

Return of Organization Exempt From Income Tax

2000

Department of the Treasury
Internal Revenue Service

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

Open to Public Inspection

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

A For the 2000 calendar year, or tax year period beginning 7/01, 2000, and ending 6/30, 2001

B Check if applicable:
 Change of address
 Change of name
 Initial return
 Final return
 Amended return

C Please use IRS label or print or type. See Specific Instructions.
HAPPY VALLEY FOUNDATION
P O BOX 804
OJAI, CA 93024

D Employer identification number
95-0809370

E Telephone number

F Check if application pending

G Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 527 OR 4947(a)(1)

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

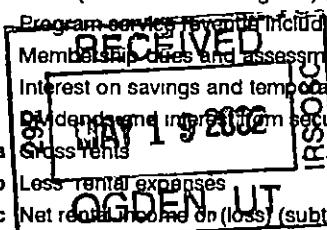
J Accounting method Cash Accrual Other (specify) ▶

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

Note: H and I are not applicable to section 527 orgs.
H(a) Is this a group return filed for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (if "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Enter 4-digit group exemption no. (GEN) ▶
L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ▶

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16)

1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	1,710,620
	b	Indirect public support	1b	
	c	Government contributions (grants)	1c	
	d	Total (add lines 1a through 1c) (cash \$ <u>209,291</u> noncash \$ <u>1,501,329</u>)	1d	1,710,620
2	Program services revenue including government fees and contracts (from Part VII, line 93)		2	2,354,803
3	Membership dues and assessments		3	
4	Interest on savings and temporary cash investments		4	33,931
5	Dividends and interest from securities		5	24,269
6a	Gross rents		6a	5,712
	b	Less: rental expenses	6b	
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	5,712
7	Other investment income (describe ▶ <u>SEE STATEMENT 1</u>)		7	1,024
8a	Gross amount from sales of assets other than inventory		(A) Securities	
			8a	33,910
			(B) Other	
b	Less: cost or other basis and sales expenses		8b	
			8c	33,910
	c	Gain or (loss) (attach schedule) <u>STATEMENT 2</u>	8c	
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	33,938
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	131,076
	b	Less: cost of goods sold	10b	128,461
	c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) <u>SEE STM 3</u>	10c	2,615
11	Other revenue (from Part VII, line 103)		11	48,518
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)		12	4,215,430
13	Program services (from line 44, column (B))		13	2,047,232
14	Management and general (from line 44, column (C))		14	547,658
15	Fundraising (from line 44, column (D))		15	164,366
16	Payments to affiliates (attach schedule)		16	
17	Total expenses (add lines 16 and 44, column (A))		17	2,759,256
18	Excess or (deficit) for the year (subtract line 17 from line 12)		18	1,456,174
19	Net assets or fund balances at beginning of year (from line 73, column (A))		19	6,365,288
20	Other changes in net assets or fund balances (attach explanation) <u>SEE STATEMENT 4</u>		20	-2,071,740
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)		21	5,749,722



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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 20.)

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 (att sch) (cash \$ _____ non cash \$ _____)	22			
23 Specific assistance to individuals (att sch)	23			
24 Benefits paid to or for members (att sch)	24			
25 Compensation of officers, directors, etc	25			
26 Other salaries and wages	26 1,067,279	800,459	160,092	106,728
27 Pension plan contributions	27			
28 Other employee benefits	28			
29 Payroll taxes	29 95,037	71,277	14,256	9,504
30 Professional fundraising fees	30			
31 Accounting fees	31			
32 Legal fees	32			
33 Supplies	33 21,591	16,193	5,398	
34 Telephone	34 31,913	23,935	7,978	
35 Postage and shipping	35 14,610	10,958	3,652	
36 Occupancy	36 20,400	19,800	600	
37 Equipment rental and maintenance	37			
38 Printing and publications	38 3,646		3,646	
39 Travel	39			
40 Conferences, conventions, and meetings	40			
41 Interest	41 33,390	30,051	3,339	
42 Depreciation, depletion, etc (attach schedule)	42 183,989	156,391	27,598	
43 Other expenses (itemize) a STATEMENT 5	43a 1,287,401	918,168	321,099	48,134
b _____	43b			
c _____	43c			
d _____	43d			
e _____	43e			
44 Total functional expenses (add lines 22 thru 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 2,759,256	2,047,232	547,658	164,366

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) 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 (See Specific Instructions on page 23.)

