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

**2001**

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

For calendar year 2001, or tax year beginning \_\_\_\_\_, and ending \_\_\_\_\_

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

|  |  |   |
|--|--|---|
| Use the IRS label<br>Otherwise, print or type<br>See Specific Instructions | Name of organization<br><b>30366 *****AUTO**5-DIGIT 08540</b><br><b>RITA ALLEN FOUNDATION</b> P 43 I<br><b>7 DANSEY BALAAM &amp; FRANK</b> B 65 R<br><b>5 INDEPENDENCE WAY</b> S<br><b>PRINCETON NJ 08540-6627</b> | A Employer identification number<br><b>13-6116429</b><br><br>B Telephone number<br><b>(609)683-1054</b> |
|--|--|---|

|  |   |   |
|--|---|---|
| H Check type of organization <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation<br><input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation | J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual<br><input type="checkbox"/> Other (specify) _____ | C If exemption application is pending check here <input type="checkbox"/><br>D 1 Foreign organizations, check here <input type="checkbox"/><br>2 Foreign organizations meeting the 85% test check here and attach computation <input type="checkbox"/><br>E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/><br>F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/> |
|--|---|---|

I Fair market value of all assets at end of year (from Part II, col (c), line 16) **\$ 21,778,618.** (Part I, column (d) must be on cash basis)

| Part I Analysis of Revenue and Expenses<br>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a)) | (a) Revenue and expenses per books | (b) Net investment income | (c) Adjusted net income<br>N/A | (d) Disbursements for charitable purposes<br>(cash basis only) |
|--|------------------------------------|---------------------------|--------------------------------|--|
| 1 Contributions, gifts grants etc, received<br>Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B         |                                    |                           |                                |  |
| 2 Distributions from split-interest trusts   |                                    |                           |                                |  |
| 3 Interest on savings and temporary cash investments   |                                    |                           |                                |  |
| 4 Dividends and interest from securities   | 811,263.                           | 811,263.                  |                                | STATEMENT 1  |
| 5a Gross rents   |                                    |                           |                                |  |
| b (Net rental income or (loss))  |                                    |                           |                                |  |
| 6a Net gain or (loss) from sale of assets not on line 10   | 5,822,998.                         |                           |                                |  |
| b Gross sales price for all assets on line 6a  | 9,404,129.                         |                           |                                |  |
| 7 Capital gain net income (from Part IV line 2)  |                                    | 5,822,998.                |                                |  |
| 8 Net short-term capital gain  |                                    |                           |                                |  |
| 9 Income modifications   |                                    |                           |                                |  |
| 10a Gross sales less returns and allowances  |                                    |                           |                                |  |
| b Less Cost of goods sold  |                                    |                           |                                |  |
| c Gross profit or (loss)   |                                    |                           |                                |  |
| 11 Other income  |                                    |                           |                                |  |
| 12 Total Add lines 1 through 11  | 6,634,261.                         | 6,634,261.                |                                |  |
| 13 Compensation of officers directors trustees etc   | 41,000.                            | 0.                        |                                | 41,000.  |
| 14 Other employee salaries and wages   |                                    |                           |                                |  |
| 15 Pension plans, employee benefits  |                                    |                           |                                |  |
| 16a Legal fees   |                                    |                           |                                |  |
| b Accounting fees  | 7,680.                             | 0.                        |                                | 7,680.   |
| c Other professional fees  | 112,031.                           | 112,031.                  |                                | 0.   |
| 17 Interest  |                                    |                           |                                |  |
| 18 Taxes   | 6,865.                             | 1,667.                    |                                | 0.   |
| 19 Depreciation and depletion  |                                    |                           |                                |  |
| 20 Occupancy   |                                    |                           |                                |  |
| 21 Travel, conferences, and meetings   | 7,642.                             | 0.                        |                                | 7,642.   |
| 22 Printing and publications   |                                    |                           |                                |  |
| 23 Other expenses  | 9,450.                             | 750.                      |                                | 8,700.   |
| 24 Total operating and administrative expenses Add lines 13 through 23   | 244,668.                           | 114,448.                  |                                | 65,022.  |
| 25 Contributions, gifts, grants paid   | 1,230,343.                         |                           |                                | 1,230,343.   |
| 26 Total expenses and disbursements Add lines 24 and 25  | 1,475,011.                         | 114,448.                  |                                | 1,295,365.   |
| 27 Subtract line 26 from line 12   |                                    |                           |                                |  |
| a Excess of revenue over expenses and disbursements  | 5,159,250.                         |                           |                                |  |
| b Net investment income (if negative enter -0-)  |                                    | 6,519,813.                |                                |  |
| c Adjusted net income (if negative enter -0-)  |                                    |                           | N/A                            |  |

STMT 2 RECEIVED  
 STMT 4 MAY 19 2002  
 OGDEN, UT  
 STMT 5

SCANNED JUN 10 2002

| Part II Balance Sheets  |  | Attached schedules and amounts in the description column should be for end-of-year amounts only |                    |                       |
|---|--|---|--------------------|-----------------------|
|   |  | Beginning of year   | End of year        |                       |
|   |  | (a) Book Value  | (b) Book Value     | (c) Fair Market Value |
| Assets  | 1 Cash - non-interest-bearing  | 12,633.   | 12,335.            | 12,335.               |
|   | 2 Savings and temporary cash investments   | 1,501,075.  | 1,176,171.         | 1,176,171.            |
|   | 3 Accounts receivable ▶  |   |                    |                       |
|   | Less allowance for doubtful accounts ▶   |   |                    |                       |
|   | 4 Pledges receivable ▶   |   |                    |                       |
|   | Less allowance for doubtful accounts ▶   |   |                    |                       |
|   | 5 Grants receivable  |   |                    |                       |
|   | 6 Receivables due from officers, directors, trustees, and other disqualified persons               |   |                    |                       |
|   | 7 Other notes and loans receivable ▶   |   |                    |                       |
|   | Less allowance for doubtful accounts ▶   |   |                    |                       |
|   | 8 Inventories for sale or use  |   |                    |                       |
|   | 9 Prepaid expenses and deferred charges  |   |                    |                       |
|   | 10a Investments - U S and state government obligations <b>STMT 6</b>                               | 5,907,434.  | 5,030,409.         | 5,719,810.            |
|   | b Investments - corporate stock <b>STMT 7</b>  | 1,868,747.  | 7,299,995.         | 10,597,498.           |
|   | c Investments - corporate bonds <b>STMT 8</b>  | 3,240,191.  | 3,192,125.         | 3,239,544.            |
| 11 Investments land buildings and equipment basis ▶                 |  |   |                    |                       |
| Less accumulated depreciation ▶                                     |  |   |                    |                       |
| 12 Investments - mortgage loans                                     |  |   |                    |                       |
| 13 Investments - other <b>STMT 9</b>                                | 0.   | 1,000,000.  | 1,024,483.         |                       |
| 14 Land, buildings, and equipment basis ▶                           |  |   |                    |                       |
| Less accumulated depreciation ▶                                     |  |   |                    |                       |
| 15 Other assets (describe ▶ <b>STATEMENT 10</b> )                   | 30,483.  | 8,777.  | 8,777.             |                       |
| <b>16 Total assets</b> (to be completed by all filers)              | <b>12,560,563.</b>   | <b>17,719,812.</b>  | <b>21,778,618.</b> |                       |
| Liabilities   | 17 Accounts payable and accrued expenses   |   |                    |                       |
|   | 18 Grants payable  |   |                    |                       |
|   | 19 Deferred revenue  |   |                    |                       |
|   | 20 Loans from officers directors trustees and other disqualified persons                           |   |                    |                       |
|   | 21 Mortgages and other notes payable   |   |                    |                       |
|   | 22 Other liabilities (describe ▶ )   |   |                    |                       |
| <b>23 Total liabilities</b> (add lines 17 through 22)               | <b>0.</b>  | <b>0.</b>   |                    |                       |
| Net Assets or Fund Balances   | <b>Organizations that follow SFAS 117, check here</b> ▶ <input type="checkbox"/>                   |   |                    |                       |
|   | <b>and complete lines 24 through 26 and lines 30 and 31</b>  |   |                    |                       |
|   | 24 Unrestricted  |   |                    |                       |
|   | 25 Temporarily restricted  |   |                    |                       |
|   | 26 Permanently restricted  |   |                    |                       |
|   | <b>Organizations that do not follow SFAS 117, check here</b> ▶ <input checked="" type="checkbox"/> |   |                    |                       |
|   | <b>and complete lines 27 through 31</b>  |   |                    |                       |
|   | 27 Capital stock, trust principal, or current funds  | 12,560,563.   | 17,719,812.        |                       |
| 28 Paid-in or capital surplus, or land, bldg, and equipment fund    | 0.   | 0.  |                    |                       |
| 29 Retained earnings, accumulated income, endowment, or other funds | 0.   | 0.  |                    |                       |
| <b>30 Total net assets or fund balances</b>                         | <b>12,560,563.</b>   | <b>17,719,812.</b>  |                    |                       |
| <b>31 Total liabilities and net assets/fund balances</b>            | <b>12,560,563.</b>   | <b>17,719,812.</b>  |                    |                       |

