

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

2003

Department of the Treasury
Internal Revenue Service

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

For calendar year 2003, or tax year beginning , 2003, 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.	THOMAS & KATHARINE STONER FOUNDATION 410 SEVERN AVENUE #309 ANNAPOLIS, MD 21403	A Employer identification number 42-1263576 B Telephone number (see instructions) 410-263-1030 C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
H Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		
I Fair market value of all assets at end of year (from Part II, column c, line 16) \$ 11,544,490.		J Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column d must be on cash basis)

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 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 (att sch) Ck <input checked="" type="checkbox"/> if the found is not req to att Sch B				
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	136,989.	136,989.	136,989.	
4 Dividends and interest from securities	72,284.	72,284.	72,284.	
5a Gross rents	17,724.	17,724.	17,724.	
b (Net rental income or (loss) 17,724.)				
6a Net gain/(loss) from sale of assets not on line 10	-768,830.	STATEMENT 1		
b Gross sales prices for all assets on line 6a 4,355,210.				
7 Capital gain net income (from Part IV, line 2)		0.		
8 Net short-term capital gain			0.	
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit/(loss) (att sch)				
11 Other income (attach schedule) SEE STATEMENT 2	-14,448.			
12 Total. Add lines 1 through 11	-556,281.	226,997.	226,997.	
13 Compensation of officers, directors, trustees, etc	49,654.			4,965.
14 Other employee salaries and wages	27,193.			
15 Pension plans, employee benefits	2,320.			149.
16a Leases (attach schedule) SEE ST 3	7,527.			
b Accounting fees (attach sch) SEE ST 4	30,708.	26,118.		
c Other professional fees (attach sch) SEE ST 5	32,043.	25,721.		928.
17 Interest				
18 Taxes (attach schedule) SEE STMT 6	6,071.			
19 Depreciation (attach schedule) and depletion	6,733.			
20 Occupancy	22,009.			
21 Travel, conferences, and meetings	5,677.			
22 Printing and publications				
23 Other expenses (attach schedule) SEE STATEMENT 7	19,326.			796.
24 Total operating and administrative expenses. Add lines 13 through 23	209,261.	51,839.		6,838.
25 Contributions, gifts, grants paid PART XV	544,423.			544,423.
26 Total expenses and disbursements. Add lines 24 and 25	753,684.	51,839.	0.	551,261.
27 Subtract line 26 from line 12:				
a Excess of revenue over expenses and disbursements	-1,309,965.			
b Net investment income (if negative, enter -0-)		175,158.		
c Adjusted net income (if negative, enter -0-)			226,997.	

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ADMINISTRATIVE AND 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 s s e t s	1 Cash – non-interest-bearing	23,233.	11,542.	11,542.	
	2 Savings and temporary cash investments	1,513,170.	231,439.	231,439.	
	3 Accounts receivable				
	Less: allowance for doubtful accounts	999.			
	4 Pledges receivable				
	Less: allowance for doubtful accounts				
	5 Grants receivable				
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7 Other notes and loans receivable (attach sch)				
	Less: allowance for doubtful accounts				
	8 Inventories for sale or use	2,296.	30,970.	30,970.	
	9 Prepaid expenses and deferred charges	13,198.	5,347.	5,347.	
	10a Investments – U.S. and state government obligations (attach schedule) STATEMENT 8	1,341,370.	1,199,624.	1,227,447.	
	b Investments – corporate stock (attach schedule) STATEMENT 9	1,623,364.	1,022,510.	583,750.	
	c Investments – corporate bonds (attach schedule) STATEMENT 10	959,870.	740,727.	774,396.	
	11 Investments – land, buildings, and equipment: basis				
Less: accumulated depreciation (attach schedule)					
12 Investments – mortgage loans					
13 Investments – other (attach schedule) STATEMENT 11	6,632,430.	7,555,624.	8,660,202.		
14 Land, buildings, and equipment: basis	47,299.				
Less: accumulated depreciation (attach schedule) SEE STMT 12	27,902.	19,397.	19,397.		
15 Other assets (describe)					
16 Total assets (to be completed by all filers – see instructions. Also, see page 1, item I)	12,129,849.	10,817,180.	11,544,490.		
L i a b i l i t i e s	17 Accounts payable and accrued expenses	2,704.			
	18 Grants payable				
	19 Deferred revenue				
	20 Loans from officers, directors, trustees, & other disqualified persons				
	21 Mortgages and other notes payable (attach schedule)				
	22 Other liabilities (describe)				
	23 Total liabilities (add lines 17 through 22)	2,704.	0.		
N e t A s s e t B a l a n c e s	Organizations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31. <input checked="" type="checkbox"/>				
	24 Unrestricted	12,127,145.	10,817,180.		
	25 Temporarily restricted				
	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, building, and equipment fund				
	29 Retained earnings, accumulated income, endowment, or other funds				
	30 Total net assets or fund balances (see instructions)	12,127,145.	10,817,180.		
	31 Total liabilities and net assets/fund balances (see instructions)	12,129,849.	10,817,180.		

