

Return of Organization Exempt from Income Tax

OMB No 1545-0047

2004Department of the Treasury
Internal Revenue ServiceUnder 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**

▶ 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
instruc-
tionsEXCEPTIONAL CHILDREN'S FOUNDATION
8740 WEST WASHINGTON BLVD
CULVER CITY, CA 90232**D Employer identification number**

95-1690988

E Telephone number

(310) 204-3300

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).**G Web site:** ▶ ECF.NET**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 ▶ 16,103,855.

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

(If No, attach a list. See instructions.)

H (d) Is this a separate return filed by an
organization covered by a group ruling? ☐ Yes ☒ No**I** Group Exemption Number ▶**M** Check ☐ if the organization is not required
to attach Schedule B (Form 990, 990-EZ, or 990-PF)**Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances** (See Instructions)**1** Contributions, gifts, grants, and similar amounts received**a** Direct public support**1a** 748,758.**b** Indirect public support**1b****c** Government contributions (grants)**1c** 8,364,326.**d** Total (add lines 1a through 1c) (cash \$ 9,113,084. noncash \$)**1d** 9,113,084.**2** Program service revenue including government fees and contracts (from Part VII, line 93)**2** 2,169,764.**3** Membership dues and assessments**3****4** Interest on savings and temporary cash investments**4****5** Dividends and interest from securities**5** 187,178.**6a** Gross rents**6a** 42,510.**b** Less rental expenses**6b****c** Net rental income or (loss) (subtract line 6b from line 6a)**6c** 42,510.**7** Other investment income (describe ▶)**7****8a** Gross amount from sales of assets other
than inventory**(A) Securities**

4,482,111.

(B) Other**8a****b** Less cost or other basis and sales expenses

4,478,836.

8b**c** Gain or (loss) (attach schedule) STATEMENT 1

3,275.

8c**d** Net gain or (loss) (combine line 8c, columns (A) and (B))**8d** 3,275.**9** Special events and activities (attach schedule) If any amount is from gaming, check here ☐**a** Gross revenue (not including \$ 153,256. of contributions
reported on line 1a)**9a** 23,252.**b** Less direct expenses other than fundraising expenses**9b** 23,252.**c** Net income or (loss) from special events (subtract line 9b from line 9a)

STATEMENT 2

9c**10a** Gross sales of inventory, less returns and allowances**10a****b** Less cost of goods sold**10b****c** Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)**10c****11** Other revenue (from Part VII, line 103)**11** 85,956.**12** Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)**12** 11,601,767.**13** Program services (from line 44, column (B))**13** 10,931,369.**14** Management and general (from line 44, column (C))**14** 1,471,511.**15** Fundraising (from line 44, column (D))**15** 222,519.**16** Payments to affiliates (attach schedule)**16****17** Total expenses (add lines 16 and 44, column (A))**17** 12,625,399.**18** Excess or (deficit) for the year (subtract line 17 from line 12)**18** -1,023,632.**19** Net assets or fund balances at beginning of year (from line 73, column (A))**19** 13,874,392.**20** Other changes in net assets or fund balances (attach explanation)

SEE STATEMENT 3

20 -275,062.**21** Net assets or fund balances at end of year (combine lines 18, 19, and 20)**21** 12,575,698.**BAA** For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

TEEA0107L 01/07/05

Form **990** (2004)

SCANNED FEB 27 2006

REVENUE

EXPENSES

NET ASSETS

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	168,215.	145,573.	19,732.
26	Other salaries and wages	26	5,724,575.	4,918,045.	708,841.
27	Pension plan contributions	27			
28	Other employee benefits	28	1,395,348.	1,317,878.	67,173.
29	Payroll taxes	29	613,104.	516,291.	84,852.
30	Professional fundraising fees	30			
31	Accounting fees	31			
32	Legal fees	32			
33	Supplies	33			
34	Telephone	34	127,702.	106,600.	16,456.
35	Postage and shipping	35			
36	Occupancy	36	253,690.	251,901.	1,759.
37	Equipment rental and maintenance	37	62,826.	42,900.	18,130.
38	Printing and publications	38			
39	Travel	39			
40	Conferences, conventions, and meetings	40			
41	Interest	41	336,183.	269,077.	63,312.
42	Depreciation, depletion, etc (attach schedule)	42	363,661.	295,059.	64,682.
43	Other expenses not covered above (itemize)				
a	SEE STATEMENT 4	43a	3,580,095.	3,068,045.	426,574.
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	12,625,399.	10,931,369.	1,471,511.

