

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

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 9/1, 1997, and ending 8/31, 1998

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 Name of organization, number and street, city, town, state, and ZIP code
MERKOS L'INYONEI CHINUCH INC.770 EASTERN PARKWAY
BROOKLYN, NY 11213D Employer identification number
11-6001111

E State registration number

F Check ☐ if exemption application is pendingG 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 If either box in H is checked "Yes," enter four-digit group exemption no. (GEN) ▶

(b) If "Yes," enter number of affiliates for which return is filed: ▶

J Accounting method: ☒ Cash ☐ Accrual(c) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No ☐ 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.)

FILED SEP 13 2000

Revenue

Expenses

Net Assets

1	Contributions, gifts, grants, and similar amounts received:			
a	Direct public support	1a	391,350.	
b	Indirect public support	1b	2,900,680.	
c	Government contributions (grants)	1c		
d	Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ 3,292,030. noncash \$)	1d	3,292,030.	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	1,289,666.	
3	Membership dues and assessments	3		
4	Interest on savings and temporary cash investments	4	30,152.	
5	Dividends and interest from securities	5	160,293.	
6a	Gross rents	6a		
b	Less: rental expenses	6b		
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7	Other investment income (describe ▶)	7		
8a	Gross amount from sale of assets other than inventory	(A) Securities	3,277,317.	8a
b	Less: cost/other basis & sales expenses	3,197,246.	8b	
c	Gain or (loss) (attach schedule)	80,071.	8c	
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	80,071.	
9	Special events and activities (attach schedule)			
a	Gross revenue (not including \$ of contributions reported on line 1a)	9a		
b	Less: direct expenses other than fundraising expenses	9b		
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10a	Gross sales of inventory, less returns and allowances	10a		
b	Less: cost of goods sold	10b		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11	Other revenue (from Part VII, line 103)	11	44,735.	
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	4,896,947.	
13	Program services (from line 44, column (B))	13	4,167,975.	
14	Management and general (from line 44, column (C))	14	575,928.	
15	Fundraising (from line 44, column (D))	15	111,888.	
16	Payments to affiliates (attach schedule)	16		
17	Total expenses (add lines 13 and 14, column (A))	17	4,855,791.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	41,156.	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	3,536,935.	
20	Other changes in net assets or fund balances (attach explanation)	20	1.	
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	3,578,092.	

15

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 15.)

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 \$ <u>3616832</u> non-cash \$ _____)	22	3,616,832.	3,616,832.		
23 Specific assistance to individuals (attach sch.)	23				
24 Benefits paid to or for members (attach sch.)	24				
25 Compensation of officers, directors, etc.	25	0.	0.	0.	0.
26 Other salaries and wages	26	425,168.	279,063.	136,105.	10,000.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	42,482.	27,979.	13,598.	905.
30 Professional fundraising fees	30	9,345.			9,345.
31 Accounting fees	31	32,975.		32,975.	
32 Legal fees	32	963.		963.	
33 Supplies	33	31,935.	6,000.	19,935.	6,000.
34 Telephone	34	45,452.	15,000.	20,452.	10,000.
35 Postage and shipping	35	70,182.	25,000.	35,182.	10,000.
36 Occupancy	36	188,309.	66,109.	122,200.	
37 Equipment rental and maintenance	37				
38 Printing and publications	38				
39 Travel	39	89,549.	36,992.	32,557.	20,000.
40 Conferences, conventions, and meetings ...	40				
41 Interest	41				
42 Depreciation, depletion, etc. (attach schedule) .	42				
43 Other expenses (itemize): a Stmt Att	43a	302,599.	95,000.	161,961.	45,638.
b	43b				
c	43c				
d	43d				
e	43e				
44 Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	4,855,791.	4,167,975.	575,928.	111,888.

