

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)

OMB No. 1545-0047

2006

Open to Public Inspection

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

A For the 2006 calendar year, or tax year beginning , and ending

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

C Name of organization
BEST FRIENDS ANIMAL SOCIETY

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

F Accounting method: Cash
 Accrual Other (specify)

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

H and are not applicable to section 527 organizations. **I**

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

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

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

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

I Group Exemption Number ▶

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

G Website: ▶ WWW.BESTFRIENDS.ORG

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

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally **not** more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **29,682,601**

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

		1a		1b		1c		1d		1e	
1 Contributions, gifts, grants, and similar amounts received:											
a Contributions to donor advised funds											
b Direct public support (not included on line 1a)				27,017,887							
c Indirect public support (not included on line 1a)											
d Government contributions (grants) (not included on line 1a)											
e Total (add lines 1a through 1d) (cash \$ 25,537,354 noncash \$ 1,480,533)										27,017,887	
2 Program service revenue including government fees and contracts (from Part VII, line 93)											
3 Membership dues and assessments											
4 Interest on savings and temporary cash investments											
5 Dividends and interest from securities											
6a Gross rents		371,693									
b Less: rental expenses		SEE STATEMENT 1		118,931							
c Net rental income or (loss). Subtract line 6b from line 6a										252,762	
7 Other investment income (describe ▶ SEE STATEMENT 2)											
8a Gross amount from sales of assets other than inventory		(A) Securities		(B) Other							
				9,378							
b Less: cost or other basis and sales expenses				21,483							
c Gain or (loss) (attach schedule)				-12,105							
d Net gain or (loss). Combine line 8c, columns (A) and (B)				SEE STMT 3						-12,105	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>											
a Gross revenue (not including \$ 95,600 of contributions reported on line 1b)				SEE WORKSHEET							
				197,581							
b Less: direct expenses other than fundraising expenses				139,007							
c Net income or (loss) from special events. Subtract line 9b from line 9a										58,574	
10a Gross sales of inventory, less returns and allowances		852,720									
b Less: cost of goods sold		704,521									
c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a		STMT 4								148,199	
11 Other revenue (from Part VII, line 103)											
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11											
13 Program services (from line 44, column (B))											
14 Management and general (from line 44, column (C))											
15 Fundraising (from line 44, column (D))											
16 Payments to affiliates (attach schedule)											
17 Total expenses. Add lines 16 and 44, column (A)											
18 Excess or (deficit) for the year. Subtract line 17 from line 12											
19 Net assets or fund balances at beginning of year (from line 73, column (A))											
20 Other changes in net assets or fund balances (attach explanation)											
21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20											

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22a			
22b Other grants and allocations (attach schedule) (cash \$ _____ non-cash \$ _____) If this amount includes foreign grants, check here <input type="checkbox"/>	22b			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule) SEE STATEMENT 5	25a 589,087	509,504	55,423	24,160
b Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule) SEE STATEMENT 6	25b 29,736	5,039	24,697	
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	25c			
26 Salaries and wages of employees not included on lines 25a, b, and c	26 11,426,410	9,893,224	1,064,046	469,140
27 Pension plan contributions not included on lines 25a, b, and c	27 475,074	364,438	68,870	41,766
28 Employee benefits not included on lines 25a - 27	28 1,307,349	1,157,720	99,052	50,577
29 Payroll taxes	29 1,357,385	1,180,198	122,568	54,619
30 Professional fundraising fees	30 2,166,578			2,166,578
31 Accounting fees	31 52,416		52,416	
32 Legal fees	32 71,275	53,543	5,833	11,899
33 Supplies	33 1,642,848	1,305,264	33,743	303,841
34 Telephone	34 193,152	177,164	11,189	4,799
35 Postage and shipping	35 1,948,599	754,029	15,895	1,178,675
36 Occupancy	36 200,460	197,485	2,975	
37 Equipment rental and maintenance	37			
38 Printing and publications	38 760,560	701,772	1,479	57,309
39 Travel	39 1,377,205	1,341,469	11,538	24,198
40 Conferences, conventions, and meetings	40			
41 Interest	41 885	396	489	
42 Depreciation, depletion, etc. (attach schedule)	42 959,877	959,614	211	52
43 Other expenses not covered above (itemize): a SEE STATEMENT 7	43a 9,661,629	8,146,018	348,804	1,166,807
b	43b			
c	43c			
d	43d			
e	43e			
f	43f			
g	43g			
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44 34,220,525	26,746,877	1,919,228	5,554,420

