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CLIENT'S COPY

Filing Instructions

Prepared for: INTERNET MULTICASTING SERVICE, INC. 22103 AMANITA CIRCLE JENNER, CA 95450	Prepared by: FRANK, RIMERMAN & CO. LLP 2882 SAND HILL ROAD MENLO PARK, CA 94025-7057
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2001 FORM 990

Please sign and mail on or before May 15, 2002.

Mail to - Internal Revenue Service Center
Ogden, UT 84201-0027

2001 CALIFORNIA FORM 199

Form 199 has a balance due of\$ 10

The return should be signed and dated by an authorized individual. Include the organization's California corporation/organization number and income year on the remittance.

Please mail on or before May 15, 2002.

Mail to - Franchise Tax Board
P.O. Box 942857
Sacramento, CA 94257-0701

Return of Organization Exempt From Income Tax

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

Department of the Treasury
Internal Revenue Service

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

A For the 2001 calendar year, or tax year period beginning and ending

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

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

C Name of organization
INTERNET MULTICASTING SERVICE, INC.

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
22103 AMANITA CIRCLE

City or town, state or country, and ZIP + 4
JENNER, CA 95450

D Employer identification number
52-1827912

E Telephone number
(707) 847-3720

F Accounting method: Cash Accrual
 Other (specify) ▶

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

G Web site: ▶ **N/A**

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

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 the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **130,183.**

H and **I** are not applicable to section 527 organizations.
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? **N/A** Yes No (If "No," attach a list.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Enter 4-digit GEN ▶

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

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances				
Revenue	1	Contributions, gifts, grants, and similar amounts received:		
	a	1a	Direct public support	129,929.
	b	1b	Indirect public support	
	c	1c	Government contributions (grants)	
	d	1d	Total (add lines 1a through 1c) (cash \$ 69,828. noncash \$ 60,101.)	129,929.
	2	2	Program service revenue including government fees and contracts (from Part VII, line 93)	
	3	3	Membership dues and assessments	
	4	4	Interest on savings and temporary cash investments	254.
	5	5	Dividends and interest from securities	
	6a	6a	Gross rents	
	6b	6b	Less: rental expenses	
	6c	6c	Net rental income or (loss) (subtract line 6b from line 6a)	
7	7	Other investment income (describe)		
Revenue	8a	(A) Securities	(B) Other	
	b	8a	Less: cost or other basis and sales expenses	
	c	8b	Gain or (loss) (attach schedule)	
	d	8c	Net gain or (loss) (combine line 8c, columns (A) and (B))	STMT 1 -50,000.
Revenue	9	9a	Special events and activities (attach schedule)	
	a	9a	Gross revenue (not including \$ of contributions reported on line 1a)	
	b	9b	Less: direct expenses other than fundraising expenses	
9c	9c	Net income or (loss) from special events (subtract line 9b from line 9a)		
Revenue	10a	10a	Gross sales of inventory, less returns and allowances	
	b	10b	Less: cost of goods sold	
	c	10c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	
11	11	Other revenue (from Part VII, line 103)		
12	12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	80,183.	
Expenses	13	13	Program services (from line 44, column (B))	76,864.
	14	14	Management and general (from line 44, column (C))	17,726.
	15	15	Fundraising (from line 44, column (D))	7,066.
	16	16	Payments to affiliates (attach schedule)	
	17	17	Total expenses (add lines 16 and 44, column (A))	101,656.
Net Assets	18	18	Excess or (deficit) for the year (subtract line 17 from line 12)	-21,473.
	19	19	Net assets or fund balances at beginning of year (from line 73, column (A))	102,357.
	20	20	Other changes in net assets or fund balances (attach explanation)	0.
	21	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	80,884.

Part II Statement of Functional Expenses

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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule)				
cash \$ _____ noncash \$ _____	22			
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25	0.	0.	0.
26 Other salaries and wages	26			
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29			
30 Professional fundraising fees	30			
31 Accounting fees	31	5,337.	5,337.	
32 Legal fees	32			
33 Supplies	33	10,090.	3,898.	6,192.
34 Telephone	34	4,688.		4,688.
35 Postage and shipping	35	2,262.	754.	754.
36 Occupancy	36			
37 Equipment rental and maintenance	37			
38 Printing and publications	38	912.		912.
39 Travel	39	21,687.	21,687.	
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule) ..	42	10,017.	10,017.	
43 Other expenses not covered above (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e SEE STATEMENT 2	43e	46,663.	40,508.	755.
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	101,656.	76,864.	17,726.

