

Return of Private Foundation

2002

or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation
 Note The organization may be able to use a copy of this return to satisfy state reporting requirements.

For calendar year 2002, or tax year beginning 2002, and ending

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: **The George Lucas Educational Foundation**

Number and street (or P O box number if mail is not delivered to street address): **P O Box 3494**

Room/suite: _____

City or town, state, and ZIP code: **San Rafael, CA 94912**

A Employer identification number: **68-0065687**

B Telephone number (see page 10 of the instructions): **415-662-1800**

H Check type of organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16): **467,967**

J Accounting method: Cash Accrual
 Other (specify) _____

C If exemption application is pending check here

D 1 Foreign organizations check here
 2 Foreign organizations meeting the 85% test check here and attach computation

E If private foundation status was terminated under section 507(b)(1)(A), check here

F If the foundation is in a 60-month termination under section 507(b)(1)(B) check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 10 of the instructions))		(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) Stmt 1 Check <input type="checkbox"/> if the foundation is not required to attach Sch B	2,422,025			
2	Distributions from split-interest trusts				
3	Interest on savings and temporary cash investments	1,730	1,730	1,730	
4	Dividends and interest from securities				
5a	Gross rents				
b	(Net rental income or (loss)) _____)				
6a	Net gain or (loss) from sale of assets not on line 10				
b	Gross sales price for all assets on line 6a				
7	Capital gain net income (from Part IV, line 2)		0		
8	Net short-term capital gain				
9	Income modifications				
10 a	Gross sales less returns and allowances 32,193				
b	Less Cost of goods sold 54,912				
c	Gross profit or (loss) (attach schedule)	-22,719			
11	Other income (attach schedule) Stmt 1	20,368			
12	Total Add lines 1 through 11	2,421,404	1,730	1,730	
13	Compensation of officers, directors, trustees, etc	183,528			183,528
14	Other employee salaries and wages	1,059,582			1,059,582
15	Pension plans, employee benefits	247,147			247,147
16	Legal fees (attach schedule)				
17	Accounting fees (attach schedule) Stmt 2	31,000			31,000
18	Other professional fees (attach schedule) Stmt 2	113,709			80,166
19	Taxes (attach schedule) (see page 13 of the instructions) Stmt 3	72			0
20	Depreciation (attach schedule) and amortization Stmt 3	61,692			
21	Occupancy	147,438			147,438
22	Travel, conferences and meetings	68,965			45,894
23	Printing and publications	54,012			47,135
24	Other expenses (attach schedule) Stmt 5	504,118			284,784
24	Total operating and administrative expenses				
	Add lines 13 through 23	2,471,263	0	0	2,126,674
25	Contributions, gifts, grants paid				
26	Total expenses and disbursements Add lines 24 and 25	2,471,263	0	0	2,126,674
27	Subtract line 26 from line 12				
a	Excess of revenue over expenses and disbursements	-49,859			
b	Net Investment Income (if negative, enter -0-)		1,730		
c	Adjusted net income (if negative, enter -0-)			1,730	

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Operating and Administrative Expenses

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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) Book Value	(b) Book Value	(c) Fair Market Value
Assets	1	Cash - non-interest-bearing	0					
	2	Savings and temporary cash investments						
	3	Accounts receivable						
		Less allowance for doubtful accounts				0		
	4	Pledges receivable						
		Less allowance for doubtful accounts	84,825	14,490	14,490			
	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 (attach schedule)						
		Less allowance for doubtful accounts				0		
	8	Inventories for sale or use	90,772	113,210	113,210			
	9	Prepaid expenses and deferred charges	14,612	33,642	33,642			
	10 a	Investments - U.S. and state government obligations (attach schedule)						
	b	Investments - corporate stock (attach schedule)						
	c	Investments - corporate bonds (attach schedule)						
	11	Investments - land, buildings, and equipment basis						
	Less accumulated depreciation (attach schedule)				0			
12	Investments - mortgage loans							
13	Investments - other (attach schedule) Stmt 6	94,999	152,420	152,420				
14	Land, buildings, and equipment basis							
	Less accumulated depreciation (attach schedule) Stmt 4	179,404	154,205	154,205				
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)	464,612	467,967	467,967				
Liabilities	17	Accounts payable and accrued expenses	147,699	121,383				
	18	Grants payable						
	19	Deferred revenue						
	20	Loans from officers, directors, trustees, and other disqualified persons						
	21	Mortgages and other notes payable (attach schedule)						
	22	Other liabilities (describe Cash overdraft)	417	79,947				
	23	Total liabilities (add lines 17 through 22)	148,116	201,330				
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31							
	24	Unrestricted	253,996	114,883				
	25	Temporarily restricted	62,500	151,754				
	26	Permanently restricted						
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31 <input type="checkbox"/>							
	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 16 of the instructions)	316,496	266,637					
31	Total liabilities and net assets/fund balances (see page 16 of the instructions)	464,612	467,967					