What is the organization's primary exempt purpose? EDUCATION	Program Service Expenses (Required for 501(c)(3) and (4) orgs and 4947(a)(1) trusts, but optional for others)
a THE FOUNDATION EDUCATES APPROXIMATELY SEVENTY-EIGHT STUDENTS FROM NINTH THROUGH TWELFTH GRADE EACH YEAR. (Grants and allocations \$ 0)	2,047,232
b _____ (Grants and allocations \$)	
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)	2,047,232

Part IV Balance Sheets (See Specific Instructions on page 23)

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		-3,627	45	41,751
	46	Savings and temporary cash investments		348,190	46	362,458
	47a	Accounts receivable	47a 41,996			
		b Less allowance for doubtful accounts	47b 12,038	16,165	47c	29,958
	48a	Pledges receivable	48a		48c	
		b Less allowance for doubtful accounts	48b			
	49	Grants receivable			49	
	50	Receivables from officers, directors, trustees, and key employees (attach sch)			50	
	51a	Other notes and loans receivable (attach schedule)	51a			
		b Less allowance for doubtful accounts	51b	45,000	51c	
	52	Inventories for sale or use		576,018	52	1,679,819
	53	Prepaid expenses and deferred charges		111,318	53	32,535
	54	Investments - securities (attach schedule) STATEMENT 6 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV		311,457	54	378,125
	55a	Investments - land, buildings, and equipment basis	55a			
		b Less accumulated depreciation (attach schedule)	55b		55c	
56	Investments - other (attach schedule)			56		
57a	Land, buildings, and equipment basis	57a 5,934,035				
	b Less accumulated depreciation (attach schedule) STMT 7	57b 2,305,349	5,777,228	57c	3,628,686	
58	Other assets (describe <u>SEE STATEMENT 8</u>)		56,148	58	326,630	
59	Total assets (add lines 45 through 58) (must equal line 74)		7,237,897	59	6,479,962	
LIABILITIES	60	Accounts payable and accrued expenses		43,551	60	86,904
	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) SEE STATEMENT 9		634,816	64b	495,799
	65	Other liabilities (describe <u>SEE STATEMENT 10</u>)		194,242	65	147,537
66	Total liabilities (add lines 60 through 65)		872,609	66	730,240	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74					
	67	Unrestricted		6,365,288	67	5,584,047
	68	Temporarily restricted			68	
	69	Permanently restricted			69	165,675
	Organizations that do not follow SFAS 117, check here <input 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			72	
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)		6,365,288	73	5,749,722	
74	Total liabilities and net assets/fund balances (add lines 66 and 73)		7,237,897	74	6,479,962	

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 (See Specific Instructions on page 28)

		N/A	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
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X	
78b	If "Yes," has it filed a tax return on Form 990-T for this year?		X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement			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?			X
b	If "Yes," enter the name of the organization <u>N/A</u> and check whether it is <input 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	0	
b	Did the organization file Form 1120-POL for this year?	81b		X
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	N/A	
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	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?	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			
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			
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 30.7701-3? If "Yes," complete Part IX	88		X
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0</u> , section 4912 <u>0</u> , section 4955 <u>0</u>			
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	89b		X
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>CALIFORNIA</u>			
b	Number of employees employed in the pay period that includes March 12, 2000 (See instructions)	90b		38
91	The books are in care of <u>HAPPY VALLEY FOUNDATION</u> Telephone no <u>805-646-4343</u> Located at <u>P O BOX 804, OJAI, CA</u> ZIP code <u>93024</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		N/A <input type="checkbox"/>