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

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

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

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

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

a DEVELOPMENT OF OPEN SOURCE SOFTWARE THAT IS USED TO CREATE METADATA ARCHIVES FROM PUBLIC WEB SITES.	(Grants and allocations \$ _____)	38,432.
b DEVELOPMENT OF GLOBAL MULTIMEDIA SERVICE PROVIDING PUBLIC, TECHNICAL, AND EDUCATIONAL INFORMATION OVER THE INTERNET FOR THE PUBLIC BENEFIT.	(Grants and allocations \$ _____)	38,432.
c	(Grants and allocations \$ _____)	
d	(Grants and allocations \$ _____)	
e Other program services (attach schedule)	(Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		76,864.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year	
Assets	45 Cash - non-interest-bearing	102,357.	18,434.	
	46 Savings and temporary cash investments			
	47 a Accounts receivable	47a		
	b Less: allowance for doubtful accounts	47b	47c	
	48 a Pledges receivable	48a		
	b Less: allowance for doubtful accounts	48b	48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees		50	
	51 a Other notes and loans receivable	51a		
	b Less: allowance for doubtful accounts	51b	51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments - securities	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments - land, buildings, and equipment: basis	55a		
	b Less: accumulated depreciation	55b	55c	
56 Investments - other		56		
57 a Land, buildings, and equipment: basis	57a	73,149.		
b Less: accumulated depreciation	57b	10,017.		
58 Other assets (describe		58		
59 Total assets (add lines 45 through 58) (must equal line 74)	102,357.	59	81,566.	
Liabilities	60 Accounts payable and accrued expenses	0.	60	682.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities		64a	
	b Mortgages and other notes payable		64b	
	65 Other liabilities (describe		65	
66 Total liabilities (add lines 60 through 65)	0.	66	682.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted		67	
	68 Temporarily restricted		68	
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds	0.	70	0.
	71 Paid-in or capital surplus, or land, building, and equipment fund	0.	71	0.
	72 Retained earnings, endowment, accumulated income, or other funds	102,357.	72	80,884.
73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)	102,357.	73	80,884.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	102,357.	74	81,566.	

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

Part VI Other Information		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization and check whether it is <input checked="" type="radio"/> exempt OR <input type="radio"/> nonexempt.		
81 a	Enter direct or indirect political expenditures. See line 81 instructions 81a 0.		
b	Did the organization file Form 1120-POL for this year?		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members? N/A		
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A		
	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c	Dues, assessments, and similar amounts from members 85c N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f? N/A		
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A		
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0.; section 4912 0.; section 4955 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90 a	List the states with which a copy of this return is filed CALIFORNIA		
b	Number of employees employed in the pay period that includes March 12, 2001 90b 0		
91	The books are in care of CARL MALAMUD Telephone no. (707) 847-3720		
	Located at 22103 AMANITA CIRCLE, JENNER, CA ZIP + 4 95450		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A		

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 32.)

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
Note: Enter gross amounts unless otherwise indicated.					
93 Program service revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	254.	
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	-50,000.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0.		-49,746.	0.
105 Total (add line 104, columns (B), (D), and (E))					-49,746.

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

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 32.)

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

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 33.)

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

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See Specific Instructions on page 33.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

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

Please Sign Here

Signature of officer _____ Date _____ Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature: **FRANK, RIMERMAN & CO. LLP**
2882 SAND HILL ROAD
MENLO PARK, CA 94025-7057

Date: _____ Check if self-employed: Preparer's SSN or PTIN: _____
 EIN: _____ Phone no.: **650-854-3344**

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information-(See separate instructions.)
▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

OMB No. 1545-0047

2001

Name of the organization

INTERNET MULTICASTING SERVICE, INC.

Employer identification number

52 1827912

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See page 1 of the instructions. List each one. If there are none, enter "None.")

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

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

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

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

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

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

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

Schedule A (Form 990 or 990-EZ) 2001

Part III Statements About Activities (See page 2 of the instructions.)		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.) Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions.)		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.? (See Note below.)		X
4	Do you have a section 403(b) annuity plan for your employees?		X
Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.			

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)

- The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)
- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
 - 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
 - 7** A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
 - 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
 - 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► _____
 - 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
 - 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 11b** A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
 - 12** An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
 - 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) **Use cash method of accounting.**
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)			200,426.	147,307.	347,733.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975...	1,618.	3,300.	21.		4,939.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets	79.		SEE STATEMENT 4		79.
23 Total of lines 15 through 22	1,697.	3,300.	200,447.	147,307.	352,751.
24 Line 23 minus line 17	1,697.	3,300.	200,447.	147,307.	352,751.
25 Enter 1% of line 23	17.	33.	2,004.	1,473.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 7,055.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1997 through 2000 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶					26c 352,751.
d Add: Amounts from column (e) for lines: 18 <u>4,939.</u> 19 _____ 22 <u>79.</u> 26b _____ ▶					26d 5,018.
e Public support (line 26c minus line 26d total) ▶					26e 347,733.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 98.5775%
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person." Do not file this list with your return. Enter the sum of such amounts for each year: N/A (2000) _____ (1999) _____ (1998) _____ (1997) _____					
b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A (2000) _____ (1999) _____ (1998) _____ (1997) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ ▶					27c N/A
d Add: Line 27a total _____ and line 27b total _____ ▶					27d N/A
e Public support (line 27c total minus line 27d total) ▶					27e N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e) ▶					27f N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12, that received any unusual grants during 1997 through 2000, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

NONE

Part V Private School Questionnaire (See page 7 of the instructions.)