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

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

If "Yes," enter (i) the aggregate amount of these joint costs \$ 3,561,703 ; (ii) the amount allocated to Program services \$ 734,075 ;

(iii) the amount allocated to Management and general \$ _____ ; and (iv) the amount allocated to Fundraising \$ 2,827,628

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

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

What is the organization's primary exempt purpose?

▶ **ANIMAL CARE, RESCUE & POPULATION CONTROL**

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

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a **SANCTUARY - SEE EXHIBIT A**

(Grants and allocations \$) If this amount includes foreign grants, check here

10,513,561

b **EMERGENCY RESCUE PROGRAMS - SEE EXHIBIT A**

(Grants and allocations \$) If this amount includes foreign grants, check here

6,498,034

c **ANIMAL HELP LINE - SEE EXHIBIT A**

(Grants and allocations \$) If this amount includes foreign grants, check here

925,346

d **OUTREACH - SEE EXHIBIT A**

(Grants and allocations \$) If this amount includes foreign grants, check here

8,809,936

e Other program services (attach schedule)

(Grants and allocations \$) If this amount includes foreign grants, check here

f **Total of Program Service Expenses** (should equal line 44, column (B), Program services)

▶ 26,746,877

Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A) Beginning of year		(B) End of year
Assets	45 Cash-non-interest-bearing	983,008	45	1,139,119
	46 Savings and temporary cash investments	6,452,998	46	154,681
	47a Accounts receivable	30,675		
	b Less: allowance for doubtful accounts		47c	30,675
	47b	4,885		
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	48b			
	49 Grants receivable		49	
	50a Receivables from current and former officers, directors, trustees, and key employees (attach schedule)		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (att. schedule)		50b	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	51b			
	52 Inventories for sale or use	161,164	52	280,067
	53 Prepaid expenses and deferred charges	332,843	53	69,150
	54a Investments—publicly-traded securities		54a	
	b Investments—other securities (attach schedule) SEE STMT 8	3,227,978	54b	5,574,419
	55a Investments—land, buildings, and equipment: basis	19,278,775		
	b Less: accumulated depreciation (attach schedule) SEE STATEMENT 9	5,396,053	55c	13,882,722
55b	13,983,284			
56 Investments—other (attach schedule) SEE STMT 10	7,826,628	56	6,874,387	
57a Land, buildings, and equipment: basis				
b Less: accumulated depreciation (attach schedule)		57c		
57b				
58 Other assets, including program-related investments (describe SEE STATEMENT 11)	232,095	58	160,725	
59 Total assets (must equal line 74). Add lines 45 through 58	33,204,883	59	28,165,945	
Liabilities	60 Accounts payable and accrued expenses	335,902	60	729,923
	61 Grants payable		61	
	62 Deferred revenue SEE STATEMENT 12	25,785	62	26,400
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe SEE STATEMENT 13)	798,153	65	886,445
	66 Total liabilities. Add lines 60 through 65	1,159,840	66	1,642,768
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	29,325,057	67	25,860,592
	68 Temporarily restricted	2,659,200	68	601,299
	69 Permanently restricted	60,786	69	61,286
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	32,045,043	73	26,523,177
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	33,204,883	74	28,165,945

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

a	Total revenue, gains, and other support per audited financial statements	a	29,673,223
b	Amounts included on line a but not on Part I, line 12:		
1	Net unrealized gains on investments	b1	
2	Donated services and use of facilities	b2	
3	Recoveries of prior year grants	b3	
4	Other (specify): SEE STATEMENT 14	b4	974,564
	Add lines b1 through b4	b	974,564
c	Subtract line b from line a	c	28,698,659
d	Amounts included on Part I, line 12, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	
e	Total revenue (Part I, line 12). Add lines c and d	e	28,698,659