Reporting of Joint Costs. -- Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ▶ ☐ Yes ☐ No

If "Yes," enter (i) the aggregate amount of these joint costs ... \$ _____; (ii) amt. allocated to Prog. services .. \$ _____;

(iii) the amount allocated to Management and general \$ _____; and (iv) amt. allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 18.)What is the organization's primary exempt purpose? ▶ RELIGIOUS, EDUCATIONAL ACTIVITIES

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 RELIGIOUS, EDUCATIONAL AND REHABILITATION WORK CONDUCTED IN THE U.S.A.	
(Grants and allocations \$ 964,629.)	1,191,658.
b RELIGIOUS, EDUCATIONAL AND REHABILITATION WORK CONDUCTED IN EUROPE AND ISRAEL AND OTHER COUNTRIES	
(Grants and allocations \$ 244,360.)	254,361.
c RESEARCH WORK IN TORAH AND CHASSIDIC LITERATURE	
(Grants and allocations \$)	175,723.
d PUBLICATION AND RELATED COSTS OF BOOKS AND LITERATURE ON TORAH AND CHASSIDIC TOPICS OF THE LUBAVITCH-CHABAD MOVEMENT	
(Grants and allocations \$ 2,407,843.)	2,546,233.
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	4,167,975.

Part IV Balance Sheets (See Specific Instructions on page 18.)**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	-147,292.	45	-260,681.
	46 Savings and temporary cash investments	551,626.	46	580,447.
	47a Accounts receivable			
	b Less: allowance for doubtful accounts		47c	
	48a Pledges receivable			
	b Less: allowance for doubtful accounts		48c	
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges		53	
	54 Investments -- securities (attach schedule)	2,550,498.	54	2,675,652.
	55a Investments -- land, buildings, and equipment: basis			
	b Less: accumulated depreciation (attach schedule)		55c	
56 Investments -- other (attach schedule)		56		
57a Land, buildings, and equipment: basis	1,448,773.			
b Less: accumulated depreciation (attach schedule)	647,428.			
58 Other assets (describe ▶ Stmt Attchd)	782,914.	57c	801,345.	
	25,311.	58	7,451.	
59 Total assets (add lines 45 through 58) (must equal line 74)	3,763,057.	59	3,804,214.	
Liabilities	60 Accounts payable and accrued expenses		60	
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	130,129.	64b	130,129.
	65 Other liabilities (describe ▶ LOANS, EXCHANGES, ESCROWS)	95,993.	65	95,993.
66 Total liabilities (add lines 60 through 65)	226,122.	66	226,122.	
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		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds	3,536,935.	72	3,578,092.
73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	3,536,935.	73	3,578,092.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	3,763,057.	74	3,804,214.	

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 IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 20.)

a Total revenue, gains, and other support per audited financial statements	a N/A
b Amounts included on line a but not on line 12, Form 990:	
(1) Net unrealized gains on investments . . \$	
(2) Donated services & 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
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

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

a Total expenses and losses per audited financial statements	a N/A
b Amounts included on line a but not on line 17, Form 990:	
(1) Donated services & 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
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

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 20.)

(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 comp.	(E) Expense account and other allowances
RABBI M. SCHNEERSON O.B.M. BROOKLYN, N.Y.	PRES	0.	0.	0.
RABBI M. HODAKOV O.B.M. BROOKLYN, N.Y.	VICE PRES	0.	0.	0.
RABBI Y. KRINSKY BROOKLYN, N.Y.	SECRETARY	0.	0.	0.
RABBI N. MINDEL O.B.M. LONG BEACH N.Y.	VICE CHAIR	0.	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 20.

Part V Other Information (See Specific Instructions on page 21.)