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	12,127,145.
2 Enter amount from Part I, line 27a	2	-1,309,965.
3 Other increases not included in line 2 (itemize)	3	
4 Add lines 1, 2, and 3	4	10,817,180.
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	10,817,180.

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 shares MLC Company)	(b) How acquired P — Purchase D — Donation	(c) Date acquired (month, day, year)	(d) Date sold (month, day, year)
1a SEE ATTACHED BROWN INV ADVISORY SUMMARY	P	VARIOUS	VARIOUS
b SEE ATTACHED BROWN INV ADVISORY SUMMARY	P	VARIOUS	VARIOUS
c SEE ATTACHED BROWN INV ADVISORY SUMMARY	P	VARIOUS	VARIOUS
d SEE ATTACHED BROWN INV ADVISORY SUMMARY	P	VARIOUS	VARIOUS
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 1,143,657.		1,156,540.	-12,883.
b 792,961.		785,137.	7,824.
c 1,234,407.		1,372,361.	-137,954.
d 1,184,185.		1,810,002.	-625,817.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	
a			-12,883.
b			7,824.
c			-137,954.
d			-625,817.
e			

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	-768,830.
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 instructions) If (loss), enter -0- in Part I, line 8		3	-5,059.

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 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 (column (b) divided by column (c))
2002	645,182.	10,409,644.	0.061979
2001	692,852.	13,215,094.	0.052429
2000	658,061.	14,817,563.	0.044411
1999	407,340.	12,905,950.	0.031562
1998	174,357.	9,063,026.	0.019238

2 Total of line 1, column (d)	2	0.209619
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.041924
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5	4	10,602,542.
5 Multiply line 4 by line 3	5	444,501.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	1,752.
7 Add lines 5 and 6	7	446,253.
8 Enter qualifying distributions from Part XII, line 4	8	551,261.

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

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 – see instructions)

1 a 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 checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	1,752.
c All other domestic organizations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		2	0.
3 Add lines 1 and 2		3	1,752.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3 If zero or less, enter -0-		5	1,752.
6 Credits/Payments			
a 2003 estimated tax prmts and 2002 overpayment credited to 2003	6a	7,099.	
b Exempt foreign organizations – tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments Add lines 6a through 6d	7	7,099.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	5,347.	
11 Enter the amount on line 10 to be: Credited to 2004 estimated tax <input type="checkbox"/> 5,347. Refunded <input type="checkbox"/>	11		

Part VII-A Statements Regarding Activities

	Yes	No
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?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>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.</i>		X
c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year (1) On the organization <input type="checkbox"/> \$ 0. (2) On organization managers <input type="checkbox"/> \$ 0.		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers <input type="checkbox"/> \$ 0.		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
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? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
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?	X	
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input type="checkbox"/> _____ <u>MARYLAND, IOWA</u>		
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? <i>If 'No,' attach explanation</i>	X	
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 2003 or the taxable year beginning in 2003 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address <input type="checkbox"/> N/A	X	
12 The books are in care of <input type="checkbox"/> BROWN INVESTMENT ADVISORY & TR Telephone no <input type="checkbox"/> 410-537-5400 Located at <input type="checkbox"/> 901 SO BOND ST. SUITE 400 BALTIMORE, MD ZIP + 4 <input type="checkbox"/> 21231-3340		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 – Check here <input type="checkbox"/> N/A and enter the amount of tax-exempt interest received or accrued during the year <input type="checkbox"/> N/A		

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

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

		Yes	No
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (Exception. Check 'No' if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	1 b	N/A
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2003?	1 c	X
2	Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)):		
a	At the end of tax year 2003, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2003? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <input type="checkbox"/> 20__ , 20__ , 20__ , 19__		
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 instructions)	2 b	N/A
c	If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here <input type="checkbox"/> 20__ , 20__ , 20__ , 19__		
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 2003 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2003)	3 b	N/A
4 a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?	4 a	X
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2003?	4 b	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 instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/>	5 b	N/A
c	If the answer is 'Yes' to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'Yes,' attach the statement required by Regulations section 53.4945-5(d) N/A		
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? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6 b	X
	If you answered 'Yes' to 6b, also file Form 8870		

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 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 13		49,654.	1,490.	0.

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

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

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

3 Five highest-paid independent contractors for professional services — (see 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 N/A	
2	
3	
4	

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

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions	
3	
Total. Add lines 1 through 3	0.

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see 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	9,868,559.
b Average of monthly cash balances	1b	868,918.
c Fair market value of all other assets (see instructions)	1c	26,525.
d Total (add lines 1a, b and c)	1d	10,764,002.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	10,764,002.
4 Cash deemed held for charitable activities Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	161,460.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	10,602,542.
6 Minimum investment return. Enter 5% of line 5	6	530,127.

Part XI Distributable Amount (see 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	530,127.
2a Tax on investment income for 2003 from Part VI, line 5	2a	1,752.
b Income tax for 2003 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	1,752.
3 Distributable amount before adjustments Subtract line 2c from line 1	3	528,375.
4a Recoveries of amounts treated as qualifying distributions	4a	
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	
5 Add lines 3 and 4c	5	528,375.
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7	528,375.