**Part III Analysis of Changes in Net Assets or Fund Balances**

|   |   |             |
|---|---|-------------|
| 1 Total net assets or fund balances at beginning of year - Part II, column (a), line 30<br>(must agree with end-of-year figure reported on prior year's return) | 1 | 12,560,563. |
| 2 Enter amount from Part I, line 27a  | 2 | 5,159,250.  |
| 3 Other increases not included in line 2 (itemize) ▶  | 3 | 0.          |
| 4 Add lines 1, 2, and 3   | 4 | 17,719,813. |
| 5 Decreases not included in line 2 (itemize) ▶ <b>ROUNDING</b>  | 5 | 1.          |
| 6 Total net assets or fund balances at end of year (line 4 minus line 5) Part II, column (b), line 30   | 6 | 17,719,812. |

**Part IV Capital Gains and Losses for Tax on Investment Income**

| (a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)  |  | (b) How acquired<br>P - Purchase<br>D - Donation | (c) Date acquired<br>(mo., day, yr.)         | (d) Date sold<br>(mo., day, yr.)   |
|---|--|--|--|--|
| <b>1a SCHEDULE ATTACHED</b>   |  | P  |  |  |
| b   |  |  |  |  |
| c   |  |  |  |  |
| d   |  |  |  |  |
| e   |  |  |  |  |
| (e) Gross sales price   | (f) Depreciation allowed<br>(or allowable) | (g) Cost or other basis<br>plus expense of sale  | (h) Gain or (loss)<br>(e) plus (f) minus (g) |  |
| a 9,404,129.  |  | 3,581,131.                                       | 5,822,998.                                   |  |
| b   |  |  |  |  |
| c   |  |  |  |  |
| d   |  |  |  |  |
| e   |  |  |  |  |
| Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69   |  |  |  | (l) Gains (Col (h) gain minus<br>col (k), but not less than -0-) or<br>Losses (from col (h)) |
| (i) FMV as of 12/31/69  | (j) Adjusted basis<br>as of 12/31/69       | (k) Excess of col (i)<br>over col (j), if any    |  |  |
| a   |  |  | 5,822,998.                                   |  |
| b   |  |  |  |  |
| c   |  |  |  |  |
| d   |  |  |  |  |
| e   |  |  |  |  |
| 2 Capital gain net income or (net capital loss) ( If gain, also enter in Part I, line 7<br>If (loss), enter -0- in Part I, line 7 )   |  | 2  | 5,822,998.                                   |  |
| 3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)<br>If gain, also enter in Part I, line 8, column (c)<br>If (loss), enter 0 in Part I, line 8 |  | 3  | N/A  |  |

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

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

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

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?

Yes  No

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

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

| (a) Base period years<br>Calendar year (or tax year beginning in) | (b) Adjusted qualifying distributions | (c) Net value of noncharitable-use assets | (d) Distribution ratio<br>(col (b) divided by col (c)) |
|---|---------------------------------------|---|--|
| 2000  | 1,106,945.                            | 23,600,703.                               | .0469031   |
| 1999  | 964,568.                              | 21,930,172.                               | .0439836   |
| 1998  | 851,681.                              | 20,658,743.                               | .0412262   |
| 1997  | 682,670.                              | 18,345,916.                               | .0372110   |
| 1996  | 671,529.                              | 16,024,711.                               | .0419058   |

|   |   |             |
|---|---|-------------|
| 2 Total of line 1, column (d)   | 2 | .2112297    |
| 3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years  | 3 | .0422459    |
| 4 Enter the net value of noncharitable-use assets for 2001 from Part X, line 5  | 4 | 22,350,802. |
| 5 Multiply line 4 by line 3   | 5 | 944,230.    |
| 6 Enter 1% of net investment income (1% of Part I, line 27b)  | 6 | 65,198.     |
| 7 Add lines 5 and 6   | 7 | 1,009,428.  |
| 8 Enter qualifying distributions from Part XII, line 4<br>If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate<br>See the Part VI instructions | 8 | 1,295,365.  |

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

Table with 11 rows for excise tax calculation. Includes categories like 'Exempt operating foundations', 'Domestic organizations that meet the section 4940(e) requirements', 'Tax under section 511', 'Add lines 1 and 2', 'Subtitle A (income) tax', 'Tax based on investment income', 'Credits/Payments', 'Total credits and payments', 'Tax due', and 'Overpayment'. Total tax due is 3,571.

Part VII-A Statements Regarding Activities

Table with 11 rows for activity statements. Questions include: 'Did the organization attempt to influence any national, state, or local legislation?', 'Did it spend more than \$100 during the year for political purposes?', 'Did the organization file Form 1120-POL for this year?', 'Has the organization engaged in any activities that have not previously been reported to the IRS?', 'Has the organization made any changes, not previously reported to the IRS, in its governing instrument...', 'Did the organization have unrelated business gross income of \$1,000 or more during the year?', 'Was there a liquidation, termination, dissolution, or substantial contraction during the year?', 'Are the requirements of section 508(e) satisfied?', 'Did the organization have at least \$5,000 in assets at any time during the year?', 'Enter the states to which the foundation reports or with which it is registered', 'If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990 PF to the Attorney General...', 'Is the organization claiming status as a private operating foundation...', 'Did any persons become substantial contributors during the tax year?', 'Did the organization comply with the public inspection requirements for its annual returns and exemption application?'. Includes 'Yes/No' columns and a 'N/A' entry.

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

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

Table with columns for question text, Yes/No checkboxes, and Yes/No columns. Includes questions 1a through 6a and 6b regarding disqualifying activities, disaster assistance, and business holdings.

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

**1 List all officers, directors, trustees, foundation managers and their compensation**

| (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 and deferred compensation | (e) Expense account, other allowances |
|----------------------|---|---|---|---------------------------------------|
| MILTON CASSEL        | PRES / TREAS / DIRECTOR                                   |   |   |                                       |
| NEW YORK, NY         | 0.  | 0.  | 0.  | 0.                                    |
| MOORE GATES, JR.     | SECRETARY / DIRECTOR                                      |   |   |                                       |
| PRINCETON, NJ        | 8   | 40,000.                                   | 0.  | 0.                                    |
| HARRY HITCH          | DIRECTOR  |   |   |                                       |
| NEW CANAAN, CT       | 0.  | 1,000.                                    | 0.  | 0.                                    |

**2 Compensation of five highest-paid employees (other than those included on line 1) If none, enter "NONE"**

| (a) Name and address of each employee paid more than \$50,000 | (b) Title and average hours per week devoted to position | (c) Compensation | (d) Contributions to employee benefit plans and deferred compensation | (e) Expense account, other allowances |
|---|--|------------------|---|---------------------------------------|
| NONE  |  |                  |   |                                       |
|   |  |                  |   |                                       |
|   |  |                  |   |                                       |
|   |  |                  |   |                                       |
|   |  |                  |   |                                       |

Total number of other employees paid over \$50,000 0

**3 Five highest-paid independent contractors for professional services If none, enter "NONE"**

| (a) Name and address of each person paid more than \$50,000 | (b) Type of service | (c) Compensation |
|---|---------------------|------------------|
| WILMERDING & ASSOC<br>ROSEMONT, PA                          | INVESTMENT ADVICE   | 89,397.          |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |
|   |                     |                  |

Total number of others receiving over \$50,000 for professional services 0

**Part IX-A Summary of Direct Charitable Activities**

| List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc | Expenses |
|---|----------|
| 1 N/A   |          |
| 2   |          |
| 3   |          |
| 4   |          |

**Part IX-B Summary of Program-Related Investments**

| Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2 |     | Amount    |
|--|-----|-----------|
| 1  | N/A |           |
| 2  |     |           |
| All other program-related investments See instructions   |     |           |
| 3  |     |           |
| <b>Total</b> Add lines 1 through 3   |     | <b>0.</b> |

**Part X Minimum Investment Return** (All domestic foundations must complete this part Foreign foundations see instructions)

|   |  |    |             |
|---|--|----|-------------|
| 1 | Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes |    |             |
| a | Average monthly fair market value of securities  | 1a | 22,677,312. |
| b | Average of monthly cash balances   | 1b | 12,403.     |
| c | Fair market value of all other assets  | 1c | 1,455.      |
| d | <b>Total</b> (add lines 1a, b, and c)  | 1d | 22,691,170. |
| e | Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)  | 1e | 0.          |
| 2 | Acquisition indebtedness applicable to line 1 assets   | 2  | 0.          |
| 3 | Subtract line 2 from line 1d   | 3  | 22,691,170. |
| 4 | Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)   | 4  | 340,368.    |
| 5 | <b>Net value of noncharitable-use assets</b> Subtract line 4 from line 3 Enter here and on Part V, line 4  | 5  | 22,350,802. |
| 6 | <b>Minimum investment return</b> Enter 5% of line 5  | 6  | 1,117,540.  |

