

Return of Organization Exempt from Income Tax

2002

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

Open to Public Inspection

Department of the Treasury Internal Revenue Service

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

A For the 2002 calendar year, or tax year beginning 7/01, 2002, and ending 6/30, 2003

- B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending

HAPPY VALLEY FOUNDATION
P O BOX 804
OJAI, CA 93024

D Employer Identification Number: 95-0809370
E Telephone number
F Accounting method: Cash, Accrual, Other (specify)

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

- H and I are not applicable to section 527 organizations
H (a) Is this a group return for affiliates?
H (b) If 'Yes,' enter number of affiliates
H (c) Are all affiliates included?
H (d) Is this a separate return filed by an organization covered by a group ruling?
I Enter 4-digit GEN
M Check if the organization is not required to attach Schedule B

G Web site: N/A

J Organization type: 501(c) 3

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

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12: 3,364,181.

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

Table with columns for Revenue, Expenses, and Net Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue; 3 Membership dues and assessments; 4 Interest on savings and temporary cash investments; 5 Dividends and interest from securities; 6a Gross rents; 6b Less: rental expenses; 6c Net rental income; 7 Other investment income; 8a Gross amount from sales of assets other than inventory; 8b Less: cost or other basis and sales expenses; 8c Gain or (loss); 8d Net gain or (loss); 9 Special events and activities; 10a Gross sales of inventory; 10b Less: cost of goods sold; 10c Gross profit or (loss); 11 Other revenue; 12 Total revenue; 13 Program services; 14 Management and general; 15 Fundraising; 16 Payments to affiliates; 17 Total expenses; 18 Excess or (deficit) for the year; 19 Net assets or fund balances at beginning of year; 20 Other changes in net assets; 21 Net assets or fund balances at end of year.

**Part II Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc	25				
26 Other salaries and wages	26	1,189,391.	892,043.	178,409.	118,939.
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	94,345.	70,759.	14,152.	9,434.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	23,465.	17,599.	5,866.	
34 Telephone	34	27,762.	20,821.	6,941.	
35 Postage and shipping	35	15,553.	11,665.	3,888.	
36 Occupancy	36	18,000.	18,000.		
37 Equipment rental and maintenance	37				
38 Printing and publications	38	12,259.		12,259.	
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	19,039.	17,135.	1,904.	
42 Depreciation, depletion, etc (attach schedule)	42	176,558.	150,074.	26,484.	
43 Other expenses not covered above (itemize)					
a SEE STATEMENT 4	43a	1,457,090.	1,007,379.	371,558.	78,153.
b _____	43b				
c _____	43c				
d _____	43d				
e _____	43e				
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	3,033,462.	2,205,475.	621,461.	206,526.

Joint Costs. Check  if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?  Yes  No  
 If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to program services \$ \_\_\_\_\_; (iii) the amount allocated to management and general \$ \_\_\_\_\_; and (iv) the amount allocated to fundraising \$ \_\_\_\_\_

**Part III Statement of Program Service Accomplishments**

What is the organization's primary exempt purpose? ► <u>EDUCATION</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) & (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants & allocations to others.)	
a <u>THE FOUNDATION EDUCATES APPROXIMATELY SEVENTY-EIGHT STUDENTS FROM NINTH THROUGH TWELFTH GRADE EACH YEAR.</u>	
(Grants and allocations \$ _____)	2,205,475.
b _____	
(Grants and allocations \$ _____)	
c _____	
(Grants and allocations \$ _____)	
d _____	
(Grants and allocations \$ _____)	
e Other program services (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), program services)	2,205,475.

