

**Return of Organization Exempt From Income Tax**

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

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

**A For the 2008 calendar year, or tax year beginning** \_\_\_\_\_, **and ending** \_\_\_\_\_

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Termination  
 Amended return  
 Application pending

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

**C Name of organization**  
 BEST FRIENDS ANIMAL SOCIETY  
 Doing Business As \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
 5001 ANGEL CANYON ROAD  
 City or town, state or country, and ZIP + 4  
 KANAB UT 84741

**D Employer identification number**  
 23-7147797

**E Telephone number**  
 435-644-2001

**G Gross receipts** \$ 41,583,994

**F Name and address of principal officer:**  
 JOHN FRIPP  
 5001 ANGEL CANYON ROAD  
 KANAB UT 84741

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

**I Tax-exempt status:**  501(c) ( 3 ) ◀ (insert no.) 4947(a)(1) or 527

**J Website:** WWW.BESTFRIENDS.ORG

**K Type of organization:**  Corporation  Trust  Association  Other ▶

**L Year of formation:** 1984 **M State of legal domicile:** UT

**H(c) Group exemption number** ▶

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: ANIMAL CARE, RESCUE AND POPULATION CONTROL		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	7
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	0
	<b>5</b> Total number of employees (Part V, line 2a)	<b>5</b>	593
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	7000
	<b>7a</b> Total gross unrelated business revenue from Part VIII, line 12, column (C)	<b>7a</b>	615,820
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	-13,786	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	34,248,460	37,188,499
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	518,812	315,955
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,103,488	243,624
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	35,870,760	1,298,620
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)		930,862
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)		
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	16,582,975	21,140,158
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	176,452	43,810
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶	4,373,043	
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	17,586,483	14,453,223
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	34,345,910	36,568,053	
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	1,524,850	2,478,645	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	29,995,950	30,592,663
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	2,360,984	3,207,378
		27,634,966	27,385,285

**Part II Signature Block**

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.

**Sign Here**

Signature of officer: JOHN FRIPP  
 Date: CFO

**Paid Preparer's Use Only**

Preparer's signature: KENNETH A. HINTON, CPA  
 Date: 5/11/09  
 Check if self-employed:   
 Preparer's identifying number (see instructions): P00030112

Firm's name (or yours if self-employed), address, and ZIP + 4: HINTON, BURDICK, HALL & SPILKER, PLLC  
 63 SOUTH 300 EAST, STE. 100  
 ST. GEORGE, UT 84770-2948  
 EIN: 87-0492866  
 Phone no.: 435-628-3663

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

ANIMAL CARE, RESCUE AND POPULATION CONTROL

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 16,471,781 including grants of\$ ) (Revenue \$ ) ANIMAL CARE ACTIVITIES (SANCTUARY) - SEE EXHIBIT A FOR DETAILS ON EXEMPT PURPOSE ACHIEVEMENTS

4b (Code: ) (Expenses \$ 1,000,092 including grants of\$ ) (Revenue \$ ) RAPID RESPONSE - SEE EXHIBIT A FOR DETAILS ON EXEMPT PURPOSE ACHIEVEMENTS

4c (Code: ) (Expenses \$ 12,554,364 including grants of\$ 930,862 ) (Revenue \$ ) COMMUNITY PROGRAMS & SERVICES - SEE EXHIBIT A FOR DETAILS ON EXEMPT PURPOSE ACHIEVEMENTS (DONATED SERVICES OF \$340,200 HAS BEEN EXCLUDED FROM THIS AMOUNT)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of\$ ) (Revenue \$ )

4e Total program service expenses \$ 30,026,237 (Must equal Part IX, Line 25, column (B).)

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	X	
5 <b>Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.</b> Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? If "Yes," complete Schedule F, Part I		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	X	
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	X	
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	X	
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25.		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I		X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		X

**Part IV Checklist of Required Schedules (continued)**

		Yes	No
<b>28</b>	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
<b>a</b>	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV		X
<b>b</b>	Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV		X
<b>c</b>	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV		X
<b>29</b>	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	X	
<b>30</b>	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
<b>31</b>	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
<b>32</b>	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
<b>33</b>	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	X	
<b>34</b>	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	X	
<b>35</b>	Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2		X
<b>36</b>	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		X
<b>37</b>	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable		
	<b>1a</b> 68		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
	<b>1b</b> 0		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
	<b>2a</b> 593		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	X	
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	X	
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
<b>4b</b>	If "Yes," enter the name of the foreign country: See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
<b>5c</b>	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
<b>6a</b>	Did the organization solicit any contributions that were not tax deductible?		X
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		X
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
<b>7g</b>	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		X
<b>7h</b>	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	X	
<b>8</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
<b>9</b>	<b>Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		X
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		X
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter:		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter:		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		

**Part VI Governance, Management, and Disclosure** (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

**Section A. Governing Body and Management**

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
<b>1a</b>	Enter the number of voting members of the governing body	1a	7
<b>b</b>	Enter the number of voting members that are independent	1b	0
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	X	
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
<b>4</b>	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
<b>5</b>	Did the organization become aware during the year of a material diversion of the organization's assets?		X
<b>6</b>	Does the organization have members or stockholders?		X
<b>7a</b>	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
<b>b</b>	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b>	The governing body?	X	
<b>b</b>	Each committee with authority to act on behalf of the governing body?	X	
<b>9a</b>	Does the organization have local chapters, branches, or affiliates?		X
<b>b</b>	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
<b>10</b>	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	X	
<b>11</b>	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies**

		Yes	No
<b>12a</b>	Does the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>b</b>	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>c</b>	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	X	
<b>13</b>	Does the organization have a written whistleblower policy?	X	
<b>14</b>	Does the organization have a written document retention and destruction policy?	X	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
<b>a</b>	The organization's CEO, Executive Director, or top management official?	X	
<b>b</b>	Other officers or key employees of the organization? Describe the process in Schedule O. (see instructions)	X	
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	X	
<b>b</b>	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	X	

**Section C. Disclosure**

<b>17</b>	List the states with which a copy of this Form 990 is required to be filed	AK, AL, AR, AZ, CA, CO, CT, DC, DE, FL, GA, HI, IA
<b>18</b>	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply. <input checked="" type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
<b>19</b>	Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.	
<b>20</b>	State the name, physical address, and telephone number of the person who possesses the books and records of the organization:	JOHN FRIPP 5001 ANGEL CANYON RD KANAB UT 84741 435-644-2001

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
  - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
  - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
  - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL MOUNTAIN PRESIDENT	50	X					73,568	0	14,297	
ALFRED F. BATTISTA DIRECTOR	50	X					73,568	0	6,697	
JONATHAN DE PEYER CHAIRMAN	50	X					73,368	0	14,498	
CELESTE FRIPP SECRETARY	50	X					72,767	0	15,098	
JOHN FRIPP TREAS./CFO	50	X		X			72,567	0	15,298	
FAITH MALONEY DIRECTOR	50	X					71,890	0	14,297	
GREGORY CASTLE DIRECTOR	50	X					70,660	0	22,300	
PAUL BERRY CEO	50			X			121,948	0	23,554	
PAUL ECKHOF DIRECTOR	13					X	28,961	0	3,249	



**Part VIII Statement of Revenue**

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	<b>1a</b> Federated campaigns					
	<b>1b</b> Membership dues					
	<b>1c</b> Fundraising events	83,051				
	<b>1d</b> Related organizations					
	<b>1e</b> Government grants (contributions)	388,775				
	<b>1f</b> All other contributions, gifts, grants, and similar amounts not included above	36,716,673				
	<b>g</b> Noncash contributions included in lines 1a-1f: \$	1,533,445				
	<b>h Total.</b> Add lines 1a-1f	37,188,499				
Program Service Revenue	<b>2a</b> PROGRAM EVENTS	315,955	315,955			
	<b>b</b>					
	<b>c</b>					
	<b>d</b>					
	<b>e</b>					
	<b>f</b> All other program service revenue					
	<b>g Total.</b> Add lines 2a-2f	315,955				
Other Revenue	<b>3</b> Investment income (including dividends, interest, and other similar amounts)	647,107			647,107	
	<b>4</b> Income from investment of tax-exempt bond proceeds					
	<b>5</b> Royalties					
	<b>6a</b> Gross Rents	(i) Real	482,584			
		(ii) Personal				
	<b>b</b> Less: rental exps.	171,007				
	<b>c</b> Rental inc. or (loss)	311,577				
	<b>d</b> Net rental income or (loss)	311,577	188,928		122,649	
	<b>7a</b> Gross amount from sales of assets other than inventory	(i) Securities	718,667			
		(ii) Other	5,500			
	<b>b</b> Less: cost or other basis & sales exps.	1,115,404	12,246			
	<b>c</b> Gain or (loss)	-396,737	-6,746			
	<b>d</b> Net gain or (loss)	-403,483			-403,483	
	<b>8a</b> Gross income from fundraising events (not including \$ 83,051 of contributions reported on line 1c). See Part IV, line 18	<b>a</b>	203,918			
		<b>b</b> Less: direct expenses	77,775			
<b>c</b> Net income or (loss) from fundraising events		126,143	126,143			
<b>9a</b> Gross income from gaming activities. See Part IV, line 19	<b>a</b>					
	<b>b</b> Less: direct expenses					
	<b>c</b> Net income or (loss) from gaming activities					
<b>10a</b> Gross sales of inventory, less returns and allowances	<b>a</b>	1,303,703				
	<b>b</b> Less: cost of goods sold	1,160,864				
	<b>c</b> Net income or (loss) from sales of inventory	142,839	64,039	78,800		
Miscellaneous Revenue						
<b>11a</b> BEST FRIENDS MAGAZINE	<b>Busn. Code</b>	541800		537,020		
	<b>b</b> CAFETERIA/VENDING INCOME			108,167	108,167	
	<b>c</b> THIRD-PARTY REIMBURSEMENTS			72,874	72,874	
	<b>d</b> All other revenue					
	<b>e Total.</b> Add lines 11a-11d		718,061			
<b>12 Total Revenue.</b> Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		39,046,698	695,065	615,820	547,314	

