

Return of Organization Exempt From Income Tax

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

1997

Department of the Treasury Internal Revenue Service

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

This Form is Open to Public Inspection

A For the 1997 calendar year, OR tax year period beginning, 1997, and ending, 19

B Check if: Change of address, Initial return, Final return, Amended return. C FOUNDATION FOR RESEARCH ON ECONOMICS AND THE ENVIRONMENT, 945 TECHNOLOGY BLVD ##101F, BOZEMAN, MT 59718. D Employer identification number 94-3170425. E State registration number. F Check if exemption application is pending.

G Type of organization: Exempt under section 501(c)(3) (insert number) OR section 4947(a)(1) nonexempt charitable trust. Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No. (b) If "Yes," enter the number of affiliates for which this return is filed. (c) Is this a separate return filed by an organization covered by a group ruling? Yes No. I If either box in H is checked "Yes," enter four-digit group exemption number (GEN). J Accounting method: Cash Accrual Other (specify).

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return. Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 11.)

Table with columns for Revenue (1-12), Expenses (13-17), and Assets (18-21). Includes a 'RECEIVED' stamp dated MAY 11 1998 from OGDEN, UT. Total revenue is 727,490 and total expenses is 495,323, resulting in a net asset of 232,167.

Statement 5 (Continued)
Form 990, Part V
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title & avg. Hrs/wk devoted	Comp.	Employee Ben. Contrib.	Expense Pln Account/ Other
HONORABLE DOUGLAS H GINSBURG 5128 U.S. COURTHOUSE WASHINGTON, DC 20001	DIRECTOR None	0	0	0
PROFESSOR JAMES HUFFMAN 10015 SW TERWILLIGER BLVD PORTLAND, OR 97219	DIRECTOR None	0	0	0
JAMES A KRAFT 999 THIRD AVE SUITE 2300 SEATTLE, WA 98104	DIRECTOR None	0	0	0
DR. JOHN A LAMPING 200 E RANDOLPH DRIVE, MC 4804 CHICAGO, IL 60601	DIRECTOR None	0	0	0
JOHN L. MCCORMACK P.O. BOX 4469 NEW YORK, NY 10163	DIRECTOR None	0	0	0
FURMAN C. MOSELEY 1420 5TH AVE, SUITE 3640 SEATTLE, WA 98101	DIRECTOR None	0	0	0
THOMAS H. O'LEARY 999 3RD AVE, SUITE 2810 SEATTLE, WA 98104-4097	DIRECTOR None	0	0	0
DEECY STEPHENS GRAY 1742 N STREET NW WASHINGTON, DC 20036	DIRECTOR None	0	0	0
DR. R. NEAL WILKINS 417 WEST MAIN, SUITE B CENTRALIA, WA 98531	DIRECTOR None	0	0	0
Total	\$ 115,000	0	12,000	

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Statement 1
Form 990, Part I, Line 1d
Contributions, Gifts, and Grants

Not Open to Public Inspection

Direct Contributions:

Contributor's Name	Contributor's Address	Amount of Contr.
PROCTOR & GAMBLE		\$ 25,00
TEXACO CORP		50,00
COCA COLA CORPORATION		25,00
SARAH SCAIFE FOUNDATION		75,00
ALEX WALKER FOUNDATION		20,00
JC DOWNING FOUNDATION		30,00
CASTLEROCK FOUNDATION		50,00
CARTHAGE FOUNDATION		25,00
CLAUDE LAMBE		65,00

Statement 1 (Continued)
Form 990, Part I, Line 1d
Contributions, Gifts, and Grants

Direct Contributions:

Contributor's Name	Contributor's Address	Amount of Contr.
JM OLIN		\$ 65,00
LIBERTY FUND		31,30
MURDOCK CHARITABLE TRUST		74,50
MONSANTO		25,00
TEMPLE INLAND		30,00
Direct Contributions less than 2% of line 1d		\$ 128,78
Total Direct Contributions, Line 1a		\$ 719,58
Total Contributions, Line 1d		\$ 719,58

Return of Organization Exempt From Income Tax

1998

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

This Form is Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 1998 calendar year, OR tax year period beginning 1998, and ending 1998. C FOUNDATION FOR RESEARCH ON ECONOMICS AND THE ENVIRONMENT 945 TECHNOLOGY BLVD ##101F BOZEMAN, MT 59718. D Employer identification number 94-3170425. E Telephone number (406) 585-1776. F Check [] If exemption application is pending.