Joint Costs. Check ☒ if you are following SOP 98-2Are 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 AccomplishmentsWhat is the organization's primary exempt purpose? ☒ SEE STATEMENT 5

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	SEE STATEMENT 6		
	(Grants and allocations \$ _____)		10,931,369.
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)		10,931,369.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
ASSETS	45 Cash — non-interest-bearing	1,437,027.	45	425,902.
	46 Savings and temporary cash investments		46	
	47a Accounts receivable	47a 1,034,152.		
	b Less allowance for doubtful accounts	47b 12,185.	1,199,499.	47c 1,021,967.
	48a Pledges receivable	48a		
	b Less allowance for doubtful accounts	48b		48c
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
	51a Other notes & loans receivable (attach sch)	51a		
	b Less allowance for doubtful accounts	51b		51c
	52 Inventories for sale or use	120,086.	52	173,950.
	53 Prepaid expenses and deferred charges	473,825.	53	247,506.
	54 Investments — securities (attach schedule) ☐ Cost ☒ FMV	7,316,345.	54	8,723,559.
	55a Investments — land, buildings, & equipment basis	55a		
	b Less accumulated depreciation (attach schedule)	55b		55c
56 Investments — other (attach schedule)		56		
57a Land, buildings, and equipment basis	57a 15,939,353.			
b Less accumulated depreciation (attach schedule) STATEMENT 7	57b 7,390,791.	8,769,217.	57c 8,548,562.	
58 Other assets (describe ☐ SEE STATEMENT 8)	675,885.	58	607,380.	
59 Total assets (add lines 45 through 58) (must equal line 74)	19,991,884.	59	19,748,826.	
LIABILITIES	60 Accounts payable and accrued expenses	1,642,168.	60	1,516,699.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)	4,188,700.	64b	4,067,784.
	65 Other liabilities (describe ☐ SEE STATEMENT 9)	286,624.	65	1,588,645.
66 Total liabilities (add lines 60 through 65)	6,117,492.	66	7,173,128.	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here ☒ and complete lines 67 through 69 and lines 73 and 74			
	67 Unrestricted	13,700,151.	67	12,344,439.
	68 Temporarily restricted	174,241.	68	231,259.
	69 Permanently restricted		69	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 70 through 74			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	13,874,392.	73	12,575,698.
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	19,991,884.	74	19,748,826.

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**

a Total revenue, gains, and other support per audited financial statements	a 12,004,058.
b Amounts included on line a but not on line 12, Form 990	
(1) Net unrealized gains on investments \$ 367,291.	
(2) Donated services and use of facilities \$ 35,000.	
(3) Recoveries of prior year grants \$	
(4) Other (specify)	
\$	
Add amounts on lines (1) through (4)	b 402,291.
c Line a minus line b	c 11,601,767.
d Amounts included on line 12, Form 990 but not on line a :	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify)	
\$	
Add amounts on lines (1) and (2)	d
e Total revenue per line 12, Form 990 (line c plus line d)	e 11,601,767.

a Total expenses and losses per audited financial statements	a 12,660,399.
b Amounts included on line a but not on line 17, Form 990	
(1) Donated services and use of facilities \$ 35,000.	
(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 35,000.
c Line a minus line b	c 12,625,399.
d Amounts included on line 17, Form 990 but not on line a :	
(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify)	
\$	
Add amounts on lines (1) and (2)	d
e Total expenses per line 17, Form 990 (line c plus line d)	e 12,625,399.