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	316,496
2	Enter amount from Part I, line 27a	2	-49,859
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	266,637
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	266,637

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						
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						0
b						0
c						0
d						0
e						0
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69						(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(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				
a		0				
b		0				
c		0				
d		0				
e		0				
2 Capital gain net income or (net capital loss)	{ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2			
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8 column (c) (see pages 12 and 17 of the instructions) If (loss), enter -0- in Part I, line 8	}		3			

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

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))
2001	1,952,951	116,361	17
2000	2,353,620	97,561	24
1999	1,272,401	166,367	8
1998	889,300	125,051	7
1997	608,091	78,934	8
2 Total of line 1, column (d)			64
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			13
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5			133,744
5 Multiply line 4 by line 3			1,738,676
6 Enter 1% of net investment income (1% of Part I, line 27b)			17
7 Add lines 5 and 6			1,738,693
8 Enter qualifying distributions from Part XII, line 4			2,126,674

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	35
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	
3	Add lines 1 and 2	3	35
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	
5	Tax based on investment income Subtract line 4 from line 3 If zero or less enter -0-	5	35
6	Credits/Payments		
a	2002 estimated tax payments and 2001 overpayment credited to 2002	6a	
b	Exempt foreign organizations - tax withheld at source	6b	
c	Tax paid with application for extension of time to file (Form 8868)	6c	35
d	Backup withholding erroneously withheld	6d	
7	Total credits and payments Add lines 6a through 6d	7	35
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	0
10	Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	0
11	Enter the amount of line 10 to be Credited to 2003 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	11	0

Part VII-A Statements Regarding Activities

	Yes	No
1a		X
1b		X
1c		X
2		X
3		X
4a		X
4b		
5		X
6	X	
7	X	
8b	X	
9	X	
10	X	
11	X	

1 a During the tax year, did the organization attempt to influence any national state or local legislation or did it participate or intervene in any political campaign?
 b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see page 18 of the instructions for definition)?
If the answer is "Yes" to 1a or 1b attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities
 c Did the organization file Form 1120-POL for this year?
 d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year
 (1) On the organization ▶ \$ _____ (2) On organization managers ▶ \$ _____
 e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers ▶ \$ _____
 2 Has the organization engaged in any activities that have not previously been reported to the IRS?
If "Yes" attach a detailed description of the activities
 3 Has the organization made any changes not previously reported to the IRS, in its governing instrument articles of incorporation, or bylaws or other similar instruments? *If "Yes," attach a conformed copy of the changes*
 4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?
 b If "Yes," has it filed a tax return on Form 990-T for this year?
 5 Was there a liquidation termination dissolution, or substantial contraction during the year?
If "Yes" attach the statement required by General Instruction T
 6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either
 • By language in the governing instrument or
 • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?
 7 Did the organization have at least \$5 000 in assets at any time during the year? *If "Yes," complete Part II col (c) and Part XV*
 8 a Enter the states to which the foundation reports or with which it is registered (see page 19 of the instructions) ▶ CALIFORNIA
 b If the answer is "Yes" to line 7, has the organization furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation*
 9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV on page 25)? *If "Yes," complete Part XIV*
 10 Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses*
 11 Did the organization comply with the public inspection requirements for its annual returns and exemption application?
 Web site address ▶ _____
 12 The books are in care of ▶ Therese Marrett, Lucasfilm Ltd Telephone no ▶ 415-662-1800
 Located at ▶ P O Box 10228, San Rafael, CA ZIP+4 ▶ 94912-0228
 13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 PF in lieu of Form 1041 - Check here
 and enter the amount of tax-exempt interest received or accrued during the year ▶ 13 N/A

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

		Yes	No
File Form 4720 if any item is checked in the "Yes" column, unless an exception applies			
1 a	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 checked="" type="checkbox"/> Yes	<input 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		<input type="checkbox"/>
		1b	X
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 2002?		<input type="checkbox"/>
		1c	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 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? If "Yes," list the years	<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.)		
		2b	
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here		
3 a	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 2002 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 2002.)		
		3b	
4 a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		<input type="checkbox"/>
		4a	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 2002?		<input type="checkbox"/>
		4b	X
5 a	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		<input type="checkbox"/>
		5b	
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)	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6 a	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		
		6b	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) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 8				