Part XII Qualifying Distributions (see 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	551,261.
b Program-related investments — Total from Part IX-B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc, purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	551,261.
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 instructions)	5	1,752.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	549,509.

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 instructions)

	(a) Corpus	(b) Years prior to 2002	(c) 2002	(d) 2003
1 Distributable amount for 2003 from Part XI, line 7				528,375.
2 Undistributed income, if any, as of the end of 2002				
a Enter amount for 2002 only			500,882.	
b Total for prior years: 20__, 20__, 19__		0.		
3 Excess distributions carryover, if any, to 2003				
a From 1998				
b From 1999				
c From 2000				
d From 2001				
e From 2002				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2003 from Part XII, line 4 ▶ \$ 551,261.				
a Applied to 2002, but not more than line 2a			500,882.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2003 distributable amount				50,379.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			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		0.		
d Subtract line 6c from line 6b Taxable amount – see instructions		0.		
e Undistributed income for 2002. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2003. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2004				477,996.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 1998 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2004. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9				
a Excess from 1999				
b Excess from 2000				
c Excess from 2001				
d Excess from 2002				
e Excess from 2003				

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

N/A

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 2003, enter the date of the ruling

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

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

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

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

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 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

SEE STATEMENT 14

b The form in which applications should be submitted and information and materials they should include
ABAG COMMON GRANT APPLICATION FORM

c Any submission deadlines

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

Part XV Supplementary Information (continued)

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

Recipient	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
Name and address (home or business)				
<p><i>a Paid during the year</i> SEE STATEMENT 15</p>				
Total				▶ 3a 544,423.
<p><i>b Approved for future payment</i></p>				
Total				▶ 3b

Underpayment of Estimated Tax by Corporations

2003

Department of the Treasury
Internal Revenue Service

▶ See separate instructions.
▶ Attach to the corporation's tax return.

Name **THOMAS & KATHARINE STONER FOUNDATION** Employer identification number **42-1263576**

Note: In most cases, the corporation **does not** need to file Form 2220. (See Part I below for exceptions.) The IRS will figure any penalty owed and bill the corporation. If the corporation does not need to file Form 2220, it may still use it to figure the penalty. Enter the amount from line 36 on the estimated tax penalty line of the corporation's income tax return, but **do not** attach Form 2220.

Part I Reasons for Filing — Check the boxes below that apply. If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty. If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty.

- 1 The corporation is using the adjusted seasonal installment method
- 2 The corporation is using the annualized income installment method
- 3 The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax

Part II Figuring the Underpayment

4 Total tax (see instructions)	4	1,752.
5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	5 a	
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	5 b	
c Credit for Federal tax paid on fuels (see instructions)	5 c	
d Total. Add lines 5a through 5c	5 d	
6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty.	6	1,752.
7 Enter the tax shown on the corporation's 2002 income tax return (see instructions). Caution: If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8.	7	2,463.
8 Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6.	8	1,752.

	(a)	(b)	(c)	(d)	(e)
9 Installment due dates. Enter in columns (a) through (e) the 15th day of the 4th (Form 990 — PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year. Exception. If one of your installment due dates is September 15, 2003, or September 15, 2004, see the instructions.	5/15/03	6/15/03	9/15/03	10/01/03	12/15/03
10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 38. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column.	438.	438.	328.	110.	438.
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15.	7,099.				
Complete lines 12 through 18 of one column before going to the next column.					
12 Enter amount, if any, from line 18 of the preceding column.		6,661.	6,223.	5,895.	5,785.
13 Add lines 11 and 12.		6,661.	6,223.	5,895.	5,785.
14 Add amounts on lines 16 and 17 of the preceding column.					
15 Subtract line 14 from line 13. If zero or less, enter -0-	7,099.	6,661.	6,223.	5,895.	5,785.
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		0.	0.	0.	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18.					
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column.	6,661.	6,223.	5,895.	5,785.	

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)	(e)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) <i>(Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)</i>					
20 Number of days from due date of installment on line 9 to the date shown on line 19					
21 Number of days on line 20 after 4/15/2003 and before 10/1/2003					
22 Underpayment on line 17 $\times \frac{\text{Number of days on line 21}}{365} \times 5\%$					
23 Number of days on line 20 after 9/30/2003 and before 1/1/2004					
24 Underpayment on line 17 $\times \frac{\text{Number of days on line 23}}{365} \times 4\%$					
25 Number of days on line 20 after 12/31/2003 and before 4/1/2004					
26 Underpayment on line 17 $\times \frac{\text{Number of days on line 25}}{366} \times 4\%$					
27 Number of days on line 20 after 3/31/2004 and before 7/1/2004					
28 Underpayment on line 17 $\times \frac{\text{Number of days on line 27}}{366} \times \text{ } \%$					
29 Number of days on line 20 after 6/30/2004 and before 10/1/2004					
30 Underpayment on line 17 $\times \frac{\text{Number of days on line 29}}{366} \times \text{ } \%$					
31 Number of days on line 20 after 9/30/2004 and before 1/1/2005					
32 Underpayment on line 17 $\times \frac{\text{Number of days on line 31}}{366} \times \text{ } \%$					
33 Number of days on line 20 after 12/31/2004 and before 2/16/2005					
34 Underpayment on line 17 $\times \frac{\text{Number of days on line 33}}{365} \times \text{ } \%$					
35 Add lines 22, 24, 26, 28, 30, 32, and 34					
36 Penalty. Add columns (a) through (e) of line 35. Enter the total here and on Form 1120, line 33, Form 1120-A, line 29; or the comparable line for other income tax returns				36	0.