Yes No

76	Did organization engage in any activity not previously reported to IRS? If "Yes," attach detailed description of each activity	76		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.	77		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . .	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . .	79		X
80a	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?	80a	X	
b	If "Yes," enter the name of the organization ► <u>MACHNE ISRAEL INC.</u> and check whether it is <input checked="" type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a		
b	Did the organization file Form 1120-POL for this year?	81b	N/A	
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		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 for reporting in Part III.)	82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a		X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b		X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations. -- a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c		
d	Section 162(e) lobbying and political expenditures	85d		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f		
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	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?	85h	N/A	
86	501(c)(7) organizations. -- Enter: a Initiation fees and capital contributions included on line 12	86a		
b	Gross receipts, included on line 12, for public use of club facilities	86b		
87	501(c)(12) organizations. -- Enter: a Gross income from members or shareholders.	87a		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX	88		X
89a	501(c)(3) organizations. -- Enter: Amount of tax imposed during the year under: section 4911 ► ; section 4912 ► ; section 4955 ►			
b	501(c)(3) and 501(c)(4) organizations. -- Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction.	89b	N/A	
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.			
d	Enter: Amount of tax in 89c, above, reimbursed by the organization			
90a	List the states with which a copy of this return is filed ► <u>NONE</u>			
b	Number of employees employed in the pay period that includes March 12, 1997 (See instructions.)	90b		
91	The books are in care of ► <u>ORGANIZATION</u> Telephone no. ► <u>(718) 493-9250</u> Located at ► <u>770 EASTERN PARKWAY BROOKLYN, NEW YORK</u> ZIP + 4 ► <u>11213</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 -- Check here. and enter the amount of tax-exempt interest received or accrued during the tax year	92		

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 25.)

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a PUBLICATION SALES					1,289,666.
b AND CHARGES					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from govt. agencies . . .					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	30,152.	
96 Dividends and interest from securities . . .			14	160,293.	
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	80,071.	
101 Net income or (loss) from special events . .					
102 Gross profit/(loss) from sales of inventory .					
103 Other revenue: a VARIOUS			1	44,735.	
b REIMBURSEMENTS/					
c REFUNDS					
d					
e					
104 Subtotal (add columns (B), (D), and (E)). . .				315,251.	1,289,666.
105 Total (add line 104, columns (B), (D), and (E)).					1,604,917.

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 pg. 26.)

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).

93 (A) PUBLICATION, SALES AND DISTRIBUTION CHARGES OF TORAH AND CHASSIDIC LITERATURE, PRIMARILY THE WORK OF THE LUBAVITCH-CHABAD MOVEMENT - ONE OF OUR EXEMPT PURPOSES

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if "Yes" box on line 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
	%			
	%			
	%			
	%			

I, including accompanying schedules and statements, and to the best of my knowledge and belief, the information reported on this return is based on all information of which preparer has any knowledge. (See instructions.)

8/31/00

Date

YEHUDA KRINSKY, SECY

Type or print name and title.

**SCHEDULE A
(Form 990)**

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.

OMB No. 1545-0047

1997

► **Must be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

MERKOS L'INYONEI CHINUCH INC.

Employer identification number

11-6001111

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

(See instructions on page 1. 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 empl. benefit plans & deferred compensation	(e) Expense account and other allowances
RABBI M. KOTLARSKY BROOKLYN, NEW YORK	ADM 40	52,000.		
Total number of other employees paid over \$50,000	►			

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

(See instructions on page 1. 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	►	

For Paperwork Reduction Act Notice, see page 1 of the instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990) 1997

Part III Statements About Activities

	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 total expenses paid or incurred in connection with the lobbying activities ► \$ 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.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its 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:		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	X
4 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. (See instructions on page 2.)		

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)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, page 4.)
- 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 instructions on page 4.)

(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 instructions on page 4.)

