

Form **990-PF**

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

OMB No 1545-0052

2003

Department of the Treasury
Internal Revenue Service

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

For calendar year 2003, or tax year beginning **7/01/03**, and ending **6/30/04**

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

Use the IRS label. Otherwise, print or type. See Specific Instructions.	Name of organization ADELLE DAVIS FOUNDATION		A Employer identification number 23-7262117
	Number and street (or P O box number if mail is not delivered to street address) Room/suite 116 MIDDLE ROAD K		B Telephone number (see page 10 of the instructions) 805-969-9076
	City or town, state, and ZIP code SANTA BARBARA CA 93108		C If exemption application is pending, check here <input type="checkbox"/>
			D 1. Foreign organizations, check here <input type="checkbox"/> 2. Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
H Check type of organization. <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation			E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col. (c), line 16) \$ 1,214,371 (Part I, column (d) must be on cash basis.)		J Accounting method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify)	F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>

Part I	Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), & (d) may not necessarily equal the amounts in column (a) (see page 10 of the instr.))	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1	Contributions, gifts, grants, etc., received (attach schedule) Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
2	Distributions from split-interest trusts				
3	Interest on savings and temporary cash investments	11,200	11,200	11,200	
4	Dividends and interest from securities	6,814	6,814	6,814	
5a	Gross rents				
b	(Net rental income or (loss) _____)				
6a	Net gain or (loss) from sale of assets not on line 10	-58,220			
b	Gross sales price for all assets on line 6a 852,279				
7	Capital gain net income (from Part IV, line 2) STMT 1				
8	Net short-term capital gain				
9	Income modifications				
10a	Gross sales less returns and allowances				
b	Less Cost of goods sold				
c	Gross profit or (loss) (attach schedule)				
11	Other income (attach schedule) STMT 2	962	712	962	
12	Total. Add lines 1 through 11	-39,244	18,726	18,976	
13	Compensation of officers, directors, trustees, etc	57,000	28,500		28,500
14	Other employee salaries and wages				
15	Pension plans, employer benefits				
16a	Legal fees (attach schedule) STMT 3	66,926	66,926		
b	Accounting fees (attach schedule) STMT 4	4,700	3,760		940
c	Other professional fees (attach schedule)				
17	Interest				
18	Taxes (attach schedule) (see pg 10 of the instr.) STMT 5	1,896	1,851		45
19	Depreciation (attach schedule) & depletion				
20	Occupancy	11,150			11,150
21	Travel, conferences, and meetings	4,390	2,195		2,195
22	Printing and publications				
23	Other expenses (attach schedule) STMT 6	16,513	11,900		4,613
24	Total operating and administrative expenses. Add lines 13 through 23	162,575	115,132		47,443
25	Contributions, gifts, grants paid	48,300			48,300
26	Total expenses and disbursements. Add lines 24 and 25	210,875	115,132	0	95,743
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-250,119			
b	Net investment income (if negative, enter -0-)		0		
c	Adjusted net income (if negative, enter -0-)			18,976	

SCANNED MAY 20 2005

RECEIVED
MAY 18 2005
OGDEN UT

Part II	Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year		End of year	
			(a) Book Value	(b) Book Value	(c) Fair Market Value	
A S S E T S	1	Cash-non-interest-bearing				
	2	Savings and temporary cash investments	338,927	822,606	822,606	
	3	Accounts receivable ▶ Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶ Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)				
	7	Other notes and loans receivable ▶ Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments-U S and state government obligations (attach schedule)				
	b	Investments-corporate stock (attach schedule) STMT 7	330,960	319,256	344,765	
	c	Investments-corporate bonds (attach schedule)				
	11	Investments-land, buildings, and equipment basis ▶ Less accumulated depreciation ▶				
	12	Investments-mortgage loans				
	13	Investments-other (attach schedule) SEE STMT 8	67,700	47,000	47,000	
	14	Land, buildings, and equipment basis ▶ Less accumulated depreciation ▶ STMT 9	644,394			
15	Other assets (describe ▶)					
16	Total assets (to be completed by all filers-see page 16 of the instructions Also, see page 1, item I)	1,381,981	1,188,862	1,214,371		
L I A B I L I T I E S	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, and other disqualified persons				
	21	Mortgages and other notes payable (att schedule)				
	22	Other liabilities (describe ▶ SEE STMT 10)		57,000		
23	Total liabilities (add lines 17 through 22)	0	57,000			
N E T A S S E T S O R F U N D B A L A N C E S	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted	1,381,981	1,131,862		
	25	Temporarily restricted				
	26	Permanently restricted				
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 31.					
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, bldg, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds				
30	Total net assets or fund balances (see page 17 of the instructions)	1,381,981	1,131,862			
31	Total liabilities and net assets/fund balances (see page 17 of the instructions)	1,381,981	1,188,862			