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

|    |   |    |            |
|----|---|----|------------|
| 1  | Minimum investment return from Part X, line 6   | 1  | 1,117,540. |
| 2a | Tax on investment income for 2001 from Part VI, line 5  | 2a | 65,198.    |
| b  | Income tax for 2001 (This does not include the tax from Part VI)  | 2b |            |
| c  | Add lines 2a and 2b   | 2c | 65,198.    |
| 3  | Distributable amount before adjustments Subtract line 2c from line 1                                    | 3  | 1,052,342. |
| 4a | Recoveries of amounts treated as qualifying distributions   | 4a | 0.         |
| b  | Income distributions from section 4947(a)(2) trusts   | 4b | 0.         |
| c  | Add lines 4a and 4b   | 4c | 0.         |
| 5  | Add lines 3 and 4c  | 5  | 1,052,342. |
| 6  | Deduction from distributable amount (see instructions)  | 6  | 0.         |
| 7  | <b>Distributable amount as adjusted</b> Subtract line 6 from line 5 Enter here and on Part XIII, line 1 | 7  | 1,052,342. |

**Part XII Qualifying Distributions** (see instructions)

|   |  |    |            |
|---|--|----|------------|
| 1 | Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes  |    |            |
| a | Expenses, contributions, gifts, etc total from Part I, column (d), line 26   | 1a | 1,295,365. |
| b | Program-related investments Total from Part IX-B   | 1b | 0.         |
| 2 | Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes                          | 2  |            |
| 3 | Amounts set aside for specific charitable projects that satisfy the  |    |            |
| a | Suitability test (prior IRS approval required)   | 3a |            |
| b | Cash distribution test (attach the required schedule)  | 3b |            |
| 4 | <b>Qualifying distributions</b> Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4                    | 4  | 1,295,365. |
| 5 | Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b | 5  | 65,198.    |
| 6 | <b>Adjusted qualifying distributions</b> Subtract line 5 from line 4   | 6  | 1,230,167. |

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



**Part XIII** . Undistributed Income (see instructions)

|   | (a)<br>Corpus | (b)<br>Years prior to 2000 | (c)<br>2000 | (d)<br>2001 |
|---|---------------|----------------------------|-------------|-------------|
| <b>1</b> Distributable amount for 2001 from Part XI, line 7   |               |                            |             | 1,052,342.  |
| <b>2</b> Undistributed income if any as of the end of 2000  |               |                            |             |             |
| <b>a</b> Enter amount for 2000 only   |               |                            | 542,903.    |             |
| <b>b</b> Total for prior years 19 __, 19 __, 19 __  |               | 0.                         |             |             |
| <b>3</b> Excess distributions carryover if any to 2001  |               |                            |             |             |
| <b>a</b> From 1996  |               |                            |             |             |
| <b>b</b> From 1997  |               |                            |             |             |
| <b>c</b> From 1998  |               |                            |             |             |
| <b>d</b> From 1999  |               |                            |             |             |
| <b>e</b> From 2000  |               |                            |             |             |
| <b>f</b> Total of lines 3a through e  | 0.            |                            |             |             |
| <b>4</b> Qualifying distributions for 2001 from Part XII, line 4 ▶ \$ <u>1,295,365.</u>   |               |                            |             |             |
| <b>a</b> Applied to 2000, but not more than line 2a   |               |                            | 542,903.    |             |
| <b>b</b> Applied to undistributed income of prior years (Election required - see instructions)  |               | 0.                         |             |             |
| <b>c</b> Treated as distributions out of corpus (Election required - see instructions)  | 0.            |                            |             |             |
| <b>d</b> Applied to 2001 distributable amount   |               |                            |             | 752,462.    |
| <b>e</b> Remaining amount distributed out of corpus   | 0.            |                            |             |             |
| <b>5</b> Excess distributions carryover applied to 2001 (If an amount appears in column (d) the same amount must be shown in column (a).)   | 0.            |                            |             | 0.          |
| <b>6</b> Enter the net total of each column as indicated below  |               |                            |             |             |
| <b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5  | 0.            |                            |             |             |
| <b>b</b> Prior years' undistributed income Subtract line 4b from line 2b  |               | 0.                         |             |             |
| <b>c</b> Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed |               | 0.                         |             |             |
| <b>d</b> Subtract line 6c from line 6b Taxable amount - see instructions  |               | 0.                         |             |             |
| <b>e</b> Undistributed income for 2000 Subtract line 4a from line 2a Taxable amount - see instr   |               |                            | 0.          |             |
| <b>f</b> Undistributed income for 2001 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2002  |               |                            |             | 299,880.    |
| <b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)   | 0.            |                            |             |             |
| <b>8</b> Excess distributions carryover from 1996 not applied on line 5 or line 7   | 0.            |                            |             |             |
| <b>9</b> Excess distributions carryover to 2002 Subtract lines 7 and 8 from line 6a   | 0.            |                            |             |             |
| <b>10</b> Analysis of line 9  |               |                            |             |             |
| <b>a</b> Excess from 1997   |               |                            |             |             |
| <b>b</b> Excess from 1998   |               |                            |             |             |
| <b>c</b> Excess from 1999   |               |                            |             |             |
| <b>d</b> Excess from 2000   |               |                            |             |             |
| <b>e</b> Excess from 2001   |               |                            |             |             |

**Part XIV Private Operating Foundations** (see instructions and Part VII A, question 9)

N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2001, enter the date of the ruling ▶

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

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

|   | Tax year |          | Prior 3 years |          | (e) Total |
|---|----------|----------|---------------|----------|-----------|
|   | (a) 2001 | (b) 2000 | (c) 1999      | (d) 1998 |           |
| b 85% of line 2a  |          |          |               |          |           |
| c Qualifying distributions from Part XII, line 4 for each year listed                   |          |          |               |          |           |
| d Amounts included in line 2c not used directly for active conduct of exempt activities |          |          |               |          |           |
| e Qualifying distributions made directly for active conduct of exempt activities        |          |          |               |          |           |
| Subtract line 2d from line 2c   |          |          |               |          |           |

3 Complete 3a, b, or c for the alternative test relied upon

a "Assets" alternative test - enter

(1) Value of all assets

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

c "Support" alternative test enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

(3) Largest amount of support from an exempt organization

(4) Gross investment income

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

1 Information Regarding Foundation Managers

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

**NONE**

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

**NONE**

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc , Programs

Check here  if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the organization makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

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

**Part XV** Supplementary Information (continued)

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

| Recipient  | If recipient is an individual, show any relationship to any foundation manager or substantial contributor | Foundation status of recipient | Purpose of grant or contribution | Amount          |
|--|---|--------------------------------|----------------------------------|-----------------|
| Name and address (home or business)                            |   |                                |                                  |                 |
| <p><b>a Paid during the year</b></p> <p>SEE ATTACHED LISTS</p> |   |                                |                                  | 1,230,343.      |
| <b>Total</b>   |   |                                |                                  | ▶ 3a 1,230,343. |
| <p><b>b Approved for future payment</b></p> <p>NONE</p>        |   |                                |                                  |                 |
| <b>Total</b>   |   |                                |                                  | ▶ 3b 0.         |









Name Rita Allen Foundation, Inc  
 ID# 13-6116429  
 Form 990PI - 12/31/01  
 Part IV, Capital Gains & Losses

Principal Fund

| No Shs<br>or Bonds                            | Date<br>Acquired | Date<br>Sold | Sales<br>Price | Cost or<br>Other Basis | Gain<br>(Loss)   |
|---|------------------|--------------|----------------|------------------------|------------------|
| 400 Carnival Comp                             | 3/17/2000        | 1/17/2001    | 13,000 56      | 9,090 00               | 3,910 56         |
| 15,000 Fed, Nat'l Mig Assn, 6%, 3/12/04       | 3/5/99           | 3/12/2001    | 15,000 00      | 15,000 00              | 0 00             |
| 15,000 Fed, Nat'l Mig Assn, 6.47%, 3/13/08    | 3/6/98           | 3/13/2001    | 15,000 00      | 15,000 00              | 0 00             |
| 388 Lucent Technologies                       | 10/18/91         | 4/25/2001    | 3,623 79       | 3,085 06               | 538 73           |
| 32 Avaya, Inc                                 | 10/18/91         | 6/11/2001    | 525 42         | 178 73                 | 346 69           |
| 700 E I duPont de Nemours                     | 5/26/88          | 6/6/2001     | 32,968 89      | 9,498 00               | 23,470 89        |
| 400 General Electric                          | 10/16/84         | 6/6/2001     | 19,599 34      | 945 10                 | 18,654 24        |
| 300 Sigma Aldrich                             | 3/24/2000        | 6/12/2001    | 13,979 53      | 6,806 25               | 7,173 28         |
| 300 United Parcel Service Cl B                | 3/29/2000        | 6/6/2001     | 17,402 41      | 17,786 25              | (383 84)         |
| 12 MCI Group                                  | 3/20/2000        | 7/20/2001    | 184 67         | 504 73                 | (320 06)         |
| 15,000 Fed, Nat'l Mig Assn, 5.95%, 11/25/2008 | 11/13/98         | 10/2/2001    | 15,000 00      | 14,915 63              | 84 37            |
| <b>TOTAL 70% PRINCIPAL FUND</b>               |                  |              |                |                        | <b>53,474 86</b> |