**Part IX Statement of Functional Expenses**

**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.  
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	836,202	836,202		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	74,660	74,660		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	20,000	20,000		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	756,375	520,181	64,248	171,946
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	32,210	32,210		
7 Other salaries and wages	16,288,138	14,034,412	1,068,715	1,185,011
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	706,571	579,221	44,924	82,426
9 Other employee benefits	1,726,796	1,497,701	137,738	91,357
10 Payroll taxes	1,630,068	1,432,204	85,733	112,131
11 Fees for services (non-employees):				
a Management				
b Legal	307,591	250,253		57,338
c Accounting	55,307	3,404	51,812	91
d Lobbying				
e Professional fundraising services. See Part IV, line 7	43,810			43,810
f Investment management fees	77,294		76,907	387
g Other	484,449	368,082	18,773	97,594
12 Advertising and promotion	433,713	412,388	1,054	20,271
13 Office expenses				
14 Information technology	531,363	486,003	23,995	21,365
15 Royalties				
16 Occupancy				
17 Travel	682,841	563,974	6,449	112,418
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	38,076	28,980	8,861	235
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,041,999	1,001,458	36,408	4,133
23 Insurance	59,900	59,340		560
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PRINTING & COPYING	2,247,052	1,165,272	19,737	1,062,043
b POSTAGE & SHIPPING	1,665,738	895,084	17,512	753,142
c SUPPLIES	1,205,570	1,103,181	20,779	81,610
d ANIMAL VET/MEDICAL SUPPLIES	763,945	763,674		271
e INDEPENDENT CONTRACTOR	570,465	513,772	30,886	25,807
f All other expenses	4,287,920	3,384,581	454,242	449,097
25 Total functional expenses. Add lines 1 through 24f	36,568,053	30,026,237	2,168,773	4,373,043
26 Joint Costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	301,026	150,513		150,513

**Part X Balance Sheet**

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	1 Cash—non-interest bearing	1,126,389	1	1,282,152
	2 Savings and temporary cash investments	2,794,060	2	3,645,554
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	201	4	25,734
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	147,381	8	400,262
	9 Prepaid expenses and deferred charges	142,754	9	90,028
	10a Land, buildings, and equipment: cost basis	10a 20,760,430		
	b Less: accumulated depreciation. Complete Part VI of Schedule D	10b 7,031,836		
	11 Investments—publicly traded securities	13,364,756	10c	13,728,594
	12 Investments—other securities. See Part IV, line 11	6,310,481	11	4,711,103
	13 Investments—program-related. See Part IV, line 11	6,040,102	12	6,661,242
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11	69,826	14	
15 Other assets. See Part IV, line 11	69,826	15	47,994	
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	29,995,950	16	30,592,663	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	1,335,557	17	1,211,723
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D	1,025,427	25	1,995,655
	26 <b>Total liabilities.</b> Add lines 17 through 25	2,360,984	26	3,207,378
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	27 Unrestricted net assets	26,769,461	27	24,794,378
	28 Temporarily restricted net assets	803,719	28	2,523,521
	29 Permanently restricted net assets	61,786	29	67,386
	<b>Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.</b>			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	27,634,966	33	27,385,285
34 Total liabilities and net assets/fund balances	29,995,950	34	30,592,663	

**Part XI Financial Statements and Reporting**

	Yes	No
1 Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?		X
b Were the organization's financial statements audited by an independent accountant?	X	
c If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
b If "Yes," did the organization undergo the required audit or audits?		



**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	20,703,005	31,861,868	27,017,887	34,248,460	37,188,499	151,019,719
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1-3	20,703,005	31,861,868	27,017,887	34,248,460	37,188,499	151,019,719
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public support.</b> Subtract line 5 from line 4						151,019,719

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4	20,703,005	31,861,868	27,017,887	34,248,460	37,188,499	151,019,719
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	510,031	569,316	717,036	683,197	769,756	3,249,336
9 Net income from unrelated business activities, whether or not the business is regularly carried on		28,317	32,497			60,814
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 <b>Total support.</b> Add lines 7 through 10						154,329,869
12 Gross receipts from related activities, etc. (see instructions)					12	3,459,750
13 <b>First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> ▶ <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	97.8551 %
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	97.7495 %
16a <b>33 1/3 % support test—2008.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶ <input checked="" type="checkbox"/>		
<b>b 33 1/3 % support test—2007.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a <b>10%-facts-and-circumstances test—2008.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
<b>b 10%-facts-and-circumstances test—2007.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 <b>Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1-5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**  ►

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2007 Schedule A, Part IV-A, line 27g	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for <b>2008</b> (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from <b>2007</b> Schedule A, Part IV-A, line 27h	<b>18</b>	%

**19a 33 1/3 % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization  ►

**b 33 1/3 % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization  ►

**20 Private foundation.** If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions  ►



**SCHEDULE C  
(Form 990 or 990-EZ)**

**Political Campaign and Lobbying Activities**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ To be completed by organizations described below.

▶ Attach to Form 990 or Form 990-EZ.

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization

BEST FRIENDS ANIMAL SOCIETY

Employer identification number

23-7147797

**Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.**  
See the instructions for Schedule C for details.

- 1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
- 2 Political expenditures ▶ \$ \_\_\_\_\_
- 3 Volunteer hours \_\_\_\_\_

**Part I-B To be completed by all organizations exempt under section 501(c)(3).**  
See the instructions for Schedule C for details.

- 1 Enter the amount of any excise tax incurred by the organization under section 4955 ▶ \$ \_\_\_\_\_
- 2 Enter the amount of any excise tax incurred by organization managers under section 4955 ▶ \$ \_\_\_\_\_
- 3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year?  Yes  No
- 4a Was a correction made?  Yes  No
- b If "Yes," describe in Part IV.

**Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).**  
See the instructions for Schedule C for details.

- 1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ▶ \$ \_\_\_\_\_
- 3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b ▶ \$ \_\_\_\_\_
- 4 Did the filing organization file **Form 1120-POL** for this year?  Yes  No
- 5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-

**Part II-A To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.**

- A** Check  if the filing organization belongs to an affiliated group.  
**B** Check  if the filing organization checked box A and "limited control" provisions apply.

<b>Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)</b>		<b>(a) Filing organization's totals</b>	<b>(b) Affiliated group totals</b>												
<b>1a</b> Total lobbying expenditures to influence public opinion (grass roots lobbying)															
<b>b</b> Total lobbying expenditures to influence a legislative body (direct lobbying)															
<b>c</b> Total lobbying expenditures (add lines 1a and 1b)															
<b>d</b> Other exempt purpose expenditures															
<b>e</b> Total exempt purpose expenditures (add lines 1c and 1d)															
<b>f</b> Lobbying nontaxable amount. Enter the amount from the following table in both columns.															
<table border="1"> <tr> <td><b>If the amount on line 1e, column (a) or (b) is:</b></td> <td><b>The lobbying nontaxable amount is:</b></td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 1e.</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000.</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000.</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000.</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000.</td> </tr> </table>	<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>	Not over \$500,000	20% of the amount on line 1e.	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.	Over \$17,000,000	\$1,000,000.			
<b>If the amount on line 1e, column (a) or (b) is:</b>	<b>The lobbying nontaxable amount is:</b>														
Not over \$500,000	20% of the amount on line 1e.														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000.														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000.														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000.														
Over \$17,000,000	\$1,000,000.														
<b>g</b> Grassroots nontaxable amount (enter 25% of line 1f)															
<b>h</b> Subtract line 1g from line 1a. Enter -0- if line g is more than line a															
<b>i</b> Subtract line 1f from line 1c. Enter -0- if line f is more than line c															
<b>j</b> If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?			<input type="checkbox"/> Yes <input type="checkbox"/> No												