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				
		168,215.	5,150.	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	
80b	If 'Yes,' enter the name of the organization <u>VALVERDE, INC.</u> and check whether it is ☒ exempt or ☐ nonexempt		
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?	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	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	
85a	501(c)(4), (5), or (6) organizations. Were substantially all dues nondeductible by members?	N/A	
85b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	
85c	Dues, assessments, and similar amounts from members	N/A	
85d	Section 162(e) lobbying and political expenditures	N/A	
85e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	N/A	
85f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	N/A	
85g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	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?	N/A	
86a	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	N/A	
86b	Gross receipts, included on line 12, for public use of club facilities	N/A	
87a	501(c)(12) organizations. Enter: a Gross income from members or shareholders	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.)	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		X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
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		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 <u>CALIFORNIA</u>		
90b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	214	
91	The books are in care of <u>SONHUI ROBILOTTA</u> Telephone number <u>310-845-8025</u> Located at <u>8740 W WASHINGTON BLVD, CULVER CITY, CA</u> ZIP + 4 <u>90232</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here ☐ and enter the amount of tax-exempt interest received or accrued during the tax year <u>92</u>	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 CONTRACT REVENUE					1,760,513.
b RENT - DISABLED CLIN					75,709.
c SALES FROM SHELTERED					34,729.
d _____					
e _____					
f Medicare/Medicaid payments					298,813.
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	187,178.	
97 Net rental income or (loss) from real estate					
a debt-financed property			30	42,510.	
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			18	3,275.	
101 Net income or (loss) from special events			1		
102 Gross profit or (loss) from sales of inventory					
103 Other revenue a _____					
b MISC INCOME			1	85,956.	
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))				318,919.	2,169,764.
105 Total (add line 104, columns (B), (D), and (E))					2,488,683.

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)
1	SEE STATEMENT 11

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

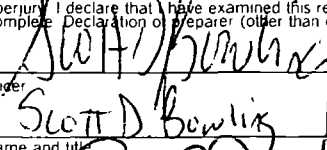
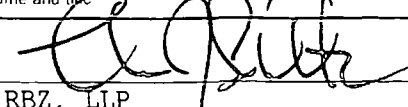
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

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)

Please Sign Here	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.	
	Signature of officer  Type or print name and title SCOTT D. Bowling	Date 2/9/06
Paid Preparer's Use Only	Preparer's signature 	Date 2/6/06
	Firm's name (or yours if self-employed), address and ZIP + 4 RBZ, LLP 11755 WILSHIRE BLVD. SUITE 900 LOS ANGELES, CA 90025-1506	Check if self-employed ☐ N/A
	EIN N/A	Phone no (310) 478-4148

SCHEDULE A
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Organization Exempt Under**
Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),**
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information — (See separate instructions.)**

OMB No 1545-0047

2004**▶ MUST be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

EXCEPTIONAL CHILDREN'S FOUNDATION

Employer identification number

95-1690988

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
LESLIE TORRUCO 8740 WASHINGTON BL., LA, CA	THERAPIST 40	72,678.	3,199.	0.
ELINOR SZEKUNDA 8740 WASHINGTON BL., LA, CA	DIR DEVELOPMENT 40	59,880.	5,066.	0.
SHIRLEY BIANCA 8740 WASHINGTON BL., LA, CA	DR REHAB SERVIC 40	69,964.	5,433.	0.
KAREN KATO 8740 WASHINGTON BL., LA, CA	DR ADMIN OPERAT 40	78,862.	5,757.	0.
SANDY WOLFF 8740 WASHINGTON BL., LA, CA	DR EXTERNAL REL 40	82,421.	5,886.	0.
Total number of other employees paid over \$50,000 ▶	6			

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
MARA WASSERMAN 8445 DENISE LANE, WEST HILLS, CA 91304	THERAPY	71,307.
IRWIN LEHRHOFF, PHD 15165 VENTURA BLVD, STE 240, SHERMAN OAKS, CA	THERAPY	177,800.
AKPT, INC. - AHMER KHAN PO BOX 7084, ALHAMBRA, CA 91802	THERAPY	60,548.
STEVE POWERS 25918 COLERIDGE PLACE, STEVENSON RANCH, CA	THERAPY	76,828.
RIGHT CHOICE, INC P.O. BOX 127, GLENDORA, CA 91740	THERAPY	109,018.
Total number of others receiving over \$50,000 for professional services ▶	2	

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990 or 990-EZ) 2004

	Yes	No
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- 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.)

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.)

- a** Sale, exchange, or leasing of property?

- b** Lending of money or other extension of credit?

- c Furnishing of goods, services, or facilities?