Income Fund  
 No Shs  
 or Bonds

| No Shs<br>or Bonds                      | Date<br>Acquired | Date<br>Sold | Sales<br>Price | Cost or<br>Other Basis | Gain<br>(Loss)      |
|---|------------------|--------------|----------------|------------------------|---------------------|
| 600,000 US TREASURY NOTE, 6.5%, 8/31/01 | 3/14/2000        | 8/31/2001    | 600,000 00     | 599,812 50             | 187 50              |
| <b>TOTAL 70% INCOME FUND</b>            |                  |              |                |                        | <b>187 50</b>       |
| <b>GRAND TOTAL</b>                      |                  |              |                | <b>3,581,130 86</b>    | <b>5,822,997 77</b> |



RITA ALLEN FOUNDATION, INC

SCHEDULE OF CONTRIBUTIONS PAID  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

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Form 990PF, EIN 13-6116429  
Part XV, Line 3a, Grants & Contributions Paid

70% Income Fund

Medical Research Grants to

|  |                      |
|--|----------------------|
| California Institute of Technology                   | \$ 50,000 00         |
| Cold Spring Harbor Laboratory                        | 100,000 00           |
| Columbia University College of Physicians & Surgeons | 50,000 00            |
| Harvard Medical School                               | 50,000 00            |
| Fred Hutchinson Cancer Research Center               | 50,000 00            |
| Princeton University                                 | 100,000 00           |
| Rockefeller University                               | 50,000 00            |
| Schepens Eye Research Institute                      | 100,000 00           |
| Stanford School of Medicine                          | 100,000 00           |
| University of California - San Diego                 | 50,000 00            |
| University of California - San Francisco             | 50,000 00            |
|  | <u>\$ 750,000 00</u> |

RITA ALLEN FOUNDATION, INC

SCHEDULE OF CONTRIBUTIONS PAID  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

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Form 990 PF, EIN 13-6116429  
Part XV, Line 3a, Grants and Contributions Paid

Special Fund

|  |               |
|--|---------------|
| Brandeis University<br>General Purpose | \$ 188,695 00 |
|--|---------------|

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|                      |                  |
|----------------------|------------------|
| United Jewish Appeal | <u>94,348 00</u> |
|----------------------|------------------|

|                               |                      |
|-------------------------------|----------------------|
| Support for Home for the Aged | <u>\$ 283,043 00</u> |
|-------------------------------|----------------------|

RITA ALLEN FOUNDATION, INC

SCHEDULE OF CONTRIBUTIONS PAID  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2001

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Form 990PF, EIN 13-6116429

Part XV, Line 3a, Grants and Contributions Paid

*General Fund*

General Prpose Grants to

|   |               |
|---|---------------|
| American Red Cross                          | \$ 100,000 00 |
| Boys & Girls Clubs of America               | 15,000 00     |
| Boys & Girls Clubs of Trenton/Mercer County | 5,000 00      |
| C A R E                                     | 300 00        |
| The Hill School                             | 5,000 00      |
| The Juilliard School                        | 50,000 00     |
| Medical Center at Princeton Foundation      | 2,000 00      |
| Princeton Area Community Foundation         | 5,000 00      |
| South Kent School                           | 15,000 00     |

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\$ 197,300 00

Total Grants and Contributions Paid

\$ 1,230,343 00



| FORM 990-PF                 | OTHER EXPENSES               |                                   |                               | STATEMENT 5                   |
|-----------------------------|------------------------------|-----------------------------------|-------------------------------|-------------------------------|
| DESCRIPTION                 | (A)<br>EXPENSES<br>PER BOOKS | (B)<br>NET INVEST-<br>MENT INCOME | (C)<br>ADJUSTED<br>NET INCOME | (D)<br>CHARITABLE<br>PURPOSES |
| NEW YORK STATE FILING FEE   | 750.                         | 750.                              |                               | 0.                            |
| INSURANCE                   | 1,200.                       | 0.                                |                               | 1,200.                        |
| HONORARIA                   | 7,500.                       | 0.                                |                               | 7,500.                        |
| TO FORM 990-PF, PG 1, LN 23 | 9,450.                       | 750.                              |                               | 8,700.                        |

| FORM 990-PF                                      | U.S. AND STATE/CITY GOVERNMENT OBLIGATIONS |                |            | STATEMENT 6          |
|--|--|----------------|------------|----------------------|
| DESCRIPTION                                      | U.S.<br>GOV'T                              | OTHER<br>GOV'T | BOOK VALUE | FAIR MARKET<br>VALUE |
| SCHEDULES ATTACHED                               | X  |                | 5,030,409. | 5,719,810.           |
| TOTAL U.S. GOVERNMENT OBLIGATIONS                |  |                | 5,030,409. | 5,719,810.           |
| TOTAL STATE AND MUNICIPAL GOVERNMENT OBLIGATIONS |  |                |            |                      |
| TOTAL TO FORM 990-PF, PART II, LINE 10A          |  |                | 5,030,409. | 5,719,810.           |

| FORM 990-PF                             | CORPORATE STOCK |  | STATEMENT 7          |
|---|-----------------|--|----------------------|
| DESCRIPTION                             |                 |  | FAIR MARKET<br>VALUE |
|   | BOOK VALUE      |  |                      |
| SCHEDULES ATTACHED                      | 7,299,995.      |  | 10,597,498.          |
| TOTAL TO FORM 990-PF, PART II, LINE 10B | 7,299,995.      |  | 10,597,498.          |

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|             |                 |           |   |
|-------------|-----------------|-----------|---|
| FORM 990-PF | CORPORATE BONDS | STATEMENT | 8 |
|-------------|-----------------|-----------|---|

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| DESCRIPTION                             | BOOK VALUE | FAIR MARKET VALUE |
|---|------------|-------------------|
| SCHEDULES ATTACHED                      | 3,192,125. | 3,239,544.        |
| TOTAL TO FORM 990-PF, PART II, LINE 10C | 3,192,125. | 3,239,544.        |

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|             |                   |           |   |
|-------------|-------------------|-----------|---|
| FORM 990-PF | OTHER INVESTMENTS | STATEMENT | 9 |
|-------------|-------------------|-----------|---|

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| DESCRIPTION                            | BOOK VALUE | FAIR MARKET VALUE |
|--|------------|-------------------|
| SCHEDULES ATTACHED                     | 1,000,000. | 1,024,483.        |
| TOTAL TO FORM 990-PF, PART II, LINE 13 | 1,000,000. | 1,024,483.        |

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|             |              |           |    |
|-------------|--------------|-----------|----|
| FORM 990-PF | OTHER ASSETS | STATEMENT | 10 |
|-------------|--------------|-----------|----|

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| DESCRIPTION                            | BOOK VALUE | FAIR MARKET VALUE |
|--|------------|-------------------|
| INTEREST RECEIVABLE                    | 5,207.     | 5,207.            |
| PREPAID FED. EXCISE TAX                | 3,570.     | 3,570.            |
| TOTAL TO FORM 990-PF, PART II, LINE 15 | 8,777.     | 8,777.            |