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 30)

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 SEE STATEMENT 14					2,354,803
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash investments	110000	4			33,927
96 Dividends and interest from securities					24,269
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property	110000	1,950			3,762
98 Net rental income or (loss) from personal property					
99 Other investment income					1,024
100 Gain/loss from sales of assets other than inventory					33,938
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					2,615
103 Other revenue					4,721
a MISCELLANEOUS					4,721
b CONCERT & DINNER FOR ENDO					37,746
c THEATER PROGRAMS					6,051
d					
e					
104 Subtotal (add columns (B), (D), and (E))		1,954			2,502,856
105 Total (add line 104, columns (B), (D), and (E))					2,504,810

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 31)

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)
93-103	ALL FUNDS RECEIVED BY HAPPY VALLEY FOUNDATION ARE USED TO SUPPORT THE HAPPY VALLEY SCHOOL TO FURTHER THE ACADEMIC EDUCATION OF CHILDREN.

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See Specific Instructions on page 31)

(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 31)

- (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, the information furnished is true, correct, and complete. I am a preparer of this return and I am not a partner, officer, or director of the organization.

Date: 5/15/02
 Type or print name and title: JAMES M GLOSS Chairman

SCHEDULE A
(Form 990 or 990-EZ)

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

OMB No 1545-0047

2000

Supplementary Information - (See separate instructions.)

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

Department of the Treasury
Internal Revenue Service

Name of the organization

HAPPY VALLEY FOUNDATION

Employer identification number

95-0809370

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
DENNIS RICE 8301 HIGHWAY 150, OJAI, CA	SCHOOL DIRECTOR 40	75,000	3,750	0
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 1 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	

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 the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>N/A</u> 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 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?		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? If the answer to any question is "Yes," attach a detailed statement explaining the transactions		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc.?	X	
4a	Do you have a section 403(b) annuity plan for your employees?		X
b	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 page 2 of the instructions.) SEE STATEMENT 15		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 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, page 5)
- 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 5 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) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	N/A				
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					
18 Gross income from interest, dividends, amounts received from payments on securities (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					
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 sch. Do not include gain or (loss) from sale of capital assets.					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 N/A

b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a government unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts.	26a
c Total support for section 509(a)(1) test. Enter line 24, column (e).	26c
d Add: Amounts from column (e) for lines 18 _____ 19 _____ 22 _____ 26b _____	26d
e Public support (line 26c minus line 26d total)	26e
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))	26f %

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 (which is not open to public inspection) 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: (1999) _____ (1998) _____ (1997) _____ (1996) _____

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 all these differences (the excess amounts) for each year: (1999) _____ (1998) _____ (1997) _____ (1996) _____

c Add: Amounts from column (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, column (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 1996 through 1999, 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 page 5 of the instructions.) N/A

Part V Private School Questionnaire (See page 5 of the instructions)
 (To be completed ONLY by schools that checked the box on line 6 in Part IV)

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)
SEE "PROOF OF PUBLICATION" IN THE "OJAI VALLEY STAR" MAY 12, 2000 ATTACHED.

	Yes	No
29	X	
30	X	
31	X	
32a	X	
32b	X	
32c	X	
32d	X	

32 Does the organization maintain the following

a Records indicating the racial composition of the student body, faculty, and administrative staff?

b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?

c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?

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)

33a		X
33b		X
33c		X
33d		X
33e		X
33f		X
33g		X
33h		X

33 Does the organization discriminate by race in any way with respect to

a Students' rights or privileges?

b Admissions policies?

c Employment of faculty or administrative staff?

d Scholarships or other financial assistance?

e Educational policies?

f Use of facilities?

g Athletic programs?

h Other extracurricular activities?

If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement.)