SEE FORM 990, PART V

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

- 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)

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

- 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?

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

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.

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.)	9,606,255.	9,658,342.	11,548,914.	779,087.	31,592,598.
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	2,838,892.	2,787,901.	481,788.	9,845,320.	15,953,901.
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	148,893.	266,797.	295,060.	418,006.	1,128,756.
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. SEE STMT 12	119,311.	77,796.	94,744.	113,502.	405,353.
23 Total of lines 15 through 22	12,713,351.	12,790,836.	12,420,506.	11,155,915.	49,080,608.
24 Line 23 minus line 17	9,874,459.	10,002,935.	11,938,718.	1,310,595.	33,126,707.
25 Enter 1% of line 23	127,134.	127,908.	124,205.	111,559.	-

26 Organizations described on lines 10 or 11:	a Enter 2% of amount in column (e), line 24	26a	662,534.
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.		26b	
c Total support for section 509(a)(1) test. Enter line 24, column (e)		26c	33,126,707.
d Add: Amounts from column (e) for lines 18 1,128,756. 19 _____		26d	1,534,109.
22 405,353. 26b _____		26e	31,592,598.
e Public support (line 26c minus line 26d total)		26f	95.37 %
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.' 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 _____	27c _____
d Add: Line 27a total _____ and line 27b total _____	27d _____
e Public support (line 27c total minus line 27d total)	27e _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)	27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))	27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))	27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 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.

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

		N/A	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?			
30	Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?			
31	Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If 'Yes,' please describe, if 'No,' please explain (If you need more space, attach a separate statement) ----- ----- -----			
32	Does the organization maintain the following			
a	Records indicating the racial composition of the student body, faculty, and administrative staff?	32 a		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32 b		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32 c		
d	Copies of all material used by the organization or on its behalf to solicit contributions? If you answered 'No' to any of the above, please explain (If you need more space, attach a separate statement) ----- -----	32 d		
33	Does the organization discriminate by race in any way with respect to			
a	Students' rights or privileges?	33 a		
b	Admissions policies?	33 b		
c	Employment of faculty or administrative staff?	33 c		
d	Scholarships or other financial assistance?	33 d		
e	Educational policies?	33 e		
f	Use of facilities?	33 f		
g	Athletic programs?	33 g		
h	Other extracurricular activities? If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----	33 h		
34 a	Does the organization receive any financial aid or assistance from a governmental agency?	34 a		
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	34 b		
35	Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If 'No,' attach an explanation	35		

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
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table –		
If the amount on line 40 is –		
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		
The lobbying nontaxable amount is –		
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		
42 Grassroots nontaxable amount (enter 25% of line 41)	42	
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43	
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**(Some organizations that made a section 501(h) election do not have to complete all of the five columns below
See the instructions for lines 45 through 50)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities

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

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

Yes	No	Amount

BAA

Schedule A (Form 990 or 990-EZ) 2004

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.

	Yes	No
51 a (i)		X
a (ii)		X
b (i)		X
b (ii)		X
b (iii)		X
b (iv)		X
b (v)		X
b (vi)		X
c		X

[illegible]

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

b If 'Yes,' complete the following schedule

[illegible]

EXCEPTIONAL CHILDREN'S FOUNDATION

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STATEMENT 1
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE: 4,482,111.
 COST OR OTHER BASIS: 4,478,836.

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ 3,275.

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ 3,275.

STATEMENT 2
FORM 990, PART I, LINE 9
NET INCOME (LOSS) FROM SPECIAL EVENTS

<u>SPECIAL EVENTS</u>	<u>GROSS RECEIPTS</u>	<u>LESS CONTRI- BUTIONS</u>	<u>GROSS REVENUE</u>	<u>LESS DIRECT EXPENSES</u>	<u>NET INCOME (LOSS)</u>
	176,508.	153,256.	23,252.	23,252.	0.
TOTAL	\$ <u>176,508.</u>	\$ <u>153,256.</u>	\$ <u>23,252.</u>	\$ <u>23,252.</u>	\$ <u>0.</u>