RITA ALLEN FOUNDATION, INC  
GENERAL FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| No of Shares<br>Or Par |  |           |        | <u>Book Value</u>   | <u>Market Value</u> | <u>Income<br/>Received</u> |
|------------------------|--|-----------|--------|---------------------|---------------------|----------------------------|
|                        | <u>U S Government Securities</u>               |           |        |                     |                     |                            |
| \$50,000               | U S Treasury Notes                             | 31-Mar-02 | 6.625% | \$ 49,941.41        | \$ 50,578.00        | \$ 3,312.50                |
| 50,000                 | U S Treasury Notes                             | 15-Aug-02 | 6.375% | 49,475.00           | 51,375.00           | 3,187.50                   |
| 50,000                 | U S Treasury Notes                             | 28-Feb-03 | 5.500% | 49,806.03           | 51,843.50           | 2,750.00                   |
| 50,000                 | U S Treasury Notes                             | 15-Aug-03 | 5.750% | 49,117.19           | 52,367.00           | 2,875.00                   |
| 50,000                 | U S Treasury Notes                             | 15-Feb-04 | 5.875% | 48,648.44           | 52,765.50           | 2,937.50                   |
| 50,000                 | U S Treasury Notes                             | 15-May-05 | 6.500% | 48,562.50           | 53,953.00           | 3,250.00                   |
| 50,000                 | U S Treasury Notes                             | 15-Feb-06 | 5.625% | 49,929.69           | 52,679.50           | 2,812.50                   |
| 50,000                 | U S Treasury Notes                             | 15-Oct-06 | 6.500% | 49,937.50           | 54,375.00           | 3,250.00                   |
| 50,000                 | U S Treasury Bonds                             | 15-Feb-07 | 7.625% | 51,781.25           | 50,336.00           | 3,812.50                   |
| 50,000                 | U S Treasury Notes                             | 15-Feb-07 | 6.250% | 49,781.25           | 53,976.50           | 3,125.00                   |
| 50,000                 | U S Treasury Notes                             | 15-May-07 | 6.625% | 49,671.88           | 54,922.00           | 3,312.50                   |
| 50,000                 | U S Treasury Notes                             | 15-Aug-07 | 6.125% | 49,812.50           | 53,750.00           | 3,062.50                   |
| 50,000                 | U S Treasury Notes                             | 15-May-08 | 5.625% | 48,734.38           | 52,383.00           | 2,812.50                   |
| 250,000                | U S Treasury Security Stripped                 | 15-May-16 |        | 52,760.00           | 106,847.50          | 0.00                       |
| 50,000                 | U S Treasury Bonds                             | 15-Nov-16 | 7.500% | 43,937.50           | 59,125.00           | 3,750.00                   |
|                        | Interest on Bonds Redeemed or Sold             |           |        |                     |                     | 8,687.50                   |
|                        |  |           |        | <u>741,896.52</u>   | <u>851,276.50</u>   | <u>52,937.50</u>           |
|                        | <u>Money Fund</u>                              |           |        |                     |                     |                            |
| \$311,005              | Excelsior Gov't Money Fund                     |           |        | <u>311,005.00</u>   | <u>311,005.00</u>   | <u>11,027.02</u>           |
|                        | Total U S Government Securities and Money Fund |           |        | <u>1,052,901.52</u> | <u>1,162,281.50</u> | <u>63,964.52</u>           |
|                        | <u>Corporate Bonds</u>                         |           |        |                     |                     |                            |
| \$50,000               | Transamerica Fin Corp Sr Nt                    | 15-Mar-04 | 7.500% | 50,600.00           | 53,423.00           | 3,750.00                   |
| 50,000                 | Federal Nat'l Mtg Assn                         | 25-Oct-08 | 4.375% | 50,000.00           | 48,976.50           | 0.00                       |
| 50,000                 | Ford Motor Cr Notes                            | 12-Jan-09 | 5.800% | 49,750.00           | 45,499.50           | 2,900.00                   |
| 50,000                 | GMAC   | 14-Jan-09 | 5.850% | 47,865.00           | 46,821.00           | 2,925.00                   |
| 50,000                 | AT&T Debentures                                | 15-Jul-24 | 8.125% | 50,062.50           | 51,750.00           | 4,062.50                   |
| 50,000                 | Johnson & Johnson Shelf 7                      | 01-Nov-24 | 8.720% | 50,125.00           | 56,539.50           | 4,360.00                   |
|                        | Interest on Bonds Redeemed or Sold             |           |        |                     |                     | 7,645.83                   |
|                        | Total Corporate Bonds                          |           |        | <u>298,402.50</u>   | <u>303,009.50</u>   | <u>25,643.33</u>           |

See accompanying notes and accountants' review report

RITA ALLEN FOUNDATION, INC  
GENERAL FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| <u>No of Shares<br/>Or Par</u> |                                      | <u>Book Value</u>      | <u>Market Value</u>    | <u>Income<br/>Received</u> |
|--------------------------------|--------------------------------------|------------------------|------------------------|----------------------------|
|                                | <u>Common Stocks</u>                 |                        |                        |                            |
| 2,218                          | American International Group, Inc    | \$ 5,830 99            | \$ 176,109 20          | \$ 498 46                  |
| 1,446                          | BP Amoco PLC, ADR                    | 7,269 60               | 67,253 46              | 2,912 60                   |
| 1,300                          | Calpine Corp                         | 63,661 00              | 21,827 00              | 0 00                       |
| 3,600                          | Corning, Inc                         | 32,403 55              | 32,112 00              | 432 00                     |
| 1,100                          | Electronic Data Sys Corp             | 67,166 00              | 75,405 00              | 330 00                     |
| 2,000                          | Emerson Electric Co                  | 43,655 00              | 114,200 00             | 3,070 00                   |
| 663                            | First Energy Corp                    | 8,214 40               | 23,191 74              | 63 52                      |
| 4,800                          | Johnson & Johnson                    | 14,679 06              | 283,680 00             | 3,360 00                   |
| 1,000                          | McGraw Hill, Inc                     | 67,460 00              | 60,980 00              | 490 00                     |
| 1,000                          | Microsoft Corp                       | 69,700 00              | 66,250 00              | 0 00                       |
| 2,400                          | Northern Trust Corp                  | 22,575 00              | 144,528 00             | 1,488 00                   |
| 800                            | Omnicom Group, Inc                   | 75,220 00              | 71,480 00              | 160 00                     |
| 3,000                          | Pfizer, Inc                          | 4,369 06               | 119,550 00             | 1,980 00                   |
| 2,000                          | Procter & Gamble Co                  | 42,227 50              | 158,260 00             | 2,920 00                   |
| 2,000                          | Protective Life Corp                 | 7,406 25               | 57,860 00              | 1,640 00                   |
| 1,200                          | Royal Dutch Petroleum Co 1 25 Gulder | 23,985 00              | 58,824 00              | 1,693 38                   |
| 1,200                          | Tyco Int'l, Inc                      | 69,648 00              | 70,680 00              | 30 00                      |
| 1,200                          | Verizon Communications               | 64,884 00              | 56,952 00              | 924 00                     |
| 1,200                          | Wal-Mart Stores, Inc                 | 62,709 00              | 69,060 00              | 168 00                     |
|                                | Dividends on stock sold or exchanged |                        |                        | 2,084 84                   |
|                                | Total Common Stocks                  | <u>753,063 41</u>      | <u>1,728,202 40</u>    | <u>24,244 80</u>           |
|                                | Total Investments - General Fund     | <u>\$ 2,104,367 43</u> | <u>\$ 3,193,493 40</u> | <u>\$ 113,852 65</u>       |

See accompanying notes and accountants' review report



RITA ALLEN FOUNDATION, INC  
70% INCOME FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| <u>No of Shares<br/>Or Par</u> |  |           |        | <u>Book Value</u>    | <u>Market Value</u>  | <u>Income<br/>Received</u> |
|--------------------------------|--|-----------|--------|----------------------|----------------------|----------------------------|
|                                | <u>U S Government Securities</u>               |           |        |                      |                      |                            |
| \$500,000                      | U S Treasury Notes                             | 30-Sep-03 | 2.750% | \$ 499,531.25        | \$ 499,295.00        | \$ 0.00                    |
|                                | Interest on U S Government Securities Redeemed |           |        |                      |                      | 39,000.00                  |
|                                |  |           |        | <u>499,531.25</u>    | <u>499,295.00</u>    | <u>39,000.00</u>           |
|                                | <u>Money Fund</u>                              |           |        |                      |                      |                            |
| \$175,216                      | Excelsior Gov't Money Fund                     |           |        | <u>175,216.00</u>    | <u>175,216.00</u>    | <u>14,637.35</u>           |
|                                | Total U S Government Securities and Money Fund |           |        | <u>\$ 674,747.25</u> | <u>\$ 674,511.00</u> | <u>\$ 53,637.35</u>        |