34a Does the organization receive any financial aid or assistance from a governmental agency?

b Has the organization's right to such aid ever been revoked or suspended?
 If you answered "Yes" to either 34a or b, please explain using an attached statement

34a		X
34b		X

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	X	
----	---	--

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 7 of the instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

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 -														
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">If the amount on line 40 is -</td> <td style="width: 50%;">The lobbying nontaxable amount is -</td> </tr> <tr> <td>Not over \$500,000</td> <td>20% of the amount on line 40</td> </tr> <tr> <td>Over \$500,000 but not over \$1,000,000</td> <td>\$100,000 plus 15% of the excess over \$500,000</td> </tr> <tr> <td>Over \$1,000,000 but not over \$1,500,000</td> <td>\$175,000 plus 10% of the excess over \$1,000,000</td> </tr> <tr> <td>Over \$1,500,000 but not over \$17,000,000</td> <td>\$225,000 plus 5% of the excess over \$1,500,000</td> </tr> <tr> <td>Over \$17,000,000</td> <td>\$1,000,000</td> </tr> </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		
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														
41		41													
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 9 of the instructions)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(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 page 9 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

- 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)

Yes	No	Amount

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

Schedule B
(Form 990 or 990-EZ)

Schedule of Contributors

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

Supplementary information for line 1d of Form 990 or
line 1 of Form 990-EZ (see instructions)

2000

Name of organization

HAPPY VALLEY FOUNDATION

Employer identification number

95-0809370

Organization type (check one) - Section

- 501(c)(3) ◀ (enter number), 527 or
 4947(a)(1) nonexempt charitable trust

A Section 501(c)(7), (8), or (10) organizations - Check this box if the organization had **no** charitable contributors who contributed more than \$1,000 during the year (But see **General rule** below) ▶

Enter here the total gifts received during the year for a religious, charitable, etc., purpose ▶ \$

Note: This form is generally not open to public inspection except for section 527 organizations.

KFA For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ. Schedule B (Form 990 or 990-EZ) (2000)

Name of organization HAPPY VALLEY FOUNDATION	Employer identification number 95-0809370
--	---

Part I Contributors

(a) No	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
<u>1</u>	_____ _____ _____	\$ <u>53,300</u>	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if a noncash contribution)
<u>2</u>	_____ _____ _____	\$ <u>47,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>3</u>	_____ _____ _____	\$ <u>1,448,664</u>	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if a noncash contribution)
<u>4</u>	_____ _____ _____	\$ <u>13,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>5</u>	_____ _____ _____	\$ <u>25,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>6</u>	_____ _____ _____	\$ <u>5,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)

Name of organization

Employer identification number

HAPPY VALLEY FOUNDATION

95-0809370

Part I Contributors

(a) No	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
<u>7</u>	_____	\$ <u>20,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>8</u>	_____	\$ <u>10,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>9</u>	_____	\$ <u>10,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>10</u>	_____	\$ <u>5,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
<u>11</u>	_____	\$ <u>5,000</u>	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)
_____	_____	\$ _____	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution)

Name of organization

Employer identification number

HAPPY VALLEY FOUNDATION

95-0809370

Part II Noncash Property

(a) No from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	TEA SET AND MISCELLANEOUS CERAMICS	\$ 53,300	1/24/01
3	CERAMICS, ART, FURNITURE, ETC	\$ 1,447,064	VARIOUS
---		\$	
---		\$	
---		\$	
---		\$	

Name of organization

Employer identification number

HAPPY VALLEY FOUNDATION

95-0809370

Part III. Section 501(c)(7), (8), or (10) organizations that received more than \$1,000 in charitable gifts during the year-

• Enter the total gifts that were from contributors who gave \$1,000 or less during the year for a religious, charitable, etc., purpose (see instructions)

▶ \$

(a) No from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

(a) No from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	_____ _____ _____	_____ _____ _____	_____ _____ _____

(e) Transfer of gift	
Transferee's name, address, and zip code	Relationship of transferor to transferee
_____ _____ _____	_____ _____ _____

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions

▶ Attach this form to your return

Attachment
Sequence No **67**

Name(s) shown on return

Identifying number

HAPPY VALLEY FOUNDATION

95-0809370

Business or activity to which this form relates

FORM 990/990-PF

Part I Election To Expense Certain Tangible Property (Section 179) *Note: If you have any "listed property," complete Part V before you complete Part I.*

1 Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	\$20,000
2 Total cost of section 179 property placed in service. See page 2 of the instructions	2	
3 Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter amount from line 27	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from 1999. See page 3 of the instructions	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation for Assets Placed in Service Only During Your 2000 Tax Year (Do not include listed property)

Section A - General Asset Account Election

14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions.