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

a	Total expenses and losses per audited financial statements	a	35,195,089
b	Amounts included on line a but not Part I, line 17:		
1	Donated services and use of facilities	b1	
2	Prior year adjustments reported on Part I, line 20	b2	
3	Losses reported on Part I, line 20	b3	
4	Other (specify):	b4	974,564
	Add lines b1 through b4	b	974,564
c	Subtract line b from line a	c	34,220,525
d	Amounts included on Part I, line 17, but not on line a :		
1	Investment expenses not included on Part I, line 6b	d1	
2	Other (specify):	d2	
	Add lines d1 and d2	d	
e	Total expenses (Part I, line 17). Add lines c and d	e	34,220,525

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) (See the instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation plans	(E) Expense account and other allowances
GREGORY CASTLE 5001 ANGEL CANYON ROAD KANAB UT 84741	DIRECTOR 50	70,911	18,049	0
FAITH MALONEY 5001 ANGEL CANYON ROAD KANAB UT 84741	DIRECTOR 50	69,319	13,060	0
CELESTE FRIPP 5001 ANGEL CANYON ROAD KANAB UT 84741	SECRETARY 50	70,911	13,060	0
CHRISTOPHER A FRIPP 5001 ANGEL CANYON ROAD KANAB UT 84741	TREAS./CFO 50	71,911	13,060	0
MICHAEL MOUNTAIN 5001 ANGEL CANYON ROAD KANAB UT 84741	PRESIDENT 50	71,911	13,060	0
ALFRED F BATTISTA 5001 ANGEL CANYON ROAD KANAB UT 84741	DIRECTOR 50	73,611	13,060	0
JONATHAN DE PEYER 5001 ANGEL CANYON ROAD KANAB UT 84741	DIRECTOR 50	71,911	13,060	0
PAUL BERRY 1201 S RED CLIFFS DRIVE KANAB UT 84741	CEO 50	88,602	12,646	0

Part VI Other Information (continued)		Yes	No
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)		82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	N/A	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	X	
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="text" value="0"/> ; section 4912 <input type="text" value="0"/> ; section 4955 <input type="text" value="0"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="text" value="0"/>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="text" value="0"/>		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction?		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract?		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		X
90a	List the states with which a copy of this return is filed <input type="text" value="NONE"/>		
b	Number of employees employed in the pay period that includes March 12, 2006 (See instructions.)	90b	387
91a	The books are in care of <input type="text" value="CHRISTOPHER A FRIPP"/> Telephone no. <input type="text" value="435-644-2001"/> 5001 ANGEL CANYON R Located at <input type="text" value="KANAB, UT"/> ZIP + 4 <input type="text" value="84741"/>		
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)? If "Yes," enter the name of the foreign country <input type="text" value="UNITED KINGDOM"/>	X	
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.		

Part VI Other Information (continued)

Yes No

c At any time during the calendar year, did the organization maintain an office outside of the United States? **91c** Yes No
 If "Yes," enter the name of the foreign country
 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here
 and enter the amount of tax-exempt interest received or accrued during the tax year **92**

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	110,052	
96 Dividends and interest from securities			14	502,408	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	148,186	104,576
98 Net rental income or (loss) from personal property					
99 Other investment income			14	126,488	
100 Gain or (loss) from sales of assets other than inventory			18	-12,105	
101 Net income or (loss) from special events					58,574
102 Gross profit or (loss) from sales of inventory	453220	106,501			41,698
103 Other revenue: a _____					
b <u>THIRD-PARTY REIMBURSEMENTS</u>					69,257
c <u>CAFETERIA INCOME</u>					91,556
d <u>BEST FRIENDS MAGAZINE</u>	541800	333,581			
e _____					
104 Subtotal (add columns (B), (D), and (E))		440,082		875,029	365,661
105 Total (add line 104, columns (B), (D), and (E))					1,680,772

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
9	SEE STATEMENT 17

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

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
SEE STATEMENT 18	%			
	%			
	%			
	%			

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

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13).