**Part IV Balance Sheets** (See Instructions)

				(A)		(B)
				Beginning of year		End of year
<b>ASSETS</b>	<b>45</b> Cash – non-interest-bearing			122,117.	<b>45</b>	111,166.
	<b>46</b> Savings and temporary cash investments			675,815.	<b>46</b>	443,116.
	<b>47 a</b> Accounts receivable	<b>47 a</b>	63,739.			
	<b>b</b> Less: allowance for doubtful accounts	<b>47 b</b>	16,141.	35,870.	<b>47 c</b>	47,598.
	<b>48 a</b> Pledges receivable	<b>48 a</b>				
	<b>b</b> Less: allowance for doubtful accounts	<b>48 b</b>			<b>48 c</b>	
	<b>49</b> Grants receivable				<b>49</b>	
	<b>50</b> Receivables from officers, directors, trustees, and key employees (attach schedule)				<b>50</b>	
	<b>51 a</b> Other notes & loans receivable (attach sch)	<b>51 a</b>				
	<b>b</b> Less: allowance for doubtful accounts	<b>51 b</b>			<b>51 c</b>	
	<b>52</b> Inventories for sale or use			1,659,354.	<b>52</b>	1,355,332.
	<b>53</b> Prepaid expenses and deferred charges			62,585.	<b>53</b>	10,800.
	<b>54</b> Investments – securities (attach schedule) SEE ST 5			324,942.	<b>54</b>	403,402.
	<input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV					
	<b>55 a</b> Investments – land, buildings, & equipment: basis	<b>55 a</b>				
<b>b</b> Less: accumulated depreciation (attach schedule)	<b>55 b</b>			<b>55 c</b>		
<b>56</b> Investments – other (attach schedule)				<b>56</b>		
<b>57 a</b> Land, buildings, and equipment: basis	<b>57 a</b>	6,123,958.				
<b>b</b> Less: accumulated depreciation (attach schedule) STATEMENT 6	<b>57 b</b>	2,640,196.	3,499,672.	<b>57 c</b>	3,483,762.	
<b>58</b> Other assets (describe ► SEE STATEMENT 7)			331,298.	<b>58</b>	404,497.	
<b>59 Total assets</b> (add lines 45 through 58) (must equal line 74)			6,711,653.	<b>59</b>	6,259,673.	
<b>LIABILITIES</b>	<b>60</b> Accounts payable and accrued expenses			69,399.	<b>60</b>	93,767.
	<b>61</b> Grants payable				<b>61</b>	
	<b>62</b> Deferred revenue			61,034.	<b>62</b>	39,999.
	<b>63</b> Loans from officers, directors, trustees, and key employees (attach schedule)				<b>63</b>	
	<b>64 a</b> Tax-exempt bond liabilities (attach schedule)				<b>64 a</b>	
	<b>b</b> Mortgages and other notes payable (attach schedule) SEE STATEMENT 8			379,382.	<b>64 b</b>	226,419.
	<b>65</b> Other liabilities (describe ► SEE STATEMENT 9)			180,902.	<b>65</b>	146,961.
<b>66 Total liabilities</b> (add lines 60 through 65)			690,717.	<b>66</b>	507,146.	
<b>NET ASSETS OR FUND BALANCES</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.					
	<b>67</b> Unrestricted			5,580,261.	<b>67</b>	5,311,852.
	<b>68</b> Temporarily restricted			275,000.	<b>68</b>	275,000.
	<b>69</b> Permanently restricted			165,675.	<b>69</b>	165,675.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> and complete lines 70 through 74.					
	<b>70</b> Capital stock, trust principal, or current funds				<b>70</b>	
	<b>71</b> Paid-in or capital surplus, or land, building, and equipment fund				<b>71</b>	
	<b>72</b> Retained earnings, endowment, accumulated income, or other funds				<b>72</b>	
	<b>73 Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21)			6,020,936.	<b>73</b>	5,752,527.
	<b>74 Total liabilities and net assets/fund balances</b> (add lines 66 and 73)			6,711,653.	<b>74</b>	6,259,673.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

**Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See instructions.)

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

<b>a</b>	Total revenue, gains, and other support per audited financial statements	<b>a</b>	2,765,053.
<b>b</b>	Amounts included on line <b>a</b> but not on line 12, Form 990:		
(1)	Net unrealized gains on investments \$		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	2,765,053.
<b>d</b>	Amounts included on line 12, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	2,765,053.

<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	3,033,462.
<b>b</b>	Amounts included on line <b>a</b> but not on line 17, Form 990:		
(1)	Donated services and use of facilities \$		
(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	3,033,462.
<b>d</b>	Amounts included on line 17, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	3,033,462.

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; 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 and other allowances
SEE STATEMENT 10		0.	0.	0.
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75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?  Yes  No  
 If 'Yes,' attach schedule - see instructions.