G Type of organization [X] Exempt under section 501(c)(3) (3) (insert number) OR [] section 4947(a)(1) nonexempt charitable trust. H(a) Is this a group return filed for affiliates? [] Yes [X] No. H(b) If "Yes," enter the number of affiliates for which this return is filed: [] group ruling? [] Yes [X] No. J Accounting method: [] Cash [X] Accrual [] Other (specify) []. K Check here [] If the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return. Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part III Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 13.)

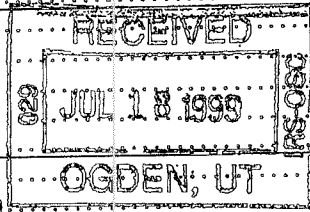
Table with 21 rows and multiple columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sale of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss) (attach schedule); 8d Net gain or (loss) (combine line 8c, columns (A) and (B)); 9 Special events and activities (attach schedule); 9a Gross revenue (not including \$ of contributions reported on line 1a); 9b Less: direct expenses other than fundraising expenses; 9c Net income or (loss) from special events (subtract line 9b from line 9a); 10a Gross sales of inventory, less returns and allowances; 10b Less: cost of goods sold; 10c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a); 11 Other revenue (from Part VII, line 103); 12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11); 13 Program services (from line 44, column (B)); 14 Management and general (from line 44, column (C)); 15 Fundraising (from line 44, column (D)); 16 Payments to affiliates (attach schedule); 17 Total expenses (add lines 16 and 44, column (A)); 18 Excess or (deficit) for the year (subtract line 17 from line 12); 19 Net assets or fund balances at beginning of year (from line 73, column (A)); 20 Other changes in net assets or fund balances (attach explanation); 21 Net assets or fund balances at end of year (combine lines 18, 19, and 20).

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07/08/99

04:15 pm

Statement 4
 Form 990, Part IV, Line 65
 Other Liabilities

	Ending
MEDICAL EXPENSE REIMBURSEMENT	\$ 659
PAYROLL TAXES PAYABLE	2,314
PENSION BENEFITS PAYABLE	23,118
Rounding	1
Total	<u>\$ 26,092</u>

Statement 5
 Form 990, Part V
 List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title & avg. Hrs/wk devoted	Comp.	Employee Ben. Plan Contrib.	Expense Account/ Other
JOHN BADEN 945 TECHNOLOGY BLVD, STE 101F BOZEMAN, MT 59715	DIRECTOR 40	144,000	14,400	12,000
MR. WAYNE K. ADAMS 901 PONCE DE LEON BLDV STE 401 CORAL GABLES, FL 33134	DIRECTOR None	0	0	0
THE HONORABLE DANNY J. BOGGS 601 WEST BROADWAY LOUISVILLE, KY 40202	DIRECTOR None	0	0	0
MR. RICHARD A. DERHAM 2600 CENTURY SQUARE BUILDING SEATTLE, WA 98101	TREASURER None	0	0	0
RICHARD W. DUSENBERG 800 NORTH LINDBERGH BLVD ST LOUIS, MO 63167	DIRECTOR None	0	0	0
H. MARTIN GIBSON 1201 ELM STREET DALLAS, TX 75270	DIRECTOR None	0	0	0
HONORABLE DOUGLAS H GINSBURG 5128 U.S. COURTHOUSE WASHINGTON, DC 20001	DIRECTOR None	0	0	0

Client 1026

94-3170425

07/08/99

04:15 pm

Statement 5 (Continued)
 Form 990, Part V
 List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title & avg. Hrs/wk devoted	Comp.	Employee Ben. Pln Contrib.	Expense Account/ Other
PROFESSOR JAMES HUFFMAN 10015 SW TERWILLIGER BLVD PORTLAND, OR 97219	DIRECTOR None	0	0	0
JAMES A KRAFT 999 THIRD AVE SUITE 2300 SEATTLE, WA 98104	DIRECTOR None	0	0	0
DR. JOHN A LAMPING 200 E RANDOLPH DRIVE, MC 4804 CHICAGO, IL 60601	DIRECTOR None	0	0	0
JOHN L. MCCORMACK P.O. BOX 4469 NEW YORK, NY 10163	DIRECTOR None	0	0	0
FURMAN C. MOSELEY 1420 5TH AVE, SUITE 3640 SEATTLE, WA 98101	DIRECTOR None	0	0	0
THOMAS H. O'LEARY 999 3RD AVE, SUITE 2810 SEATTLE, WA 98104-4097	DIRECTOR None	0	0	0
DEECY STEPHENS GRAY 1742 N STREET NW WASHINGTON, DC 20036	DIRECTOR None	0	0	0
DR. R. NEAL WILKINS 417 WEST MAIN, SUITE B CENTRALIA, WA 98531	DIRECTOR None	0	0	0
Total		\$ 144,000	14,400	12,000