**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 2a through 2f of the instructions.)**

<b>Lobbying Expenditures During 4-Year Averaging Period</b>					
<b>Calendar year (or fiscal year beginning in)</b>	<b>(a) 2005</b>	<b>(b) 2006</b>	<b>(c) 2007</b>	<b>(d) 2008</b>	<b>(e) Total</b>
<b>2a</b> Lobbying non-taxable amount					
<b>b</b> Lobbying ceiling amount (150% of line 2a, column(e))					
<b>c</b> Total lobbying expenditures					
<b>d</b> Grassroots non-taxable amount					
<b>e</b> Grassroots ceiling amount (150% of line 2d, column (e))					
<b>f</b> Grassroots lobbying expenditures					

**Part II-B To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)). See the instructions for Schedule C for details.**

	(a)		(b)
	Yes	No	Amount
<b>1</b> During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
<b>a</b> Volunteers?	X		
<b>b</b> Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	X		
<b>c</b> Media advertisements?		X	
<b>d</b> Mailings to members, legislators, or the public?	X		
<b>e</b> Publications, or published or broadcast statements?	X		
<b>f</b> Grants to other organizations for lobbying purposes?		X	
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body?	X		10,000
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
<b>i</b> Other activities? If "Yes," describe in Part IV	X		
<b>j</b> Total lines 1c through 1i			10,000
<b>2a</b> Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
<b>b</b> If "Yes," enter the amount of any tax incurred under section 4912			
<b>c</b> If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
<b>d</b> If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

**Part III-A To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6). See the instructions for Schedule C for details.**

	Yes	No
<b>1</b> Were substantially all (90% or more) dues received nondeductible by members?		
<b>2</b> Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
<b>3</b> Did the organization agree to carryover lobbying and political expenditures from the prior year?		

**Part III-B To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes." See Schedule C instructions for details.**

<b>1</b> Dues, assessments and similar amounts from members	<b>1</b>	
<b>2</b> Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
<b>a</b> Current year	<b>2a</b>	
<b>b</b> Carryover from last year	<b>2b</b>	
<b>c</b> Total	<b>2c</b>	
<b>3</b> Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	<b>3</b>	
<b>4</b> If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	<b>4</b>	
<b>5</b> Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	<b>5</b>	

**Part IV Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

SCHEDULE C, PART II-B, LINE 1I

IN 2008 PROFESSIONAL LOBBYISTS PURSUED CHANGES IN ANIMAL LAW IN UTAH AND GEORGIA, WHICH INCLUDED DIRECT CONTACT WITH LEGISLATORS (THIS RELATES TO THE \$10,000 REPORTED ON LINE 1G).

IN LIEU OF "MAILINGS", TYPICALLY, THE ORGANIZATION USES ITS WEBSITE AND

**Part IV Supplemental Information** (continued)

EMAILING OF MEMBERS TO ENCOURAGE PUBLIC ACTION ACROSS A BROAD SPECTRUM OF ANIMAL ISSUES, INCLUDING SUCH ISSUES AS PUPPY MILLS AND SAVING FERAL CATS BY PROVIDING CONTACT INFORMATION FOR VARIOUS STATE OR LOCAL OFFICIALS AS INCIDENTS, ISSUES OR PROPOSED LEGISLATION ARE BROUGHT TO THE ATTENTION OF THE ORGANIZATION. GENERALLY THESE "NOTIFICATIONS" ARE LINKED WITH OTHER ACTIVITIES OF THE ORGANIZATION AND ANY EXPENSES ATTRIBUTABLE TO SUCH LOBBYING ACTIVITIES ARE RELATIVELY INSIGNIFICANT.

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

BEST FRIENDS ANIMAL SOCIETY

23-7147797

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two questions about donor advisement.

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

Table with 2 columns: Question, Held at the End of the Year. Rows include purpose(s) of conservation easements, total number of easements, total acreage, and monitoring details.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

Table with 2 columns: Question, Amount. Rows include questions about reporting art and historical treasures and amounts for revenues and assets.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.**

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIV.

**Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.**

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment  \_\_\_\_\_ %
- b Permanent endowment  \_\_\_\_\_ %
- c Term endowment  \_\_\_\_\_ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?  Yes  No

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.**

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		4,528,117		4,528,117
b Buildings		12,103,259	4,657,095	7,446,164
c Leasehold improvements				
d Equipment		4,104,938	2,374,741	1,730,197
e Other		24,116		24,116

**Total.** Add lines 1a–1e. (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶ 13,728,594



**Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	39,046,698
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	36,568,053
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,478,645
4	Net unrealized gains (losses) on investments	4	-2,821,227
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	92,901
9	Total adjustments (net). Add lines 4-8	9	-2,728,326
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-249,681

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	41,599,984
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-2,821,227
b	Donated services and use of facilities	2b	349,650
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	5,024,863
e	Add lines 2a through 2d	2e	2,553,286
3	Subtract line 2e from line 1	3	39,046,698
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part 1, line 12.)	5	39,046,698

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	41,849,665
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	349,650
b	Prior year adjustments	2b	
c	Losses reported on Form 990, Part IX, line 25	2c	
d	Other (Describe in Part XIV)	2d	4,931,962
e	Add lines 2a through 2d	2e	5,281,612
3	Subtract line 2e from line 1	3	36,568,053
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	36,568,053

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

<u>PART XI, LINE 8 - RECONCILIATION OF CHANGES - OTHER</u>	
<u>BEST FRIENDS STORE EXPENSE</u>	\$ 964,130
<u>NET LOSS ON DISPOSITION OF CAPITAL ASSETS</u>	\$ 6,746
<u>SPECIAL EVENTS EXPENSE</u>	\$ 77,775
<u>ANGEL CANYON, INC. INCOME</u>	\$ 390,507
<u>BEST FRIENDS GIFT SHOP EXPENSE</u>	\$ 196,734
<u>NET INVESTMENT LOSS</u>	\$ 3,217,964

**Part XIV Supplemental Information** (continued)

RENTAL EXPENSES	\$ 171,007
BEST FRIENDS STORE EXPENSE	\$ -964,130
NET LOSS ON DISPOSITION OF CAPITAL ASSETS	\$ -6,746
SPECIAL EVENTS EXPENSE	\$ -77,775
NET INVESTMENT LOSS	\$ -3,217,964
ANGEL CANYON, INC. EXPENSES	\$ -297,606
BEST FRIENDS GIFT SHOP EXPENSE	\$ -196,734
RENTAL EXPENSES	\$ -171,007
-----	
PART XII, LINE 2D - REVENUE AMOUNTS INCLUDED IN FINANCIALS - OTHER	
BEST FRIENDS STORE EXPENSE	\$ 964,130
NET LOSS ON DISPOSITION OF CAPITAL ASSETS	\$ 6,746
SPECIAL EVENTS EXPENSE	\$ 77,775
ANGEL CANYON, INC. INCOME	\$ 390,507
BEST FRIENDS GIFT SHOP EXPENSE	\$ 196,734
NET INVESTMENT LOSS	\$ 3,217,964
RENTAL EXPENSES	\$ 171,007
-----	
PART XIII, LINE 2D - EXPENSE AMOUNTS INCLUDED IN FINANCIALS - OTHER	
BEST FRIENDS STORE EXPENSE	\$ 964,130
NET LOSS ON DISPOSITION OF CAPITAL ASSETS	\$ 6,746
SPECIAL EVENTS EXPENSE	\$ 77,775
NET INVESTMENT LOSS	\$ 3,217,964
ANGEL CANYON, INC. EXPENSES	\$ 297,606
BEST FRIENDS GIFT SHOP EXPENSE	\$ 196,734
RENTAL EXPENSES	\$ 171,007











**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		LA LINT ROLLER <small>(event type)</small>	 <small>(event type)</small>	NONE <small>(total number)</small>	(Add col. (a) through col. (c))
Revenue	1	Gross receipts	286,969		286,969
	2	Less: Charitable contributions	83,051		83,051
	3	Gross revenue (line 1 minus line 2)	203,918		203,918
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Other direct expenses	77,775		77,775
	8	Direct expense summary. Add lines 4 through 7 in column (d)			
9	Net income summary. Combine lines 3 and 8 in column (d)				126,143

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1	Gross revenue			
Direct Expenses	2	Cash prizes			
	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor	<input type="checkbox"/> Yes ..... % <input type="checkbox"/> No	<input type="checkbox"/> Yes ..... % <input type="checkbox"/> No	<input type="checkbox"/> Yes ..... % <input type="checkbox"/> No
7	Direct expense summary. Add lines 2 through 5 in column (d)				( )
8	Net gaming income summary. Combine lines 1 and 7 in column (d)				

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities: .....		
a Is the organization licensed to operate gaming activities in each of these states? .....	9a	
b If "No," Explain: .....		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? .....	10a	
b If "Yes," Explain: .....		
11 Does the organization operate gaming activities with nonmembers? .....	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? .....	12	

**13** Indicate the percentage of gaming activity operated in:

- a The organization's facility ..... **13a** %
- b An outside facility ..... **13b** %

**14** Provide the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ JOHN FRIPP  
 5001 ANGEL CANYON RD  
 Address ▶ KANAB UT 84741

**15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ..... **15a**

- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ ..... and the amount of gaming revenue retained by the third party ▶ \$ .....
- c If "Yes," enter name and address:

Name ▶ .....  
 Address ▶ .....