N/A

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

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

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.) **N/A**
 (To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
		N/A	
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount. Enter the amount from the following table -			
If the amount on line 40 is -	The lobbying nontaxable amount is -		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44		
Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.			

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities (For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:	Yes	No	Amount
a Volunteers			
b Paid staff or management (Include compensation in expenses reported on lines c through h .)			
c Media advertisements			
d Mailings to members, legislators, or the public			
e Publications, or published or broadcast statements			
f Grants to other organizations for lobbying purposes			
g Direct contact with legislators, their staffs, government officials, or a legislative body			
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
i Total lobbying expenditures (Add lines c through h .)			0.

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

FORM 990 GAIN (LOSS) FROM NON-PUBLICLY TRADED SECURITIES STATEMENT 1

DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED	
INVESTMENT IN INVISIBLE WORLD	VARIOUS	/ /01	PURCHASED	
NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)
	0.	50,000.	0.	-50,000.
TOTAL TO FM 990, PART I, LN 8		50,000.	0.	-50,000.

FORM 990 OTHER EXPENSES STATEMENT 2

DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
DUES AND SUBSCRIPTIONS	345.		345.	
DOMAIN NAMES	1,194.	597.		597.
INTERNET SERVICE	8,340.	4,170.		4,170.
BANK CHARGES	125.		125.	
LICENSES AND PERMITS	285.		285.	
PROGRAM	8,306.	8,306.		
MARKETING	633.			633.
CONTRACT LABOR	27,435.	27,435.		
TOTAL TO FM 990, LN 43	46,663.	40,508.	755.	5,400.

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE STATEMENT 3
PART III

EXPLANATION

DEVELOPMENT OF GLOBAL MULTIMEDIA SERVICE PROVIDING PUBLIC, TECHNICAL, AND EDUCATIONAL INFORMATION OVER THE INTERNET FOR PUBLIC BENEFIT.

SCHEDULE A	OTHER INCOME			STATEMENT	4
DESCRIPTION	2000 AMOUNT	1999 AMOUNT	1998 AMOUNT	1997 AMOUNT	
OTHER REVENUE	79.	0.	0.	0.	
TOTAL TO SCHEDULE A, LINE 22	79.	0.	0.	0.	

YEAR
2001

California Exempt Organization Annual Information Return

FORM
199

MONTH DAY YEAR	MONTH DAY YEAR
For calendar or fiscal year beginning JANUARY 1 2001 ,	and ending DECEMBER 31 2001 .
IMPORTANT: Your number is required.	
California corporation number C2369286	Federal employer identification number 52-1827912
Attach Preaddressed Label or See Instructions	
Corporation/Organization name INTERNET MULTICASTING SERVICE, INC.	
Address 22103 AMANITA CIRCLE	PMB no.
City JENNER, CA	State CA
ZIP Code 95450	
A Final return? <input type="checkbox"/> Yes. Check applicable box. <input checked="" type="checkbox"/> No <input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn <input type="checkbox"/> Merged/Reorganized (attach explanation) If a box is checked, enter date	
B Check forms filed this year: State: <input type="checkbox"/> 109 <input type="checkbox"/> 100 <input type="checkbox"/> 100S Federal: <input checked="" type="checkbox"/> 990 <input type="checkbox"/> 990EZ <input type="checkbox"/> 990T <input type="checkbox"/> 990PF <input type="checkbox"/> 1041 <input type="checkbox"/> 1120H <input type="checkbox"/> 1120	
C If organization is exempt under R&TC Section 23701d and is a school, public charity, religious organization, or is controlled by a religious operation, check box. See General Instruction F. No filing fee is required. <input checked="" type="checkbox"/>	
D Is this a group filing? See General Instruction M. <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E Accounting method used ACCRUAL	
F Type of organization <input checked="" type="checkbox"/> Exempt under Section 23701 d (insert letter) <input type="checkbox"/> IRC Section 4947(a)(1) trust	