106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.	Yes	No
		X

	(A) Name, address, of each controlled entity	(B) Employer ID Number	(C) Description of transfer	(D) Amount of transfer
a			
b			
c			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?	Yes	No

Please Sign Here

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

Signature of officer: CHRISTOPHER A FRIPP Date: CFO

Type or print name and title

Paid Preparer's Use Only

Preparer's signature: _____ Date: _____

Check if self-employed:

Preparer's SSN or PTIN (See Gen. Instr. X): P00030112

Firm's name (or yours if self-employed), address, and ZIP + 4: 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 A
(Form 990 or 990-EZ)**

**Organization Exempt Under Section 501(c)(3)
(Except Private Foundation) and Section 501(e), 501(f), 501(k), 501(m),
or 4947(a)(1) Nonexempt Charitable Trust**

OMB No. 1545-0047

2006

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

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

Name of the organization

BEST FRIENDS ANIMAL SOCIETY

Employer identification number

23-7147797

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 2 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Comp.	(d) Contrib. to empl. ben. plans & deferred comp.	(e) Expense account & other allowances
STEVEN HIRANO 5001 ANGEL CANYON ROAD KANAB UT 84741	MNGNG EDITOR 40	68,989	13,326	0
RUSS MEAD 259 NO. 100 EAST KANAB UT 84741	LGL COUNSEL 40	65,520	15,549	0
ROBERT LINDLEY 879 S. VERMILION DR. KANAB UT 84741	IS MANAGER 40	61,514	13,095	0
BERNADETTE MEJIA 5001 ANGEL CANYON ROAD KANAB UT 84741	WC MANAGER 40	58,862	13,559	0
JAMES BARSTAD 5001 ANGEL CANYON ROAD KANAB UT 84741	ACCOUNTANT 40	53,910	18,049	0
Total number of other employees paid over \$50,000	▶ 34			

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

(See page 2 of the instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
RUSS REID COMPANY PO BOX 60140 LOS ANGELES CA 90060-0140	FUND RSNG/OTHER	3,093,913
LEAH PURCELL 10807 JONES RD #106 HOUSTON TX 77064	ANIMAL CARE	81,466
ASHLEY TILLMAN 15222 MAGNOLIA BLVD #309 SHERMAN OAKS CA 91403	EDITORIAL	57,349
MIRACLE MIND LTD 5537 E HWY 89A KANAB UT 84741	VIDEO	55,942
Total number of others receiving over \$50,000 for professional services	▶ 0	

Part II-B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms. If there are none, enter "None." See page 2 of the instructions.)

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over \$50,000 for other services	▶	

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

Schedule A (Form 990 or 990-EZ) 2006

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

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)		X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.			
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e	Transfer of any part of its income or assets? SEE STATEMENT 19		X
3a	Did the organization make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how the organization determines that recipients qualify to receive payments.)		X
b	Did the organization have a section 403(b) annuity plan for its employees?		X
c	Did the organization receive or hold an easement for conservation purposes, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," attach a detailed statement		X
d	Did the organization provide credit counseling, debt management, credit repair, or debt negotiation services?		X
4a	Did the organization maintain any donor advised funds? If "Yes," complete lines 4b through 4g. If "No," complete lines 4f and 4g		X
b	Did the organization make any taxable distributions under section 4966?		
c	Did the organization make a distribution to a donor, donor advisor, or related person?		
d	Enter the total number of donor advised funds owned at the end of the tax year	u	
e	Enter the aggregate value of assets held in all donor advised funds owned at the end of the tax year	u	
f	Enter the total number of separate funds or accounts owned at the end of the tax year (excluding donor advised funds included on line 4d) where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts	u	0
g	Enter the aggregate value of assets held in all funds or accounts included on line 4f at the end of the tax year	u	0

Part IV Reason for Non-Private Foundation Status (See pages 4 through 7 of the instructions.)