STATEMENT 3
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

PENSION LIABILITY ADJUSTMENT	\$ -642,353.
UNREALIZED GAIN ON INVESTMENTS	367,291.
TOTAL	\$ <u>-275,062.</u>

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

	(A) <u>TOTAL</u>	(B) <u>PROGRAM SERVICES</u>	(C) <u>MANAGEMENT & GENERAL</u>	(D) <u>FUNDRAISING</u>
AGENCY/ASSOCIATION DUES	16,729.	3,575.	12,699.	455.
CLIENT/TRAINEE PAYROLL	779,115.	779,115.		
EVENTS AND PUBLICATIONS	81,453.	2,533.	36,191.	42,729.
FACILITY MAINTENANCE	279,280.	268,700.	9,433.	1,147.
INSURANCE	218,496.	28,726.	189,273.	497.
MISCELLANEOUS EXPENSES	55,814.	23,531.	27,304.	4,979.
OFFICE SUPPLIES	126,766.	101,367.	22,110.	3,289.
OTHER PRODUCTION COSTS	161,409.	161,206.	148.	55.
PRODUCTION RELATED EXPENSES	303,770.	303,161.	609.	
PRODUCTION SUPPLIES	124,146.	124,092.	48.	6.
PROFESSIONAL FEES	1,025,922.	947,685.	49,794.	28,443.
STAFF MILEAGE	85,425.	82,537.	2,523.	365.
STAFF SUPPORT	57,916.	9,508.	48,391.	17.
STAFF TRAINING & DEVELOPMENT	13,766.	5,922.	6,015.	1,829.

EXCEPTIONAL CHILDREN'S FOUNDATION

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

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
TAXES AND LICENSES	52,714.	46,318.	6,192.	204.
UTILITIES	179,115.	167,246.	10,408.	1,461.
VEHICLE EXPENSES	18,259.	12,823.	5,436.	
TOTAL	\$ 3,580,095.	\$ 3,068,045.	\$ 426,574.	\$ 85,476.

STATEMENT 5
FORM 990, PART III
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

EXCEPTIONAL CHILDREN'S FOUNDATION (ECF) IS AN EDUCATIONAL, REHABILITATION, SOCIAL SERVICE, AND ADVOCACY AGENCY THAT PROVIDES SERVICES FROM BIRTH THROUGH ADULthood FOR INDIVIDUALS WITH MENTAL RETARDATION AND OTHER DEVELOPMENTAL DISABILITIES. THE MISSION OF ECF IS TO CREATE, PROVIDE AND ENHANCE INNOVATIVE PROGRAMS FOR CHILDREN AND ADULTS WITH DEVELOPMENTAL DISABILITIES THAT WILL IMPROVE THEIR LIVES AND ENABLE THEM TO ACHIEVE THEIR GREATEST POTENTIAL, UNDERTAKE AND SUPPORT ADVOCACY PROGRAMS AND PROMOTE RESEARCH THAT BENEFITS INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES AND ENHANCE AWARENESS OF ECF AND THE CONSUMERS WE SERVE.

STATEMENT 6
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
EARLY START:		
THE EARLY START PROGRAM PROVIDES HIGH QUALITY THERAPEUTIC INTERVENTION SERVICES TO ECF'S SMALLEST CLIENTS AND THEIR FAMILIES IN NATURAL CENTER-BASED AND HOME SETTINGS. FROM SITES IN LOS ANGELES, LOMITA AND ARLETA, EARLY START OFFERS BOTH CENTER-BASED AND HOME VISIT SERVICES FOR INFANTS AND TODDLERS, AGE 0-3, WHO ARE DEVELOPMENTALLY DELAYED, DISABLED, OR "AT RISK." NINETY PERCENT OF A CHILD'S BRAIN GROWTH OCCURS BY AGE THREE. DURING THESE CRITICAL YEARS, WINDOWS OF OPPORTUNITY OPEN - AND SOMETIMES CLOSE - FOR VITAL LEARNING IN SENSORY DEVELOPMENT, LANGUAGE ACQUISITION, AS WELL AS EMOTIONAL AND MENTAL HEALTH. A STIMULATING LEARNING ENVIRONMENT, POSITIVE SOCIAL EXPERIENCES, AND POSITIVE PARENT-CHILD INTERACTIONS ARE ESSENTIAL FOR THE HEALTHY DEVELOPMENT OF A CHILD.		3,011,152.
PRODUCTION AND REHABILITATION (PAR) SERVICES:		
AT ECF'S PRODUCTION AND REHABILITATION (PAR) SERVICES WORK TRAINING CENTERS IN CULVER CITY AND SANTA FE SPRINGS, PROGRAM PARTICIPANTS DEVELOP WORK HABITS AND APPROPRIATE SOCIAL SKILLS WHILE MAINTAINING PRODUCTIVITY IN MEETING GOVERNMENTAL AND PRIVATE CONTRACT REQUIREMENTS FOR		