**16** Gaming manager information:

Name ▶ .....  
 Gaming manager compensation ▶ \$ .....  
 Description of services provided ▶ .....  
 Director/officer     Employee     Independent contractor

**17** Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ..... **17a**
- b Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ .....

	Yes	No
13a		
13b		
15a		X
17a		X

**SCHEDULE I  
(Form 990)**

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the U.S.**

OMB No. 1545-0047

**2008**

**Open to Public  
Inspection**

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.**

▶ **Attach to Form 990.**

Name of the organization **BEST FRIENDS ANIMAL SOCIETY** Employer identification number **23-7147797**

**Part I General Information on Grants and Assistance**

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
	AMSALE GASSESSE MEMORIAL FOUNDATION 223 WESTHEIMER RD HOUSTON TX 77006	61-1512663	3	30,000				SUPPORT
	ANIMAL LAW & LEGISLATION 12850 HWY 9, #600-186 ALPHARETTA GA 30004	30-0470643		6,361				SUPPORT
	DAWG 201 N. WESTSHORE DR, #1750 CHICAGO IL 60601	36-4366285	3	107,554				SUPPORT
	DANNEMILLER TYSON ASSOC 905 W. EISENHOWER CIRCLE ANN ARBOR MI 48103	38-3275189		5,590				G L RABBIT SANCTUARY
	FIRST COAST NMHP 6817 NORWOOD AVE JACKSONVILLE FL 32208	01-0709158	3	159,532				FERAL CAT PROJECT
	FIX NATION PO BOX 26 WOODLAND HILLS CA 91365	83-0452460	3	150,000				SUPPORT
	FREDONIA HUMANE SOCIETY 25 N. MAIN ST FREDONIA AZ 86022	20-0075739	3	28,568				SUPPORT
	GREAT LAKES RABBIT SANCTUARY PO BOX 7 WHITTAKER MI 48190	38-3241481	3	115,000				SUPPORT
	LA ANIMAL SERVICES 221 N. FIGUEROA ST, 5TH FLOOR LOS ANGELES CA 90012	00-0000000		5,296				ANIMAL CONTROL

- 2 Enter total number of section 501(c)(3) and government organizations ▶ 14
- 3 Enter total number of other organizations ▶ 3

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
VETERINARY HOSPITAL EXP	85	69,160			
SCHOLARSHIP	11	5,500			

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

PART I, LINE 2 - PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS

IN REGARDS TO PART I IN GENERAL, THE ORGANIZATION'S PROCESS RELATING TO GRANTS AND ASSISTANCE IS RELATIVELY INFORMAL; HOWEVER, AS A RESULT OF THIS SCHEDULE, THE ORGANIZATION HAS BECOME AWARE OF THE NEED FOR IMPROVEMENT IN THIS AREA AND INTENDS TO DO SO. THE ORGANIZATION BELIEVES THAT ITS INFORMAL PROCESS ALLOWS IT TO ADEQUATELY MONITOR THE USE OF GRANT/ASSISTANCE FUNDS.

PART IV - ADDITIONAL INFORMATION

FOR EINS THAT ARE UNKNOWN OR NOT APPLICABLE, 00-0000000 IS USED TO COMPLETE THE SCHEDULE.

**SCHEDULE I-1  
(Form 990)**

**Continuation Sheet for Schedule I (Form 990)**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

▶ **Attach to Form 990 to list additional information for  
Part II and Part III, Schedule I (Form 990).**

Name of the organization **BEST FRIENDS ANIMAL SOCIETY** Employer identification number **23-7147797**

**Part I Continuation of Grants and Other Assistance to Governments and Organizations in the U.S. (Schedule I (Form 990), Part II.)**

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NEW LEASH ON LIFE PO BOX 550049 ATLANTA GA 30355	20-3096630	3	5,800				SUPPORT
NO KILL ADVOCACY CENTER 6114 LA SALLA AVE, #837 OAKLAND CA 94611	20-1648359	3	10,000				SUPPORT
PETS ALIVE 363 DERBY ROAD MIDDLETOWN NY 10940	11-2975276	3	5,650				SUPPORT
ST. FRANCIS ANIMAL SANCTUARY PO BOX 677 ABITA SPRINGS LA 70420	72-1482429	3	10,000				SUPPORT
TUSK & BRISTLE SANCTUARY 432 DUTCHERVILLE RD CONSTANTIA NY 13044	00-0000000		6,750				SUPPORT
VILLALOBOS RESCUE CENTER 36220 ANTHONY RD AQUA DULCE CA 91386	95-4734932	3	12,000				SUPPORT
WILDLIFE SOS 406 E. 300 S. #302 SALT LAKE CITY UT 84111	20-3274638	3	5,850				SUPPORT
THE UTAH COALITION FOR ANIMALS 324 S. 400 W. SALT LAKE CITY UT 84101	87-0650022	3	155,000				SUPPORT
-----							
-----							
-----							

2 Enter total number of Section 501(c)(3) and government organizations ..... ▶  
3 Enter total number of other organizations ..... ▶

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

Schedule I-1 (Form 990) 2008

**SCHEDULE J**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest  
Compensated Employees

▶ Attach to Form 990. To be completed by organizations  
that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

**2008**

Open To Public  
Inspection

Name of the organization

BEST FRIENDS ANIMAL SOCIETY

Employer identification number

23-7147797

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input type="checkbox"/> First-class or charter travel <input type="checkbox"/> Travel for companions <input type="checkbox"/> Tax indemnification and gross-up payments <input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use <input type="checkbox"/> Payments for business use of personal residence <input type="checkbox"/> Health or social club dues or initiation fees <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</b> If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain .....	<b>1b</b>	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? .....	<b>2</b>	
<b>3</b> Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
<input type="checkbox"/> Compensation committee <input type="checkbox"/> Independent compensation consultant <input type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract <input checked="" type="checkbox"/> Compensation survey or study <input checked="" type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a:		
<b>a</b> Receive a severance payment or change of control payment? .....	<b>4a</b>	X
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan? .....	<b>4b</b>	X
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement? .....	<b>4c</b>	X
If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.</b>		
<b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
<b>a</b> The organization? .....	<b>5a</b>	X
<b>b</b> Any related organization? .....	<b>5b</b>	X
If "Yes" to line 5a or 5b, describe in Part III.		
<b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
<b>a</b> The organization? .....	<b>6a</b>	X
<b>b</b> Any related organization? .....	<b>6b</b>	X
If "Yes" to line 6a or 6b, describe in Part III.		
<b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III .....	<b>7</b>	X
<b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III .....	<b>8</b>	X

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

Schedule J (Form 990) 2008





**SCHEDULE M  
(Form 990)**

**NonCash Contributions**

OMB No. 1545-0047

**2008**

**Open To Public  
Inspection**

▶ **To be completed by organizations that answered "Yes"  
on Form 990, Part IV, lines 29 or 30.**

▶ **Attach to Form 990.**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**BEST FRIENDS ANIMAL SOCIETY**

Employer identification number

**23-7147797**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of Contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art				
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes	X	1	350,000	COMPARABLE SELLING PRICE
8 Intellectual property				
9 Securities—Publicly traded	X	45	141,799	STOCK PRICE WHEN DONATED
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution (historic structures)				
14 Qualified conservation contribution (other)				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory	X	30	358,000	COMPARABLE SELLING PRICE
20 Drugs and medical supplies	X	15	117,225	COMPARABLE SELLING PRICE
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( VARIOUS GOODS )	X	2880	566,421	COMPARABLE SELLING PRICE
26 Other ▶ ( )				
27 Other ▶ ( )				
28 Other ▶ ( )				

29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29	0
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	Yes	No
30a		X
31	X	
32a		X
33		

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

Schedule M (Form 990) 2008



**SCHEDULE O**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990**

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

**2008**

Open to Public Inspection

Name of the organization

BEST FRIENDS ANIMAL SOCIETY

Employer identification number

23-7147797

FORM 990, PART III, LINE 4D - ALL OTHER ACHIEVEMENTS

N/A

FORM 990, PART VI, LINE 2 - RELATED PARTY INFORMATION AMONG OFFICERS

JOHN FRIPP

CELESTE FRIPP

TREAS/CFO

SECRETARY

HUSBAND & WIFE

FORM 990, PART VI, LINE 10 - ORGANIZATION'S PROCESS USED TO REVIEW FORM 990

THE FORM IS REVIEWED BY CERTAIN ACCOUNTING AND MANAGEMENT PERSONNEL

AND THE PRESIDENT OF THE BOARD, WHO GIVES RECOMMENDATION TO THE ENTIRE

BOARD.