Section B - General Depreciation System (GDS) (See page 3 of the instructions)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions)

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part III Other Depreciation (Do not include listed property) (See page 5 of the instructions)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	
18 Property subject to section 168(f)(1) election	18	
19 ACRS and other depreciation	19	183,989

Part IV Summary (See page 6 of the instructions)

20 Listed property. Enter amount from line 26	20	
21 Total. Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	183,989
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 1
FORM 990, PART I, LINE 7
OTHER INVESTMENT INCOME

ROYALTIES	\$ 1,024
TOTAL	<u>\$ 1,024</u>

STATEMENT 2
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

PUBLICLY TRADED SECURITIES:

GROSS SALES PRICE:	45,000	
COST OR OTHER BASIS:	44,972	
GAIN (LOSS)	<u>28</u>	\$

OTHER ASSETS:

GAIN (LOSS) FROM OTHER ASSETS	<u>33,910</u>	\$
TOTAL GAIN (LOSS)	<u>33,938</u>	\$

STATEMENT 3
FORM 990, PART I, LINE 10
GROSS PROFIT (LOSS) FROM SALES OF INVENTORY

<u>ITEMS SOLD</u>	<u>AMOUNT</u>
BEATRICE WOOD CERAMICS, ART, ETC	\$ 131,076
GROSS SALES	\$ 131,076
LESS RETURNS & ALLOWANCES	\$ 0
NET SALES	\$ 131,076
LESS: COST OF GOODS SOLD	\$ 128,461
GROSS PROFIT FROM SALES OF INVENTORY	<u>\$ 2,615</u>

STATEMENT 4
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

ADJUST FOR PY DEPRECIATION PER FAS 93	\$ -2,071,740
TOTAL	<u>\$ -2,071,740</u>

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 5
FORM 990, PART II, LINE 43
OTHER EXPENSES

OTHER EXPENSES	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	\$ 60,102		55,087	5,015
BAD DEBTS	14,804		14,804	
BANK CHARGES	2,864		2,864	
BOOKS	13,872	13,872		
DUES & SUBSCRIPTIONS	7,960		7,960	
FACULTY DEVELOPMENT	4,053		4,053	
FACULTY GRANTS	4,485	4,485		
FILING FEES	10		10	
FUNDRAISING	25,929			25,929
GRADUATION EXPENSE	4,060	4,060		
GROUNDS UPKEEP	9,690		9,690	
INSTRUCTIONAL SUPPLIES	16,470	16,470		
INSURANCE, HEALTH	103,859	77,894	15,579	10,386
INSURANCE, LIABILITY	56,462	42,346	14,116	
JANITORIAL SUPPLIES	11,066		11,066	
KITCHEN	97,859	73,394	24,465	
LEGAL & ACCOUNTING	49,668	37,251	12,417	
LIBRARY	1,523	1,523		
MISCELLANEOUS	11,296		11,296	
OUTSIDE SERVICES	54,378	40,784	13,594	
PERMITS & FEES	132		132	
PROPERTY TAX	-978	-734	-244	
REPAIR & MAINTENANCE	72,028		72,028	
RETIREMENT FUND	43,945	32,959	6,592	4,394
SALES TAX	7		7	
SCHOLARSHIPS	366,675	366,675		
STUDENT ACTIVITIES	33,680	33,680		
TECHNOLOGY SUPPLIES & SERVICE	19,359		19,359	
TRANSPORTATION	15,246	11,434	3,812	
TUITION DISCOUNT	65,500	65,500		
UTILITIES	75,189	56,392	18,797	
WILDERNESS EDUCATION	13,977	13,977		
WORKERS COMPENSATION	24,100	18,075	3,615	2,410
YEARBOOK	8,131	8,131		
TOTAL	<u>\$1,287,401</u>	<u>918,168</u>	<u>321,099</u>	<u>48,134</u>