I certify that the organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5 A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7 A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 A federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). **Enter the hospital's name, city, and state** ►
- 10 An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 An organization that normally receives: **(1) more than 33 1/3%** of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and **(2) no more than 33 1/3%** of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13 An organization that is not controlled by any disqualified persons (other than foundation managers) and otherwise meets the requirements of section 509(a)(3). Check the box that describes the type of supporting organization:
 - Type I
 - Type II
 - Type III-Functionally Intergrated
 - Type III-Other

Provide the following information about the supported organizations. (See page 7 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Employer identification number (EIN)	(c) Type of organization (described in lines 5 through 12 above or IRC section)	(d) Is the supported organization listed in the supporting organization's governing documents?		(e) Amount of support
			Yes	No	
Total					u

14 An organization organized and operated to test for public safety. Section 509(a)(4). (See page 7 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2004	(c) 2003	(d) 2002	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	31,870,282	20,706,769	19,696,632	17,902,455	90,176,138
16 Membership fees received					0
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	148,106				148,106
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	569,316	510,031	428,186	353,517	1,861,050
19 Net income from unrelated business activities not included in line 18	28,317				28,317
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					0
23 Total of lines 15 through 22	32,616,021	21,216,800	20,124,818	18,255,972	92,213,611
24 Line 23 minus line 17	32,467,915	21,216,800	20,124,818	18,255,972	92,065,505
25 Enter 1% of line 23	326,160	212,168	201,248	182,560	

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24	26a	1,841,310
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2002 through 2005 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e)	26c	92,065,505
d Add: Amounts from column (e) for lines: 18 <u>1,861,050</u> 19 <u>28,317</u> 22 _____ 26b _____	26d	1,889,367
e Public support (line 26c minus line 26d total)	26e	90,176,138
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f	97.9478%

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

(2005) _____ (2004) _____ (2003) _____ (2002) _____
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11b, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A
(2005) _____ (2004) _____ (2003) _____ (2002) _____

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

28 **Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2002 through 2005, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. **Do not file this list with your return.** Do not include these grants in line 15.

Part V Private School Questionnaire (See page 9 of the instructions.)

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

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 10 of the instructions.)
 (To be completed **ONLY** by an eligible organization that filed Form 5768) N/A

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

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for all electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table-			
If the amount on line 40 is-	The lobbying nontaxable amount is-		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.)

See the instructions for lines 45 through 50 on page 13 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See page 13 of the instructions.) N/A

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

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Federal Statements**Statement 1 - Form 990, Part I, Line 6b - Rental Expenses**

<u>Description</u>	<u>Deduction</u>
GUEST COTTAGES & CABINS	
PAYROLL	827
UTILITIES	2,547
DEPRECIATION	35,821
SALARIES & WAGES	49,252
SUPPLIES, MAINTENANCE & OTHER	30,484
TOTAL	<u>118,931</u>

Statement 2 - Form 990, Part I, Line 7 - Other Investment Income

<u>Description</u>	<u>Amount</u>
INVESTMENT RETURN	\$ 126,488
TOTAL	<u>\$ 126,488</u>

Federal Statements

Statement 3 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Other

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
OPERATING VEHICLES & EQUIPMENT PURCHASE			VARIOUS	VARIOUS	\$ 9,378	\$ 115,372	\$ 93,889	\$ -12,105
TOTAL					<u>\$ 9,378</u>	<u>\$ 115,372</u>	<u>\$ 93,889</u>	<u>\$ -12,105</u>

Federal Statements**Statement 4 - Form 990, Line 10c - Sales of Inventory**

<u>Description</u>	<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
SALE OF INVENTORY - 1	\$ 624,444	\$ 517,943	\$ 106,501
SALE OF INVENTORY - 2	224,943	186,578	38,365
SALE OF INVENTORY - 3	3,333		3,333
TOTAL	<u>\$ 852,720</u>	<u>\$ 704,521</u>	<u>\$ 148,199</u>

Federal Statements

Statement 5 - Form 990, Part II, Line 25a - Compensation of Current Officers

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
EXPENSES	\$	\$	\$
COMPENSATION	509,504	55,423	24,160
TOTAL	<u>\$ 509,504</u>	<u>\$ 55,423</u>	<u>\$ 24,160</u>

Statement 6 - Form 990, Part II, Line 25b - Compensation of Former Officers

<u>Name</u>	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>
EXPENSES	\$	\$	\$
PAUL ECKHOFF BENEFIT PLAN CONTRIBUTION	2,200		
PAUL ECKHOFF COMPENSATION	2,839	24,697	
TOTAL	<u>\$ 5,039</u>	<u>\$ 24,697</u>	<u>\$ 0</u>