**Part VI Other Information** (See instructions.)

Yes No

<b>76</b>	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity	<b>76</b>		X
<b>77</b>	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.	<b>77</b>		X
<b>78a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	<b>78a</b>	X	
<b>b</b>	If 'Yes,' has it filed a tax return on <b>Form 990-T</b> for this year?	<b>78b</b>	X	
<b>79</b>	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	<b>79</b>		X
<b>80a</b>	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?	<b>80a</b>		X
<b>b</b>	If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.			
<b>81a</b>	Enter direct or indirect political expenditures. See line 81 instructions	<b>81a</b>	0.	
<b>b</b>	Did the organization file <b>Form 1120-POL</b> for this year?	<b>81b</b>		X
<b>82a</b>	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	<b>82a</b>		X
<b>b</b>	If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	<b>82b</b>	N/A	
<b>83a</b>	Did the organization comply with the public inspection requirements for returns and exemption applications?	<b>83a</b>	X	
<b>b</b>	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<b>83b</b>	X	
<b>84a</b>	Did the organization solicit any contributions or gifts that were not tax deductible?	<b>84a</b>		X
<b>b</b>	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>84b</b>	N/A	
<b>85</b>	<b>501(c)(4), (5), or (6) organizations</b> <b>a</b> Were substantially all dues nondeductible by members?	<b>85a</b>	N/A	
<b>b</b>	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, <b>do not</b> complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	<b>85b</b>	N/A	
<b>c</b>	Dues, assessments, and similar amounts from members	<b>85c</b>	N/A	
<b>d</b>	Section 162(e) lobbying and political expenditures	<b>85d</b>	N/A	
<b>e</b>	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	<b>85e</b>	N/A	
<b>f</b>	Taxable amount of lobbying and political expenditures (line 85d less 85e)	<b>85f</b>	N/A	
<b>g</b>	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	<b>85g</b>	N/A	
<b>h</b>	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	<b>85h</b>	N/A	
<b>86</b>	<b>501(c)(7) organizations</b> Enter: <b>a</b> Initiation fees and capital contributions included on line 12	<b>86a</b>	N/A	
<b>b</b>	Gross receipts, included on line 12, for public use of club facilities	<b>86b</b>	N/A	
<b>87</b>	<b>501(c)(12) organizations</b> Enter: <b>a</b> Gross income from members or shareholders	<b>87a</b>	N/A	
<b>b</b>	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	<b>87b</b>	N/A	
<b>88</b>	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	<b>88</b>		X
<b>89a</b>	<b>501(c)(3) organizations</b> Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>			
<b>b</b>	<b>501(c)(3) and 501(c)(4) organizations</b> Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	<b>89b</b>		X
<b>c</b>	Enter. Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
<b>d</b>	Enter: Amount of tax on line 89c, above, reimbursed by the organization			0.
<b>90a</b>	List the states with which a copy of this return is filed <u>CALIFORNIA</u>			
<b>b</b>	Number of employees employed in the pay period that includes March 12, 2002 (See instructions.)	<b>90b</b>		42
<b>91</b>	The books are in care of <u>HAPPY VALLEY FOUNDATION</u> Telephone number <u>805-646-4343</u> Located at <u>P O BOX 804, OJAI, CA</u> ZIP + 4 <u>93024</u>			
<b>92</b>	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of <b>Form 1041</b> - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>		N/A	N/A

**Part VII Analysis of Income-Producing Activities** (See instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a ACTIVITY/BOOK RESIDUA					97,000.
b APPLICATION FEES					2,700.
c SCHOOL DIR RESIDENCE					18,000.
d SCHOOL TUITION					2,345,041.
e SUMMER SCHOOL PROGRAM					52,160.
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts	110000	2.			15,756.
96 Dividends & interest from securities					20,222.
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property	110000	1,500.			
98 Net rental income or (loss) from pers prop					
99 Other investment income					633.
100 Gain or (loss) from sales of assets other than inventory					-8,911.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					-33,165.
103 Other revenue: a					
b SEE STATEMENT 11				42,675.	67,158.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		1,502.		42,675.	2,576,594.
105 Total (add line 104, columns (B), (D), and (E))					2,620,771.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93-103	ALL FUNDS RECEIVED BY HAPPY VALLEY FOUNDATION ARE USED TO SUPPORT THE HAPPY VALLEY SCHOOL TO FURTHER THE ACADEMIC EDUCATION OF CHILDREN.

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See instructions.)

a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?  Yes  No

b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?  Yes  No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Please *James M. Sloan* Date *5-17-04*

*CPA* Date \_\_\_\_\_ Check if self \_\_\_\_\_ Preparer's SSN or PTIN (see General Instruction W) \_\_\_\_\_

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Organization Exempt Under  
Section 501(c)(3)**

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),  
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

**2002**

Department of the Treasury  
Internal Revenue Service

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

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

**Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**  
(See instructions. List each one. If there are none, enter 'None.')