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) 1996	(b) 1995	(c) 1994	(d) 1993	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	1,569,103.	4,229,102.	1,854,018.	1,822,010.	9,474,233.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	1,060,247.	989,049.	876,549.	506,574.	3,432,419.
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	261,368.	393,189.	215,098.	116,805.	986,460.
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	44,625.	43,906.	54,740.	1,055.	144,326.
23 Total of lines 15 through 22.	2,935,343.	5,655,246.	3,000,405.	2,446,444.	14,037,438.
24 Line 23 minus line 17	1,875,096.	4,666,197.	2,123,856.	1,939,870.	10,605,019.
25 Enter 1% of line 23	29,353.	56,552.	30,004.	24,464.	
26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶					26a 212,100.
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1993 through 1996 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts ▶					26b 2,034,343.
c Total support for section 509(a)(1) test: Enter line 24, column (e). ▶					26c 10605019
d Add: Amounts from col. (e) for lines: 18 986,460. 19 22 144,326. 26b 2,034,343. ▶					26d 3,165,129.
e Public support (line 26c minus line 26d total) ▶					26e 7,439,890.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶					26f 70.1544 %
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: (1996) _____ (1995) _____ (1994) _____ (1993) _____					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list 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.) 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: (1996) _____ (1995) _____ (1994) _____ (1993) _____					
c Add: Amounts from col. (e) for lines: 15 _____ 16 _____ 17 _____ 20 _____ 21 _____ . . . ▶					27c _____
d Add: Line 27a total _____ and line 27b total ▶					27d _____
e Public support (line 27c total minus line 27d total) ▶					27e _____
f Total support for section 509(a)(2) test: Enter amount on line 23, col. (e). ▶					27f \$ _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)). ▶					27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1993 through 1996, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions on page 4.)

Part V Private School Questionnaire (See instructions on page 4.)

(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?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31	
<hr/>		
<hr/>		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
<hr/>		
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.)		
<hr/>		
<hr/>		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
<hr/>		
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 instructions on page 6.)(To be completed **ONLY** by an eligible organization that filed Form 5768)

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

Limits on Lobbying Expenditures

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

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

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 7.)

	Lobbying Expenditures During 4-Year Averaging Period				
Calendar year (or fiscal year beginning in) ▶	(a) 1997	(b) 1998	(c) 1999	(d) 2000	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A) (See instructions on page 7.)

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

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of:

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

b Other transactions:

(l) Sales of assets to a noncharitable exempt organization

(II) Purchases of assets from a noncharitable exempt organization

(III) Rental of facilities or equipment

(iv) Reimbursement arrangements

(v) Loans or loan guarantees.

(vi) Performance of services or membership or fundraising solicitations

C Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received:

[illegible]

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

► ☐ Yes ☒ No

b If "Yes," complete the following schedule:

[illegible]

Form 990 - Exempt Organization Tax Return
 Part II - Line 22 - Grants and Allocations - Cash

Class of Activity	Name and Address	Amount	Relationship
CHABAD HOUSES	INSTITUTIONS, EUROPE USA, ISRAEL	19,500.	
PUBLICATION	AND RELATED COSTS	2,407,843.	
CONVENTION SHLUCHIM	AND CONTACTS	295,031.	
LUBAVITCH NEWS		161,176.	
MERKOS SCHLICHUS		192,620.	
SUBSIDY	AMIGOS DE LUBAVITCH SOUTH AMERICA	235,000.	
OUTREACH	KEREN PEULOS BROOKLYN, NEW YORK	184,907.	
OTHER ALLOCATIONS	VAAD RABONEI LUBAVITCH RESEARCH, OTHERS	120,755.	
TOTAL		3616832	

Form 990 - Exempt Organization Tax Return
 Line 43 - Other Expenses

Description	(A) Total	(B) Program Services	(C) Mgmt. & General	(D) Fund- raising
BANK CHARGES	6,103.		6,103.	
REPAIRS	5,494.		5,494.	
INSURANCE	30,212.	10,000.	20,212.	
ADVERTISING	44,330.	15,000.	4,330.	25,000.
OFFICE EXPENSES/HELP	204,922.	70,000.	119,922.	15,000.
COMPUTER COSTS	3,045.		3,045.	
HEALTH INSURANCE	2,855.		2,855.	
OTHER	5,638.			5,638.
TOTAL	302,599.	95,000.	161,961.	45,638.

Continued on Page 2

Company: MERKOS I'INYONEI CHINUCH INC.

EIN: 11-6001111

Form 990 - Part IV - Balance Sheets
Line 54 - Investments - Securities

Description	Amount
SMITH BARNEY-FDN LUB PORTFOLIO	2,420,031.
MFS GOV LTD FUNDS	255,621.