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year-Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,381,981
2	Enter amount from Part I, line 27a	2	-250,119
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3-	4	1,131,862
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5)-Part II, column (b), line 30	6	1,131,862

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P-Purchase D-Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a N/A			
b			
c			
d			
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
a			
b			
c			
d			
e			

2 Capital gain net income or (net capital loss)	2	
{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	3	
{ If gain, also enter in Part I, line 8, column (c) (see pages 13 and 17 of the instructions). If (loss), enter -0- in Part I, line 8 }		

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

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

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

N/A

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

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

1 Enter the appropriate amount in each column for each year, see page 17 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2002			
2001			
2000			
1999			
1998			

2 Total of line 1, column (d)	2	
3 Average distribution ratio for the 5-year base period-divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5	4	
5 Multiply line 4 by line 3	5	
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	
7 Add lines 5 and 6	7	
8 Enter qualifying distributions from Part XII, line 4	8	

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions on page 17.

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948-see page 17 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter "N/A" on line 1 Date of ruling letter (attach copy of ruling letter if necessary-see instructions)		
b	Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input type="checkbox"/> and enter 1% of Part I, line 27b	1	
c	All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-	5	0
6	Credits/Payments:		
a	2003 estimated tax payments and 2002 overpayment credited to 2003	6a	2,212
b	Exempt foreign organizations-tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	600
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	2,812
8	Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8	
9	Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	2,812
11	Enter the amount of line 10 to be: Credited to 2004 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	2,812

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b	N/A	
5		X
6	X	
7	X	
8a		
8b	X	
9		X
10		X
11	X	
12		
13		

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

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

		Yes	No
1a	During the year did the organization (either directly or indirectly):		
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6)	Agree to pay money or property to a government official? (Exception. Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2003?		X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))		
a	At the end of tax year 2003, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2003? If "Yes," list the years ▶ 20 , 20 , 20 , 19	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer "No" and attach statement-see page 19 of the instructions)	N/A	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. ▶ 20 , 20 , 20 , 19		
3a	Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If "Yes," did it have excess business holdings in 2003 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2003)	N/A	
4a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		X
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2003?		X
5a	During the year did the organization pay or incur any amount to:		
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3)	Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	If any answer is "Yes" to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here	N/A	
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If "Yes," attach the statement required by Regulations section 53.4945-5(d)	N/A	<input type="checkbox"/> Yes <input type="checkbox"/> No
6a	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered "Yes" to 6b, also file Form 8870		X

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

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 of the instructions):

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (if not paid, enter -0-)	(d) Contrib to employee benefit plans and deferred compensation	(e) Expense account, other allowances
ELOISE DILLING 116 MIDDLE ROAD SANTA BARBARA, CA	MANAGER 30	30,000	0	0
JULIA IRONS 705 MC GEE ST. KANSAS CITY, MO 6	DIRECTOR 2	0	0	0
JANE SORENSON 1205 MERCEDES LA SANTA BARBARA, CA	DIRECTOR 2	0	0	0

2 Compensation of five highest-paid employees (other than those included on line 1-see page 20 of the instructions). If none, enter "NONE."