***For underpayments paid after March 31, 2004:** For lines 28, 30, 32, and 34, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.

CLIENT 35

THOMAS & KATHARINE STONER FOUNDATION

42-1263576

6/04/04

04 42PM

STATEMENT 1
FORM 990-PF, PART I, LINE 6
NET GAIN (LOSS) FROM NONINVENTORY SALES

DESCRIPTION:	SEE ATTACHED BROWN INV ADVISORY SUMMARY		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:	1,143,657.		
COST OR OTHER BASIS:	1,156,540.		
		GAIN (LOSS)	-12,883.

DESCRIPTION:	SEE ATTACHED BROWN INV ADVISORY SUMMARY		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:	792,961.		
COST OR OTHER BASIS:	785,137.		
		GAIN (LOSS)	7,824.

DESCRIPTION:	SEE ATTACHED BROWN INV ADVISORY SUMMARY		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:	1,234,407.		
COST OR OTHER BASIS:	1,372,361.		
		GAIN (LOSS)	-137,954.

DESCRIPTION:	SEE ATTACHED BROWN INV ADVISORY SUMMARY		
DATE ACQUIRED:	VARIOUS		
HOW ACQUIRED:	PURCHASE		
DATE SOLD:	VARIOUS		
TO WHOM SOLD:			
GROSS SALES PRICE:	1,184,185.		
COST OR OTHER BASIS:	1,810,002.		
		GAIN (LOSS)	-625,817.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ -768,830.

STATEMENT 2
FORM 990-PF, PART I, LINE 11
OTHER INCOME

K-1 ORD INC BIA INV 2001	\$	-861.
K-1 ORD INCOME BENNETT FD		7,377.
K-1 ORD INCOME COMMON SEN		-20,279.
K-1 SECTION 1256 LOSS		-685.
TOTAL	\$	<u>-14,448.</u>

TKF FOUNDATION - INV ADVISORY 617117049
 Schedule D Detail of Short-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Short-term Gain/Loss
PRE-MAY 6TH CAPITAL GAINS (LOSSES)					
25853.154 EVERGREEN SELECT ADJUSTABLE RATE FUND CL I	02/26/2003	03/03/2003	250,000.00	249,741.47	258.53
5595.855 EVERGREEN SELECT ADJUSTABLE RATE FUND CL I	03/07/2003	03/19/2003	54,000.00	54,111.92	-111.92
5181.347 EVERGREEN SELECT ADJUSTABLE RATE FUND CL I	03/07/2003	04/09/2003	50,000.00	50,103.62	-103.62
.088 FNMA GTD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	10/10/2002	01/27/2003	0.09		0.09
.238 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	11/29/2002	01/27/2003	0.24		0.24
250000. FORD MOTOR CREDIT 6.875% DUE 02/01/06	02/27/2002	02/26/2003	254,007.50	251,116.88	2,890.62
12143.051 BROWN ADVISORY SMALL-CAP GROWTH INSTITUTIONAL CLASS	06/28/2002	02/04/2003	73,708.32	91,072.88	-17,364.56
22174.658 GLEMEDE FUND INC-INTERNATIONAL PORT	11/01/2002	02/04/2003	247,690.93	259,000.00	-11,309.07
200000. TEXTRON FINL CORP 5.875% 6/01/07	06/04/2002	03/07/2003	214,250.00	201,393.18	12,856.82
TOTAL PRE-MAY 6TH CAPITAL GAINS (LOSSES)			1,143,657.00	1,156,540.00	-12,883.00
POST-MAY 5TH CAPITAL GAINS (LOSSES)					
50000. AOL TIME WARNER INC. 6.875% DUE 5/1/12	03/19/2003	08/14/2003	52,960.50	52,350.21	610.29
13116.474 EVERGREEN SELECT ADJUSTABLE RATE FUND CL I	07/09/2003	12/03/2003	125,000.00	126,754.37	-1,754.37
36649.215 EVERGREEN SELECT ADJUSTABLE RATE FUND CL I	07/09/2003	12/17/2003	350,000.00	352,565.45	-2,565.45
13711.152 BROWN ADVISORY INTERMEDIATE BOND FUND INSTITUTIONAL CL A	07/09/2003	12/17/2003	150,000.00	150,822.67	-822.67
13577.332 BROWN ADVISORY SMALL-CAP GROWTH INSTITUTIONAL CLASS	05/27/2003	07/30/2003	115,000.00	102,644.63	12,355.37
TOTAL POST-MAY 5TH CAPITAL GAINS (LOSSES)			792,961.00	785,137.00	7,823.00
Totals			1,936,618.00	1,941,677.00	-5,060.00