TOTAL	2,675,652.
	=====

Form 990 - Part IV - Balance Sheets
Line 58 - Other Assets

Description	Amount
INVESTMENT - CHEBRO	501.
DEPOSIT	600.
LOANS AND EXCHANGES	6,350.

TOTAL	7,451.
	=====

Notes
MERKOS L'INYONEI CHINUCH INC.

1997
11-6001111

Note # 1 - PART I LINE 8

CAPITAL GAINS AND LOSSES

SEE SCHEDULE ATTACHED
PROCEEDS ON REDEMPTION 11/97 \$ 95,209 \$ 60,007
COST BASIS (KEMPER) 75,145 20,065

\$ 80,071
=====

Sch. A-1 - Increases/Decreases on Sales

9/1/97 Through 8/31/98

Page 1

Security	Shares	Bought	Sold	Sales Price	Cost Basis	Gain/Loss
Merkos Smith Barney						
MMerkos SB Money Funds	4,125	7/2/97	9/3/97	4,125.00	4,125.00	0.00
MMerkos SB Money Funds	597.46	7/2/97	10/2/97	597.46	597.46	0.00
MMerkos SB Money Funds	208.78	7/2/97	10/2/97	208.78	208.78	0.00
MMerkos SB Money Funds	399	8/4/97	10/2/97	399.00	399.00	0.00
MMerkos SB Money Funds	2,646.07	8/4/97	10/2/97	2,646.07	2,646.07	0.00
MMerkos SB Money Funds	4,125	8/4/97	10/2/97	4,125.00	4,125.00	0.00
MMerkos SB Money Funds	4,397.5	8/4/97	10/2/97	4,397.50	4,397.50	0.00
MMerkos SB Money Funds	273.25	8/4/97	10/2/97	273.25	273.25	0.00
MMerkos SB Money Funds	6,300	9/3/97	10/2/97	6,300.00	6,300.00	0.00
MMerkos SB Money Funds	325	9/3/97	10/2/97	325.00	325.00	0.00
MMerkos SB Money Funds	854	9/3/97	10/2/97	854.00	854.00	0.00
MMerkos SB Money Funds	985.73	9/3/97	10/2/97	985.73	985.73	0.00
MMerkos SB Money Funds	91.21	9/3/97	10/2/97	91.21	91.21	0.00
MMerkos SB Money Funds	796.88	10/2/97	10/2/97	796.88	796.88	0.00
MMerkos SB Money Funds	4,025	10/2/97	10/2/97	4,025.00	4,025.00	0.00
MMerkos SB Money Funds	58,654.77	10/2/97	10/2/97	58,654.77	58,654.77	0.00
Stone Container Corp 1992	30,000	5/10/96	10/3/97	31,505.00	30,929.17	575.83
Stone Container Corp 10/1/04	30,000	12/1/95	10/3/97	32,336.66	31,608.33	728.33
Stone Container Corp 10/1/04	20,000	6/17/96	10/3/97	21,557.78	20,710.56	847.22
Bellsouth Corp	500	11/28/95	10/6/97	23,305.46	19,850.00	3,455.46
Hawaiian Electric	1,400	8/31/94	10/6/97	52,218.25	44,275.00	7,943.25
Keyspan Energy	600	12/9/96	10/6/97	19,941.83	19,125.00	816.83
PG&E Corp	1,000	10/24/95	10/6/97	23,049.22	29,775.00	-6,725.78
Southern Company	1,000	10/24/95	10/6/97	22,424.24	23,900.00	-1,475.76