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account and other allowances
DENNIS RICE 8301 HIGHWAY 150, OJAI, CA 93023	SCHOOL DIRECTOR 40	82,700.	0.	0.
MICHAEL ADAMS 8303 HWY 150, OJAI, CA 93023	OPERATION MNGR 65	55,000.	0.	0.
Total number of other employees paid over \$50,000 ▶	0			

**Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services**  
(See instructions. List each one (whether individuals or firms). If there are none, enter 'None.')

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶	0	

**Part III** Statements About Activities (See instructions.)

		Yes	No
1	During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If 'Yes,' enter the total expenses paid or incurred in connection with the lobbying activities .. ► \$ <u>N/A</u> <b>(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)</b> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking 'Yes,' must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2	During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is 'Yes,' attach a detailed statement explaining the transactions )		
a	Sale, exchange, or leasing of property?		X
b	Lending of money or other extension of credit?		X
c	Furnishing of goods, services, or facilities?		X
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?		X
e	Transfer of any part of its income or assets?		X
SEE STATEMENT 12			
3	Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below.)	X	
4	Do you have a section 403(b) annuity plan for your employees?		X

**Note:** Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs 'qualify' to receive payments

**Part IV** Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5  A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6  A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7  A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8  A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9  A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ► \_\_\_\_\_
- 10  An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11 a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11 b  A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12  An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14  An organization organized and operated to test for public safety. Section 509(a)(4) (See instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting

Table with 6 columns: Calendar year (or fiscal year beginning in), (a) 2001, (b) 2000, (c) 1999, (d) 1998, (e) Total. Rows 15-25 include categories like Gifts, grants, and contributions received; Membership fees received; Gross receipts from admissions; Gross income from interest, dividends; Net income from unrelated business activities; Tax revenues levied; Value of services or facilities furnished; Other income; Total of lines 15 through 22; Line 23 minus line 17; Enter 1% of line 23.

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 N/A. b Prepare a list for your records to show the name of and amount contributed by each person... c Total support for section 509(a)(1) test: Enter line 24, column (e). d Add: Amounts from column (e) for lines: 18, 19, 22, 26b. e Public support (line 26c minus line 26d total). f Public support percentage (line 26e (numerator) divided by line 26c (denominator)).

27 Organizations described on line 12: N/A. a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. c Add: Amounts from column (e) for lines: 15, 16, 17, 20, 21. d Add: Line 27a total and line 27b total. e Public support (line 27c total minus line 27d total). f Total support for section 509(a)(2) test: Enter amount from line 23, column (e). g Public support percentage (line 27e (numerator) divided by line 27f (denominator)). h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

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

	Yes	No
<b>29</b> Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
<b>30</b> Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
<b>31</b> Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe; if 'No,' please explain. (If you need more space, attach a separate statement.) <u>SEE "PROOF OF PUBLICATION" IN THE "OJAI VALLEY STAR" JUNE 2, 2003 ATTACHED.</u>	X	
<b>32</b> Does the organization maintain the following:		
<b>a</b> Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
<b>b</b> Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
<b>c</b> Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
<b>d</b> Copies of all material used by the organization or on its behalf to solicit contributions?	X	
If you answered 'No' to any of the above, please explain. (If you need more space, attach a separate statement.)		
<b>33</b> Does the organization discriminate by race in any way with respect to:		
<b>a</b> Students' rights or privileges?		X
<b>b</b> Admissions policies?		X
<b>c</b> Employment of faculty or administrative staff?		X
<b>d</b> Scholarships or other financial assistance?		X
<b>e</b> Educational policies?		X
<b>f</b> Use of facilities?		X
<b>g</b> Athletic programs?		X
<b>h</b> Other extracurricular activities?		X
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)		
<b>34a</b> Does the organization receive any financial aid or assistance from a governmental agency?		X
<b>b</b> Has the organization's right to such aid ever been revoked or suspended? If you answered 'Yes' to either 34a or b, please explain using an attached statement.		X
<b>35</b> Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.	X	