EXCEPTIONAL CHILDREN'S FOUNDATION

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STATEMENT 6 (CONTINUED)
 FORM 990, PART III, LINE A
 STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
MANUFACTURING, PACKAGING AND ASSEMBLY. THE PURPOSE OF THE PROGRAM IS TO PROVIDE FACILITY-BASED VOCATIONAL TRAINING AND PAID WORK IN ORDER TO IMPROVE EARNING POTENTIAL AND INDEPENDENT FUNCTIONING OF PERSONS WITH DEVELOPMENTAL DISABILITIES, AND PROMOTE TRANSITION TO SUPPORTED AND/OR COMPETITIVE EMPLOYMENT SETTINGS.		2,274,376.
RESIDENTIAL:		
RESIDENTIAL PROVIDES HIGH-QUALITY INDEPENDENT LIVING AND GROUP HOME SERVICES IN A VARIETY OF RESIDENTIAL NEIGHBORHOODS FOR ADULTS WITH MILD DEVELOPMENTAL DISABILITIES. RESIDENTS ARE OFFERED THE LEAST RESTRICTIVE RESIDENTIAL SERVICES TO PROMOTE HEALTHFUL AND FULFILLING LIFESTYLES OF THEIR INFORMED CHOICE. TRAINING IS CONDUCTED IN TWO 13-UNIT APARTMENT COMPLEXES - ONE IN LOS ANGELES AND THE OTHER IN WHITTIER SPRINGS. INSTRUCTION INCLUDES MONEY MANAGEMENT, MEAL PLANNING, HOUSEKEEPING AND COMMUNITY AWARENESS. FOR ADULTS WITH MORE SEVERE DISABILITIES, THERE IS LONG-TERM COMMUNITY INTEGRATED GROUP LIVING IN ECF'S GROUP HOME IN RESEDA FOR 13 RESIDENTS WHO NEED 24-HOUR SUPERVISION AND ASSISTANCE. FROM NOVEMBER 17, 2005 THIS FACILITY IS LICENSED BY THE DEPARTMENT OF HEALTH SERVICES, FOR FEDERAL FUNDING UNDER MEDI-CAL. IN FY 2005, 11 ADULTS ARE COVERED UNDER MEDI-CAL. THE BUTTERFLY PROJECT (SUPPORTED LIVING) IS FOR CONSUMERS RELEASED FROM STATE DEVELOPMENTAL CENTERS THAT REQUIRE 24 HOUR/DAY SUPPORT TO LIVE INDEPENDENTLY IN THE COMMUNITY. DURING FISCAL YEAR ENDED 2005, ECF SERVED 7 TO 14 CONSUMERS.		2,044,177.
SUPPORTED EMPLOYMENT:		
SUPPORTED EMPLOYMENT PROVIDES COMMUNITY-INTEGRATED JOB PLACEMENTS, ON-THE-JOB TRAINING, AND SUPPORT SERVICES TO ADULTS WITH MENTAL RETARDATION AND OTHER DEVELOPMENTAL DISABILITIES. FOR PROGRAM PARTICIPANTS, THIS IS A MUCH-AWAITED GATEWAY TO INDEPENDENCE. UNDER SUPERVISOR OF AN ECF JOB COACH, PARTICIPANTS ARE HIRED BY LOCAL BUSINESSES TO PERFORM CLERICAL, JANITORIAL, GROUNDS MAINTENANCE AND FOOD SERVICE ASSIGNMENTS.		1,513,176.
DEVELOPMENTAL ACTIVITIES CENTERS:		
DEVELOPMENTAL ACTIVITIES CENTERS IN CULVER CITY AND LOS ANGELES OFFER ADULTS WITH MODERATE TO PROFOUND MENTAL RETARDATION AND OTHER DEVELOPMENTAL DISABILITIES A STEPPING STONE TO INDEPENDENCE. THE WESTSIDE PROGRAM UTILIZES CLASSROOM AND NATURAL ENVIRONMENTS TO PROVIDE TRAINING AND SUPPORT SERVICES IN THE AREAS OF SELF-CARE, SELF-ADVOCACY, COMMUNITY INTEGRATION AND VOCATIONAL SKILLS. THE LOS ANGELES PROGRAM IS AN INNOVATIVE SIMULATED COMMUNITY THAT HAS WON ADMIRATION AND ACCLAIM FOR CREATIVITY AS A LEARNING ENVIRONMENT. ADULT PARTICIPANTS ACHIEVE THEIR MAXIMUM POTENTIAL FOR INDEPENDENCE THROUGH "LEARNING STORES" THAT		

