

Return of Organization Exempt from Income Tax

2004

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 2004 calendar year, or tax year beginning 7/01, 2004, and ending 6/30, 2005

B Check if applicable: Address change, Name change, Initial return, Final return, Amended return, Application pending. Please use IRS label or print or type. See specific instructions. HAPPY VALLEY FOUNDATION, P O BOX 804, OJAI, CA 93024. D Employer Identification Number 95-0809370. E Telephone number. F 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? Yes No. H (b) If 'Yes,' enter number of affiliates. H (c) Are all affiliates included? Yes No. H (d) Is this a separate return filed by an organization covered by a group ruling? Yes No.

G Web site: N/A

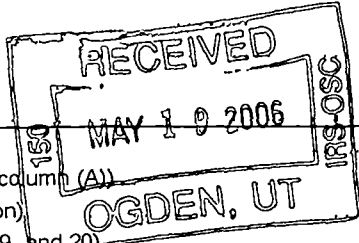
J Organization type (check only one): 501(c) 3 (insert no), 4947(a)(1) or 527

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.

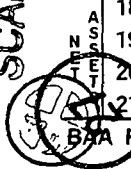
L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12: 4,142,992.

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

Table with columns for Revenue, Expenses, and Assets. Rows include: 1 Contributions, gifts, grants, and similar amounts received; 2 Program service revenue including government fees and contracts; 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 or (loss); 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; 9a Gross revenue; 9b Less direct expenses other than fundraising expenses; 9c Net income or (loss) from special events; 10a Gross sales of inventory, less returns and allowances; 10b Less cost of goods sold; 10c Gross profit or (loss) from sales of inventory; 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 or fund balances; 21 Net assets or fund balances at end of year.



SCANNED JUL 11 2006



G13 2

**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	1,156,534.	867,401.	289,133.	
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	103,626.	77,720.	25,906.	
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33	30,128.	22,596.	7,532.	
34 Telephone	34	24,383.	18,287.	6,096.	
35 Postage and shipping	35	15,643.	11,732.	3,911.	
36 Occupancy	36	18,000.	13,500.	4,500.	
37 Equipment rental and maintenance	37				
38 Printing and publications	38	37,348.	28,011.	9,337.	
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	3,089.	2,317.	772.	
42 Depreciation, depletion, etc (attach schedule)	42	123,004.	92,253.	30,751.	
43 Other expenses not covered above (itemize)					
a SEE STATEMENT 3	43a	1,522,950.	1,142,218.	380,732.	
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	3,034,705.	2,276,035.	758,670.	0.

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? **EDUCATION**

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.)

**Program Service Expenses**  
(Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)

a THE FOUNDATION EDUCATES APPROXIMATELY SEVENTY-EIGHT STUDENTS FROM NINTH THROUGH TWELFTH GRADE EACH YEAR.					
(Grants and allocations \$ _____)					2,276,035.
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)					2,276,035.