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
SEE STATEMENT 9				

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
NONE		

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

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 SEE STATEMENT 10	
	1,191,965
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 ----- -----	
2 ----- -----	
All other program-related investments See page 21 of the instructions	
3 ----- -----	
Total Add lines 1 through 3	0

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	107,434
b Average of monthly cash balances	1b	28,347
c Fair market value of all other assets (see page 22 of the instructions)	1c	
d Total (add lines 1a, b, and c)	1d	135,781
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	135,781
4 Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see page 22 of the instructions)	4	2,037
5 Net value of noncharitable-use assets Subtract line 4 from line 3 Enter here and on Part V, line 4	5	133,744
6 Minimum investment return Enter 5% of line 5	6	6,687

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	0
2 a Tax on investment income for 2002 from Part VI, line 5	2a	0
b Income tax for 2002 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	0
3 Distributable amount before adjustments Subtract line 2c from line 1	3	0
4 a 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	0
5 Add lines 3 and 4c	5	0
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	0

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	2,126,674
b Program-related investments - Total from Part IX-B	1b	0
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	2,126,674
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	
6 Adjusted qualifying distributions Subtract line 5 from line 4	6	2,126,674

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 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				0
2 Undistributed income if any as of the end of 2001				
a Enter amount for 2001 only				
b Total for prior years				
3 Excess distributions carryover, if any, to 2002				
a From 1997				
b From 1998				
c From 1999				
d From 2000				
e From 2001				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2002 from Part XII line 4 ▶ \$ <u>2,126,674</u>				
a Applied to 2001, 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 2002 distributable amount				
e Remaining amount distributed out of corpus				
5 Excess distributions carryover applied to 2002 (If an amount appears in column (d) the same amount must be shown in column (a))	0			
6 Enter the net total of each column as indicated below				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
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		0		
e Undistributed income for 2001 Subtract line 4a from line 2a Taxable amount - see page 24 of the instructions			0	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 24 of the instructions)				
8 Excess distributions carryover from 1997 not applied on line 5 or line 7 (see page 25 of the instructions)				
9 Excess distributions carryover to 2003 Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 1998				
b Excess from 1999				
c Excess from 2000				
d Excess from 2001				
e Excess from 2002				

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

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation and the ruling is effective for 2002 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		Prior 3 years		(e) Total
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed	1,730	3,111	3,613	6,649	15,103
b 85% of line 2a	1,471	2,644	3,071	5,652	12,838
c Qualifying distributions from Part XII line 4 for each year listed	2,126,674	1,952,951	2,353,620	1,272,401	7,705,646
d Amounts included in line 2c not used directly for active conduct of exempt activities					0
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c	2,126,674	1,952,951	2,353,620	1,272,401	7,705,646
3 Complete 3a b or c for the alternative test relied upon					
a Assets alternative test enter					
(1) Value of all assets					0
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					0
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed	6,687	3,879	3,252	5,545	19,363
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)					0
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					0
(3) Largest amount of support from an exempt organization					0
(4) Gross investment income					0

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))

NONE

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

NONE

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc , Programs

Check here if the organization only makes contributions to preselected charitable 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 <i>Paid during the year</i> N/A				
Total			▶ 3a	0
b <i>Approved for future payment</i> N/A				
Total			▶ 3b	0

Application for Extension of Time To File an Exempt Organization Return

OMB No 1545 1709

▶ File a separate application for each return

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box
 - If you are filing for an Additional (not automatic) 3-Month Extension, complete only Part II (on page 2 of this form)
- Note** Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)
 Note Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only
 All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print	Name of Exempt Organization <u>The George Lucas Educational Foundation</u>	Employer identification number <u>68-0065687</u>
File by the due date for filing your return See instructions	Number street, and room or suite no. If a P O box see instructions <u>P O Box 3494</u>	
	City town or post office state and ZIP code For a foreign address see instructions <u>San Rafael, CA 94912</u>	

Check type of return to be filed (file a separate application for each return)

<input type="checkbox"/> Form 990	<input type="checkbox"/> Form 990-T (corporation)	<input type="checkbox"/> Form 4720
<input type="checkbox"/> Form 990-BL	<input type="checkbox"/> Form 990-T(sec 401(a) or 408(a) trust)	<input type="checkbox"/> Form 5227
<input type="checkbox"/> Form 990-EZ	<input type="checkbox"/> Form 990-T (trust other than above)	<input type="checkbox"/> Form 6069
<input checked="" type="checkbox"/> Form 990-PF	<input type="checkbox"/> Form 1041-A	<input type="checkbox"/> Form 8870