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

N/A

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

**Limits on Lobbying Expenditures**

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

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
<b>36</b> Total lobbying expenditures to influence public opinion (grassroots lobbying)	<b>36</b>		
<b>37</b> Total lobbying expenditures to influence a legislative body (direct lobbying)	<b>37</b>		
<b>38</b> Total lobbying expenditures (add lines 36 and 37)	<b>38</b>		
<b>39</b> Other exempt purpose expenditures	<b>39</b>		
<b>40</b> Total exempt purpose expenditures (add lines 38 and 39)	<b>40</b>		
<b>41</b> Lobbying nontaxable amount. Enter the amount from the following table --			
<b>If the amount on line 40 is --</b>	<b>The lobbying nontaxable amount is --</b>		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	<b>41</b>	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
<b>42</b> Grassroots nontaxable amount (enter 25% of line 41)	<b>42</b>		
<b>43</b> Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	<b>43</b>		
<b>44</b> Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	<b>44</b>		

**Caution:** If there is an amount on either line 43 or line 44, you must file Form 4720

**4 -Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
<b>45</b> Lobbying nontaxable amount					
<b>46</b> Lobbying ceiling amount (150% of line 45(e))					
<b>47</b> Total lobbying expenditures					
<b>48</b> Grassroots non-taxable amount					
<b>49</b> Grassroots ceiling amount (150% of line 48(e))					
<b>50</b> Grassroots lobbying expenditures					

**Part VI-B Lobbying Activity by Nonelecting Public Charities**

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

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a** Volunteers
- b** Paid staff or management (Include compensation in expenses reported on lines **c** through **h**.)
- c** Media advertisements
- d** Mailings to members, legislators, or the public
- e** Publications, or published or broadcast statements
- f** Grants to other organizations for lobbying purposes
- g** Direct contact with legislators, their staffs, government officials, or a legislative body
- h** Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i** Total lobbying expenditures (add lines **c** through **h**.)

Yes	No	Amount

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

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See instructions)

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

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

- (i) Cash
(ii) Other assets.
b Other transactions:
(i) Sales or exchanges of assets with a noncharitable exempt organization
(ii) Purchases of assets from a noncharitable exempt organization
(iii) Rental of facilities, equipment, or other assets
(iv) Reimbursement arrangements
(v) Loans or loan guarantees
(vi) Performance of services or membership or fundraising solicitations

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

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

Summary table with columns Yes and No, rows for 51 a (i), a (ii), b (i), b (ii), b (iii), b (iv), b (v), b (vi), and c.

Main table with columns (a) Line no, (b) Amount involved, (c) Name of noncharitable exempt organization, and (d) Description of transfers, transactions, and sharing arrangements. Row 1 contains 'N/A'.

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

Yes No (X) No

b If 'Yes,' complete the following schedule:

Schedule table with columns (a) Name of organization, (b) Type of organization, and (c) Description of relationship. Row 1 contains 'N/A'.

**Depreciation and Amortization**  
**(Including Information on Listed Property)**

▶ See separate instructions.  
▶ Attach to your tax return.

**2002**

**67**

Name(s) shown on return  
**HAPPY VALLEY FOUNDATION**

Identifying number  
**95-0809370**

Business or activity to which this form relates

**FORM 990/990-PF**

**Part I Election To Expense Certain Tangible Property Under Section 179**

Note: If you have any listed property, complete Part V before you complete Part I

1	Maximum amount. See instructions for a higher limit for certain businesses	1	\$24,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2001 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2003. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property)**

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election (see instructions)	15	
16	Other depreciation (including ACRS) (see instructions)	16	176,558.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions)**

**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2002	17	
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here		

**Section B - Assets Placed in Service During 2002 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
				MM	S/L	

**Section C - Assets Placed in Service During 2002 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

**Part IV Summary (see instructions)**

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	176,558.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

## HAPPY VALLEY FOUNDATION

95-0809370

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

ROYALTIES

TOTAL	\$	<u>633.</u>
	\$	<u>633.</u>

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

## PUBLICLY TRADED SECURITIES

GROSS SALES PRICE:	101,049.
COST OR OTHER BASIS:	109,960.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES	\$	<u>-8,911.</u>
--	----	----------------

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES	\$	<u>-8,911.</u>
---	----	----------------

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

BEATRICE WOOD CERAMICS, ART, ETC	\$	455,682.
SCHOOL PAINTINGS		321.