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

				(A)		(B)		
				Beginning of year		End of year		
ASSETS	45	Cash – non-interest-bearing		103,545.	45	135,664.		
	46	Savings and temporary cash investments		213,616.	46	200,208.		
	47 a	47 a	Accounts receivable	184,282.				
		47 b	b Less allowance for doubtful accounts	26,641.	28,660.	47 c	157,641.	
	48 a	48 a	Pledges receivable					
		48 b	b Less allowance for doubtful accounts			48 c		
	49	Grants receivable				49		
	50	Receivables from officers, directors, trustees, and key employees (attach schedule)				50		
	51 a	51 a	Other notes & loans receivable (attach sch)					
		51 b	b Less: allowance for doubtful accounts			51 c		
	52	Inventories for sale or use		1,234,091.	52	635,259.		
	53	Prepaid expenses and deferred charges		44,759.	53	67,153.		
	54	Investments – securities (attach schedule) SEE ST 4 <input checked="" type="checkbox"/> Cost <input type="checkbox"/> FMV		415,498.	54	442,871.		
	55 a	55 a	Investments – land, buildings, & equipment: basis					
		55 b	b Less accumulated depreciation (attach schedule)			55 c		
56	Investments – other (attach schedule)				56			
57 a	57 a	Land, buildings, and equipment: basis	6,227,244.					
	57 b	b Less accumulated depreciation (attach schedule) STATEMENT 5	2,932,287.	3,339,420.	57 c	3,294,957.		
58	Other assets (describe ► SEE STATEMENT 6 )		422,626.	58	432,503.			
59	<b>Total assets</b> (add lines 45 through 58) (must equal line 74)		5,802,215.	59	5,366,256.			
LIABILITIES	60	Accounts payable and accrued expenses		183,257.	60	66,837.		
	61	Grants payable			61			
	62	Deferred revenue		27,000.	62	28,429.		
	63	Loans from officers, directors, trustees, and key employees (attach schedule)			63			
	64 a	Tax-exempt bond liabilities (attach schedule)			64 a			
		64 b	b Mortgages and other notes payable (attach schedule) SEE STATEMENT 7	115,002.	64 b	4,611.		
	65	Other liabilities (describe ► SEE STATEMENT 8 )		172,580.	65	293,182.		
66	<b>Total liabilities</b> (add lines 60 through 65)		497,839.	66	393,059.			
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.							
	67	Unrestricted		5,138,701.	67	4,807,522.		
	68	Temporarily restricted			68			
	69	Permanently restricted		165,675.	69	165,675.		
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74							
	70	Capital stock, trust principal, or current funds			70			
	71	Paid-in or capital surplus, or land, building, and equipment fund			71			
	72	Retained earnings, endowment, accumulated income, or other funds			72			
	73	<b>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)		5,304,376.	73	4,973,197.		
	74	<b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73)		5,802,215.	74	5,366,256.		

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>	2,703,526.	<b>a</b>	Total expenses and losses per audited financial statements	<b>a</b>	3,034,705.
<b>b</b>	Amounts included on line <b>a</b> but not on line 12, Form 990:			<b>b</b>	Amounts included on line <b>a</b> but not on line 17, Form 990:		
(1)	Net unrealized gains on investments \$			(1)	Donated services and use of facilities \$		
(2)	Donated services and use of facilities \$			(2)	Prior year adjustments reported on line 20, Form 990 \$		
(3)	Recoveries of prior year grants \$			(3)	Losses reported on line 20, Form 990 \$		
(4)	Other (specify):			(4)	Other (specify):		
	----- \$				----- \$		
	Add amounts on lines (1) through (4)	<b>b</b>			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>	2,703,526.	<b>c</b>	Line <b>a</b> minus line <b>b</b>	<b>c</b>	3,034,705.
<b>d</b>	Amounts included on line 12, Form 990 but not on line <b>a</b> :			<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 \$			(1)	Investment expenses not included on line 6b, Form 990 \$		
(2)	Other (specify):			(2)	Other (specify):		
	----- \$				----- \$		
	Add amounts on lines (1) and (2)	<b>d</b>			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>	2,703,526.	<b>e</b>	Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> )	<b>e</b>	3,034,705.

**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 9		0.	0.	0.
-----				
-----				
-----				
-----				
-----				
-----				
-----				
-----				
-----				

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
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
82b	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.)	82b	N/A
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85a	501(c)(4), (5), or (6) organizations a Were substantially all dues nondeductible by members?	85a	N/A
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	N/A
85c	Dues, assessments, and similar amounts from members	85c	N/A
85d	Section 162(e) lobbying and political expenditures	85d	N/A
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
85h	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?	85h	N/A
86a	501(c)(7) organizations Enter: a Initiation fees and capital contributions included on line 12	86a	N/A
86b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A
87a	501(c)(12) organizations Enter: a Gross income from members or shareholders	87a	N/A
87b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	N/A
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 ▶ 0., section 4912 ▶ 0., section 4955 ▶ 0.	89a	
89b	501(c)(3) and 501(c)(4) organizations Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction	89b	X
	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0.
	d Enter: Amount of tax on line 89c, above, reimbursed by the organization		0.
90a	List the states with which a copy of this return is filed ▶ CALIFORNIA	90a	
90b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.)	90b	0
91	The books are in care of ▶ HAPPY VALLEY FOUNDATION Telephone number ▶ 805-646-4343 Located at ▶ P O BOX 804, OJAI, CA ZIP + 4 ▶ 93024	91	
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	N/A