FORM 990, PART VI, LINE 12C - ENFORCEMENT OF CONFLICTS POLICY

ALL INVOLVED MUST SIGN THE CONFLICT OF INTEREST POLICY; FURTHERMORE, THE

POLICY IS ADDRESSED AT EACH BOARD MEETING. SPECIFICALLY, ALL NEW CONTRACTS

ARE REVIEWED FOR POTENTIAL CONFLICTS OF INTEREST.

FORM 990, PART VI, LINE 15A - COMPENSATION PROCESS FOR TOP OFFICIAL

AN OUTSIDE SALARY SURVEY IS CONDUCTED. BASED ON OUTSIDE DATA, "LOW"

SALARIES HAVE BEEN UPDATED OVER A PERIOD OF THREE YEARS. COMPENSATION IS

APPROVED BY THE BOARD.

FORM 990, PART VI, LINE 15B - COMPENSATION PROCESS FOR OFFICERS

AN OUTSIDE SALARY SURVEY IS CONDUCTED. BASED ON OUTSIDE DATA, "LOW"

Name of the organization

BEST FRIENDS ANIMAL SOCIETY

Employer identification number

23-7147797

SALARIES HAVE BEEN UPDATED OVER A PERIOD OF THREE YEARS. COMPENSATION IS APPROVED BY THE BOARD.

FORM 990, PART VI, LINE 17 - OTHER STATES WHERE COPY OF RETURN IS FILED IDAHO, ILLINOIS, INDIANA, KANSAS, KENTUCKY, LOUISIANA, MASSACHUSETTS, MARYLAND, MAINE, MICHIGAN, MINNESOTA, MISSOURI, MISSISSIPPI, MONTANA, NORTH CAROLINA, NORTH DAKOTA, NEBRASKA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEVADA, NEW YORK, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VIRGINIA, VERMONT, WASHINGTON, WISCONSIN, WEST VIRGINIA, WYOMING

FORM 990, PART VI, LINE 19 - GOVERNING DOCUMENTS DISCLOSURE EXPLANATION ALL APPLICABLE FORMS ARE AVAILABLE UPON REQUEST. THE FORMS 990 AND 990-T ARE POSTED ON THE ORGANIZATION'S WEBSITE, SENT TO THE AMERICAN INSTITUTE OF PHILANTHROPY AND FOLLOWED TO BE SURE CHARITY NAVIGATOR RECEIVES A COPY FROM THE IRS. ALSO, THE FORMS 990 AND 990-T ARE SENT TO ALL 50 STATES.

SCHEDULE R - ADDITIONAL INFORMATION

ANGEL CANYON, INC., OWNED 100% BY THE ORGANIZATION, WAS DISSOLVED ON 9/1/08; CONSEQUENTLY, AS OF THAT DATE, THE ACTIVITIES OF ANGEL CANYON, INC. BECAME PART OF THE ORGANIZATION'S ACTIVITIES. THE OTHER TRANSFER OF CASH AND PROPERTY OF \$841,638 RELATES TO DIVIDENDS AND THE FINAL DISTRIBUTION UPON DISSOLUTION.

**SCHEDULE R**  
**(Form 990)**

**Related Organizations and Unrelated Partnerships**

OMB No. 1545-0047

**2008**

**Open to Public Inspection**

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.**

▶ **See separate instructions.**

Department of the Treasury  
Internal Revenue Service

<b>Name of the organization</b> BEST FRIENDS ANIMAL SOCIETY	<b>Employer identification number</b> 23-7147797
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**Part I Identification of Disregarded Entities**

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
BEST FRIENDS STORE, LLC 5001 ANGEL CANYON ROAD 20-1986810 KANAB UT 84741	SALES	UT	105,629	656,910	N/A

**Part II Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
THE UTAH COALITION FOR ANIMALS 324 SOUTH 400 WEST 87-0650022 SALT LAKE CITY UT 84101	ANIMALS	UT	501C3	7	N/A

**Part III Identification of Related Organizations Taxable as a Partnership**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Dispro- portionate alloc.?		(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner?	
							Yes	No		Yes	No

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
ANGEL CANYON, INC. 5001 ANGEL CANYON ROAD KANAB UT 84741 87-0500440	SALES	UT	N/A	C	N/A	N/A	N/A

**Part V Transactions With Related Organizations**

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV.

	Yes	No
<b>1</b> During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties <b>(iv)</b> rent from a controlled entity		X
<b>b</b> Gift, grant, or capital contribution to other organization(s)	X	
<b>c</b> Gift, grant, or capital contribution from other organization(s)		X
<b>d</b> Loans or loan guarantees to or for other organization(s)		X
<b>e</b> Loans or loan guarantees by other organization(s)		X
<b>f</b> Sale of assets to other organization(s)		X
<b>g</b> Purchase of assets from other organization(s)		X
<b>h</b> Exchange of assets		X
<b>i</b> Lease of facilities, equipment, or other assets to other organization(s)		X
<b>j</b> Lease of facilities, equipment, or other assets from other organization(s)		X
<b>k</b> Performance of services or membership or fundraising solicitations for other organization(s)		X
<b>l</b> Performance of services or membership or fundraising solicitations by other organization(s)		X
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets		X
<b>n</b> Sharing of paid employees	X	
<b>o</b> Reimbursement paid to other organization for expenses		X
<b>p</b> Reimbursement paid by other organization for expenses	X	
<b>q</b> Other transfer of cash or property to other organization(s)		X
<b>r</b> Other transfer of cash or property from other organization(s)	X	

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(A) Name of other organization(s)	(B) Transaction type (a-r)	(C) Amount involved
(1) THE UTAH COALITION FOR ANIMALS	B	155,000
(2) ANGEL CANYON, INC.	N	30,240
(3) ANGEL CANYON, INC.	P	10,153
(4) ANGEL CANYON, INC.	R	841,638
(5)		
(6)		



**Best Friends Animal Society**  
**2008 Form 990, Part III – Exhibit A**  
**Statement of Program Service Accomplishments**  
**EIN: 23-7147797**

**Description of Programs**

Best Friends Animal Society is a nonprofit, membership organization building no-kill programs and partnerships that will bring about a day when there are No More Homeless Pets. The society's leading initiatives in animal care and community programs are coordinated from its Kanab, Utah, headquarters, the country's largest no-kill sanctuary. This work is made possible by the personal and financial support of a grassroots network of members and community partners across the nation. In 2009, Best Friends celebrates its 25th anniversary.

At the heart of our work is Best Friends Animal Sanctuary, the nation's largest refuge for abused and abandoned animals, where on any given day about 1,700 animals are receiving special care and rehabilitation. The great majority, more than 75 percent, find their forever homes. Others, who are older or sicker, or have suffered extra trauma, find a home and a haven at the sanctuary and are given loving care for the rest of their lives.

Through the Best Friends Network and our Rapid Response team, we also reach across the nation and around the world to help communities rescue animals in distress and to set up spay/neuter, shelter, foster and adoption programs in their neighborhoods, cities, and states.

Though these interventions have helped to dramatically decrease the number of animals killed every year – from around 17 million 25 years ago to 5 million today – progress has stalled for the past several years.

After extensive research and consultations with professionals working at the grassroots level, Best Friends announced most of its focus will be placed on helping four distinct categories of vulnerable pets. These four have been identified as the leading challenges to reducing the number of animals killed annually.

As such, we launched major activities under four national campaigns:

**First Home, Forever Home** helps improve the bond between pet and family, and provides guidance in solving behavioral and health issues, in order to reduce the number of pets relinquished to shelters.

**Puppies Aren't Products** exposes the dark truth about the pet industry, including puppy mills and the pet stores who profit from cruelty, and encourages the public to adopt from shelters and rescue groups.

**Focus on Felines** works with community partners (for example, animal control, the government, and local rescue groups) to develop innovative programs to monitor and care for feral cat colonies and cats labeled "feral" in shelters and promotes micro chipping of household cats to insure their safety if lost.

**Pit Bulls: Saving America's Dog** addresses everything from breed-discriminatory legislation to dog fighting, but also takes a closer look at rehabilitation and addressing the emotional toll on dogs rescued from fighting rings.

### **ANIMAL CARE ACTIVITIES (Expenses of \$16,471,781)**

In 2008, we admitted 837 special-needs animals to the sanctuary. We accept animals who, for whatever reason, have become homeless and are either physically or behaviorally challenged. Many times these animals are labeled “unadoptable” and face certain death and are in dire need of rescue. Our mission in animal care is to address the individual animal’s needs and get them ready for a new home.

Best Friends’ whole-health approach – in which each animal’s emotional health is as important as his or her physical health –is the foundation of the groundbreaking work done at the sanctuary. The animals in our care benefit from this approach, as does the larger population of animals affected by the challenges they face in society through our educational outreach and campaign work.