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
POST-MAY 5TH CAPITAL GAINS (LOSSES)					
20988. AMERICAN TOWER SYSTEMS CORP CL A	01/28/1998	07/15/2003	208,820.77	325,254.00	-116,433.23
1409.509 DODGE & COX STK FD	05/14/2001	11/10/2003	150,000.00	144,390.10	5,609.90
10178.29 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	05/15/2003	10,178.29	10,102.21	76.08
8996.16 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	06/16/2003	8,996.16	8,928.91	67.25
6732.93 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	07/15/2003	6,732.93	6,682.60	50.33
8544.68 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	08/15/2003	8,544.68	8,480.81	63.87
7594.1 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	09/15/2003	7,594.10	7,537.33	56.77
5749.89 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	10/15/2003	5,749.89	5,706.91	42.98
5326.43 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	11/15/2003	5,326.43	5,286.61	39.82
3244.39 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	08/13/1999	12/15/2003	3,244.39	3,220.14	24.25
12036.67 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	05/27/2003	12,036.67	12,168.32	-131.65
10319.49 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	06/25/2003	10,319.49	10,432.36	-112.87
10963.13 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	07/25/2003	10,963.13	11,083.04	-119.91
12118.56 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	08/25/2003	12,118.56	12,251.11	-132.55
10184.58 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	09/25/2003	10,184.58	10,295.97	-111.39
5832.1 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	10/27/2003	5,832.10	5,895.89	-63.79
3834.83 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	11/25/2003	3,834.83	3,876.77	-41.94
2781.76 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	12/25/2003	2,781.76	2,812.19	-30.43
5886.52 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	05/27/2003	5,886.52	5,971.25	-84.73
33424.48 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	06/25/2003	33,424.48	33,905.55	-481.07
3329.04 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	07/25/2003	3,329.04	3,376.96	-47.92
2920.33 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	08/25/2003	2,920.33	2,962.36	-42.03
2971.84 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	09/25/2003	2,971.84	3,014.62	-42.78
22678.47 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	10/27/2003	22,678.47	23,004.87	-326.40
5258.6 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE 1	02/07/2001	11/25/2003	5,258.60	5,334.28	-75.68
2503.35 FNMA 6TD PASS THRU POOL #368990 DTD 12/01/96 6.500% DUE	02/07/2001	12/25/2003	2,503.35	2,539.38	-36.03
14928.24 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	05/27/2003	14,928.24	15,040.20	-111.96
14597.36 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	06/25/2003	14,597.36	14,706.84	-109.48
7662.78 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	07/25/2003	7,662.78	7,720.25	-57.47
6354.56 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	08/25/2003	6,354.56	6,402.22	-47.66
18824.71 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	09/25/2003	18,824.71	18,965.89	-141.18
19796.76 FNMA POOL 433646 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	10/27/2003	19,796.76	19,945.24	-148.48
Totals					

Schedule D Detail of Long-term Capital Gains and Losses

Description	Date Acquired	Date Sold	Gross Sales Price	Cost or Other Basis	Long-term Gain/Loss
2027.47 FNMA POOL 433846 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	11/25/2003	2,027.47	2,042.68	-15.21
959.38 FNMA POOL 433846 DTD 10/01/98 6.000% DUE 10/01/13	09/25/1998	12/25/2003	959.38	966.58	-7.20
833.65 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	05/27/2003	833.65	845.76	-12.11
5859.9 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	06/25/2003	5,869.90	5,955.20	-85.30
3583.65 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	07/25/2003	3,583.65	3,635.73	-52.08
1826.53 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	08/25/2003	1,826.53	1,853.07	-26.54
3372.22 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	09/25/2003	3,372.22	3,421.22	-49.00
3556.71 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	10/27/2003	3,556.71	3,608.39	-51.68
5566.9 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	11/25/2003	5,566.90	5,647.79	-80.89
1543.54 FNMA POOL 539082 7.000% DUE 08/01/28	05/11/2001	12/25/2003	1,543.54	1,565.97	-22.43
19307.74 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	05/27/2003	19,307.74	19,645.63	-337.89
74.69 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	06/25/2003	74.69	76.00	-1.31
29571.64 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	07/25/2003	29,571.64	30,089.14	-517.50
25.7 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	08/25/2003	25.70	26.15	-0.45
25.86 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	09/25/2003	25.86	26.31	-0.45
26. FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	10/27/2003	26.00	26.46	-0.46
26.18 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	11/25/2003	26.18	26.64	-0.46
26.35 FNMA POOL 572448 7% DUE 3/1/2027	03/23/2001	12/25/2003	26.35	26.81	-0.46
50000. FIRST MD BANGCORP SUB NOTE	07/23/1998	09/19/2003	56,525.50	51,247.12	5,278.38
19255.456 BIA GROWTH EQUITY FUND	06/28/1998	11/10/2003	150,000.00	168,403.70	-18,403.70
180261.28 TMSHE TR. 95-C-A5 7.175% DUE 04/15/26	10/30/2001	05/15/2003	180,261.28	187,080.28	-6,819.00
3844.971 WASATCH SMALL CAP GROWTH FUND	06/28/2002	07/30/2003	125,000.00	128,849.25	-3,849.25
TOTAL POST-MAY 5TH CAPITAL GAINS (LOSSES)			1,234,407.00	1,372,361.00	-137,954.00
20% MAX RATE LONG-TERM CAPITAL GAINS (LOSSES)					
10000. AMERICAN TOWER SYSTEMS CORP CL A	03/01/2001	04/15/2003	66,231.88	275,600.00	-209,368.12
888.731 DODGE & COX STK FD	05/14/2001	03/18/2003	75,000.00	91,041.60	-16,041.60
9276.19 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	06/13/1999	01/15/2003	9,276.19	9,907.68	-631.49
10480.34 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	06/13/1999	02/18/2003	10,480.34	10,402.00	78.34
8958.47 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	06/13/1999	03/17/2003	8,958.47	8,891.51	66.96
8392.12 FHLMC POOL G10690 DTD 06/01/97 7.000% DUE 07/01/12	06/13/1999	04/15/2003	8,392.12	8,329.39	62.73
9879.16 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	01/27/2003	9,879.16	9,993.59	-114.43
8495.53 FNMA POOL #254089 6.000% DUE 11/01/16	11/20/2001	02/26/2003	8,495.53	8,588.45	-92.92
Totals					