**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					109,200.
b APPLICATION FEES					3,340.
c SCHOOL DIR RESIDENCE					18,000.
d SCHOOL TUITION					2,634,040.
e SUMMER SCHOOL PROGRAM					67,750.
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					21,110.
96 Dividends & interest from securities					10,654.
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					491.
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					-352,324.
103 Other revenue a					
b SEE STATEMENT 10					7,457.
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					2,519,718.
105 Total (add line 104, columns (B), (D), and (E))					2,519,718.

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 Sign Here:   
 Signature of officer: James M Sloss Date: 5/15/06  
 Type or print name and title: JAMES M. SLOSS

Paid Preparer's Use Only:   
 Preparer's signature: Kathleen M Inman CPA Date: 5/12/06 Check if self-employed:  Preparer's SSN or PTIN (See General Instruction W): N/A  
 Firm's name (or yours if self-employed), address, and ZIP + 4: JACOBS & JACOBS ACCOUNTANCY CORPORATION  
455 E THOUSAND OAKS BLVD. #101 EIN: N/A  
THOUSAND OAKS, CA 91360 Phone no: (805) 497-4007

**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  
Supplementary Information — (See separate instructions.)

**2004**

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 <b>HAPPY VALLEY FOUNDATION</b>	Employer identification number <b>95-0809370</b>
--	---

**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	0.	0.	0.
MICHAEL ADAMS ----- 8303 HWY 150, OJAI, CA 93023	OPERATION MNGR  64	0.	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 ▶ \$ N/A

(Must equal amounts on line 38, Part VI-A, or line i of Part VI-B.)

1 X

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

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 )

2a X

a Sale, exchange, or leasing of property?

2b X

b Lending of money or other extension of credit?

2c X

c Furnishing of goods, services, or facilities?

2d X

d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?

2e X

e Transfer of any part of its income or assets?

3a Do you make grants for scholarships, fellowships, student loans, etc? (If 'Yes,' attach an explanation of how you determine that recipients qualify to receive payments.) SEE STATEMENT 11

3a X

b Do you have a section 403(b) annuity plan for your employees?

3b X

4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?

4a X

b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?

4b X

**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 )
- 11a  An organization that normally receives a substantial part of its support from a governmental unit or from the general public Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
- 11b  A community trust Section 170(b)(1)(A)(vi) (Also complete the Support Schedule in Part IV-A )
- 12  An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc, functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2) (Also complete the Support Schedule in Part IV-A.)
- 13  An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3) )

Provide the following information about the supported organizations. (See 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

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	N/A				
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose					
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975					
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22					
24 Line 23 minus line 17					
25 Enter 1% of line 23					

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

<b>b</b> Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts	▶	<b>26a</b>
<b>c</b> Total support for section 509(a)(1) test. Enter line 24, column (e)	▶	<b>26c</b>
<b>d</b> Add Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____	▶	<b>26d</b>
<b>e</b> Public support (line 26c minus line 26d total)	▶	<b>26e</b>
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator))	▶	<b>26f</b> %

**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.' Do not file this list with your return. Enter the sum of such amounts for each year

(2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_ (2000) \_\_\_\_\_

**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. (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year:

(2003) \_\_\_\_\_ (2002) \_\_\_\_\_ (2001) \_\_\_\_\_ (2000) \_\_\_\_\_

**c** Add. Amounts from column (e) for lines:   
 15 \_\_\_\_\_ 16 \_\_\_\_\_   
 17 \_\_\_\_\_ 20 \_\_\_\_\_ 21 \_\_\_\_\_