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 6
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	AMOUNT	TOTAL
SANTA BARBARA BANK & TRUST	COST	\$ 378,125	
			\$ 378,125
		TOTAL	<u>\$ 378,125</u>

STATEMENT 7
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

ASSET	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 514,333	400,554	113,779
MACHINERY AND EQUIPMENT	167,090	116,643	50,447
BUILDINGS	4,425,470	1,122,697	3,302,773
IMPROVEMENTS	687,889	664,353	23,536
LAND	108,467		108,467
MISCELLANEOUS	30,786	1,102	29,684
TOTAL	<u>\$ 5,934,035</u>	<u>2,305,349</u>	<u>3,628,686</u>

STATEMENT 8
FORM 990, PART IV, LINE 58
OTHER ASSETS

	ENDING
BESANT SCHOLARSHIP FUND	\$ 35,920
CULTURAL CENTER LADDER FUND	18,400
DEPOSITS	20
EMPLOYEE ADVANCES	1,700
LOGAN ZALK ENDOWMENT FUND	18,781
PERMANENT CERAMIC INVENTORY COLLECTION	165,675
WOODS ART BOOKS	18,500
WOODS BOOKS & VIDEOS	21,634
WOODS MANUSCRIPTS & ARCHIVAL MATERIALS	46,000
TOTAL	<u>\$ 326,630</u>

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 9
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE

<u>OTHER NOTES PAYABLE</u>	<u>BALANCE DUE</u>
LENDER'S NAME: SANTA BARBARA BANK & TRUST	
MATURITY DATE: 3/02/02	
REPAYMENT TERMS: ANNUAL INSTALLMENTS	
INTEREST RATE: 6%	
SECURITY PROVIDED: CERTIFICATE OF DEPOSIT	
ORIGINAL AMOUNT: 200,000	
BALANCE DUE:	\$ 66,569
LENDER'S NAME: BARBER FORD	
DATE OF NOTE: 11/16/99	
MATURITY DATE: 11/20/02	
REPAYMENT TERMS: MONTHLY INSTLLMNTS OF \$603.00	
INTEREST RATE: 8.65%	
SECURITY PROVIDED: 1999 FORD VAN	
ORIGINAL AMOUNT: 19,042	
BALANCE DUE:	9,615
LENDER'S NAME: SANTA BARBARA BANK & TRUST	
DATE OF NOTE: 12/10/96	
MATURITY DATE: 12/02/04	
INTEREST RATE: 6.86%	
ORIGINAL AMOUNT: 600,000	
BALANCE DUE:	334,144
LENDER'S NAME: JOHN DEERE CREDIT	
DATE OF NOTE: 5/01/98	
MATURITY DATE: 5/01/03	
REPAYMENT TERMS: MONTHLY INSTLLMNTS OF \$338.34	
INTEREST RATE: 7.9%	
SECURITY PROVIDED: TRACTOR	
ORIGINAL AMOUNT: 16,726	
BALANCE DUE:	6,908
LENDER'S NAME: OJAI VALLEY BANK	
DATE OF NOTE: 6/03/00	
MATURITY DATE: 6/03/02	
INTEREST RATE: 11.5%	
ORIGINAL AMOUNT: 160,000	
BALANCE DUE:	75,010

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 9 (CONTINUED)
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE

<u>OTHER NOTES PAYABLE</u>	<u>BALANCE DUE</u>
LENDER'S NAME: JOHN DEERE CREDIT	
DATE OF NOTE: 7/22/99	
MATURITY DATE: 7/20/02	
REPAYMENT TERMS: MONTHLY INSTLLMNTS OF \$271.02	
INTEREST RATE: 10.5%	
SECURITY PROVIDED: MOWER	
ORIGINAL AMOUNT: 8,339	
BALANCE DUE:	\$ 3,553
	<u>\$ 495,799</u>
TOTAL	<u>\$ 495,799</u>

STATEMENT 10
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

	<u>ENDING</u>
STUDENT SERVICE FUND	\$ -909
SUMMER SCHOOL DEPOSITS	30,335
TUITION DEPOSITS	118,111
TOTAL	<u>\$ 147,537</u>

STATEMENT 11
FORM 990, PART IV-A, LINE B(4)
OTHER AMOUNTS

EXPENSES NETTED AGAINST INCOME	\$ -267,716
TIMING DIFF ON RECOGNTN OF DONATED ASSTS	-1,448,664
TIMING DIFFERENCES	-31,278
TOTAL	<u>\$ -1,747,658</u>

STATEMENT 12
FORM 990, PART IV-B, LINE B(4)
OTHER AMOUNTS

EXPENSES NETTED AGAINST INCOME	\$ -267,716
TOTAL	<u>\$ -267,716</u>

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 13
 FORM 990, PART V
 LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE & AVG. HRS/WK DEVOTED	COMP.	EMPLOYEE BEN. PLN CONTRIB.	EXPENSE ACCOUNT/ OTHER
DR JAMES SLOSS 4675 VIA HUERTO SANTA BARBARA, CA 93110	CHAIRMAN 25%	\$ 0	0	0
ANN K BRAND 2589 MAGNOLIA BLVD., WEST SEATTLE, WA 98199-3631	DIRECTOR 10%	0	0	0
MRS RADHA SLOSS 4675 VIA HUERTO SANTA BARBARA, CA 93110	DIRECTOR 25%	0	0	0
MISS JOY MILLS 22 KROTONA HILL OJAI, CA 93023	DIRECTOR 10%	0	0	0
DR RAYMOND NEUTRA 956 EVELYN AVE ALBANY, CA 94706	DIRECTOR 10%	0	0	0
MR KEN TENNEN 24372 VANOWEN ST. STE 202 WEST HILLS, CA 91307-2800	PRESIDENT 10%	0	0	0
MRS PAOLA COHEN SEE ATTACHED SUPPLEMENTAL INFO	DIRECTOR 10%	0	0	0
MR. JOHN KERN 189 EAST LAKE SHORE DR CHICAGO, IL 60611	DIRECTOR 10%	0	0	0
MR AUSTIN BEE 1320 NORTH BEACH RD EASTSOUND, WA 98245	DIRECTOR 10%	0	0	0
ANNE FRIEND THACHER 15275 MARICOPA HIGHWAY OJAI, CA 93023	DIRECTOR 10%	0	0	0
ROLF ERIKSEN 268 INDRALAYA RD EASTSOUND, WA 98245	DIRECTOR 10%	0	0	0

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 13 (CONTINUED)
FORM 990, PART V
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE & AVG. HRS/WK DEVOTED	COMP.	EMPLOYEE BEN. CONTRIBUT.	EXPENSE PLN ACCOUNT/OTHER
ROBERT SLOSS 4840 SUNSET AVE LA CRESCENTA, CA 91214	DIRECTOR 10%	\$ 0	0	0
		TOTAL	\$ 0	0

STATEMENT 14
FORM 990, PART VII, LINE 93
PROGRAM SERVICE REVENUE

PROGRAM SERVICE REVENUE	(A) BUS. CODE	(B) AMOUNT	(C) EXCL. CODE	(D) AMOUNT	(E) RELATED/EXEMPT FUNCT. INCOME
ACTIVITY/BOOK RESIDUALS		\$ 0		\$ 0	\$ 87,000
APPLICATION FEES		0		0	4,995
SCHOOL DIR RESIDENCE RENT		0		0	18,000
SCHOOL TUITION		0		0	2,185,975
SUMMER SCHOOL PROGRAM		0		0	58,833
TOTAL		\$ 0		\$ 0	\$ 2,354,803

STATEMENT 15
SCHEDULE A, PART III, LINE 4B
QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS

SCHOLARSHIPS ARE AWARDED TO STUDENTS ON THE BASIS OF ACADEMIC MERIT. FINANCIAL AID AWARDS DEPEND ON THE FAMILY'S FINANCIAL CIRCUMSTANCES, SCHOOL POLICY AND THE FINANCIAL AID FUNDS AVAILABLE FOR DISTRIBUTION.