Federal Statements

Statement 7 - Form 990, Part II, Line 43 - Other Functional Expenses

Description	Total Expenses	Program Service	Mgt & General	Fund-Raising
	\$	\$	\$	\$
BEST FRIENDS MAGAZINE				
INDEPENDENT CONTRACTORS	120,240	120,240		
EXPENSES				
ADOPTION	1,895	1,895		
ADVERTISING	76,320	73,780	84	2,456
AIRPLANE EXPENSE	61,778	61,360	15	403
ANIMAL FOOD	420,967	420,857	95	15
ANIMAL OTHER	670,535	669,598	112	825
ANIMAL VET/MEDICAL SUPPLIES	1,555,138	1,555,138		
ANNUITY EXPENSE	45,232		44,982	250
AUTO ALLOWANCE/EXP/INSURANCE	448,724	436,212	6,727	5,785
AUTO MAINTENANCE	96,046	96,033	5	8
BANK CHARGES	162,454	14,660	146,286	1,508
CAFETERIA/GREENHOUSE	95,832	86,137	9,695	
INDEPENDENT CONTRACTOR	689,662	613,809	3,407	72,446
DONATIONS & GIFTS	1,520,425	1,511,735	5,937	2,753
ENTERTAINMENT	24,984	20,860	1,098	3,026
FACILITY MAINTENANCE	42,836	42,765	71	
GUEST HOUSING/TOWNHOUSES	432	432		
INSURANCE	73,884	63,672	8,567	1,645
INVESTMENT EXPENSES	34,430	578	33,752	100
IT EXPENSE	609,696	566,354	35,976	7,366
NEWSLETTER	402,972			402,972
MISCELLANEOUS	18,164	16,343		1,821
PROFESSIONAL FEES - OTHER	664,398	597,290		67,108
PROMOTIONS	901,582	337,412	1,070	563,100
PROGRAM EVENTS	368,226	357,329	498	10,399
TAXES AND LICENSES	113,821	97,807	10,613	5,401
TRAINING	66,395	46,890	13,320	6,185
UTILITIES	374,561	336,832	26,494	11,235
TOTAL	<u>\$ 9,661,629</u>	<u>\$ 8,146,018</u>	<u>\$ 348,804</u>	<u>\$ 1,166,807</u>

Statement 8 - Form 990, Part IV, Line 54b - Other Securities

Description	Beginning of Year	End of Year	Basis of Valuation
	\$	\$	
US AND STATE GOVERNMENT			
CORPORATE STOCK			
VARIOUS EQUITIES & FIXED INCOME INV	3,227,978	5,574,419	MARKET
CORPORATE BONDS			
TOTAL	<u>\$ 3,227,978</u>	<u>\$ 5,574,419</u>	

Statement 9 - Form 990, Part IV, Line 55 - Investments in Land, Buildings, and Equipment

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
	\$	\$	\$	\$
FURNITURE, FIXTURES & EQUIPMENT	\$ 1,971,006	\$ 1,217,349	\$ 2,012,479	\$ 1,369,902

Federal Statements

**Statement 9 - Form 990, Part IV, Line 55 - Investments in Land, Buildings, and Equipment
(continued)**

Description	Beginning of Year	Accum Deprec	End of Year	Accum Deprec
AUTOS & TRUCKS	\$ 1,137,565	\$ 505,834	\$ 1,319,675	\$ 656,704
BUILDINGS & IMPROVEMENTS	10,890,839	2,771,060	11,468,504	3,369,447
LAND	4,478,117		4,478,117	
TOTAL	<u>\$18,477,527</u>	<u>\$ 4,494,243</u>	<u>\$19,278,775</u>	<u>\$ 5,396,053</u>

Statement 10 - Form 990, Part IV, Line 56 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation
ANNUITIES	\$ 7,826,628	\$ 6,874,387	MARKET
TOTAL	<u>\$ 7,826,628</u>	<u>\$ 6,874,387</u>	