<b>d</b> Add. Line 27a total _____ and line 27b total _____	▶	<b>27c</b>
<b>e</b> Public support (line 27c total minus line 27d total)	▶	<b>27d</b>
<b>f</b> Total support for section 509(a)(2) test: Enter amount from line 23, column (e) <span style="float: right;">▶   27f  </span>	▶	<b>27e</b>
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator))	▶	<b>27g</b> %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	▶	<b>27h</b> %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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. N/A

**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
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	X	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	X	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement.) <u>SEE "PROOF OF PUBLICATION" IN THE "OJAI VALLEY STAR" JULY 26, 2004</u> <u>ATTACHED.</u>	X	
32 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	X	
d 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.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?		X
b Admissions policies?		X
c Employment of faculty or administrative staff?		X
d Scholarships or other financial assistance?		X
e Educational policies?		X
f Use of facilities?		X
g Athletic programs?		X
h Other extracurricular activities?		X
If you answered 'Yes' to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?		X
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
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev Proc 75-50, 1975-2 C B. 587, covering racial nondiscrimination? If 'No,' attach an explanation.	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>		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	<b>The lobbying nontaxable amount is –</b>		
	20% of the amount on line 40		
	\$100,000 plus 15% of the excess over \$500,000		
	\$175,000 plus 10% of the excess over \$1,000,000		
	\$225,000 plus 5% of the excess over \$1,500,000		
	\$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) 2004	(b) 2003	(c) 2002	(d) 2001	(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:

	Yes	No	Amount
<b>a</b> Volunteers			
<b>b</b> Paid staff or management (Include compensation in expenses reported on lines c through h.)			
<b>c</b> Media advertisements			
<b>d</b> Mailings to members, legislators, or the public			
<b>e</b> Publications, or published or broadcast statements			
<b>f</b> Grants to other organizations for lobbying purposes			
<b>g</b> Direct contact with legislators, their staffs, government officials, or a legislative body			
<b>h</b> Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means			
<b>i</b> Total lobbying expenditures (add lines c through h.)			

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

BAA



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

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

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 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	\$102,000.
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	\$410,000.
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 2003 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 2005. 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	123,004.

**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 2004	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 <input type="checkbox"/>		

**Section B – Assets Placed in Service During 2004 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	

**Section C – Assets Placed in Service During 2004 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	123,004.
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 8**  
**NET GAIN (LOSS) FROM NONINVENTORY SALES**

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 286,418.  
 COST OR OTHER BASIS: 285,927.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 491.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 491.

**STATEMENT 2**  
**FORM 990, PART I, LINE 10**  
**GROSS PROFIT (LOSS) FROM SALES OF INVENTORY**

BEATRICE WOOD CERAMICS, ART, ETC \$ 801,215.

GROSS SALES \$ 801,215.  
 LESS RETURNS & ALLOWANCES 0.  
 NET SALES \$ 801,215.  
 LESS COST OF GOODS SOLD 1,153,539.  
 GROSS PROFIT FROM SALES OF INVENTORY \$ -352,324.

**STATEMENT 3**  
**FORM 990, PART II, LINE 43**  
**OTHER EXPENSES**

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
ADVERTISING	61,776.	46,332.	15,444.	
BAD DEBTS	7,200.	5,400.	1,800.	
BANK CHARGES	5,202.	3,902.	1,300.	
BOOKS	15,517.	11,638.	3,879.	
DUES & SUBSCRIPTIONS	10,362.	7,772.	2,590.	
FACULTY DEVELOPMENT	5,089.	3,817.	1,272.	
FACULTY GRANTS	5,000.	3,750.	1,250.	
FILING FEES	10.	8.	2.	
FUNDRAISING/DEVELOPMENT	15,483.	11,612.	3,871.	
GROUNDS UPKEEP	2,737.	2,053.	684.	
INSTRUCTIONAL SUPPLIES	57,109.	42,832.	14,277.	
INSURANCE, HEALTH	126,895.	95,171.	31,724.	
INSURANCE, LIABILITY	130,305.	97,729.	32,576.	
KITCHEN	107,354.	80,516.	26,838.	
LEGAL & ACCOUNTING	128,182.	96,137.	32,045.	
LIBRARY	2,989.	2,242.	747.	
MISCELLANEOUS	5,875.	4,406.	1,469.	
OUTSIDE SERVICES	21,519.	16,139.	5,380.	
PROPERTY TAX	4,565.	3,424.	1,141.	
REPAIR & MAINTENANCE	84,966.	63,725.	21,241.	
RETIREMENT FUND	31,723.	23,792.	7,931.	
SALES TAX	118.	89.	29.	
SCHOLARSHIPS	308,050.	231,038.	77,012.	
STUDENT ACTIVITIES	39,315.	29,486.	9,829.	

## HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 3 (CONTINUED)  
FORM 990, PART II, LINE 43  
OTHER EXPENSES

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT &amp; GENERAL</u>	(D) <u>FUNDRAISING</u>
SUMMER SCHOOL PROGRAM	47,434.	35,576.	11,858.	
TECHNOLOGY SUPPLIES & SERVICE	47,624.	35,718.	11,906.	
TRANSPORTATION	36,512.	27,384.	9,128.	
TUITION DISCOUNT	46,500.	34,875.	11,625.	
UTILITIES	86,654.	64,991.	21,663.	
WILDERNESS EDUCATION	15,755.	11,816.	3,939.	
WINTERM	5,383.	4,037.	1,346.	
WORKERS COMPENSATION	56,625.	42,469.	14,156.	
YEARBOOK	3,122.	2,342.	780.	
TOTAL	<u>\$ 1,522,950.</u>	<u>\$ 1,142,218.</u>	<u>\$ 380,732.</u>	<u>\$ 0.</u>

STATEMENT 4  
FORM 990, PART IV, LINE 54  
INVESTMENTS - SECURITIES

<u>OTHER PUBLICLY TRADED SECURITIES</u>	<u>VALUATION METHOD</u>	<u>AMOUNT</u>
SANTA BARBARA BANK & TRUST-LZ	COST	\$ 442,871.
	TOTAL	<u>\$ 442,871.</u>
TOTAL INVESTMENTS - SECURITIES		<u>\$ 442,871.</u>

STATEMENT 5  
FORM 990, PART IV, LINE 57  
LAND, BUILDINGS, AND EQUIPMENT

<u>CATEGORY</u>	<u>BASIS</u>	<u>ACCUM. DEPREC.</u>	<u>BOOK VALUE</u>
FURNITURE AND FIXTURES	\$ 733,304.	\$ 585,460.	\$ 147,844.
MACHINERY AND EQUIPMENT	126,479.	94,421.	32,058.
BUILDINGS	4,505,385.	1,581,719.	2,923,666.
IMPROVEMENTS	687,889.	669,281.	18,608.
LAND	108,467.		108,467.
MISCELLANEOUS	65,720.	1,406.	64,314.
TOTAL	<u>\$ 6,227,244.</u>	<u>\$ 2,932,287.</u>	<u>\$ 3,294,957.</u>

## HAPPY VALLEY FOUNDATION

95-0809370

**STATEMENT 6**  
**FORM 990, PART IV, LINE 58**  
**OTHER ASSETS**

BESANT SCHOLARSHIP FUND	\$	138,021.
CULTURAL CENTER LADDER FUND		12,891.
DEPOSITS		20.
EMPLOYEE ADVANCES		8,803.
FOUNDATION ATELIER FUND		20,527.
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>\$</b>	<b><u>432,503.</u></b>

**STATEMENT 7**  
**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:		\$ 1,600.
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:		\$ 1,694.
LENDER'S NAME:	SOFTECH PHONE SYS CAPITL LEAS	
DATE OF NOTE:	9/30/2002	
MATURITY DATE:	7/01/2005	
REPAYMENT TERMS:	QUARTERLY PAYMENTS OF \$1,383	
INTEREST RATE:	20.19%	
SECURITY PROVIDED:	PHONE SYSTEM	
PURPOSE OF LOAN:	PURCHASE PHONE SYSTEM	
ORIGINAL AMOUNT:	12,790.	
BALANCE DUE:		\$ 1,317.
<b>TOTAL</b>	<b>\$</b>	<b><u>4,611.</u></b>