GROSS SALES	\$	<u>456,003.</u>
LESS RETURNS & ALLOWANCES		<u>0.</u>
NET SALES	\$	456,003.
LESS COST OF GOODS SOLD		489,168.
GROSS PROFIT FROM SALES OF INVENTORY	\$	<u>-33,165.</u>

**STATEMENT 4**  
**FORM 990, PART II, LINE 43**  
**OTHER EXPENSES**

	(A)	(B)	(C)	(D)
	TOTAL	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUNDRAISING
ADVERTISING	57,249.		51,524.	5,725.
BAD DEBTS	6,450.		6,450.	
BANK CHARGES	10,364.		10,364.	
BOARD MEETING EXPENSES	1,362.		1,362.	
BOOKS	14,653.	14,653.		
DUES & SUBSCRIPTIONS	7,715.		7,715.	
FACULTY DEVELOPMENT	11,267.		11,267.	
FACULTY GRANTS	5,020.	5,020.		
FILING FEES	10.		10.	
FUNDRAISING	47,384.			47,384.
GRADUATION EXPENSE	6,557.	6,557.		
GROUNDS UPKEEP	12,417.		12,417.	
INSTRUCTIONAL SUPPLIES	31,803.	31,803.		

## HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 4 (CONTINUED)  
FORM 990, PART II, LINE 43  
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
INSURANCE, HEALTH	134,908.	101,181.	20,236.	13,491.
INSURANCE, LIABILITY	95,480.	71,610.	23,870.	
JANITORIAL SUPPLIES	12,568.		12,568.	
KITCHEN	109,767.	82,325.	27,442.	
LEGAL & ACCOUNTING	42,833.	32,125.	10,708.	
LIBRARY	1,959.	1,959.		
MISCELLANEOUS	5,484.		5,484.	
OUTSIDE SERVICES	77,438.	58,079.	19,359.	
PROPERTY TAX	4,135.	3,101.	1,034.	
REPAIR & MAINTENANCE	84,451.		84,451.	
RETIREMENT FUND	32,536.	24,402.	4,880.	3,254.
SALES TAX	26.		26.	
SCHOLARSHIPS	297,100.	297,100.		
STUDENT ACTIVITIES	39,305.	39,305.		
TECHNOLOGY SUPPLIES & SERVICE	24,600.		24,600.	
THEATER EVENT EXPENSES	2,838.			2,838.
TRANSPORTATION	27,490.	20,618.	6,872.	
TUITION DISCOUNT	85,500.	85,500.		
UTILITIES	82,912.	62,184.	20,728.	
WILDERNESS EDUCATION	16,141.	16,141.		
WORKERS COMPENSATION	54,608.	40,956.	8,191.	5,461.
YEARBOOK	12,760.	12,760.		
TOTAL	<u>\$ 1,457,090.</u>	<u>\$ 1,007,379.</u>	<u>\$ 371,558.</u>	<u>\$ 78,153.</u>

STATEMENT 5  
FORM 990, PART IV, LINE 54  
INVESTMENTS - SECURITIES

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	AMOUNT
SANTA BARBARA BANK & TRUST-AB & LZ	COST	\$ 403,402.
BANC OF AMERICA INVESTMENT SERVICES	COST	0.
MORGAN STANLEY-SCHOOL	COST	0.
TOTAL		<u>\$ 403,402.</u>
TOTAL INVESTMENTS - SECURITIES		<u>\$ 403,402.</u>

## HAPPY VALLEY FOUNDATION

95-0809370

**STATEMENT 6**  
**FORM 990, PART IV, LINE 57**  
**LAND, BUILDINGS, AND EQUIPMENT**

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 631,787.	\$ 472,656.	\$ 159,131.
MACHINERY AND EQUIPMENT	203,251.	149,120.	54,131.
BUILDINGS	4,461,778.	1,350,349.	3,111,429.
IMPROVEMENTS	687,889.	666,817.	21,072.
LAND	108,467.		108,467.
MISCELLANEOUS	30,786.	1,254.	29,532.
<b>TOTAL</b>	<b>\$ 6,123,958.</b>	<b>\$ 2,640,196.</b>	<b>\$ 3,483,762.</b>

**STATEMENT 7**  
**FORM 990, PART IV, LINE 58**  
**OTHER ASSETS**

BESANT SCHOLARSHIP FUND	\$ 129,447.
CULTURAL CENTER LADDER FUND	17,113.
DEPOSITS	20.
EMPLOYEE ADVANCES	5,676.
PERMANENT CERAMIC INVENTORY COLLECTION	165,675.
TELEPHONE LEASE DEPOSIT	432.
WOODS ART BOOKS	18,500.
WOODS BOOKS & VIDEOS	21,634.
WOODS MANUSCRIPTS & ARCHIVAL MATERIALS	46,000.
<b>TOTAL</b>	<b>\$ 404,497.</b>