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STATEMENT 6 (CONTINUED)
FORM 990, PART III, LINE A
STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
TAKE THE PLACE OF TRADITIONAL CLASSROOMS AND PROVIDE A CONTINUUM OF SERVICES IN WHICH THEY MUST LEARN TO FUNCTION AND REINFORCE IN THE MAINSTREAM SOCIETY. MEANWHILE, RECOGNIZING THAT MORE INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES ARE SURVIVING INTO OLD AGE, THE PROGRAM OFFERS YOUNG-AT-HEART SENIOR SERVICES. THIS IS A NATIONALLY-RECOGNIZED MODEL RECREATIONAL, HEALTH AND FITNESS PROGRAM SUITED FOR SENIOR CITIZENS.		1,269,448.
THE ART CENTER:		
THE ART CENTER IN LOS ANGELES ENCOURAGES, ASSISTS AND SUPPORTS MAXIMUM PERSONAL DEVELOPMENT IN ADULTS WITH DEVELOPMENTAL DISABILITIES THROUGH THE MEDIUM OF ART. ECF ARTISTS RANGE IN AGE FROM 18 TO 65 WITH DISABILITIES THAT INCLUDE MENTAL RETARDATION, CEREBRAL PALSY, EPILEPSY, AUTISM AND/OR EMOTIONAL DISORDERS. ESTABLISHED IN 1968, THE ART CENTER HAS BECOME NATIONALLY RECOGNIZED FOR LEADERSHIP IN DEMONSTRATING THAT INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES HAVE THE ABILITY TO PRODUCE FINE ART. MANY OF THE ARTISTS HAVE WON AWARDS IN JURIED SHOWS THROUGHOUT THE UNITED STATES. IN ADDITION TO ART CLASSES, THE PROGRAM ALSO OFFERS ACADEMICS AND INDEPENDENT LIVING SKILLS TRAINING. ECF STARTED ITS SECOND ART CENTER AT SAN PEDRO IN JUNE 2004.		819,040.
	\$ 0.	\$ 10931369.

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

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	\$ 132,318.	\$ 128,285.	\$ 4,033.
FURNITURE AND FIXTURES	2,102,902.	1,969,557.	133,345.
MACHINERY AND EQUIPMENT	450,805.	292,592.	158,213.
BUILDINGS	9,245,260.	4,897,873.	4,347,387.
IMPROVEMENTS	216,729.	102,484.	114,245.
LAND	3,791,339.		3,791,339.
TOTAL	\$ 15,939,353.	\$ 7,390,791.	\$ 8,548,562.

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

BOND RESERVES	\$ 120,340.
DUE FROM RELATED PARTY	37,761.
NET INTANGIBLE ASSETS	254,387.
REPLACEMENT RESERVES	142,108.