Client 1026

94-3171

07/08/99

Statement 1
Form 990, Part I, Line 1d
Contributions, Gifts, and Grants

Not Open to Public Inspection

Direct Contributions:

Contributor's Name	Contributor's Address	Amount of Contr
THE PROCTOR & GAMBLE COMPANY	5299 SPRING GROVE AVENUE CINCINNATI, OH 45217-1087	\$ 25,000
TEXACO INC.	2000 WESTCHESTER AVENUE WHITE PLAINS, NY 10650	50,000
THE CARTHAGE FOUNDATION	ONE OXFORD CENTRE 301 GRANT ST PITTSBURGH, PA 15219-6401	75,000
CLAUDE R. LAMBE CHARITABLE FOU	1450 G STREET NW WASHINGTON DC 20005-2001	120,000
M.J. MURDOCK CHARITABLE TRUST	703 BROADWAY, SUITE 710 VANCOUVER, WA 98668	77,000
JOHN M. OLIN FOUNDATION, INC.	330 MADISON AVENUE- 22nd FLOOR NEW YORK, NY 10017	50,000
CHARLES G. KOCH CHARITABLE FOU	1450 G. STREET, NW, SUITE 445 WASHINGTON DC 20005-2001	75,000
J.C. DOWNING FOUNDATION	11136 MELTON COURT SAN DIEGO, CA 92131	30,000
THE CHARLOTTE & WALKER KOHLER	630 RIVERFRONT DRIVE, STE 200 SHEBOYGAN, WI 53082-1065	30,000
ALEX C. WALKER EDUCATIONAL	2 PNC PLAZA, 620 LIBERTY AVE PITTSBURGH, PA 15222-2719	20,000
TEMPLE-INLAND, INC.	303 SOUTH TEMPLE DRIVE DIBOLL, TX 75941	20,000
Direct Contributions less than 2% of line 1d		\$ 251,200
Total Direct Contributions, Line 1a		\$ 823,200
Total Contributions, Line 1d		\$ 823,200

Return of Organization Exempt From Income Tax

1999

Department of the Treasury Internal Revenue Service

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

This Form is Open to Public Inspection

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

A For the 1999 calendar year, OR tax year period beginning 1999, and ending

- B Check if: Change of address, Initial return, Final return, Amended return (required also for State reporting)

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

C FOUNDATION FOR RESEARCH ON ECONOMICS AND THE ENVIRONMENT 945 TECHNOLOGY BLVD ##101F BOZEMAN, MT 59718

D Employer identification number 94-3170425

E Telephone number (406) 585-1776

F Check if exemption application is pending

G Type of organization Exempt under section 501(c) (3) (insert number) OR section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No
(b) If "Yes," enter the number of affiliates for which this return is filed:
(c) Is this a separate return filed by an organization covered by a group ruling? Yes No
I If either box in H is checked "Yes," enter four-digit pro exemption number (GEN)
J Accounting method: Cash Accrual Other (specify)

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 15.)

Table with 21 rows and multiple columns. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income or (loss); 7 Other investment income; 8a Gross amount from sale of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 9a Gross revenue; 9b Less: direct expenses; 9c Net income or (loss); 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets or fund balances; 21 Net assets or fund balances at end of year.

REVENUE

EXPENSES

ASSETS

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 24.)

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

a Total revenue, gains, and other support per audited financial statements **▶** **a** 707,018

b Amounts included on line **a** but not on line 12, Form 990:

(1) Net unrealized gains on investments \$

(2) Donated services and use of facilities \$

(3) Recoveries of prior year grants \$

(4) Other (specify):

\$

Add amounts on lines (1) through (4) **▶** **b**

c Line **a** minus line **b** **▶** **c** 707,018

d Amounts included on line 12, Form 990 but not on line **a**:

(1) Investment expenses not included on line 6b, Form 990 \$

(2) Other (specify):

\$

Add amounts on lines (1) and (2) **▶** **d**

e Total revenue per line 12, Form 990 (line **c** plus line **d**) **▶** **e** 707,018

a Total expenses and losses per audited financial statements **▶** **a** 644,1

b Amounts included on line **a** but not on line 17, Form 990:

(1) Donated services and use of facilities \$

(2) Prior year adjustments reported on line 20, Form 990 \$

(3) Losses reported on line 20, Form 990 \$

(4) Other (specify):

\$

Add amounts on lines (1) through (4) **▶** **b**

c Line **a** minus line **b** **▶** **c** 644,1

d Amounts included on line 17, Form 990 but not on line **a**:

(1) Investment expenses not included on line 6b, Form 990 \$

(2) Other (specify):

\$

Add amounts on lines (1) and (2) **▶** **d**

e Total expenses per line 17, Form 990 (line **c** plus line **d**) **▶** **e** 644,1

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 24.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
THE HONORABLE DANNY J. BOGGS 601 WEST BROADWAY LOUISVILLE, KY 40202	DIRECTOR None	0	0	
MR. RICHARD A. DERHAM 40925 DELRIDGE WAY SW STE 210 SEATTLE, WA 98106	Director None	0	0	
HONORABLE DOUGLAS H GINSBURG 333 CONSTITUTION AVE, NW WASHINGTON, DC 20001-2866	DIRECTOR None	0	0	
PROF JAMES HUFFMAN - DEAN 10015 SW TERWILLIGER BLVD PORTLAND, OR 97219	DIRECTOR None	0	0	
JOHN L. MCCORMACK P.O. BOX 2399 NEW YORK, NY 10021	DIRECTOR None	0	0	
DEECY STEPHENS GRAY 1742 N STREET NW WASHINGTON, DC 20036	DIRECTOR None	0	0	
DR. R. NEAL WILKINS 111 NAGLE HALL COLLEGE STATION, TX 77843-2258	DIRECTOR None	0	0	
MS. KAREN L. VINTON 700 LITTLE BEAR ROAD GALLATIN GATEWAY, MT 59730	Treasurer None	0	0	

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? **▶** Yes No
If "Yes," attach schedule - see Specific Instructions on page 25.

02/28/00

Statement 1
Form 990, Part I, Line 1d
Contributions, Gifts, and Grants

Not Open To Public Inspection

Direct Contributions:

Contributor's Name	Contributor's Address	Amount of Contri
THE PROCTOR & GAMBLE COMPANY	5299 SPRING GROVE AVENUE CINCINNATI, OH 45217-1087	\$ 25,0
EXXON CORPORATION	5959 LAS COLINAS BLVD. IRVING, TX 75039-2298	20,0
TEXACO INC.	2000 WESTCHESTER AVENUE WHITE PLAINS, NY 10650	25,0
THE CARTHAGE FOUNDATION	ONE OXFORD CENTRE 301 GRANT ST PITTSBURGH, PA 15219-6401	50,0
CLAUDE R. LAMBE CHARITABLE FOU	1450 G STREET NW WASHINGTON DC 20005-2001	150,0
M.J. MURDOCK CHARITABLE TRUST	703 BROADWAY, SUITE 710 VANCOUVER, WA 98668	80,0
JOHN M. OLIN FOUNDATION, INC.	330 MADISON AVENUE- 22nd FLOOR NEW YORK, NY 10017	75,0
GENERAL ELECTRIC FUND	3135 EASTON TURNPIKE FAIRFIELD, CT 06431	25,0
MERCK & CO., INC.	ONE MERCK DRIVE P.O. BOX 100 WHITEHOUSE STATION, NJ 08889	15,0
ALEX C. WALKER EDUCATIONAL	2 PNC PLAZA, 620 LIBERTY AVE PITTSBURGH, PA 15222-2719	25,0
TEMPLE-INLAND, INC.	303 SOUTH TEMPLE DRIVE DIBOLL, TX 75941	20,0
SARAH SCAIFE FOUNDATION		75,0
COCA COLA INC.		25,0
KOHLER TRUST		30,0

1999

Federal Statements
FOUNDATION FOR RESEARCH ON ECONOMICS AND
THE ENVIRONMENT

Pa

Client 1026

94-31

02/28/00

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Statement 1 (Continued)
Form 990, Part I, Line 1d
Contributions, Gifts, and Grants

Direct Contributions:

Contributor's Name	Contributor's Address	Amount of Contr
Direct Contributions less than 2% of line 1d		\$ 40,4
Total Direct Contributions, Line 1a		\$ 680,9
Total Contributions, Line 1d		\$ 680,9