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

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

3 Five highest-paid independent contractors for professional services-(see page 20 of the instructions). If none, enter "NONE."

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
CASE, KNOWLSON, JORDAN & WRIGHT, LLP 2049 CENTURY PARK EAST, LEGAL SERVICES	LEGAL SERVICES	62,104

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

1

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 21 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
3 All other program-related investments See page 21 of the instructions	
Total. Add lines 1 through 3	

Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see page 21 of the instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes	
a Average monthly fair market value of securities	1a 345,613
b Average of monthly cash balances	1b 898,253
c Fair market value of all other assets (see page 22 of the instructions)	1c 47,000
d Total (add lines 1a, b, and c)	1d 1,290,866
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0
2 Acquisition indebtedness applicable to line 1 assets	2 0
3 Subtract line 2 from line 1d	3 1,290,866
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see page 23 of the instructions)	4 19,363
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 1,271,503
6 Minimum investment return. Enter 5% of line 5	6 63,575

Part XI Distributable Amount (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part.)

1 Minimum investment return from Part X, line 6	1 63,575
2a Tax on investment income for 2003 from Part VI, line 5	2a
b Income tax for 2003 (This does not include the tax from Part VI)	2b
c Add lines 2a and 2b	2c
3 Distributable amount before adjustments Subtract line 2c from line 1	3 63,575
4a Recoveries of amounts treated as qualifying distributions	4a
b Income distributions from section 4947(a)(2) trusts	4b
c Add lines 4a and 4b	4c
5 Add lines 3 and 4c	5 63,575
6 Deduction from distributable amount (see page 23 of the instructions)	6
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7 63,575

Part XII Qualifying Distributions (see page 23 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a Expenses, contributions, gifts, etc -total from Part I, column (d), line 26	1a 95,743
b Program-related investments-Total from Part IX-B	1b
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3 Amounts set aside for specific charitable projects that satisfy the	
a Suitability test (prior IRS approval required)	3a
b Cash distribution test (attach the required schedule)	3b
4 Qualifying distributions. Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4 95,743
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 24 of the instructions)	5 0
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6 95,743

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

Part XIII Undistributed Income (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				63,575
2 Undistributed income, if any, as of the end of 2002				
a Enter amount for 2002 only				
b Total for prior years 20____, 20____, 19____				
3 Excess distributions carryover, if any, to 2003				
a From 1998				
b From 1999				
c From 2000				
d From 2001				
e From 2002				
f Total of lines 3a through e				
4 Qualifying distributions for 2003 from Part XII, line 4 ▶ \$ 95,743				
a Applied to 2002, but not more than line 2a				
b Applied to undistributed income of prior years (Election required-see page 24 of the instructions)				
c Treated as distributions out of corpus (Election required-see page 24 of the instructions)				
d Applied to 2003 distributable amount				63,575
e Remaining amount distributed out of corpus	32,168			
5 Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (a))				
6 Enter the net total of each column as indicated below:				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	32,168			
b Prior years' undistributed income Subtract line 4b from line 2b				
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b. Taxable amount-see page 24 of the instructions				
e Undistributed income for 2002 Subtract line 4a from line 2a Taxable amount-see page 24 of the instructions				
f Undistributed income for 2003. Subtract lines 4d and 5 from line 1 This amount must be distributed in 2004				
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 25 of the instructions)				
8 Excess distributions carryover from 1998 not applied on line 5 or line 7 (see page 25 of the instructions)				
9 Excess distributions carryover to 2004. Subtract lines 7 and 8 from line 6a	32,168			
10 Analysis of line 9				
a Excess from 1999				
b Excess from 2000				
c Excess from 2001				
d Excess from 2002				
e Excess from 2003	32,168			

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2003, enter the date of the ruling

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

	Tax year				(e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test-enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test-Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test-enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year-see page 25 of the instructions.)