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THOMAS & KATHARINE STONER FOUNDATION

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STATEMENT 3
FORM 990-PF, PART I, LINE 16A
LEGAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CAVANAUGH, HAGAN & PIERSON	\$ 4,523.			
HARRISON WEATHERALL	3,004.			
TOTAL	<u>\$ 7,527.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 4
FORM 990-PF, PART I, LINE 16B
ACCOUNTING FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
BIA -PARTNERSHIPS	\$ 356.	\$ 356.		
BROWN ADVISORY AGCY ACCT	25,762.	25,762.		
KUPSTAS & KUPSTAS	4,590.			
TOTAL	<u>\$ 30,708.</u>	<u>\$ 26,118.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

STATEMENT 5
FORM 990-PF, PART I, LINE 16C
OTHER PROFESSIONAL FEES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
COMPUTER CONSULTING FEES	\$ 1,805.			
INVESTMENT FEES	25,721.	\$ 25,721.		
OTHER CONSULTING FEES	4,517.			\$ 928.
TOTAL	<u>\$ 32,043.</u>	<u>\$ 25,721.</u>	<u>\$ 0.</u>	<u>\$ 928.</u>

STATEMENT 6
FORM 990-PF, PART I, LINE 18
TAXES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
PAYROLL TAXES.	\$ 6,071.			
TOTAL	<u>\$ 6,071.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

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STATEMENT 7
FORM 990-PF, PART I, LINE 23
OTHER EXPENSES

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
ADVERTISING	\$ 847.			
AMORTIZATION	72.			
CHARITABLE SUPPLIES & SERVICES	796.			\$ N/A 796.
DUES & SUBSCRIPTIONS	810.			
INSURANCE	1,216.			
OFFICE EXPENSES	4,421.			
OFFICE MAINTENANCE	5,211.			
POSTAGE & FREIGHT	1,278.			
PROJECT ART	968.			
TELEPHONE	1,940.			
TKF LIBRARY	495.			
UTILITIES	1,272.			
TOTAL	\$ 19,326.	\$ 0.	\$ 0.	\$ 796.

STATEMENT 8
FORM 990-PF, PART II, LINE 10A
INVESTMENTS - U.S. AND STATE GOVERNMENT OBLIGATIONS

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
FHLMC POOL G10690	COST	\$ 74,788.	\$ 80,385.
FNMA POOL #254089	COST	82,884.	86,089.
FNMA POOL #368990	COST	138,678.	145,150.
FNMA 7.125 DUE 2/15/05	COST	124,529.	132,930.
FNMA POOL #433646	COST	109,986.	114,768.
FNMA POOL #539082	COST	22,791.	23,826.
FNMA POOL #572448	COST	17,038.	17,781.
FNMA PASS THRU 4.275 12/1/33	COST	252,990.	252,976.
FNMA PASS THRU 4.581 11/1/33	COST	251,420.	248,492.
US TREASURY NOTE 1.875 7/15/03	COST	124,520.	125,050.
		\$ 1,199,624.	\$ 1,227,447.
	TOTAL	\$ 1,199,624.	\$ 1,227,447.

STATEMENT 9
FORM 990-PF, PART II, LINE 10B
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
AMERICAN TOWER CORP CLASS B	COST	\$ 1,022,510.	\$ 583,750.
	TOTAL	\$ 1,022,510.	\$ 583,750.