In keeping with this whole-health approach at the sanctuary, within each animal department we have installed mini-medical-clinics capable of routine check-ups, dentals, and other small-scale care procedures. Providing care on-site significantly reduces the stress related to transporting animals to the Best Friends clinic and also allows our team of veterinarians to see more animals for routine care by making rounds to each department.

In 2008, thanks to this holistic approach to well-being, we successfully found homes for 712 special-needs animals.

The Best Friends clinic had a busy year in 2008. The vet team performed:

- 2,375 spay/neuter procedures
- 449 dentals
- 378 surgeries

They also responded to some 100 after-hour emergencies.

We also established a new animal care department: Piggy Paradise. Already, nearly 20 rescued potbellied pigs have found a haven at the sanctuary.

### ***Animal Care Staff Outreach***

In 2008, there was a 70-percent spike in the number of volunteers working alongside and learning from sanctuary staff. Nearly 7,000 people volunteered to help the sanctuary animals and participated in enrichment programs, including classes on appropriate care for each species at the sanctuary, artistic courses, and strengthening the human-animal bond.

### ***DogTown***

National Geographic continued with another year of filming at the sanctuary in 2008. *DogTown* is clearly one of the largest venues for outreach in the history of Animal Care at Best Friends. Each season of the television show is filled with opportunities for Best Friends’ trainers and medical

staff to educate and influence positive human/animal interactions and highlight our rescue efforts and resources to a very wide audience.

### *APDT Conference*

Dogtown trainers and staff represented Best Friends at a booth while attending the APDT (Association of Pet Dog Trainers) conference for the first time this past year. Given our exposure from the National Geographic show, *DogTown*, our trainers were a big hit! Our methods are based on relationship building, which imparts a lasting relationship promoting the human/animal bond. Being given an opportunity to share this knowledge with the greater training population was a huge opportunity for Best Friends.

### *Shelter Tune-Ups*

Our resident animal behaviorist, Sherry Woodard, traveled the country this past year to many animal shelters and humane organizations on an educational mission to help training and care staff with proper assessment and handling techniques. Many times animals fail an assessment due to a lack of assessment education; whereby an animal is deemed aggressive and/or unadoptable. Sherry imparts practical skills that can be translated to the untrained and trained professional in basic animal behavior. Sometimes a small adjustment may save a life by offering a second chance.

### *Horsin' Around*

Our Horse Haven department heralded their first event in the spring of 2008 with Horsin' Around. This event was open to humane horse organizations as well as individuals, and was focused on care (from proper hoof care to dental techniques) plus workshops on the Parelli method of training- a humane and non-invasive method of horse training. The event was very successful and will be held again in the fall of 2009.

### *Parrots*

Incredibly enough, the parrot is too often seen as a bird in a cage. Our Parrot Department has issued a challenge for people to think "outside the cage." Most people do not commonly understand that the parrot started out wild and undomesticated. The staff of *The Parrot Garden* conduct regular classes on parrot behavior both in our schools here in Kanab as well as in Las Vegas, Nevada. Our parrot experts help educate people on the wild nature of birds and how to keep a parrot mentally and physically fit by creating living spaces that mimic some of their life's aspects in the wild. Parrots live a long time and the quality of their life depends on a relationship built on trust and an understanding of their true needs.

### *Wildlife Rehabilitation*

Our Wild Friends department partnered with several wildlife rehabilitation organizations in the state of Utah to form the state's first Wildlife Rehabilitation Association. They distributed their very first newsletter filled with useful common sense tips and resources and fulfilled a request to print more! Our sanctuary wildlife department is the only rehabilitation facility within a 150 mile radius in the state of Utah. We care for, rehabilitate and release everything from local rabbits to eagles to bobcats, and many, many more.

### ***Best Friends' Clinic and The Gap Project***

Best Friends' Clinic participates regularly in a community Navajo project in Gap, Arizona. Best Friends' staff- in conjunction with Arizona animal control- help to round up, transport, vaccinate and spay/neuter cats and dogs on this Navajo reservation. All animals are returned to the reservation to be fed and to live as community dogs and cats. This is an ongoing project, which has also been documented on National Geographic's *DogTown*.

### ***Adoptions***

Best Friends' Adoption Team was out in full force in 2008. Our team building skills created Tails in Tempe and the Grand Junction, Colorado, adoption event. Both events are focused on coalition building as well as a team approach to adoptions with local humane organizations. By lending our expertise in adoptions as well as funding advertising, turnouts for events have doubled and in some cases tripled, increasing opportunities for animals to find homes in these communities. Our new adoption module on Best Friends' website has proven a winner for promoting our sanctuary animals for adoption as well as opportunities for sponsorship.

### ***Research***

Under the direction of Best Friends veterinarian and animal behavior specialist Dr. Frank McMillan, we are investigating and implementing techniques for healing animals with behavior challenges, focusing on three distinct populations:

1. **Puppy mill rescues:** In 2008, Dr. McMillan started this study with 174 dogs rescued from puppy mills and now living in adopted homes to see what may present the greatest challenge for them when adjusting to home life and what shelter and rescue groups may do to help them.
2. **Feral or frightened cats:** Based on the experience of Best Friends staff during the dismantling of a hoarding situation, we developed a "sociability scale" for cats, which rates cats on a scale ranging from "feral" to "fully relaxed and comfortable around people." Dr. McMillan began studying 79 of these cats, who are still living at the sanctuary, to develop a psychological profile of cats from a hoarding situation to compare with the psychological profile of non-traumatized but still shy cats.
3. **Dogs rescued from illegal fighting operations:** Best Friends trainers and vets have been working with the dogs rescued from Michael Vick's Bad Newz Kennels to help them heal and also to understand how their previous life may have affected them, what coping mechanisms they rely on, and what humans can do to help them overcome their emotional trauma.

### **RAPID RESPONSE (Expenses of \$1,000,092)**

In 2008, the Best Friends Rapid Response team was involved in several U.S.-based relief efforts:

- We responded to an official request from the State of Iowa Emergency Operations for help in rescuing pets caught in the flooding over the summer. The team maneuvered through swiftly moving water that was as much as seven feet deep in places. Some 120 animals were either rescued or received emergency food and water.

- In West Virginia, Best Friends was the first on the scene at the Whispering Oaks Kennel, a puppy mill that had been operating since 1961. Team members documented every dog, approximately 1,000 of them, both with photographs and ID collars, before transporting them to safe places.
- In September, the Gulf Coast was slammed with two hurricanes: Gustav and Ike. Best Friends Rapid Response was dispatched to both New Orleans and Galveston County, Texas, to help companion animals left behind in the rush to evacuate. Best Friends rescued over 200 pets. For pets whose families could not be identified, we helped place the animals in foster homes and shelters.

International efforts in 2008 focused on solving long-term issues. Best Friends is working with local partners and city officials in three countries to establish nonprofit organizations which will sterilize and vaccinate animals in their regions. Best Friends has helped two cities – Lima, Peru, and Beirut, Lebanon – develop a foundation upon which to build stronger initiatives.

### **COMMUNITY PROGRAMS AND SERVICES (Expenses of \$12,554,364)**

While the sanctuary demonstrates our commitment to animals, Community Programs and Services (CPS) demonstrates our commitment to the people who are helping us bring about a time of No More Homeless Pets.

Collectively, we've done amazing work as a movement to reduce the number of euthanizations to 4-5 million per year, but there is still so much to be done. Through superb high-volume spay/neuter clinics and adoptions, we've made incredible progress. While adoption and spaying/neutering are still the core building blocks to ending pet overpopulation, there are deeper, more challenging issues facing us now.

So, what is the solution? It's time for Best Friends to lead the way and challenge conventional wisdom once again. We need to shoulder the load, and figure out the answer to breaking through the plateau of 4-5 million euthanizations. And, as has been the Best Friends way since the beginning, we need to keep involving others in our work: from volunteers, to members, to rescue groups, to shelters, to companies, to celebrities, to politicians... the more people we can inspire, the more we can accomplish, and the more lives we can save.

Best Friends, through Community Programs and Services, has launched four campaigns that we are very excited about. These four campaigns will make the 25<sup>th</sup> anniversary year of Best Friends as "game changing" as the first year we were in operation. Looking at our shelters, the majority of the animals that are being killed fall into four categories: cats, bully breed dogs, the spillover of puppy mills and other exploitative breeders, and of course owner-surrendered animals. Our campaigns line up with these categories, and are designed to tackle those remaining 4-5 million annual euthanizations and achieve a time of No More Homeless Pets: First Home Forever Home, Puppies Aren't Products, Focus on Felines, and Saving America's Bully Breeds.

These campaigns will save lives nationwide, and put Best Friends at the forefront of the movement to solve these challenges, which have been impeding the animal welfare movement's ability to end euthanasia once and for all.