- 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 organization's four digit Group Exemption Number (GEN) _____ If this is for the whole group, check this box If it is for part of the group, check this box and attach a list with the names and EINs of all members the extension will cover

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until August 15, 2003, to file the exempt organization return for the organization named above. The extension is for the organization's return for
 ▶ calendar year 2002 or
 ▶ tax year beginning _____, and ending _____

2 If this tax year is for less than 12 months, check reason Initial return Final return Change in accounting period

3a 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 \$ 35

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ 0

c Balance Due Subtract line 3b from line 3a Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFPS (Electronic Federal Tax Payment System) See instructions \$ 35

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 ▶ Theresa E. Marrett Title ▶ Tax Director Date ▶ 5-6-03

For Paperwork Reduction Act Notice, see Instruction

Form 8868 (12 2000)

The George Lucas Educational Foundation
December 31, 2002
E.I.N. 68-0065687

	<u>Amount</u>
Statement 1 - Part 1, line 1 (See below for donor's \$5,000 or more)	
Contributions, gifts, etc	
Gifts from Public - Cash	\$ 61,692 50
Gifts from Public - Service	\$ 37,500 00
Gifts from Lucasfilm Ltd & Subsidiaries	<u>2,322,832 00</u>
Total Contributions, gifts, etc	<u>\$ 2,422,024 50</u>
Donations Received \$5,000 or more	
Lucasfilm Ltd	\$ 2,322,832 00
Tiffany	50,000 00
InStyle	37,500 00
Proctor and Gamble	5,000 00
Total	<u>\$ 2,415,332 00</u>
Statement 1 - Part 1, line 11	
Honorarium	\$ 13,839 23
Sale of Jossie Bass Book	6,438 86
Misc Revenue	90 00
Other Income	<u>\$ 20,368 09</u>

The George Lucas Educational Foundation
December 31, 2002
E.I.N. 68-0065687

Statement 2 - Part I, line 16b
Accounting Fees

Amount

\$ 31,000

Total Accounting Fees

\$ 31,000

Statement 2 - Part I, line 16c
Other Professional Fees

Amount

\$ 113,709

Total Other Professional Fees

\$ 113,709

The George Lucas Educational Foundation
December 31, 2002
E.I.N. 68-0065687

Statement 3 - Part I, line 18

Taxes

Amount

2001 Federal Tax Paid - Form 990-PF

\$ 62

2001 California Tax Paid - Form 199

\$ 10

Total Taxes Paid

\$ 72

The George Lucas Educational Foundation
 December 31, 2002
 EIN 68-0065687

Statement 4 - Part I, line 19
 Depreciation

Description	Cost	Method	Life	Current Year Depreciation	Accumulated Depreciation	Net
Machinery & Equipment	\$ 8,225.00	SL	5 Yr	\$ -	6,225.00	
Machinery & Equipment	97,950.00	SL	5 Yr	18,309.00	46,683.00	51,267.00
Machinery & Equipment Donated	31,920.00	SL	5 Yr	-	31,920.00	-
Computer Equipment	268,153.00	SL	5 Yr	28,208.00	186,903.00	81,250.00
Computer Equipment - Donated	31,133.00	SL	5 Yr	6,227.00	19,719.00	11,414.00
Software	4,195.00	SL	5 Yr	217.00	3,381.00	814.00
Software Donated	3,600.00	SL	5 Yr	-	3,600.00	
Automotive Equipment	43,658.00	SL	5 Yr	8,731.00	34,199.00	9,459.00
Total	\$ 486,834.00			\$ 61,892.00	332,630.00	154,204.00