HAPPY VALLEY FOUNDATION

95-0809370

MRS. PAOLA COHEN
64 KENDAL AVE
TORONTO, M5R 1L9 ONTARIO, CANADA

Certificate of Publication

Ad No. 118298

In Matter of Publication of

Public Notice
Happy Valley School

State of California)
 ((§
County of Ventura)

I, Sharon Palmer, hereby certify that the Ventura County Star has been adjudged a newspaper of general circulation by the Superior Court of California, County of Ventura within the provisions of the Government Code of the State of California, printed and published in the City of San Buenaventura, County of Ventura, State of California; that I am the principal clerk of the printer of said paper; that the annexed clipping is a true printed copy and publishing in said newspaper on the following dates to wit:

May 12, 2000

I certify under penalty of perjury, that the foregoing is true and correct.

Dated this 12th day of May 2000, in San Buenaventura, California.

(Signature)

F	Date: 5/12/00	No. of Pages: 1
	To: D. Palmer	
A	Company: Happy Valley School	
	Fax #: 417 0877	
X	From: HAPPY VALLEY SCHOOL	
	Fax #: 805-646-4371	Phone #: 805-646-4343

PUBLIC NOTICE
 HAPPY VALLEY SCHOOL offers open admissions by application and admits students of any color, national or ethnic origin, religion, or creed. It does not discriminate on the basis of color, national or ethnic origin, religion, or creed, gender or social or economic status in the administration of its educational policies, financial aid programs, or athletic and other school administrative programs.
 Public Law 94-142, 2000 Ad No. VC020

If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II and check this box.

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1)

Part II: Additional (not automatic) 3-Month Extension of Time - Must File Original and One Copy.

Name of Exempt Organization: HAPPY VALLEY FOUNDATION
Employer Identification Number: 95-0809370
Address: P O BOX 804, OJAI, CA 93024

Check type of return to be filed (file a separate application for each return).
[X] Form 990, [] Form 990-EZ, [] Form 990-T (Section 401(a) or 408(a) trust), [] Form 1041-A, [] Form 5227, [] Form 8870

Stop: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868

If the organization does not have an office or place of business in the United States, check this box.
If this is for a group return, enter the organizations four digit Group Exemption Number (GEN).

I request an additional 3-month extension of time until 5/15, 2002.
For calendar year, or other tax year beginning 7/01, 2000 and ending 6/30, 2001.
If this tax year is for less than 12 months, check reason: [] Initial return, [] Final return, [] Change in accounting period.
State in detail why you need the extension: THE TAXPAYER HAS BEEN UNABLE TO OBTAIN THE INFORMATION NECESSARY FOR THE ACCURATE COMPLETION OF THE RETURN.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See Instructions.
8b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.
8c Balance due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) 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: Kathleen M. ... Title: CPA Date: 2/14/02

Notice to Applicant - To be Completed by the IRS

We have approved this application. Please attach this form to the organization's return.
We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's 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 filed return. Please attach this form to the organization's return.
We have not approved this application. After considering the reasons stated in Item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
Other: EXTENSION APPROVED FEB 26 2002

Director By: LINDA WEISKOPF, FIELD DIRECTOR, SUBMISSIONS PROCESSING, OESD Date

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above

Name: JACOBS & JACOBS, CPA'S
Address: 455 E THOUSAND OAKS BLVD. #101, THOUSAND OAKS, CA 91360