There is no question that this is challenging work, but Best Friends is in the unique position among national animal welfare non-profits of being able to rally smaller organizations around the

country, as well as individual animal lovers, to make our shared dream of ending the euthanasia of dogs and cats a reality.

### ***First Home Forever Home***

Best Friends has the country's only national helpline for people who have pets with behavioral or physical challenges. The helpline also serves as a clearinghouse of information and guidance for anyone taking action in their communities. Finally, groups who have found animals in dangerous situations – like hoarding or puppy mills – can call the helpline for guidance on what to do next.

In 2008, our No More Homeless Pets Specialists responded to some 17,000 cases involving around 45,000 animals.

Our efforts to create happy, harmonious relationships between humans and animals extend beyond the helpline, however. Our Safe Humane Chicago pilot program – which targets at-risk youth with lessons in compassion – achieved many goals in 2008:

- Four churches initiated humane education activities reaching 125 children in after-school and out-of-school programs and more than 30 adult ministers and support staff.
- A total of 57 high school students helped develop a “safe humane” curriculum for younger children. Along with their canine partners – ambassador dogs approved by Safe Humane Chicago – and their handlers, they visited six elementary schools in at-risk neighborhoods, interacting with 719 children and 43 principals, teachers and support staff.
- 83 juvenile offenders in the criminal justice system and 12 probation officers and criminal justice professionals attended activities designed to turn youth away from involvement in dog fighting.
- 120 juvenile probation officers and numerous police officers and judges attended additional presentations and received informative materials.
- 71 people attended training sessions to become Court Advocates and learned about animal laws, successful prosecution of offenders, available remedies and the fate of animal victims. They joined some 30 other previously trained Court Advocates to stand up for more than 600 victimized animals in more than 125 court cases involving 544 documented courtroom hearings.

### ***Puppies Aren't Products***

Each year, millions of Americans buy new puppies from pet stores or on the Internet. Meanwhile, millions of dogs suffer on the "production line" in America's puppy mills - living in tiny, wire-bottomed cages, in squalid conditions with little to no human contact.

While puppy mills attempt to maximize their profits, churning out as many litters as possible, roughly 11,000 animals are euthanized in America's shelters every single day.

The Puppies Aren't Products initiative seeks to help people understand the link between puppy mills and pet stores. Our goal is to shine light on the truth behind the puppy in the pet store window, so that American consumers no longer unknowingly support puppy mills. Our goal is to see that America's dogs no longer live in these cruel conditions.

We believe that together we can change the industry. We can reduce the number of puppy mill dogs sold in the community, and increase the number of homeless animals adopted into loving homes.

**2008 Accomplishments:**

- Involved in shutting down two puppy mills: 'World Kennel USA' in Los Angeles (LA) and 'Whispering Oaks' in West Virginia. These two rescues freed more than 1,000 dogs from a life of cruelty and neglect.
- Successfully stopped the sale of puppies at 5 high-profile retail locations in the LA area
- Pup My Ride: Successfully transported and homed over 650 pure breed dogs from LA shelters to rescue groups in other cities that have a demand for small pure breed dogs.
- Expanded Puppy Mill Awareness Day to be a national event. The Day went from having an event in just one location, to having volunteer-driven events in more than ten cities across the country. We also encouraged Best Friends Network members to submit Letters to the Editor to media outlets in their communities.
- Distributed a variety of Action Kits (which contain detailed instructions on topics such as rehabilitation of puppy mill dogs and conducting your own pet store protest) to hundreds of volunteers and members to assist in fighting puppy mills and the pet stores that sell them in their communities. These documents are distributed via the Best Friends Network.
- Created numerous free Public Service Announcements and then distributed them to local rescues and shelters to bring awareness about pet stores and puppy mills. For example, a PSA was created to combat impulse purchases of Chihuahuas in the wake of the Disney film Beverly Hills Chihuahua. We secured red-carpet footage of several of the film's stars, including Jamie Lee Curtis, urging people to adopt from shelters.

***Focus on Felines***

The Focus on Felines campaign partners with grassroots organizations and municipalities around the country to help achieve a time when there are No More Homeless Pets. We help communities keep feral cats out of the shelter system by implementing Trap-Neuter-Return (TNR) programs, relocating at-risk "community" cats, and establishing microchip programs.

Our goal is to prove this humane answer to overpopulated feral cat colonies can work anywhere.

The first two cities to roll out this comprehensive plan are Los Angeles and Jacksonville. Both are highly collaborative, with partners from government, local rescue groups, animal control, and private, caring citizens.

Large cities aren't the only ones who can benefit from TNR, however. Best Friends has also been working with rural communities in southern Utah to reduce euthanasia through relocation, TNR, a food program, and community education in a project we call the Four Directions Community Cat Program.

These programs are helping to reduce the number of cats euthanized in rural communities and large cities, but, more importantly, they are creating models for how communities can share each other's strengths and resources to implement humane solutions.

**2008 Accomplishments:**

- Created a partnership with Jacksonville, Florida, to create Feral Freedom, a groundbreaking program designed to end the euthanasia of feral cats in the municipal shelters. More than 1,400 cats were saved in just the first five months of the program. The Feral Freedom program is one of the first of its kind in the country where Animal Control is helping to trap, manage and track feral cats. Cats are altered and chipped at the First Coast No More Homeless Pets clinic.
- Responded quickly to end a \$5 bounty for cats in Randolph, Iowa, and convinced the community to embrace TNR as an alternative. This situation received national press coverage.
- Sponsored Fix Nation in Los Angeles, the largest feral cat spay/neuter clinic in the country. In 2008 alone, Fix Nation altered over 20,000 cats.
- Through the Four Directions Community Cat Project, fixed 1,700 cats in southern Utah and helped caregivers provide for nearly 3,000 cats with supplemental food.

***Pit Bulls: Saving America's Dog***

Bully breeds, such as pit bulls, rottweilers, and American Staffordshire terriers are in trouble. Best Friends Animal Society is working throughout the country to help these dogs, which are battling everything from a media-driven bad reputation to dogfighting to legislation designed to outlaw their very existence.

Leading by example, Best Friends works with local officials to adopt ordinances that protect communities from any dangerous dog instead of Breed Specific Legislation (BSL), which just covers particular breeds.

Best Friends is also working with local organizations in inner-cities like Chicago to create community training centers where young people can learn how to properly care for and relate to their pets.

Across the country, we are working with local community groups, public servants, and elected officials to see that dogfighting operations are reported and broken up, and participants are prosecuted. We're increasing public awareness in order to prevent new operations from forming and we're helping to place these poor victimized dogs when they are removed from the possession of their abusers.

**2008 Accomplishments:**

- Created, lobbied for, and saw passed model dog fighting legislation in Georgia. Under the old, extremely weak laws, only one dogfighting case had been prosecuted; under the new, strong laws, five cases have been undertaken so far.
- Promoted new Georgia legislation to the public, law enforcement, and prosecutors.
- Stopped Breed Specific Legislation in several communities

## ***Member Services***

Best Friends provides many special services for members, including:

- *Best Friends* magazine – a bimonthly publication featuring all the good news on the No More Homeless Pets front
- Best Friends Network– online social networking for the cause of No More Homeless Pets
- Members’ meetings – meetings held across the country for members to learn more about our work, provide their feedback, and network with each other
- Humane education – workshops on topics ranging from “How to Start an Animal Sanctuary” to “Introduction to Understanding Dogs”
- Lint Roller Party – a gala annual event, featuring Hollywood animal-loving celebrities, that showcases Best Friends Los Angeles Programs

**Exempt Organization Business Income Tax Return**  
(and proxy tax under section 6033(e))

**2008**

Department of the Treasury  
Internal Revenue Service

For calendar year 2008 or other tax year beginning ..... , and  
ending ..... **▶ See separate instructions.**

Open to Public Inspection  
for 501(c)(3) Organizations Only

<b>A</b> <input type="checkbox"/> Check box if address changed <b>B</b> Exempt under section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408(e) <input type="checkbox"/> 530(a) <input type="checkbox"/> 408A <input type="checkbox"/> 529(a) <b>C</b> Book value of all assets at end of year 30,592,663	<b>Print or Type</b>	Name of organization ( <input type="checkbox"/> Check box if name changed and see instructions.) <b>BEST FRIENDS ANIMAL SOCIETY</b> Number, street, and room or suite no. If a P.O. box, see page 9 of instructions. <b>5001 ANGEL CANYON ROAD</b> City or town, state, and ZIP code <b>KANAB UT 84741</b>	<b>D Employer identification number</b> (Employees' trust, see instructions for Block D on page 9.) <b>23-7147797</b> <b>E Unrelated business activity codes</b> (See instructions for Block E on page 9.) <b>453220 541800</b>
<b>F</b> Group exemption number (See instructions for Block F on page 9.) ▶		<b>G</b> Check organization type ▶ <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust	