The George Lucas Educational Foundation
December 31, 2002
E.I.N. 68-0065687

Statement 5 - Page 1 line 23 Other Expenses	Col. (a) Amount	Col. (d) Amount
Operating Supplies	5,618	\$ 1,679
EDP Equipment	6,807	-
Reference Materials	1,596	1,442
Other Misc	20,815	2,261
Film Processing	198	117
Temporary Help	497	497
Employee Recruiting	375	-
Advertising	130,111	120,429
Promotions	29,621	26,407
Transfers, Video	435	435
Outside Services, Other	53,104	37,991
Repair & Maint - Machinery & Equipment	472	-
Repair & maint - Agreements	1,048	-
Lease Expense - Machinery & Equipment	105,589	-
Telephone & Fax	8,237	5,078
Utilities	3,517	-
Insurance	21,485	-
Dues	5,251	2,037
Freight & Delivery	12,223	9,392
Postage	34,507	30,559
Auto Operating Costs	3,743	
Beta SP S	2,108	2,108
VHS Stock	733	733
Digital B	839	839
Video Eng	14,100	14,100
Sound Rec	3,579	3,579
Camera PA	17,265	17,265
Sound & W	300	300
EP Service	257	257
Editor	1,173	1,173
Narrator	1,150	1,050
Donations	600	-
Employee Education	4,160	3,970
Other Fringe Benefits	5,432	50
Bad Debt	50	50
Bank Charges	7,125	989
Total Other Expenses	\$ 504,118	\$ 284,784

The George Lucas Educational Foundation
December 31, 2002
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Statement 6 - Part II, line 13
Investments

	<u>Beginning of Year</u>	<u>Ending of Year</u>
The Vanguard Group	\$ 94,999	\$ 152,420
Total Investments	<u>\$ 94,999</u>	<u>\$ 152,420</u>

The George Lucas Educational Foundation
December 31, 2002
E.I.N. 68-0065687

Statement 7 - Part VII-A
Question 10

List of Substantial Contributors

Lucasfilm Ltd
P O Box 2009
San Rafael, Ca 94912

The George Lucas Educational Foundation
December 31, 2002
EIN 68-0065687

Statement 8 - Part VIII #1
 List of Officers, Directors, Trustees, Foundation Managers

(a) Name & Address	(b) Title & average hours per week devoted to position	(c) Compensation	(d) Contributions to Employee Benefit Plans	(e) Expense account & other Allowances
George W Lucas, Jr c/o Lucasfilm Ltd P O Box 2009 San Rafael, CA 94912	Chairman	\$0	\$0	\$0
Stephen D Arnold c/o The George Lucas Educational Foundation P O Box 3494 San Rafael, CA 94912	Vice-Chair/CFO	\$0	\$0	\$0
Milton Chen c/o The George Lucas Educational Foundation P O Box 3494 San Rafael, CA 94912	Executive Director/Secretary	\$164,593	\$7,635	\$18,935
Marshall Turner c/o The George Lucas Educational Foundation P O Box 3494 San Rafael, CA 94912	Director	\$0	\$0	\$0
Osamu Yamada c/o The George Lucas Educational Foundation P O Box 3494 San Rafael, CA 94912	Director	\$0	\$0	\$0
Kim Meredith c/o The George Lucas Educational Foundation P O Box 3494 San Rafael, CA 94912	Director	\$0	\$0	\$0
Kate Nyegaard c/o The George Lucas Educational Foundation P O Box 3494 San Rafael, CA 94912	Director	\$0	\$0	\$0

**The George Lucas Educational Foundation
 December 31, 2002
 E.I.N. 68-0065687**

**Statement 9 - Part VIII #2
 Compensation of five highest-paid employees**

	<u>Title and average hours per week devoted to position</u>	<u>Compensation</u>	<u>Contributions to employee benefit plans and deferred compensation</u>	<u>Expense account, other allowances</u>
Sara Armstrong	Director of Content 40 hours	95,339 00	4,400 00	0 00
Kenneth Ellis	Senior Video Producer 40 hours	99,227 00	6,430 00	0 00
Geoffrey Butterfield	Director of I T 40 hours	78,561 00	5,251 00	0 00
Mark Sargent	Director of Communication 40 hours	80,231 00	2,547 00	0 00
Diane Curtis	Content Prod/Editor 40 hours	68,979 00	4,367 00	0 00

The George Lucas Educational Foundation
December 31, 2002
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Statement 10 - Part IX-A

Summary of Direct Charitable Activities

Expenses

The foundation communicates the various programs, documentaries and research to the public, schools and teachers by outreach programs, meetings and advertising

\$ 591,702 00

The foundation prepares documentaries that are on various topics in education reform
The foundation's main focus in the documentaries is on programs going on in classrooms, schools, or districts and professional development for teachers. The documentaries are available through the foundation's website, CD's and DVD's

\$ 201,400 00

The foundation publishes *Edutpor*, a semi-annual newsletter, distributed free of charge, that showcases effective programs, disseminates research findings, and provides pointers to useful resources

\$ 305,383 00

The foundation is operating an internet site that provides access to foundation documents and provides a link to resources identified by the foundation's research

\$ 93,480 00

TOTAL

\$ 1,191,965 00