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

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

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:
 Check here if the organization only makes contributions to preselected organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc. (see page 25 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

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

b The form in which applications should be submitted and information and materials they should include.
N/A

c Any submission deadlines:
N/A

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

Part XV. Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a Paid during the year BRIGHAM YOUNG UNIVERSITY S221 EYRING SCI CTR PO BX 24, PROVO, UT 84402	NONE SCHLRSHIP GRANT-FOOD SCIENCE & NURT			11,300
CAL STATE-LOS ANGELES 5151 STATE COLLEGE DR LOS ANGELES, CA	NONE SCHLRSHIP GRANT-FOOD SCIENCE & NUTR			20,000
SANTA BARBARA COMM COLLEG 721 CLIFF DRIVE SANTA BARBARA, CA 93109	NONE SCHLRSHIP GRANT-FOOD SCIENCE & NUTR			12,500
GABE DOMINOCIELLO 290 VIA EL CUADRO SANTA BARBAR, CA 93111	INTERN		SCHOLARSHIP	4,500
Total				▶ 3a 48,300
b Approved for future payment N/A				
Total				▶ 3b

Federal Statements

Statement 1 - Form 990-PF, Part I, Line 6a - Sale of Assets

Desc	How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Net G/L
SALE OF PUBLICLY TRADED SECURITIES-SEE ATCHD	PURCHASE	SEE ATCHD	VARIOUS	VARIOUS	\$ 3,975	\$ 3,554	\$	\$ 421
SALE OF PUBLICLY TRADED SECURITIES-SEE ATCHD	PURCHASE	SEE ATCHD	VARIOUS	VARIOUS	121,085	104,629		16,456
SALE OF PUBLICLY TRADED SECURITIES-SEE ATCHD	PURCHASE	SEE ATCHD	VARIOUS	VARIOUS	654	616		38
SALE OF PUBLICLY TRADED SECURITIES-SEE ATCHD	PURCHASE	SEE ATCHD	VARIOUS	VARIOUS	36,565	30,509		6,056
SALE OF LAND-LA CANADA, CA	PURCHASE			7/10/03	635,000	685,774		-50,774
NEGOTIATED SETTLEMENT-SEE FOOTNOTE	PURCHASE				15,000	15,500		-500
NEGOTIATED SETTLEMENT-SEE FOOTNOTE	PURCHASE				40,000	52,200		-12,200
VERICAL SECURITES-SEE NOTE	PURCHASE	APPARENTLY WORTHLESS				17,717		-17,717
TOTAL					\$ 852,279	\$ 910,499	\$ 0	\$ -58,220

Federal Statements

Statement 2 - Form 990-PF, Part I, Line 11 - Other Income

Description	Amount
PUBLICATIONS	\$ 712
LATE FEES	250
TOTAL	\$ 962

Statement 3 - Form 990-PF, Part I, Line 16a - Legal Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
CASE, NELSON, JORDAN & WRIGHT	\$ 66,926	\$ 66,926	\$	\$
TOTAL	\$ 66,926	\$ 66,926	\$ 0	\$ 0

Statement 4 - Form 990-PF, Part I, Line 16b - Accounting Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
GREGORY D. SIADAL, CPA	\$ 4,700	\$ 3,760	\$	\$ 940
TOTAL	\$ 4,700	\$ 3,760	\$ 0	\$ 940

Form 990-PF, Part I, Line 16c - Other Professional Fees

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0

Statement 5 - Form 990-PF, Part I, Line 18 - Taxes

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
FILING FEE	\$ 45	\$	\$	\$ 45
FEDERAL EXCISE TAX	1,720	1,720		
PROPERTY TAXES	131	131		
TOTAL	\$ 1,896	\$ 1,851	\$ 0	\$ 45

Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
EXPENSES	\$	\$	\$	\$
AUTOMOBILE	1,897	949		948
BANK CHARGES	100	50		50
DUES & SUBSCRIPTIONS	87	44		43
INSURANCE-REFUND	-179	-89		-90

Federal Statements**Statement 6 - Form 990-PF, Part I, Line 23 - Other Expenses (continued)**