## HAPPY VALLEY FOUNDATION

95-0809370

**STATEMENT 8**  
**FORM 990, PART IV, LINE 65**  
**OTHER LIABILITIES**

DELL REVOLVING CREDIT LINE	\$	2,543.
DUE TO OTHER FUNDS		171,256.
STUDENT SERVICE FUND		3,714.
SUMMER SCIENCE DEPOSITS		28,429.
TUITION DEPOSITS		87,240.
<b>TOTAL</b>	<b>\$</b>	<b><u>293,182.</u></b>

**STATEMENT 9**  
**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.
NICHOLAS SCHNEIDER 1332 ANACAPA ST. STE 200 SANTA BARBARA, CA 93101	DIRECTOR 10%	0.	0.	0.
MRS RADHA SLOSS 4675 VIA HUERTO SANTA BARBARA, CA 93110	DIRECTOR 25%	0.	0.	0.
DR RAYMOND NEUTRA 956 EVELYN AVE ALBANY, CA 94706	DIRECTOR 10%	0.	0.	0.
GERALD LARSON 550 SUSSEX GOLETA, CA 93117	DIRECTOR 10%	0.	0.	0.
ANNE FRIEND THACHER 15275 MARICOPA HIGHWAY OJAI, CA 93023	DIRECTOR 10%	0.	0.	0.
ROBERT SLOSS 2265 E 220TH ST LONG BEACH, CA 90810	DIRECTOR 10%	0.	0.	0.
<b>TOTAL</b>		<b>\$ <u>0.</u></b>	<b>\$ <u>0.</u></b>	<b>\$ <u>0.</u></b>

HAPPY VALLEY FOUNDATION

95-0809370

STATEMENT 10  
FORM 990, PART VII, LINE 103  
OTHER REVENUE

	(A) BUSI- NESS CODE	(B) UNRELATED BUSINESS AMOUNT	(C) EXCLU- SION CODE	(D) EXCLUDED AMOUNT	(E) RELATED OR EXEMPT FUNCTION
OTHER REVENUE					
INSURANCE REFUND-PY					
MISCELLANEOUS					\$ 7,457.
STUDIO COMMISSIONS					
STUDIO GLAZE WORKSHOP					
THEATER PROGRAMS					
TOTAL		\$ 0.		\$ 0.	\$ 7,457.

STATEMENT 11  
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.

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  File by the extended due date for filing the return. See instructions	Name of Exempt Organization <b>HAPPY VALLEY FOUNDATION</b>	Employer identification number <b>95-0809370</b>
	Number, street, and room or suite number. If a P O box, see instructions <b>P O BOX 804</b>	For IRS use only
	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):

- Form 990
- Form 990-BL
- Form 990-EZ
- Form 990-PF
- Form 990-T (section 401(a) or 408(a) trust)
- Form 990-T (trust other than above)
- Form 1041-A
- Form 4720
- Form 5227
- Form 6069
- Form 8870

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

- The books are in care of **HAPPY VALLEY FOUNDATION**  
Telephone No. **805-646-4343** FAX No. \_\_\_\_\_
- 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.

- 4** I request an additional 3-month extension of time until 5/15, 20 06.
- 5** For calendar year \_\_\_\_\_, or other tax year beginning 7/01, 20 04, and ending 6/30, 20 05.
- 6** If this tax year is for less than 12 months, check reason:  Initial return  Final return  Change in accounting period
- 7** State in detail why you need the extension: THE TAXPAYER HAS BEEN UNABLE TO OBTAIN THE INFORMATION NECESSARY FOR THE ACCURATE COMPLETION OF THE RETURN.

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

**Signature and Verification**

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

Signature *Letitia M. ...* Title C.P.A. Date 2/3/06

**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 extended 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>

EXTENSION APPROVED  
FEB 1 9 2006  
FIELD DIRECTOR, GLENDALE  
EXTENSION PROCESSING SECTION