Statement 11 - Form 990, Part IV, Line 58 - Other Assets

Description	Beginning of Year	End of Year
EMPLOYEE ADVANCES	\$ 42,040	\$ 16,660
TAX REFUND RECEIVABLE	3,233	108,477
CONSTRUCTION IN PROGRESS	151,234	
GOODWILL	35,588	35,588
TOTAL	<u>\$ 232,095</u>	<u>\$ 160,725</u>

Statement 12 - Form 990, Part IV, Line 62 - Deferred Revenue

Description	Beginning of Year	End of Year
DEFERRED REVENUE	\$ 25,785	\$ 26,400
TOTAL	<u>\$ 25,785</u>	<u>\$ 26,400</u>

Statement 13 - Form 990, Part IV, Line 65 - Other Liabilities

Description	Beginning of Year	End of Year
MORTGAGES AND OTHER NOTES PAYABLE	\$ 798,153	\$ 886,445
TOTAL	<u>\$ 798,153</u>	<u>\$ 886,445</u>

Federal Statements**Statement 14 - Form 990, Part IV-A - Other Revenue Included on Financial Statements**

<u>Description</u>	<u>Amount</u>
BEST FRIENDS STORE EXPENSE	\$ 704,521
GUEST COTTAGES EXPENSE	118,931
NET LOSS ON DISPOSITION OF FIXED ASSETS	12,105
SPECIAL EVENTS EXPENSE	139,007
 TOTAL	 \$ <u>974,564</u>

Form 990, Part IV-B - Other Expenses included on Financial Statements

<u>Description</u>	<u>Amount</u>
BEST FRIENDS STORE EXPENSE	\$ 704,521
GUEST COTTAGES EXPENSE	118,931
NET LOSS ON DISPOSITION OF FIXED ASSETS	12,105
SPECIAL EVENTS EXPENSE	139,007
 TOTAL	 \$ <u>974,564</u>

Federal Statements

Statement 15 - Form 990, Part V-A, Line 75b - Related Party Information

Related Party One	Related Party Two	Relationship
CHRISTOPHER A FRIPP TREASURER	CELESTE FRIPP SECRETARY	HUSBAND & WIFE

Federal Statements

Statement 16 - Form 990, Part VI, Line 80b - Name of Related Organization(s)

Name of related organization(s)	Type
ANGEL CANYON, INC.	NON-EXEMPT
THE UTAH COALITION FOR ANIMALS	EXEMPT

Statement 17 - Form 990, Part VIII - Relationship of Activities

Line No.	Description
97B	DUE TO THE NATURE OF EXEMPT PURPOSE (CARE OF ANIMALS), STAFF MUST BE ON SITE AT ALL TIMES. DUE TO DISTANCE OF FACILITIES FROM AVAILABLE HOUSING, THE SANCTUARY RENTS ON-SITE HOUSING TO APPROXIMATELY 15 EMPLOYEES.
103B	THIRD PARTY REIMBURSEMENTS FOR EXPENSES PAID BY BEST FRIENDS.
103C	DUE TO THE NATURE OF EXEMPT PURPOSE (CARE OF ANIMALS), STAFF MUST BE ON SITE AT ALL TIMES. DUE TO DISTANCE OF FACILITIES FROM LOCAL EATING ESTABLISHMENTS, THE SANCTUARY OPERATES A CAFETERIA ON-SITE FOR EMPLOYEES.
102	SALES OF RETAIL INVENTORY DIRECTLY RELATED TO EXEMPT PURPOSE OF THE ORGANIZATION.

Federal Statements

Statement 18 - Form 990, Part IX - Information Regarding Taxable Subsidiaries

<u>Bus Name</u>		<u>Addr</u>	<u>Income</u>	<u>EOY Assets</u>
<u>EIN</u>	<u>Ownership %</u>	<u>Nature of Activity</u>		
ANGEL CANYON, INC. 87-0500440	100.0000	5001 ANGEL CANYON ROAD SALES OF ANIMAL-RELATED PRODUCTS & BF MERCHANDISE	\$ 158,192	\$ 643,475
TOTAL			\$ 158,192	\$ 643,475

Statement 19 - Schedule A, Part III, Line 2d - Payment of Compensation / Reimbursement of Exp

Description

SEE FORM 990, PART V

Best Friends Animal Society
2006 Form 990, Part III – Exhibit A
Statement of Program Service Accomplishments
EIN: 23-7147797

Description of Programs

Best Friends Animal Society – a better world through kindness to animals.