See accompanying notes and accountants' review report

RITA ALLEN FOUNDATION, INC  
70% PRINCIPAL FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| No of Shares<br>Or Par |  |           |        | Book Value           | Market Value         | Income<br>Received  |
|------------------------|--|-----------|--------|----------------------|----------------------|---------------------|
|                        | <u>U S Government Securities</u>               |           |        |                      |                      |                     |
| \$25,000               | U S Treasury Notes                             | 15-Aug-02 | 6.375% | \$ 24,164.06         | \$ 25,687.50         | \$ 1,593.76         |
| 15,000                 | U S Treasury Notes                             | 28-Feb-03 | 5.500% | 14,941.81            | 15,553.05            | 825.00              |
| 15,000                 | U S Treasury Notes                             | 15-Feb-06 | 5.625% | 14,978.91            | 15,803.85            | 843.76              |
| 15,000                 | U S Treasury Notes                             | 15-May-08 | 5.625% | 14,620.31            | 15,714.90            | 843.76              |
| 15,000                 | U S Treasury Bonds                             | 15-Nov-16 | 7.500% | 13,181.25            | 17,737.50            | 1,125.00            |
|                        |  |           |        | <u>81,886.34</u>     | <u>90,496.80</u>     | <u>5,231.28</u>     |
|                        | <u>Money Fund</u>                              |           |        |                      |                      |                     |
| \$53,184               | Excelsior Gov't Money Fund                     |           |        | 53,184.00            | 53,184.00            | 1,858.76            |
|                        | Total U S Government Securities and Money Fund |           |        | <u>135,070.34</u>    | <u>143,680.80</u>    | <u>7,090.04</u>     |
|                        | <u>Corporate Bonds</u>                         |           |        |                      |                      |                     |
| 25,000                 | Federal Nat'l Mtg Assn                         | 25-Oct-06 | 4.375% | 25,005.75            | 24,488.25            | 0.00                |
| 15,000                 | Ford Motor Credit Notes                        | 12-Jan-09 | 5.800% | 14,925.00            | 13,649.85            | 870.00              |
| 15,000                 | GMAC Notes                                     | 14-Jan-09 | 5.850% | 14,359.50            | 14,046.30            | 877.50              |
|                        | Interest on Bonds Redeemed                     |           |        |                      |                      | 1,708.75            |
|                        | Total Corporate Bonds                          |           |        | <u>54,290.25</u>     | <u>52,184.40</u>     | <u>3,456.25</u>     |
|                        | <u>Common Stocks</u>                           |           |        |                      |                      |                     |
| 200                    | Amgen, Inc                                     |           |        | 10,787.50            | 11,288.00            | 0.00                |
| 200                    | Calpine Corp                                   |           |        | 8,614.00             | 3,358.00             | 0.00                |
| 200                    | Citigroup, Inc                                 |           |        | 10,328.00            | 10,096.00            | 64.00               |
| 100                    | Corning, Inc                                   |           |        | 1,977.00             | 892.00               | 0.00                |
| 100                    | Electronic Data Sys Corp                       |           |        | 6,079.00             | 6,855.00             | 30.00               |
| 500                    | General Electric Co                            |           |        | 1,181.37             | 20,040.00            | 448.00              |
| 555                    | J P Morgan Chase & Co                          |           |        | 9,686.25             | 20,174.25            | 743.70              |
| 600                    | Johnson & Johnson                              |           |        | 1,848.19             | 35,460.00            | 420.00              |
| 200                    | Kimberly Clark Corp                            |           |        | 12,161.00            | 11,960.00            | 56.00               |
| 100                    | McGraw Hill, Inc                               |           |        | 6,753.00             | 6,098.00             | 49.00               |
| 100                    | Omnicom Group, Inc                             |           |        | 9,407.00             | 8,935.00             | 20.00               |
| 400                    | Oracle Sys Corp                                |           |        | 15,275.00            | 5,524.00             | 0.00                |
| 300                    | Royal Dutch Petroleum Co 1.25 Guilder          |           |        | 5,996.25             | 14,706.00            | 423.35              |
| 200                    | Safeway, Inc                                   |           |        | 10,220.00            | 8,350.00             | 0.00                |
| 300                    | Sigma Aldrich Corp                             |           |        | 6,806.25             | 11,823.00            | 173.25              |
| 200                    | Verizon Communications, Inc                    |           |        | 11,044.00            | 9,492.00             | 154.00              |
| 200                    | Wal-Mart Stores, Inc                           |           |        | 10,222.00            | 11,510.00            | 28.00               |
| 300                    | Worldcom Group                                 |           |        | 12,470.27            | 4,224.00             | 0.00                |
|                        | Dividends on stocks sold or exchanged          |           |        |                      |                      | 662.76              |
|                        | Total Common Stocks                            |           |        | <u>150,856.08</u>    | <u>200,785.25</u>    | <u>3,272.06</u>     |
|                        | Total Investments - 70% Principal Fund         |           |        | <u>\$ 340,216.67</u> | <u>\$ 396,650.45</u> | <u>\$ 13,818.35</u> |

See accompanying notes and accountants' review report

RITA ALLEN FOUNDATION, INC  
SPECIAL FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| <u>No of Shares<br/>Or Par</u>   |  |           |         | <u>Book Value</u>   | <u>Market Value</u> | <u>Income<br/>Received</u> |
|----------------------------------|--|-----------|---------|---------------------|---------------------|----------------------------|
| <u>U S Government Securities</u> |  |           |         |                     |                     |                            |
| 100,000                          | U S Treasury Notes                                     | 31-Mar-02 | 6.625%  | \$ 99,882.81        | \$ 101,156.00       | \$ -6,625.00               |
| 300,000                          | U S Treasury Notes                                     | 15-Aug-02 | 6.375%  | 290,859.37          | 308,250.00          | 19,125.00                  |
| 250,000                          | U S Treasury Notes                                     | 28-Feb-03 | 5.500%  | 246,293.08          | 259,217.50          | 13,750.00                  |
| 150,000                          | U S Treasury Notes                                     | 15-Aug-03 | 5.750%  | 147,381.56          | 157,101.00          | 8,625.00                   |
| 150,000                          | U S Treasury Notes                                     | 15-Feb-04 | 5.875%  | 145,945.31          | 158,296.50          | 8,812.50                   |
| 150,000                          | U S Treasury Notes                                     | 15-May-05 | 6.500%  | 145,687.50          | 161,859.00          | 9,750.00                   |
| 300,000                          | U S Treasury Notes                                     | 15-Feb-06 | 5.625%  | 295,954.69          | 316,077.00          | 16,875.00                  |
| 300,000                          | U S Treasury Notes                                     | 15-Oct-06 | 6.500%  | 299,953.13          | 326,250.00          | 19,500.00                  |
| 250,000                          | U S Treasury Notes                                     | 15-Feb-07 | 6.250%  | 248,593.75          | 269,882.50          | 15,625.00                  |
| 300,000                          | U S Treasury Bonds                                     | 15-Feb-07 | 7.625%  | 329,437.50          | 302,016.00          | 22,875.00                  |
| 300,000                          | U S Treasury Bonds                                     | 15-May-07 | 6.625%  | 298,578.12          | 329,532.00          | 19,875.00                  |
| 150,000                          | U S Treasury Notes                                     | 15-Aug-07 | 6.125%  | 149,437.50          | 161,250.00          | 9,187.50                   |
| 350,000                          | U S Treasury Notes                                     | 15-May-08 | 5.625%  | 333,515.63          | 366,681.00          | 19,687.50                  |
| 200,000                          | U S Treasury Bonds                                     | 15-Aug-13 | 12.000% | 202,250.00          | 279,032.00          | 24,000.00                  |
| 1,000,000                        | U S Treasury Security Stripped                         | 15-May-16 |         | 209,700.00          | 427,390.00          | 0.00                       |
| 300,000                          | U S Treasury Bonds                                     | 15-Nov-16 | 7.500%  | 263,625.00          | 354,750.00          | 22,500.00                  |
|                                  | Interest on U S Government Securities sold or redeemed |           |         |                     |                     | 47,121.57                  |
|                                  |  |           |         | <u>3,707,094.95</u> | <u>4,278,740.50</u> | <u>283,934.07</u>          |
| <u>Money Fund</u>                |  |           |         |                     |                     |                            |
| \$636,766                        | Excelsior Gov't Money Fund                             |           |         | 636,766.00          | 636,766.00          | 38,201.57                  |
|                                  | Total U S Government Securities and Money Fund         |           |         | <u>4,343,860.95</u> | <u>4,915,506.50</u> | <u>322,135.64</u>          |

See accompanying notes and accountants' review report

RITA ALLEN FOUNDATION, INC  
SPECIAL FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| <u>No of Shares<br/>Or Par</u> |                                    |           |        | <u>Book Value</u>   | <u>Market Value</u> | <u>Income<br/>Received</u> |
|--------------------------------|------------------------------------|-----------|--------|---------------------|---------------------|----------------------------|
| <u>Corporate Bonds</u>         |                                    |           |        |                     |                     |                            |
| \$250,000                      | AT&T Debentures                    | 15-Jul-24 | 8.125% | \$ 250,312.50       | \$ 258,750.00       | \$ 20,312.50               |
| 300,000                        | Federal Home Ln Mtg Notes          | 15-Apr-08 | 5.750% | 305,812.50          | 308,016.00          | 2,970.83                   |
| 400,000                        | Federal Home Ln Banks              | 15-Nov-10 | 6.625% | 423,606.40          | 422,188.00          | 6,993.06                   |
| 200,000                        | Federal Nat'l Mtg Assn             | 25-Oct-06 | 4.375% | 200,000.00          | 195,906.00          | 0.00                       |
| 300,000                        | Federal Nat'l Mtg Assn             | 15-Mar-11 | 5.500% | 293,343.75          | 294,702.00          | 0.00                       |
| 300,000                        | Ford Motor Credit Notes            | 12-Jan-09 | 5.800% | 294,705.00          | 272,997.00          | 17,400.00                  |
| 300,000                        | GMAC Notes                         | 14-Jan-09 | 5.850% | 281,745.00          | 280,926.00          | 17,550.00                  |
| 51,271.87                      | Gov't Nat'l Mtg Assn               | 15-Jan-07 | 8.000% | 38,413.31           | 44,513.07           | 3,724.96                   |
| 300,000                        | Johnson & Johnson Shelf 7          | 01-Nov-24 | 8.720% | 300,750.00          | 339,237.00          | 26,160.00                  |
| 200,000                        | New York Telephone Co              | 15-Feb-24 | 7.250% | 197,744.00          | 200,000.00          | 14,500.00                  |
| 250,000                        | Transamerica Fin Corp Sr Nt        | 15-Mar-04 | 7.500% | 253,000.00          | 267,115.00          | 18,750.00                  |
|                                | Interest on Bonds sold or redeemed |           |        |                     |                     | 56,630.41                  |
|                                | Total Corporate Bonds              |           |        | <u>2,839,432.46</u> | <u>2,884,350.07</u> | <u>184,991.76</u>          |