**STATEMENT 8**  
**FORM 990, PART IV, LINE 64B**  
**MORTGAGES AND OTHER NOTES PAYABLE**

OTHER NOTES PAYABLE

LENDER'S NAME:	SANTA BARBARA BANK & TRUST	
DATE OF NOTE:	4/22/2003	
MATURITY DATE:	12/02/2003	
REPAYMENT TERMS:	INTEREST ONLY-LUMP SUM PAYOFF	
INTEREST RATE:	2.80%	
SECURITY PROVIDED:	CERTIFICATE OF DEPOSIT	
PURPOSE OF LOAN:	DEBT CONSOLIDATION	
ORIGINAL AMOUNT:	212,618.	
BALANCE DUE:		\$ 196,618.

HAPPY VALLEY FOUNDATION

95-0809370

**STATEMENT 8 (CONTINUED)**  
**FORM 990, PART IV, LINE 64B**  
**MORTGAGES AND OTHER NOTES PAYABLE**

OTHER NOTES PAYABLE

LENDER'S NAME:	FORD MOTOR CREDIT		
DATE OF NOTE:	9/11/2002		
MATURITY DATE:	9/11/2005		
REPAYMENT TERMS:	MONTHLY INSTALLMENTS OF \$543		
INTEREST RATE:	10.75%		
SECURITY PROVIDED:	2002 FORD TRUCK		
PURPOSE OF LOAN:	PURCHASE VEHICLE		
ORIGINAL AMOUNT:	16,642.		
BALANCE DUE:		\$	12,968.

LENDER'S NAME:	DELL COMPUTER CAPITAL LEASE		
DATE OF NOTE:	11/21/2002		
MATURITY DATE:	11/21/2005		
REPAYMENT TERMS:	MONTHLY PAYMENTS OF \$359		
INTEREST RATE:	23.12%		
SECURITY PROVIDED:	COMPUTER EQUIPMENT		
PURPOSE OF LOAN:	PURCHASE COMPUTERS		
ORIGINAL AMOUNT:	9,251.		
BALANCE DUE:		\$	7,912.

LENDER'S NAME:	SOFTECH PHONE SYS CAPITL LEAS		
DATE OF NOTE:	9/30/2002		
MATURITY DATE:	7/01/2005		
REPAYMENT TERMS:	MONTHLY PAYMENTS OF \$1,383		
INTEREST RATE:	20.19%		
SECURITY PROVIDED:	PHONE SYSTEM		
PURPOSE OF LOAN:	PURCHASE PHONE SYSTEM		
ORIGINAL AMOUNT:	12,790.		
BALANCE DUE:		\$	8,921.

TOTAL \$ 226,419.

**STATEMENT 9**  
**FORM 990, PART IV, LINE 65**  
**OTHER LIABILITIES**

DELL REVOLVING CREDIT LINE	\$	4,527.
FACULTY RENT DEPOSIT		3,000.
STUDENT SERVICE FUND		1,334.
TUITION DEPOSITS		138,100.
TOTAL	\$	<u>146,961.</u>

## HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 10  
FORM 990, PART V  
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

<u>NAME AND ADDRESS</u>	<u>TITLE AND AVERAGE HOURS PER WEEK DEVOTED</u>	<u>COMPEN- SATION</u>	<u>CONTRI- BUTION TO EBP &amp; DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
DR JAMES SLOSS 4675 VIA HUERTO SANTA BARBARA, CA 93110	CHAIRMAN 25%	\$ 0.	\$ 0.	\$ 0.
MRS RADHA SLOSS 4675 VIA HUERTO SANTA BARBARA, CA 93110	DIRECTOR 25%	0.	0.	0.
RASHMI GOEL 5030 EAST 6TH AVENUE DENVER, CO 80220-5141	DIRECTOR 10%	0.	0.	0.
DR RAYMOND NEUTRA 956 EVELYN AVE ALBANY, CA 94706	DIRECTOR 10%	0.	0.	0.
SANDHYA JADE KHURANA 39 WESTBROOK LANE PHILLIPS RANCH, CA 91766	DIRECTOR 10%	0.	0.	0.
MRS PAOLA COHEN SEE ATTACHED SUPPLEMENTAL INFO	DIRECTOR 10%	0.	0.	0.
ANNE FRIEND THACHER 15275 MARICOPA HIGHWAY OJAI, CA 93023	DIRECTOR 10%	0.	0.	0.
ROBERT SLOSS 4840 SUNSET AVE LA CRESCENTA, CA 91214	DIRECTOR 10%	0.	0.	0.
TOTAL		\$ 0.	\$ 0.	\$ 0.