Best Friends Animal Society is working with our members and with humane groups across the country and beyond to promote kindness to all animals and to bring about a time when there will be no more homeless pets.

Best Friends provides rescue services, medical care and shelter for companion, farm and wild animals until such time as they can be placed in a loving home or, for the wildlife, released back into their natural habitat. If this is not possible, we provide lifelong care at the sanctuary.

Best Friends also works to strengthen the human-animal bond by providing educational resources, access to experts in the field of animal behavior and care, and a forum for individuals and groups to work together to solve local animal welfare issues.

Best Friends offers a wide variety of local and national programs and services. Most of them can be categorized into four main areas: (1) the sanctuary, (2) emergency rescue programs, (3) animal help line, and (4) outreach programs, which include city and state programs, the Best Friends Network, and published educational resources and materials.

Please see our Annual Report and our website (www.bestfriends.org) for further information.

1. **The Best Friends Animal Sanctuary** (Expenses \$10,513,561) is the nation's largest sanctuary for abused and abandoned animals, offering special care to animals not immediately adoptable at local shelters due to illness, injury, behavior issues or age. More than 80 percent of the animals who come to the sanctuary are eventually adopted. The remainder live out their lives comfortably at the sanctuary. Most of these animals are dogs and cats, but we also care for horses and other farm animals, rabbits, tropical birds, and wildlife. On any given day approximately 2,000 animals are receiving special care at our sanctuary, including wildlife rehabilitation through a state and federally licensed program.
2. **Emergency Rescue Programs** (Expenses \$6,498,034). We initially provided emergency rescue services in response to the hurricanes that ravaged the Gulf Coast in 2005. Best Friends was one of the first external animal welfare groups to respond and we were the last to leave, shutting down our last base camp in the region in April of 2006. We rescued and transported more than 6,000 animals – primarily dogs and

cats – and provided emergency veterinary care for them in two temporary sanctuaries. Best Friends staff and volunteers were able to reunite many with their families, and found foster homes and eventually permanent homes for the others. (A very few were brought back to Best Friends Animal Sanctuary for continuing care.) Many new programs grew out of this huge rescue effort, including the formation of a permanent **Rapid Response Team**, and a new network of **Training Partners** around the country to help rehabilitate dogs with behavior issues.

3. In addition to our rescue services, Best Friends manages a permanent **Animal Help Line** (Expenses \$925,346). Animal Help is a crisis management team that fields all requests for help received via phone, mail, fax, or e-mail. These requests may range from a question about a behavioral issue with a family pet to a request to assist with an animal that needs immediate shelter or medical attention. On an average week, there are about 500 such calls, but during a crisis this can escalate considerably.
4. Best Friends manages a number of **outreach programs** (Expenses \$8,809,936) in various regions of the country, working with humane groups who are setting up local spay/neuter and adoption programs to bring an end to the killing of homeless pets in shelters. Several of these are model programs. For example:
 - Best Friends continued to lead the No More Homeless Pets campaign in Utah. This program finds homes and spays and neuters thousands of dogs and cats through the program's mobile clinic providing discount services in rural and low-income areas.
 - Catnippers is a model high-volume, low-cost spaying and neutering program for feral cats in the Los Angeles area. In 2006, Catnippers sterilized or subsidized the sterilization of more than 2,000 feral cats.
 - Best Friends Brigades are volunteer groups that assist local shelters with special projects ranging from repairing buildings to staffing an adoption event.
 - The Best Friends Network is a grassroots web-based community of people interested in animal welfare who share their ideas, resources, expertise and issues with the goal of connecting with like-minded individuals to more effectively promote animal welfare within their local areas.
 - Best Friends develops, publishes and distributes a wide variety of educational resources and materials each year. These resources include Best Friends magazine, workshops and conferences at the sanctuary and in regional locations, internships, school visits and other training programs.