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues <small>(Attach check or money order here.)</small>	1 Gross sales or receipts from other sources. From Side 2, Part II, line 8	1	254.
	2 Gross dues and assessments from members and affiliates	2	
	3 Gross contributions, gifts, grants, and similar amounts received. See instructions	3	129,929.
	4 Total gross receipts for filing requirement test. Add line 1 through line 3 This line must be completed. If the result is less than \$25,000, see General Instruction C	4	130,183.
	5 Cost of goods sold	5	
	6 Cost or other basis, and sales expenses of assets sold	6	50,000.
	7 Total costs. Add line 5 and line 6	7	50,000.
	8 Total gross income. Subtract line 7 from line 4	8	80,183.
Expenses	9 Total expenses and disbursements. From Side 2, Part II, line 18	9	101,656.
	10 Excess of receipts over expenses and disbursements. Subtract line 9 from line 8	10	-21,473.
Filing Fee	11 Filing fee \$10 or \$25. See General Instruction F	11	10.
	12 Penalty for failure to file on time. See General Instruction L	12	
	13 Balance due. Add line 11 and line 12	13	10.

- 14** If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If "Yes," complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations Yes No
- 15** Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If "Yes," complete an explanation and attach copies of revised documents Yes No
- 16** Is the organization exempt under R&TC Section 23701g? Yes No
If "Yes," enter amount of gross receipts from nonmember sources \$ _____
- 17** Did the organization file Form 100, Form 100S, or Form 109 to report taxable income? Yes No
If "Yes," enter amount of total income reported \$ _____
- 18** The financial records are in care of CARL MALAMUD Daytime telephone (707) 847-3720
located at 22103 AMANITA CIRCLE, JENNER, CA 95450

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			
	Signature of officer	Date	Title	Daytime telephone
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN
	Firm's name (or yours, if self-employed) and address FRANK, RIMERMAN & CO. LLP 2882 SAND HILL ROAD MENLO PARK, CA 94025-7057	FEIN 94-1341042	Daytime telephone 650-854-3344	

128941/12-04-01

For Privacy Act Notice, get form FTB 1131.

19901104022

Form 199 C12001 Side 1

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts - complete Part II or furnish substitute information. See Specific Line Instructions.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions	1	
	2	Interest	2	254.
	3	Dividends	3	
	4	Gross rents	4	
	5	Gross royalties	5	
	6	Gross amount received from sale of assets SEE STATEMENT 1	6	0.
	7	Other income.	7	
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1	8	254.
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid.	9	
	10	Disbursements to or for members	10	
	11	Compensation of officers, directors, and trustees. SEE STATEMENT 2	11	0.
	12	Other salaries and wages	12	
	13	Interest	13	
	14	Taxes	14	
	15	Rents	15	
	16	Depreciation and depletion	16	10,017.
	17	Other. SEE STATEMENT 3	17	91,639.
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9	18	101,656.

Schedule L Balance Sheets

Beginning of taxable year

End of taxable year

Assets	(a)	(b)	(c)	(d)
1 Cash		102,357.		18,434.
2 Net accounts receivable				
3 Net notes receivable.				
4 Inventories				
5 Federal and state government obligations				
6 Investments in other bonds.				
7 Investments in stock.				
8 Mortgage loans (number of loans _____)				
9 Other investments.				
10 a Depreciable assets			73,149.	
b Less accumulated depreciation	()		(10,017.)	63,132.
11 Land				
12 Other assets.				
13 Total assets		102,357.		81,566.
Liabilities and net worth				
14 Accounts payable				682.
15 Contributions, gifts, or grants payable				
16 Bonds and notes payable.				
17 Mortgages payable				
18 Other liabilities.				
19 Capital stock or principle fund				
20 Paid-in or capital surplus. Attach reconciliation				
21 Retained earnings or income fund		102,357.		80,884.
22 Total liabilities and net worth		102,357.		81,566.

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000

1 Net income per books	-21,473.	7 Income recorded on books this year not included in this return.	
2 Federal income tax		8 Deductions in this return not charged against book income this year.	
3 Excess of capital losses over capital gains		9 Total. Add line 7 and line 8	
4 Income not recorded on books this year.		10 Net income per return.	
5 Expenses recorded on books this year not deducted in this return.		Subtract line 9 from line 6	-21,473.
6 Total.			
Add line 1 through line 5	-21,473.		

INTERNET MULTICASTING SERVICE, INC.

52-1827912

CONTRACT LABOR	27,435.
ACCOUNTING FEES	5,337.
SUPPLIES	10,090.
TELEPHONE	4,688.
POSTAGE AND SHIPPING	2,262.
PRINTING AND PUBLICATIONS	912.
TRAVEL	21,687.
TOTAL TO FORM 199, PART II, LINE 17	91,639.