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**STATEMENT 10
FORM 990-PF, PART II, LINE 10C
INVESTMENTS - CORPORATE BONDS**

<u>CORPORATE BONDS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
FIRST MD BANCORP 7.2 DUE 7/01/07	COST	\$ 102,318.	\$ 111,493.
GENL ELEC CAP CORP 6.875 DUE 11/15/10	COST	270,843.	287,410.
ROUSE CO DUE 3/28/05	COST	76,843.	80,196.
ARISTECH CHEMICALS CORP 6.875 11/15/06	COST	52,709.	54,800.
KRAFT FOODS INC 5.25 6/1/07	COST	51,073.	53,195.
MERRILL LYNCH & CO 4% 9/15/08	COST	50,000.	50,304.
COMCAST CABLE 7.125 06/15/13	COST	53,785.	56,935.
PEMEX PROJ FDG MASTER TR 7.375 12/15/14	COST	83,156.	80,063.
	TOTAL	<u>\$ 740,727.</u>	<u>\$ 774,396.</u>

**STATEMENT 11
FORM 990-PF, PART II, LINE 13
INVESTMENTS - OTHER**

<u>OTHER PUBLICLY TRADED SECURITIES</u>	<u>VALUATION METHOD</u>	<u>VALUE</u>	<u>FAIR MARKET VALUE</u>
BIA VALUE EQUITY FUND LP	COST	\$ 652,978.	\$ 823,208.
BIA SMALL CAP GRWTH FUND LP	COST	266,282.	381,897.
BIA GROWTH EQUITY FUND	COST	1,274,177.	1,278,199.
BIA VENTURE INVESTORS - JMI IV	COST	54,217.	56,350.
BIA INVESTORS - TRIDENT CAPITAL	COST	33,615.	33,614.
BIA VENTURE PARTNERS - GROSVENOR	COST	39,718.	39,720.
BIA VENTURE PARTNERS - BAKER COMM	COST	28,883.	28,890.
BIA VENTURE PARTNERS - INTERSOUTH	COST	31,422.	31,420.
BIA INVESTORS LP ACCEL VIII	COST	76,385.	76,380.
BROWNSIA INV - CHARLESBANK	COST	47,882.	47,882.
DODGE & COX STK FD	COST	511,898.	597,950.
WASATECH SMALL CAP GRWTH FD	COST	277,943.	351,862.
BENNETT RESTRUCTURING FD	COST	500,000.	663,850.
BROWN IA ROBINSON CROSSING	COST	172,104.	172,104.
COMMON SENSE PARTNERS, LP	COST	1,000,000.	1,084,436.
BROOKWOOD BISCAYNE TOWER INV LLC	COST	100,000.	100,000.
BIA INTERNATIONAL FD INST CL	COST	912,220.	1,177,542.
BROWN ADV SM CAP VALUE FD	COST	595,000.	743,843.
EVERGREEN SELECT ADJ RATE FD CL I	COST	131,723.	130,628.
BROWN ADV INTERMED BD FD INST CL	COST	349,177.	346,638.
EVERGREEN SELECT ADJ RATE FD CL I	COST	500,000.	493,789.
	TOTAL	<u>\$ 7,555,624.</u>	<u>\$ 8,660,202.</u>

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STATEMENT 12
FORM 990-PF, PART II, LINE 14
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE	FAIR MARKET VALUE
FURNITURE AND FIXTURES	\$ 4,800.	\$ 2,544.	\$ 2,256.	\$ 2,256.
MACHINERY AND EQUIPMENT	37,941.	24,734.	13,207.	13,207.
IMPROVEMENTS	4,558.	624.	3,934.	3,934.
TOTAL	\$ 47,299.	\$ 27,902.	\$ 19,397.	\$ 19,397.

STATEMENT 13
FORM 990-PF, PART VIII, LINE 1
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
THOMAS H. STONER 3065 RUNDELAC RD ANNAPOLIS, MD 21403	PRESIDENT 10	\$ 0.	\$ 0.	\$ 0.
KATHARINE E. STONER 3065 RUNDELAC RD. ANNAPOLIS, MD 21403	VICE PRESIDENT 10	0.	0.	0.
MARY E. WYATT 119 GREENSPRING AVE. ANNAPOLIS, MD 21403	SECRETARY 30	49,654.	1,490.	0.
	TOTAL	\$ 49,654.	\$ 1,490.	\$ 0.