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 11  
FORM 990, PART VII, LINE 103  
OTHER REVENUE

OTHER REVENUE	(A) BUSI- NESS CODE	(B) UNRELATED BUSINESS AMOUNT	(C) EXCLU- SION CODE	(D) EXCLUDED AMOUNT	(E) RELATED OR EXEMPT FUNCTION
BUSINESS INTERRUPT REIMB					\$ 32,874.
MISCELLANEOUS					1,260.
PERMIT REFUND-PY					3,000.
PROPERTY TAX REFUND-PY	110000		41	\$ 42,675.	24,005.
STUDIO COMMISSIONS					1,575.
THEATER PROGRAMS					4,444.
TOTAL		\$ 0.		\$ 42,675.	\$ 67,158.

STATEMENT 12  
SCHEDULE A, PART III, LINE 3  
QUALIFICATIONS OF RECIPIENTS RECEIVING GRANTS OR LOANS

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

HAPPY VALLEY FOUNDATION

95-0809370

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

**PUBLIC NOTICE**

HAPPY VALLEY SCHOOL offers open admissions by application and admits students of any color, national, or ethnic origin, religion or creed. It does not discriminate on the basis of color, national origin, religion or creed, gender or sexual orientation in the administration of its educational policies, financial aid programs, or athletic and other school administered programs.  
Publish: June 2, 2003 Ad No. VCS89026

**VINTURA COUNTY STAR**

Customer: HAPPY VALLEY SCHOOL      Contact: HAPPY VALLEY SCHOOL      Phone: 8056464343  
Ad Number: 369026  
Insert Dates: 06/02/2003  
  
Price: 33.70  
Section: CL    Class: 1201: PUBLIC NOTICES    Size: 2 x 1.18  
Printed By: A9909    Date: 06/18/2003

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

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

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

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

Type or print	Name of Exempt Organization <b>HAPPY VALLEY FOUNDATION</b>	Employer identification number <b>95-0809370</b> For IRS Use Only
	Number, street, and room or suite number. If a P.O. box, see instructions <b>P O BOX 804</b>	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions <b>OJAI, CA 93024</b>	

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

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

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

If the organization does **not** have an office or place of business in the United States, check this box

If this is for a **Group Return**, enter the organizations four digit Group Exemption Number (GEN) \_\_\_\_\_ If this is for the whole group, check this box  If it is **part** of the group, check this box  and attach a list with the names and EINs of all members the extension is for.

- I request an additional 3-month extension of time until 5/15, 20 04
- For calendar year \_\_\_\_\_, or other tax year beginning 7/01, 20 02 and ending 6/30, 20 03.
- If this tax year is for less than 12 months, check reason.  Initial return  Final return  Change in accounting period
- State in detail why you need the extension THE TAXPAYER HAS BEEN UNABLE TO OBTAIN THE INFORMATION NECESSARY FOR THE ACCURATE COMPLETION OF THE RETURN.

431 RECEIVED FEB 15 2004 IRPS CAGDEN, UT	8a This application is for form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____
	8b This application is for form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____
	8c Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with EFTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System) See instructions \$ _____

**Signature and Verification**

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

Signature Arthur M. [Signature] Title CPTA Date 2/11/04

**Notice to Applicant – To be Completed by the IRS**

- We **have** approved this application. Please attach this form to the organization's return.
- We **have not** approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely filed return. Please attach this form to the organization's return.
- We **have not** approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- We **cannot consider** this application because it was filed after the due date of the return for which an extension was requested
- Other. \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date \_\_\_\_\_

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

Type or print	Name <b>JACOBS &amp; JACOBS ACCOUNTANCY CORPORATION</b>
	Number and street (include suite, room, or apartment number) or a P.O. box number <b>455 E THOUSAND OAKS BLVD. #101</b>
	City or town, province or state, and country (including postal or ZIP code) <b>THOUSAND OAKS, CA 91360</b>