due dates. Enter in col (a) through (d) the 15th day of the 4th (Form 990-PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	11/15/05	12/15/05	3/15/06	6/15/06
10 Required installments. If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column	10	5,192	5,192	5,192	5,190
11 Estimated tax paid or credited for each period (see instructions) For column (a) only, enter the amount from line 11 on line 15	11			16,000	5,000
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column	12				424
13 Add lines 11 and 12	13			16,000	5,424
14 Add amounts on lines 16 and 17 of the preceding column	14		5,192	10,384	
15 Subtract line 14 from line 13. If zero or less, enter -0-	15	0	0	5,616	5,424
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		5,192	0	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	5,192	5,192	0	0
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18			424	

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17-no penalty is owed.

Part IV Figuring the Penalty

	(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month)	SEE WORKSHEET			
20 Number of days from due date of installment on line 9 to the date shown on line 19				
21 Number of days on line 20 after 4/15/2005 and before 10/1/2005				
22 Underpayment on line 17 x $\frac{\text{Number of days on line 21}}{365}$ x 6%	\$	\$	\$	\$
23 Number of days on line 20 after 9/30/2005 and before 4/1/2006				
24 Underpayment on line 17 x $\frac{\text{Number of days on line 23}}{365}$ x 7%	\$	\$	\$	\$
25 Number of days on line 20 after 3/31/2006 and before 7/1/2006				
26 Underpayment on line 17 x $\frac{\text{Number of days on line 25}}{365}$ x *%	\$	\$	\$	\$
27 Number of days on line 20 after 6/30/2006 and before 10/1/2006				
28 Underpayment on line 17 x $\frac{\text{Number of days on line 27}}{365}$ x *%	\$	\$	\$	\$
29 Number of days on line 20 after 9/30/2006 and before 1/1/2007				
30 Underpayment on line 17 x $\frac{\text{Number of days on line 29}}{365}$ x *%	\$	\$	\$	\$
31 Number of days on line 20 after 12/31/2006 and before 2/16/2007				
32 Underpayment on line 17 x $\frac{\text{Number of days on line 31}}{365}$ x *%	\$	\$	\$	\$
33 Add lines 22, 24, 26, 28, 30, and 32	\$	\$	\$	\$
34 Penalty. Add columns (a) through (d) of line 33 Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns				34 \$

*For underpayments paid after March 31, 2006: For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-4933 to get interest rate information.

Form 2220	Form 2220 Worksheet	2005
For calendar year 2005, or tax year beginning 7/01/05 , and ending 6/30/06		

Name NANCIS ANIMAL RIGHTS FOUNDATION INC	Employer Identification Number 65-1174489
---	---

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Due date of estimated payment	<u>11/15/05</u>	<u>12/15/05</u>	<u>3/15/06</u>	<u>6/15/06</u>
Amount of underpayment	<u>5,192</u>	<u>5,192</u>	_____	_____
Prior year overpayment applied	_____			

	1st Payment	2nd Payment	3rd Payment	4th Payment	5th Payment
Date of payment	_____	_____	<u>2/22/06</u>	<u>6/10/06</u>	_____
Amount of payment	_____	_____	<u>16,000</u>	<u>5,000</u>	_____

QTR	FROM	TO	UNDERPAYMENT	#DAYS	RATE	PENALTY
1	11/15/05	2/22/06	5,192	99	7.00	99
2	12/15/05	2/22/06	5,192	69	7.00	69
TOTAL PENALTY						168
						=====

Federal Statements**Statement 1 - Form 990-PF, Part I, Line 16b - Accounting Fees**

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
PROFESSIONAL FEES	\$ 3,000	\$ 3,000	\$ 3,000	\$
TOTAL	\$ 3,000	\$ 3,000	\$ 3,000	\$ 0

Statement 2 - Form 990-PF, Part I, Line 23 - Other Expenses

<u>Description</u>	<u>Total</u>	<u>Net Investment</u>	<u>Adjusted Net</u>	<u>Charitable Purpose</u>
EXPENSES	\$	\$	\$	\$
BANK CHARGES	61	61	61	
TOTAL	\$ 61	\$ 61	\$ 61	\$ 0

Federal Statements

FYE: 6/30/2006

Statement 3 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
FORD MOTOR COMPANY (20,000 SHARES)	\$	\$ 143,744	MARKET	\$ 143,744
TOTAL	\$ 0	\$ 143,744		\$ 143,744

Statement 4 - Form 990-PF, Part II, Line 11 - Land, Building, and Equipment Investments

Description	Beginning Net Book	End Cost/Basis	End Accum Deprec	Net Fair Mkt Value
LAND & BUILDINGS	\$	\$ 278,880	\$	\$ 278,880
TOTAL	\$ 0	\$ 278,880	\$ 0	\$ 278,880

Statement 5 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SMITH BARNEY SECURITIES	\$55,487,486	\$72,589,034	MARKET	\$72,589,034
TOTAL	\$55,487,486	\$72,589,034		\$72,589,034

Statement 6 - Form 990-PF, Part II, Line 15 - Other Assets

Description	Beginning of Year	End of Year	Fair Market Value
PREPAID INCOME TAXES	\$	\$ 21,000	\$ 21,000
TOTAL	\$ 0	\$ 21,000	\$ 21,000

Statement 7 - Form 990-PF, Part III, Line 5 - Other Decreases

Description	Amount
FEDERAL INCOME TAXES	\$ 13,166
TOTAL	\$ 13,166

Form 990-PF, Part XV, Line 1a - Managers Who Contributed Over 2% or \$5,000

<u>Name of Manager</u>	<u>Amount</u>
NANCI ALEXANDER	<u>25,000,000</u>
TOTAL	<u>25,000,000</u>

Form **8868**
(Rev December 2004)

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545-1709

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
- 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. For more details on the electronic filing of this form, visit www.irs.gov/efile

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization NANCIS ANIMAL RIGHTS FOUNDATION INC	Employer identification number 65-1174489
	Number, street, and room or suite no. If a P.O. box, see instructions. 7809 AFTON VILLA COURT	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BOCA RATON FL 33433	

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

- | | | |
|---|---|------------------------------------|
| <input type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input checked="" type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

● The books are in the care of ▶ **NORMAN M. KRONSTADT, PA**

Telephone No. ▶ **954-474-7600** FAX No. ▶ **954-474-7699**

- 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 **2/15/07**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **7/01/05**, and ending **6/30/06**

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 \$ 56,000

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 \$ 21,000

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 \$ 35,000

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.

Form **8868** (Rev 12-2004)