**H** Describe the organization's primary unrelated business activity.  
 ▶ **MAGAZINE ADVERTISING AND GIFT SHOP SALES**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ..... ▶  Yes  No  
 If "Yes," enter the name and identifying number of the parent corporation.  
 ▶

**J** The books are in care of ▶ **JOHN FRIPP** Telephone number ▶ **435-644-2001**

<b>Part I Unrelated Trade or Business Income</b>		(A) Income	(B) Expenses	(C) Net
<b>1a</b> Gross receipts or sales	793,505			
<b>b</b> Less returns and allowances		<b>1c</b> 793,505		
<b>2</b> Cost of goods sold (Schedule A, line 7)		<b>2</b> 714,705		
<b>3</b> Gross profit. Subtract line 2 from line 1c		<b>3</b> 78,800		78,800
<b>4a</b> Capital gain net income (attach Schedule D)				
<b>b</b> Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)				
<b>c</b> Capital loss deduction for trusts				
<b>5</b> Income (loss) from partnerships and S corporations (attach statement)				
<b>6</b> Rent income (Schedule C)				
<b>7</b> Unrelated debt-financed income (Schedule E)				
<b>8</b> Interest, annuities, royalties, and rents from controlled organizations (Schedule F)				
<b>9</b> Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)				
<b>10</b> Exploited exempt activity income (Schedule I)				
<b>11</b> Advertising income (Schedule J)		537,020	629,606	-92,586
<b>12</b> Other income (See page 11 of the instructions: attach schedule.)				
<b>13 Total.</b> Combine lines 3 through 12		615,820	629,606	-13,786

<b>Part II Deductions Not Taken Elsewhere</b> (See page 11 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)				
<b>14</b> Compensation of officers, directors, and trustees (Schedule K)				
<b>15</b> Salaries and wages				
<b>16</b> Repairs and maintenance				
<b>17</b> Bad debts				
<b>18</b> Interest (attach schedule)				
<b>19</b> Taxes and licenses				
<b>20</b> Charitable contributions (See page 13 of the instructions for limitation rules.)				
<b>21</b> Depreciation (attach Form 4562)		<b>21</b>		
<b>22</b> Less depreciation claimed on Schedule A and elsewhere on return		<b>22a</b>	<b>22b</b>	0
<b>23</b> Depletion				
<b>24</b> Contributions to deferred compensation plans				
<b>25</b> Employee benefit programs				
<b>26</b> Excess exempt expenses (Schedule I)				
<b>27</b> Excess readership costs (Schedule J)				
<b>28</b> Other deductions (attach schedule)				
<b>29 Total deductions.</b> Add lines 14 through 28				
<b>30</b> Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13				-13,786
<b>31</b> Net operating loss deduction (limited to the amount on line 30)				
<b>32</b> Unrelated business taxable income before specific deduction. Subtract line 31 from line 30				-13,786
<b>33</b> Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions.)				1,000
<b>34 Unrelated business taxable income.</b> Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32				-13,786

**Part III Tax Computation**

<b>35 Organizations Taxable as Corporations.</b> See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here <input type="checkbox"/> <b>See instructions</b> and: <b>a</b> Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ <b>b</b> Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) ..... \$ _____ (2) Additional 3% tax (not more than \$100,000) ..... \$ _____ <b>c</b> Income tax on the amount on line 34 ..... ▶	<b>35c</b>	
<b>36 Trusts Taxable at Trust Rates.</b> See instructions for tax computation on page 16. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041) ..... ▶	<b>36</b>	
<b>37 Proxy tax.</b> See page 16 of the instructions ..... ▶	<b>37</b>	
<b>38 Alternative minimum tax</b> .....	<b>38</b>	
<b>39 Total.</b> Add lines 37 and 38 to line 35c or 36, whichever applies .....	<b>39</b>	

**Part IV Tax and Payments**

<b>40a</b> Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116) .....	<b>40a</b>		
<b>b</b> Other credits (see page 17 of the instructions) .....	<b>40b</b>		
<b>c</b> General business credit. Attach Form 3800 .....	<b>40c</b>		
<b>d</b> Credit for prior year minimum tax (attach Form 8801 or 8827) .....	<b>40d</b>		
<b>e Total credits.</b> Add lines 40a through 40d .....	<b>40e</b>		
<b>41</b> Subtract line 40e from line 39 .....	<b>41</b>		
<b>42</b> Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other .....	<b>42</b>		
<b>43 Total tax.</b> Add lines 41 and 42 .....	<b>43</b>		0
<b>44a</b> Payments: A 2007 overpayment credited to 2008 .....	<b>44a</b>		
<b>b</b> 2008 estimated tax payments .....	<b>44b</b>	3,300	
<b>c</b> Tax deposited with Form 8868 .....	<b>44c</b>		
<b>d</b> Foreign organizations: Tax paid or withheld at source (see instructions) .....	<b>44d</b>		
<b>e</b> Backup withholding (see instructions) .....	<b>44e</b>		
<b>f</b> Other credits and payments: <input type="checkbox"/> Form 2439 _____ <input type="checkbox"/> Form 4136 _____ <input type="checkbox"/> Other _____ Total ▶	<b>44f</b>		
<b>45 Total payments.</b> Add lines 44a through 44f .....	<b>45</b>		3,300
<b>46</b> Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ..... <input type="checkbox"/>	<b>46</b>		
<b>47 Tax due.</b> If line 45 is less than the total of lines 43 and 46, enter amount owed ..... ▶	<b>47</b>		
<b>48 Overpayment.</b> If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ..... ▶	<b>48</b>		3,300
<b>49</b> Enter the amount of line 48 you want: Credited to 2009 estimated tax ▶ <b>Refunded</b> ▶	<b>49</b>		3,300

**Part V Statements Regarding Certain Activities and Other Information** (see instructions on page 18)

<b>1</b> At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ .....	<b>Yes</b>	<b>No</b>
<b>2</b> During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file. ....		X
<b>3</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ .....		

**Schedule A—Cost of Goods Sold.** Enter method of inventory valuation  **FIFO**  **LIFO**  **COST METHOD**

<b>1</b> Inventory at beginning of year .....	<b>1</b>	147,381	<b>6</b> Inventory at end of year .....	<b>6</b>	400,262
<b>2</b> Purchases .....	<b>2</b>	967,586	<b>7 Cost of goods sold.</b> Subtract line 6 from line 5. Enter here and in Part I, line 2 .....	<b>7</b>	714,705
<b>3</b> Cost of labor .....	<b>3</b>		<b>8</b> Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization? .....	<b>Yes</b>	<b>No</b>
<b>4a</b> Additional sec. 263A costs (attach sch.) .....	<b>4a</b>				
<b>b</b> Other costs (attach schedule) .....	<b>4b</b>				
<b>5 Total.</b> Add lines 1 through 4b .....	<b>5</b>	1,114,967			X

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

**Sign Here** ▶ \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

May the IRS discuss this return with the preparer shown below (see instructions)?  **Yes**  **No**

**Paid Preparer's Use Only**

Preparer's signature ▶ **KENNETH A. HINTON, CPA** Date **5/11/09** Check if self-employed  Preparer's SSN or PTIN **P00030112**

Firm's name (or yours if self-employed), address, and ZIP code ▶ **HINTON, BURDICK, HALL & SPILKER, PLLC** EIN **87-0492866**  
**63 SOUTH 300 EAST, STE. 100** Phone no **435-628-3663**  
**ST. GEORGE, UT 84770-2948**

**Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)**

(see instructions on page 19)

**1** Description of property

(1) N/A
(2)
(3)
(4)

2 Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
Total		

**(c) Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶

**(b) Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ▶

**Schedule E—Unrelated Debt-Financed Income** (see instructions on page 19)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)	
(1) N/A				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
<b>Totals</b> <span style="float:right">▶</span>			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).

**Total dividends-received deductions** included in column 8 ▶

**Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations** (see instructions on page 20)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross inc.	6 Deductions directly connected with income in column 5
(1) N/A					
(2)					
(3)					
(4)					

**Nonexempt Controlled Organizations**

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

**Totals** ▶

Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A). ▶

Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B). ▶

**Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization**

(see instructions on page 21)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col.4)
(1) N/A				
(2)				
(3)				
(4)				
<b>Totals</b>	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

**Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)**

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1) N/A						
(2)						
(3)						
(4)						
<b>Totals</b>	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

**Schedule J—Advertising Income (see instructions on page 21)**

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1) BEST FRIENDS MAG	537,020	629,606				
(2)						
(3)						
(4)						
<b>Totals (carry to Part II, line (5))</b>	537,020	629,606	-92,586			

**Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)**

(1) N/A						
(2)						
(3)						
(4)						
(5) <b>Totals from Part I</b>	537,020	629,606				
<b>Totals, Part II (lines 1-5)</b>	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I, line 11, col. (B).				Enter here and on page 1, Part II, line 27.

**Schedule K—Compensation of Officers, Directors, and Trustees (see instructions on page 22)**

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
N/A		%	
		%	
		%	
		%	

**Total.** Enter here and on page 1, Part II, line 14