Stone Container Corp 10/1/04	20,000	6/17/96	10/6/97	21,301.94	20,710.56	591.38
Banco Safra 10/28/02	50,000	7/31/97	10/28/97	48,750.00	51,325.69	-2,575.69
IBM 11/1/92	50,000	8/31/94	11/3/97	50,000.00	49,312.50	687.50
MMerkos SB Money Funds	26,744.67	10/2/97	11/4/97	26,744.67	26,744.67	0.00
MMerkos SB Money Funds	4,917.38	10/2/97	11/4/97	4,917.38	4,917.38	0.00
MMerkos SB Money Funds	51,343.75	10/2/97	11/4/97	51,343.75	51,343.75	0.00
MMerkos SB Money Funds	100.25	10/2/97	11/4/97	100.25	100.25	0.00
MMerkos SB Money Funds	14,344.95	11/4/97	11/4/97	14,344.95	14,344.95	0.00
MMerkos SB Money Funds	46,983.18	11/4/97	12/2/97	46,983.18	46,983.18	0.00
MMerkos SB Money Funds	11,251.09	11/4/97	12/2/97	11,251.09	11,251.09	0.00
MMerkos SB Money Funds	43,377.73	11/4/97	12/2/97	43,377.73	43,377.73	0.00
MMerkos SB Money Funds	171,622.27	11/4/97	1/3/98	171,622.27	171,622.27	0.00
MMerkos SB Money Funds	338.75	11/4/97	1/3/98	338.75	338.75	0.00
MMerkos SB Money Funds	11,612.5	12/2/97	1/3/98	11,612.50	11,612.50	0.00
MMerkos SB Money Funds	11,612	12/2/97	1/3/98	11,612.00	11,612.00	0.00
MMerkos SB Money Funds	15,771.85	12/2/97	1/3/98	15,771.85	15,771.85	0.00
MMerkos SB Money Funds	1,038.72	12/2/97	1/3/98	1,038.72	1,038.72	0.00
MMerkos SB Money Funds	796.88	1/2/98	1/3/98	796.88	796.88	0.00
MMerkos SB Money Funds	4,500	1/2/98	1/3/98	4,500.00	4,500.00	0.00
MMerkos SB Money Funds	30,000	1/2/98	1/3/98	30,000.00	30,000.00	0.00
MMerkos SB Money Funds	45,305.7	1/2/98	1/3/98	45,305.70	45,305.70	0.00
US Treasury Bill 1/8/98	30,000	2/4/97	1/8/98	30,000.00	28,592.87	1,407.13
Philip Morris Co 1/15/93	40,000	8/31/94	1/15/98	40,000.00	38,812.00	1,188.00
US Treasury Note 1/31/98	75,000	1/10/97	2/2/98	75,000.00	76,491.09	-1,491.09
MMerkos SB Money Funds	6,724.41	1/2/98	2/3/98	6,724.41	6,724.41	0.00
MMerkos SB Money Funds	299.35	1/2/98	2/3/98	299.35	299.35	0.00
MMerkos SB Money Funds	70,983.44	2/3/98	2/3/98	70,983.44	70,983.44	0.00
MMerkos SB Money Funds	5,891.56	2/3/98	2/3/98	5,891.56	5,891.56	0.00
MMerkos SB Money Funds	4,214.94	2/3/98	2/3/98	4,214.94	4,214.94	0.00
MMerkos SB Money Funds	2,871.32	2/3/98	2/3/98	2,871.32	2,871.32	0.00
MMerkos SB Money Funds	520.36	2/3/98	2/3/98	-520.36	520.36	-1,040.72