STATEMENT 14
FORM 990-PF, PART XV, LINE 2A
NAME AND ADDRESS OF PERSON TO WHOM APPLICANTS SHOULD BE ADDRESSED

MARY WYATT
 C/O TKF FOUNDATION
 410 SEVERN AVENUE #309
 ANNAPOLIS, MD 21403

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THOMAS & KATHARINE STONER FOUNDATION

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**STATEMENT 15
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR**

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
GARDEN RESOURCES OF WASH. WASHINGTON, DC 52-1276560	NONE		COMMUNITY GREENING PROJECTS	\$ 53,500.
PARKS & PEOPLE BALTIMORE MD 52-1349346	NONE		COMM GREENING PROGRAM	46,800.
ASSOC OF BALT AREA GRANTM BALTIMORE, MD 52-1326863	NONE		GENERAL SUPPORT	3,150.
CITY OF ANNAPOLIS ANNAPOLIS, MD 52-6000764	NONE		ART IN PUBLIC PLACES	50,000.
AMERICAN COMMUNITY GARDEN PHILADELPHIA , PA	NONE		MEMBERSHIP	100.
MARIAN HOUSE BALTIMORE, MD 52-1243849	NONE		OUTDOOR SCULPTURE GARDEN	475.
SEVERN RIVER ASSOCIATION INC ANNAPOLIS, MD 21401 52-1180841	NONE		UNITY GARDENS OF ANNE ARUNDEL CNTY	75,307.
UNIV OF MARYLAND MEDICAL SYST BALTIMORE, MD 52-0591639			KERNAN HOSPITAL HEALING GARDEN PLANNING GRANT	1,700.
FREDERICK DOUGLAS GARDENS SE WASHINGTON, DC 20020 52- 2265923	NONE		BUTTERFLY GARDEN @ MUSEUM	1,602.
LUTHERN SOCIAL SERVICES NW WASHINGTON, DC 20011 53 -0207407	NONE		HEALING/ENABLING GARDEN @ SHARPE HLTH	910.
MARYLAND HALL FOR CREATIVE AR ANNAPOLIS, MD. 21401 52- 1164469	NONE		LABYRINTH & GARDEN	5,221.
MT WASHINGTON PRESERVATION TR BALTIMORE, MD. 21209 52-1645819	NONE		COMMUNITY ARBORETUM ENHANCEMENTS	5,725.
PROVIDENCE HEALTH FOUNDATION N E WASHINGTON, DC. 20017 52-1275583	NONE		HEALING GARDEN	3,188.

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STATEMENT 15 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

NAME AND ADDRESS	DONEE RELATIONSHIP	FOUND- ATION STATUS	PURPOSE OF GRANT	AMOUNT
AMAZING GRACE EVANGELICAL LUT BALTIMORE, MD 52-1994645	NONE		SACRED COMMONS LABYRINTH	\$ 10,760.
THE URBAN ARTS INST INC BALTIMORE, MD 31-1709632	NONE		HORTICULTURE & ARTS @ MD TRANSITION CTR	20,000.
WASHINGTON PARKS & PEOPLE WASHINGTON, DC 52-1681110	NONE		HERITAGE PARKS PROJECT	15,000.
FRIENDS OF PATTERSON PARK BALTIMORE, MD 52-2094989	NONE		RESTORE FOUNTAIN & OUTDOOR FURNITURE	19,850.
UNIV OF MARYLAND BALT CO. CATONSVILLE, MD 52-6002033	NONE		BENCH TALK	12,190.
NORTH ARUNDEL HOSPITAL FOUND GLEN BURNIE, MD 52-1813656	NONE		HEALING GARDEN	35,698.
STADIUM PLACE INC BALTIMORE, MD 52-2197537	NONE		COMMUNAL GREEN SPACE	85,600.
NEIGHBORHOOD DESIGN CENTER WASHINGTON, DC 31-047013	NONE		BENCHES	7,750.
CHESAPEAKE BAY FOUNDATION ANNAPOLIS, MD 52-6065757	NONE		FOX ISLAND BENCH	713.
GREEN SPACES FOR D C WASHINGTON, D C 52-2283772	NONE		SEPTEMBER 11 MEMORIAL GARDEN	25,000.
JOHNS HOPKINS BAYVIEW MED CTR BALTIMORE, MD 52-1341890			LABYRINTH ENHANCEMENTS	10,175.
LEAGUE FOR PEOPLE W/ DISABILI BALTIMORE, MD. 52-0591579	NONE		THERAPEUTIC SENSORY GARDEN	31,443.
VOL TO SAN FRAN GEN'L HOSPITA SAN FRANCISCO, CA. 94-1388348	NONE		GARDEN PROJECT	1,000.

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STATEMENT 15 (CONTINUED)
FORM 990-PF, PART XV, LINE 3A
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
WESTERN CORRECTIONAL INSTITUT CUMBERLAND, MD 52-6002033	NONE		HEALING GARDEN & GREENHOUSE	\$ 21,566.
			TOTAL	\$ <u>544,423.</u>

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ 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 File by the due date for filing your return. See instructions.	Name of Exempt Organization		Employer identification number
	THOMAS & KATHARINE STONER FOUNDATION		42-1263576
	Number, street, and room or suite number. If a P O box, see instructions		
	410 SEVERN AVENUE #309		
	City, town or post office. For a foreign address, see instructions		state ZIP code
	ANNAPOLIS, MD 21403		

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 (Section 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 8/15, 20 04, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ▶ calendar year 20 03 or
 - ▶ tax year beginning _____, 20 _____, and ending _____, 20 _____

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 \$ 0.

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 \$ 7,099.

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 EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.

Signature and Verification

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form

Signature ▶ Thomas Kupstas Title ▶ CPA Date ▶ 5/10/04