See accompanying notes and accountants' review report

RITA ALLEN FOUNDATION, INC  
SPECIAL FUND

SCHEDULE OF INVESTMENTS  
DECEMBER 31, 2001

| No of Shares<br>Or Par |   | Book Value              | Market Value            | Income<br>Received   |
|------------------------|---|-------------------------|-------------------------|----------------------|
| <u>Common Stocks</u>   |   |                         |                         |                      |
| 4,500                  | American International Group, Inc.          | \$ 11,738 07            | \$ 357,300 00           | \$ 1,899.00          |
| 9,400                  | American Express Co                         | 377,413 76              | 335,486 00              | 752 00               |
| 8,300                  | AOL Time Warner                             | 383,001 84              | 266,430 00              | 0 00                 |
| 6,800                  | Automatic Data Processing                   | 373,048 00              | 400,520 00              | 697 00               |
| 7,000                  | Calpine Corp                                | 366,100 00              | 117,530 00              | 0 00                 |
| 2,800                  | Cardinal Health, Inc                        | 179,872 00              | 181,048 00              | 0 00                 |
| 5,000                  | Chubb Corp                                  | 70,133 64               | 345,000 00              | 11,800 00            |
| 7,100                  | Citigroup, Inc                              | 356,491 00              | 358,408 00              | 1,136 00             |
| 18,100                 | Corning, Inc                                | 217,947 58              | 161,452 00              | 1,512 00             |
| 10,000                 | DuPont deNemours, E I Co                    | 134,996 74              | 425,100 00              | 14,000 00            |
| 5,900                  | Electronic Data Systems, Inc                | 360,254 00              | 404,445 00              | 1,770 00             |
| 1,990                  | First Energy Corp                           | 11,246 81               | 69,610 20               | 190 66               |
| 7,000                  | General Electric Co                         | 16,468 32               | 280,560 00              | 12,000 00            |
| 9,600                  | Honeywell Int'l, Inc                        | 349,914 24              | 324,672 00              | 3,600 00             |
| 9,250                  | J P Morgan Chase & Co                       | 160,705 65              | 336,237 50              | 12,395 00            |
| 10,400                 | Johnson & Johnson                           | 27,197 30               | 614,640 00              | 13,024 00            |
| 6,100                  | Kimberly Clark Corp                         | 346,709 97              | 364,780 00              | 1,708 00             |
| 5,400                  | McGraw Hill, Inc                            | 354,024 00              | 329,292 00              | 2,646 00             |
| 3,500                  | Medtronic, Inc                              | 158,196 85              | 179,235 00              | 201 25               |
| 4,000                  | Omnicom Group, Inc                          | 359,080 00              | 357,400 00              | 800 00               |
| 11,600                 | Pfizer, Inc                                 | 16,893 68               | 462 260 00              | 10 296 00            |
| 6,300                  | Royal Dutch Petroleum Co 1 25 Gulder        | 263,462 19              | 308,826 00              | 3,386 77             |
| 7,300                  | Safeway, Inc                                | 347,042 00              | 304,775 00              | 0 00                 |
| 4,600                  | Schering Plough Corp                        | 178,192 04              | 164,726 00              | 736 00               |
| 6,004                  | Tyco Int'l, Ltd                             | 119,400 00              | 353,635 60              | 300 20               |
| 2,500                  | United Technologies Corp                    | 162,650 00              | 161,575 00              | 0 00                 |
| 6,700                  | Verizon Communications, Inc                 | 358,797 73              | 317,982 00              | 5,159 00             |
| 6,700                  | Wal-Mart Stores, Inc                        | 335,097 82              | 385,585 00              | 469 00               |
|                        | Dividends on common stock sold or exchanged |                         |                         | 22,348 98            |
|                        | <b>Total Common Stocks</b>                  | <u>6,396,075 23</u>     | <u>8,668,510 30</u>     | <u>122,826 86</u>    |
|                        | <u>Mutual Funds</u>                         |                         |                         |                      |
| 7,592 4237             | Candlewood Offshore Fund, Ltd , Cl A        | 1,000,000 00            | 1,024,482 65            | 0 00                 |
|                        | <b>Total Investments – Special Fund</b>     | <u>\$ 14,579,368 64</u> | <u>\$ 17,492,849 52</u> | <u>\$ 629,954 26</u> |

See accompanying notes and accountants' review report

# Underpayment of Estimated Tax by Corporations

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions  
▶ Attach to the corporation's tax return

FORM **990-PF**

**2001**

|  |   |
|--|---|
| Name<br><b>RITA ALLEN FOUNDATION, INC.</b> | Employer identification number<br><b>13-6116429</b> |
|--|---|

**Note** In most cases, the corporation **does not** need to file Form 2220 (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

**Part I Reasons For Filing** - Check the boxes below that apply to the corporation. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1  The corporation is using the annualized income installment method
- 2  The corporation is using the adjusted seasonal installment method
- 3  The corporation is a "large corporation" figuring its first required installment based on the prior year's tax

**Note** The corporation also must file Form 2220 if it has a suspended research credit allowed for the current year (see the instructions for line 4) or it is an indirectly affected taxpayer (see instructions).

**Part II Figuring the Underpayment**

|   |     |         |
|---|-----|---------|
| <b>4</b> Total tax (see instructions)   | -4- | 65,198. |
| <b>5a</b> Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4  | 5a  |         |
| <b>b</b> Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or of section 167(g) for property depreciated under the income forecast method | 5b  |         |
| <b>c</b> Credit for Federal tax paid on fuels (see instructions)  | 5c  |         |
| <b>d</b> Total Add lines 5a through 5c  | 5d  |         |
| <b>6</b> Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.                                   | 6   | 65,198. |
| <b>7</b> Enter the tax shown on the corporation's 2000 income tax return. <b>Caution</b> See instructions before completing this line.  | 7   | 14,263. |
| <b>8</b> Enter the <b>smaller</b> of line 6 or line 7. If the corporation must skip line 7, enter the amount from line 6.   | 8   | 14,263. |

|  | (a) | (b)      | (c)      | (d)      |          |
|--|-----|----------|----------|----------|----------|
| <b>9</b> <b>Installment due dates</b> Enter in columns (a) through (d) the 15th day of the 4th (Form 990-PF filers Use 5th month), 6th, 9th, and 12th months of the corporation's tax year. <b>Exception</b> Enter October 1, 2001, instead of September 15, 2001. ▶   | 9   | 05/15/01 | 06/15/01 | 10/01/01 | 12/15/01 |
| <b>10</b> <b>Required installments</b> If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column. | 10  | 3,566.   | 7,907.   | 37,426.  | 16,299.  |
| <b>11</b> Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15.<br><b>Complete lines 12 through 18 of one column before going to the next column.</b>  | 11  | 16,769.  |          | 39,000.  | 13,000.  |
| <b>12</b> Enter amount, if any, from line 18 of the preceding column.  | 12  |          | 13,203.  | 5,296.   | 6,870.   |
| <b>13</b> Add lines 11 and 12.   | 13  |          | 13,203.  | 44,296.  | 19,870.  |
| <b>14</b> Add amounts on lines 16 and 17 of the preceding column.  | 14  |          |          |          |          |
| <b>15</b> Subtract line 14 from line 13. If zero or less, enter -0.  | 15  | 16,769.  | 13,203.  | 44,296.  | 19,870.  |
| <b>16</b> If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0.  | 16  |          | 0.       | 0.       |          |
| <b>17</b> <b>Underpayment</b> If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.   | 17  |          |          |          |          |
| <b>18</b> <b>Overpayment</b> If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.  | 18  | 13,203.  | 5,296.   | 6,870.   |          |

**Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.**

**Part III Figuring the Penalty**

|   | (a) | (b) | (c) | (d)   |
|---|-----|-----|-----|-------|
| 19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (Form 990-PF and Form 990-T filers Use 5th month instead of 3rd month) |     |     |     |       |
| 20 Number of days from due date of installment on line 9 to the date shown on line 19   |     |     |     |       |
| 21 Number of days on line 20 after 4/15/2001 and before 7/1/2001  |     |     |     |       |
| 22 Underpayment on line 17 x $\frac{\text{Number of days on line 21} \times 8\%}{365}$  | \$  | \$  | \$  | \$    |
| 23 Number of days on line 20 after 6/30/2001 and before 1/1/2002  |     |     |     |       |
| 24 Underpayment on line 17 x $\frac{\text{Number of days on line 23} \times 7\%}{365}$  | \$  | \$  | \$  | \$    |
| 25 Number of days on line 20 after 12/31/2001 and before 4/1/2002   |     |     |     |       |
| 26 Underpayment on line 17 x $\frac{\text{Number of days on line 25} \times 6\%}{365}$  | \$  | \$  | \$  | \$    |
| 27 Number of days on line 20 after 3/31/2002 and before 7/1/2002  |     |     |     |       |
| 28 Underpayment on line 17 x $\frac{\text{Number of days on line 27} \times 4\%}{365}$  | \$  | \$  | \$  | \$    |
| 29 Number of days on line 20 after 6/30/2002 and before 10/1/2002   |     |     |     |       |
| 30 Underpayment on line 17 x $\frac{\text{Number of days on line 29} \times 3\%}{365}$  | \$  | \$  | \$  | \$    |
| 31 Number of days on line 20 after 9/30/2002 and before 1/1/2003  |     |     |     |       |
| 32 Underpayment on line 17 x $\frac{\text{Number of days on line 31} \times 2\%}{365}$  | \$  | \$  | \$  | \$    |
| 33 Number of days on line 20 after 12/31/2002 and before 2/15/2003  |     |     |     |       |
| 34 Underpayment on line 17 x $\frac{\text{Number of days on line 33} \times 1\%}{365}$  | \$  | \$  | \$  | \$    |
| 35 Add lines 22, 24, 26, 28, 30, 32, and 34   | \$  | \$  | \$  | \$    |
| 36 <b>Penalty</b> Add columns (a) through (d), of line 35 Enter the total here and on Form 1120, line 33, Form 1120 A, line 29, or the comparable line for other income tax returns                           |     |     | 36  | \$ 0. |

\* For underpayments paid after March 31, 2002 For lines 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-1040 to get interest rate information.

**Schedule A** Annualized Income Installment Method and/or the Adjusted Seasonal Installment Method Under Section 6655(e)  
(see instructions)

Form 1120S filers For lines 2, 14, 15, and 16, below, "taxable income" refers to excess net passive income or the amount on which tax is imposed under section 1374(a) (or the corresponding provisions of prior law), whichever applies

**Part I - Annualized Income Installment Method**

|    |   | (a)                      | (b)                      | (c)                      | (d)                       |            |
|----|---|--------------------------|--------------------------|--------------------------|---------------------------|------------|
|    |   | First <u>2</u><br>months | First <u>4</u><br>months | First <u>7</u><br>months | First <u>10</u><br>months |            |
| 1  | Annualization periods (see instructions) **   | 1                        |                          |                          |                           |            |
| 2  | Enter taxable income for each annualization period (see instructions)   | 2                        | 972,162.                 | 764,817.                 | 7,346,553.                | 6,862,346. |
| 3  | Annualization amounts (see instructions)  | 3                        | 6.000000                 | 3.000000                 | 1.714290                  | 1.200000   |
| 4  | Annualized taxable income Multiply line 2 by line 3   | 4                        | 5,832,972.               | 2,294,451.               | 12,594,122.               | 8,234,815. |
| 5  | Figure the tax on the amount in each column on line 4 using the instructions for Form 1120, Schedule J, line 3 (or the comparable line of the tax return) | 5                        | 58,330.                  | 22,945.                  | 125,941.                  | 82,348.    |
| 6  | Enter other taxes for each payment period (see instructions)  | 6                        |                          |                          |                           |            |
| 7  | Total tax Add lines 5 and 6   | 7                        | 58,330.                  | 22,945.                  | 125,941.                  | 82,348.    |
| 8  | For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions)  | 8                        |                          |                          |                           |            |
| 9  | Total tax after credits Subtract line 8 from line 7 If zero or less, enter -0-  | 9                        | 58,330.                  | 22,945.                  | 125,941.                  | 82,348.    |
| 10 | Applicable percentage   | 10                       | 25%                      | 50%                      | 75%                       | 100%       |
| 11 | Multiply line 9 by line 10  | 11                       | 14,583.                  | 11,473.                  | 94,456.                   | 82,348.    |
| 12 | Add the amounts in all preceding columns of line 10 (see instructions)  | 12                       |                          | 3,566.                   | 11,473.                   | 48,899.    |
| 13 | Annualized income installments Subtract line 12 from line 11 If zero or less, enter 0-  | 13                       | 14,583.                  | 7,907.                   | 82,983.                   | 33,449.    |

**Part II - Adjusted Seasonal Installment Method (Caution:** Use this method only if the base period percentage for any 6 consecutive months is at least 70% See instructions for more information )

|    |  | (a)               | (b)               | (c)               | (d)                |             |
|----|--|-------------------|-------------------|-------------------|--------------------|-------------|
|    |  | First 3<br>months | First 5<br>months | First 8<br>months | First 11<br>months |             |
| 14 | Enter taxable income for the following periods                                       |                   |                   |                   |                    |             |
| a  | Tax year beginning in 1998   | 14a               |                   |                   |                    |             |
| b  | Tax year beginning in 1999   | 14b               |                   |                   |                    |             |
| c  | Tax year beginning in 2000   | 14c               |                   |                   |                    |             |
| 15 | Enter taxable income for each period for the tax year beginning in 2001              | 15                |                   |                   |                    |             |
| 16 | Enter taxable income for the following periods                                       |                   | First 4<br>months | First 6<br>months | First 9<br>months  | Entire year |
| a  | Tax year beginning in 1998   | 16a               |                   |                   |                    |             |
| b  | Tax year beginning in 1999   | 16b               |                   |                   |                    |             |
| c  | Tax year beginning in 2000   | 16c               |                   |                   |                    |             |
| 17 | Divide the amount in each column on line 14a by the amount in column (d) on line 16a | 17                |                   |                   |                    |             |
| 18 | Divide the amount in each column on line 14b by the amount in column (d) on line 16b | 18                |                   |                   |                    |             |
| 19 | Divide the amount in each column on line 14c by the amount in column (d) on line 16c | 19                |                   |                   |                    |             |



|    |   | (a)            | (b)            | (c)            | (d)         |
|----|---|----------------|----------------|----------------|-------------|
|    |   | First 4 months | First 6 months | First 9 months | Entire year |
| 20 | Add lines 17 through 19   | 20             |                |                |             |
| 21 | Divide line 20 by 3   | 21             |                |                |             |
| 22 | Divide line 15 by line 21   | 22             |                |                |             |
| 23 | Figure the tax on the amount on line 22 using the instructions for Form 1120, Schedule J, line 3 (or the comparable line of the return)                   | 23             |                |                |             |
| 24 | Divide the amount in columns (a) through (c) on line 16a by the amount in column (d) on line 16a  | 24             |                |                |             |
| 25 | Divide the amount in columns (a) through (c) on line 16b by the amount in column (d) on line 16b  | 25             |                |                |             |
| 26 | Divide the amount in columns (a) through (c) on line 16c by the amount in column (d) on line 16c  | 26             |                |                |             |
| 27 | Add lines 24 through 26   | 27             |                |                |             |
| 28 | Divide line 27 by 3   | 28             |                |                |             |
| 29 | Multiply the amount in columns (a) through (c) of line 23 by columns (a) through (c) of line 28. In column (d), enter the amount from line 23, column (d) | 29             |                |                |             |
| 30 | Enter other taxes for each payment period (see instructions)  | 30             |                |                |             |
| 31 | Total tax. Add lines 29 and 30  | 31             |                |                |             |
| 32 | For each period, enter the same type of credits as allowed on Form 2220, lines 4 and 5c (see instructions)  | 32             |                |                |             |
| 33 | Total tax after credits. Subtract line 32 from line 31. If zero or less, enter -0-  | 33             |                |                |             |
| 34 | Add the amounts in all preceding columns of line 40 (see instructions)  | 34             |                |                |             |
| 35 | Adjusted seasonal installments. Subtract line 34 from line 33. If zero or less, enter -0-   | 35             |                |                |             |

**Part III - Required Installments**

|    |   | 1st         | 2nd         | 3rd         | 4th         |         |
|----|---|-------------|-------------|-------------|-------------|---------|
|    |   | installment | installment | installment | installment |         |
| 36 | If only one of the above parts is completed, enter the amount in each column from line 13 or line 35. If both parts are completed, enter the <b>smaller</b> of the amounts in each column from line 13 or line 35 | 36          | 14,583.     | 7,907.      | 82,983.     | 33,449. |
| 37 | Enter 25% of line 8 on page 1 of Form 2220 in each column<br><b>(Note: "Large corporations" see the instructions for line 10 for the amounts to enter.)</b>   | 37          | 3,566.      | 29,033.     | 16,300.     | 16,299. |
| 38 | Subtract line 40 of the preceding column from line 39 of the preceding column   | 38          |             |             | 21,126.     |         |
| 39 | Add lines 37 and 38   | 39          | 3,566.      | 29,033.     | 37,426.     | 16,299. |
| 40 | <b>Required installments.</b> Enter the <b>smaller</b> of line 36 or line 39 here and on page 1 of Form 2220, line 10   | 40          | 3,566.      | 7,907.      | 37,426.     | 16,299. |

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**\*\* ANNUALIZED INCOME INSTALLMENT METHOD USING OPTION 1**