Sch. A-1 - Increases/Decreases on Sales

9/1/97 Through 8/31/98

Page 2

Security	Shares	Bought	Sold	Sales Price	Cost Basis	Gain/Loss
US Treasury Bill 3/5/98	40,000	3/25/97	2/20/98	39,893.50	37,926.17	1,967.33
MMerkos SB Money Funds	3,795.27	3/2/98	3/2/98	3,795.27	3,795.27	0.00
MMerkos SB Money Funds	6,300	3/2/98	3/2/98	6,300.00	6,300.00	0.00
MMerkos SB Money Funds	311,605.83	3/2/98	3/2/98	311,605.83	311,605.83	0.00
US Treasury Bill 3/5/98	77,000	3/25/97	3/5/98	77,000.00	73,007.87	3,992.13
US Treasury Bill 3/5/98	252,000	10/7/97	3/5/98	252,000.00	246,920.59	5,079.41
MMerkos SB Money Funds	17,394.17	3/2/98	5/4/98	17,394.17	17,394.17	0.00
MMerkos SB Money Funds	1,540.72	3/2/98	5/4/98	1,540.72	1,540.72	0.00
MMerkos SB Money Funds	201.03	3/2/98	5/4/98	201.03	201.03	0.00
MMerkos SB Money Funds	796.88	4/1/98	5/4/98	796.88	796.88	0.00
MMerkos SB Money Funds	7,207.1	4/1/98	5/4/98	7,207.10	7,207.10	0.00
MMerkos SB Money Funds	74.12	4/1/98	5/4/98	74.12	74.12	0.00
MMerkos SB Money Funds	9,734.38	5/4/98	5/4/98	9,734.38	9,734.38	0.00
MMerkos SB Money Funds	94,589.45	5/4/98	5/4/98	94,589.45	94,589.45	0.00
US Treasury Bill 5/14/98	100,000	11/13/97	5/14/98	100,000.00	97,451.00	2,549.00
American Std 6/1/93	40,000	8/31/94	6/1/98	41,128.00	39,400.00	1,728.00
MMerkos SB Money Funds	5,410.55	5/4/98	6/2/98	5,410.55	5,410.55	0.00
MMerkos SB Money Funds	11,414.99	5/4/98	6/2/98	11,414.99	11,414.99	0.00
MMerkos SB Money Funds	108.06	5/4/98	6/2/98	108.06	108.06	0.00
MMerkos SB Money Funds	33,066.4	6/2/98	6/2/98	33,066.40	33,066.40	0.00
US Air Inc 7/8/93	90,000	8/31/94	7/1/98	94,500.00	64,946.70	29,553.30
US Treasury Bill 7/23/98	300,000	1/15/98	7/23/98	300,000.00	292,598.67	7,401.33
MMerkos SB Money Funds	19,674.1	6/2/98	7/24/98	19,674.10	19,674.10	0.00
MMerkos SB Money Funds	12,479.35	6/2/98	7/24/98	12,479.35	12,479.35	0.00
MMerkos SB Money Funds	175.14	6/2/98	7/24/98	175.14	175.14	0.00
MMerkos SB Money Funds	796.88	7/24/98	7/24/98	796.88	796.88	0.00
MMerkos SB Money Funds	64,403.45	7/24/98	7/24/98	64,403.45	64,403.45	0.00
MMerkos SB Money Funds	5,303.35	7/24/98	7/24/98	5,303.35	5,303.35	0.00
MMerkos SB Money Funds	8,378.17	7/24/98	7/24/98	8,378.17	8,378.17	0.00
MMerkos SB Money Funds	297,755.81	7/24/98	7/24/98	297,755.81	297,755.81	0.00
US Treasury Bill 8/13/98	80,000	2/12/98	8/13/98	80,000.00	78,007.20	1,992.80
MMerkos SB Money Funds	2,244.19	7/24/98	8/15/98	2,244.19	2,244.19	0.00
MMerkos SB Money Funds	134.89	7/24/98	8/15/98	134.89	134.89	0.00
MMerkos SB Money Funds	4,765.06	8/15/98	8/15/98	4,765.06	4,765.06	0.00
MMerkos SB Money Funds	75,234.94	8/15/98	8/15/98	75,234.94	75,234.94	0.00
MMerkos SB Money Funds	2,825.06	8/15/98	8/15/98	2,825.06	2,825.06	0.00
US Treasury Bill 9/10/98	38,000	3/12/98	8/19/98	37,855.86	37,044.37	811.49
TOTAL ...				3,182,108.06	3,122,101.38	60,006.68

Abraham D. Greisman
Certified Public Accountant
1371 Carroll Street
Brooklyn, New York 11213