Description	Total	Net Investment	Adjusted Net	Charitable Purpose
INVESTMENT ADVISORY FEES	\$ 5,020	\$ 5,020	\$	\$
INTERNET	999			999
REPAIRS & MAINTENANCE	62			62
POSTAGE & EXPRESS	133			133
OFFICE	1,676			1,676
TELEPHONE	1,584	792		792
MISC.	24	24		
PENALTIES-SEE NOTE	5,110	5,110		
TOTAL	<u>\$ 16,513</u>	<u>\$ 11,900</u>	<u>\$ 0</u>	<u>\$ 4,613</u>

Federal Statements**Statement 7 - Form 990-PF, Part II, Line 10b - Corporate Stock Investments**

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
SMITH BARNEY INVESTMENT ACCOUNT	\$ 313,243	\$ 319,256	COST	\$ 344,765
VERICAL SECURITIES	17,717		COST	
TOTAL	<u>\$ 330,960</u>	<u>\$ 319,256</u>		<u>\$ 344,765</u>

Statement 8 - Form 990-PF, Part II, Line 13 - Other Investments

Description	Beginning of Year	End of Year	Basis of Valuation	Fair Market Value
JUDGEMENT AGAINST FLOWER BARN	\$ 15,500	\$ 7,000	COST	\$ 7,000
SETTLEMENT WITH NUTRADELL	52,200	40,000	COST	40,000
TOTAL	<u>\$ 67,700</u>	<u>\$ 47,000</u>		<u>\$ 47,000</u>

Statement 9 - Form 990-PF, Part II, Line 14 - Land, Building, and Equipment

Description	Beginning Net Book	End Cost/Basis	End Accum Deprec	Net Fair Mkt Value
LAND	\$ 644,394	\$	\$	\$
TOTAL	<u>\$ 644,394</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Statement 10 - Form 990-PF, Part II, Line 22 - Other Liabilities

Description	Beginning of Year	End of Year
ACCRUED MANAGERS SALARY-2 YEARS	\$	\$ 57,000
TOTAL	<u>\$ 0</u>	<u>\$ 57,000</u>

Part VII-B Question 1c - Litigation, Attorney General Investigation

Prior to the fiscal year of this tax return, the former Manager of the Foundation, Stephen Thurman, deceased May 13, 2003; and a former Member of the Board of Directors, Kirkpatrick Dilling, deceased June 19, 2003, were embroiled in several legal disputes involving financial transactions with the organization. During the fiscal year June 30, 2002, the California Attorney General began an investigation of the Foundation. The litigation and investigation continued through this fiscal year ending June 30, 2004.

The litigation was settled after the end of the fiscal year of June 30, 2004. The California Attorney General approved the settlements against the estates of both individuals. The final effects of those settlements are reported on this tax return in Part I, Line 6. Other effects have previously been reported on prior year tax returns.

For further information, please contact:

Deputy Attorney General Sonja Berndt
Department of Justice
300 South Spring Street, Suite 1703
Los Angeles, California 90013
(213) 897-2179

Armen Tamzarian, Attorney at Law
Case, Nelson, Jordan & Wright
2049 Century Park East, Suite 3350
Los Angeles, California 90067
(310) 552-2766

Gregory D. Siadal, C.P.A.
1933 Cliff Drive, Suite 25
Santa Barbara, California 93109
(805) 966-5306

Write-off of Verical Securities

This security has been carried on the books for some time. Searches by investment advisors have been unable to turn up any information on these securities. Searches of available records have also been fruitless.

Note to Statement 6 – Penalties paid by the organization

The former Manager of the Foundation, Stephen Thurman, deceased May 13, 2003, failed to file the foundation's tax returns or pay the foundation's federal excise taxes on time, resulting in penalties and interest assessed against the foundation. Stephen Thurman was the responsible party for the foundation and liable for the penalties and interest, however, the foundation was unable to recover the penalties and interest from Mr. Thurman's estate and made payment out of foundation funds. The total paid was \$5,112.21.