718/773-3028 FAX 718/773-3074

August 29, 2000

Internal Revenue Service
Ogden, Utah 84201

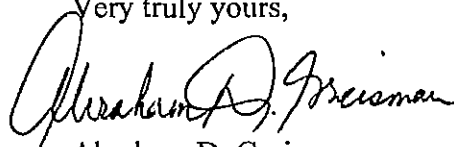
RE: Merkos L'Inyonei Chinuch Inc.
11-6001111 y/e 8/31/98

Gentlemen:

Please excuse the late filing of the accompanying 990 return, y/e 8/31/98 and abate any penalties that might be assessed against the organization. The organization has been a tax exempt entity for over **54 years**, since May 1944 and tax returns were filed for all years.

On March 2, 1992 the late Lubavitcher Rebbe, Rabbi M. Schneerson O.B.M., president of the organization, suffered a stroke and ultimately passed away on June 3, 1994. The Rebbe's office and adjoining offices and rooms were converted into a mini-hospital to support the Rebbe's care. The entire attention of the Rebbe's staff and organization personnel was primarily focused to the Rebbe's well being and medical care. As a result, the office operations and accounting duties were disrupted and delayed. In consideration of the above circumstances, we respectfully request that you abate any penalties against the organization.

Very truly yours,


Abraham D. Greisman

**Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

Department of the Treasury
Internal Revenue Service► **File a separate application for each return.**Please type or
print. File the
original and one
copy by the due
date for filing
your return. See
instructions on
page 2.

Name

MERKOS L'INYONEI CHINUCH INC.

Employer ID number

11-6001111

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

770 EASTERN PARKWAY

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

BROOKLYN**NY****11213****Note:** Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.1 I request an extension of time until **MARCH 15**, 19 **99**, to file (check only one):☐ Form 706-GS(D)☐ Form 990-T (401(a) or 408(a) trust)☐ Form 1120-ND (4951 taxes)☐ Form 8612☐ Form 706-GS(T)☐ Form 990-T (trust other than above)☐ Form 3520-A☐ Form 8613☒ Form 990 or 990-EZ☐ Form 1041 (estate) (see instructions)☐ Form 4720☐ Form 8725☐ Form 990-BL☐ Form 1041-A☐ Form 5227☐ Form 8804☐ Form 990-PF☐ Form 1042☐ Form 6063☐ Form 8831If the organization does not have an office or place of business in the United States, check this box ☐2a For calendar year 19 **97**, or other tax year beginning **SEPT 1 1997** and ending **AUGUST 31, 1998**b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No4 State in detail why you need the extension **NEED ADDITIONAL INFORMATION TO
COMPLETE THE RETURN**

5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069,

8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions \$

b If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated
tax payments made. Include any prior year overpayment allowed as a credit \$c **Balance due.** Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if
required. See instructions. \$**Signature and Verification**Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my
knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.Signature ► **Abraham D. Greisman** Title ► **CRA**Date ► **1/7/99****FILE ORIGINAL AND ONE COPY. The IRS will show below whether or not your application is approved and will return the copy.****Notice to Applicant -- To Be Completed by the IRS**☐ We **HAVE** approved your application. Please attach this form to your return.☐ We **HAVE NOT** approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the
due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise
required to be made on a timely return. Please attach this form to your return.☐ We **HAVE NOT** approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of
time to file. We are not granting the 10-day grace period.☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.☒ Other: **EXTENSION GRANTED UNTIL
04/15/99 NO MORE THAN 90
DAYS ARE GRANTED UNLESS
UNDUE HARDSHIP.**

Date

If you want a copy of this form to be returned to an address other than that shown above, please enter address to which the copy should be sent.

Please
Type
or
Print

Name

ABRAHAM D. GREISMAN**ABRAHAM D. GREISMAN****CERTIFIED PUBLIC ACCOUNTANT****CERTIFIED PUBLIC ACCOUNTANT**

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

1371 CARROLL STREET**1371 CARROLL STREET****BROOKLYN, NEW YORK 11213****BROOKLYN, NEW YORK 11213**

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

PUBLIC ACCOUNTANT