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STATEMENT 8 (CONTINUED)
FORM 990, PART IV, LINE 58
OTHER ASSETS

RESIDUAL RECEIPTS RESERVES	\$	45,138.
TENANT SECURITY DEPOSITS		7,646.
TOTAL	\$	<u>607,380.</u>

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

LINE OF CREDIT	\$	750,000.
MINIMUM PENSION LIABILITY		838,645.
TOTAL	\$	<u>1,588,645.</u>

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 & DC</u>	<u>EXPENSE ACCOUNT/ OTHER</u>
SCOTT D. BOWLING, PSY.D. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	PRESIDENT & CEO 40	\$ 124,955.	\$ 3,423.	\$ 0.
SONHUI ROBILOTTA 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	CONTROLLER 40	43,260.	1,727.	0.
KEVIN D. DEBRE, ESQ 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD TREASURER VARIOUS	0.	0.	0.
ALAN R. POLSKY, ESQ 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD SECRETARY VARIOUS	0.	0.	0.
FRED ALAVI 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
GENE SICILIANO, B.S., CPA 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD CHAIR VARIOUS	0.	0.	0.
MARILYN MANN LINDQUIST, MSN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.

EXCEPTIONAL CHILDREN'S FOUNDATION

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STATEMENT 10 (CONTINUED)

FORM 990, PART V

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JOSEPH N. TILEM, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	\$ 0.	\$ 0.	\$ 0.
LESLIE B. ABELL, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD PAST CHAIR VARIOUS	0.	0.	0.
TEVIS BARNES 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
EDNA M. CHISM, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
GERALD R. CHERNIN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
SHIRLEY D. DEUTSCH, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
PHYLLIS GAINSBOROUGH, MS, MFT 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
KLINT JAMES MCKAY, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	1ST VICE CHAIR VARIOUS	0.	0.	0.
ARTHUR D. NADDOUR 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
BRADLEY STALLARD 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	2ND VICE PRES. VARIOUS	0.	0.	0.
CHARLES M. GRACE 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.
GRETCHEN S. LEWOTSKY 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR VARIOUS	0.	0.	0.

EXCEPTIONAL CHILDREN'S FOUNDATION

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STATEMENT 10 (CONTINUED)

FORM 990, PART V

LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
LARRY HAGMAN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. VARIOUS	\$ 0.	\$ 0.	\$ 0.
JERRY MOSS 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. VARIOUS	0.	0.	0.
ROBERT D. SHUSHAN, ED.D. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	PRES. EMERITUS VARIOUS	0.	0.	0.
PHILIP G. MILLER 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR PART TIME	0.	0.	0.
VINCENT E. PELLERITO 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR PART TIME	0.	0.	0.
JONI BERRY 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. PART TIME	0.	0.	0.
RAFER JOHNSON 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. PART TIME	0.	0.	0.
MONTE MARKHAM 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. PART TIME	0.	0.	0.
CARL TERZIAN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. PART TIME	0.	0.	0.
HONORABLE DICKRAN TEVRIZIAN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. PART TIME	0.	0.	0.

TOTAL \$ 168,215. \$ 5,150. \$ 0.

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STATEMENT 11
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
93A	CONTRACT FEES RECEIVED IN EXCHANGE FOR JANITORIAL AND LIGHT MANUFACTURING SERVICES PROVIDED BY DEVELOPMENTALLY DISABLED INDIVIDUALS AS PART OF PROGRAM SERVICES.
93B	RENT RECEIVED FROM DEVELOPMENTALLY DISABLED INDIVIDUAL CLIENTS IN AFFORDABLE HOUSING OPERATED AND MAINTAINED BY ECF.
93C	REVENUE FROM PRODUCTS MADE IN SHELTERED WORKSHOPS BY THE DEVELOPMENTALLY DISABLED.
93F	MEDI-CAL PAID TUITION AND FEES FOR SERVICES PROVIDED TO DEVELOPMENTALLY DISABLED CONSUMERS.

STATEMENT 12
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2003	(B) 2002	(C) 2001	(D) 2000	(E) TOTAL
MISCELLANEOUS	\$ 76,801.	\$ 35,286.	\$ 36,287.	\$ 52,399.	\$ 200,773.
RENTAL INCOME	42,510.	42,510.	58,457.	61,103.	204,580.
TOTAL	<u>\$ 119,311.</u>	<u>\$ 77,796.</u>	<u>\$ 94,744.</u>	<u>\$ 113,502.</u>	<u>\$ 405,353.</u>

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**BALANCE SHEET
SECURITIES (FORM 990) [O]**

COMMON STOCK	\$	1,422,795.
GOVERNMENT OBLIGATIONS		736,348.
EQUITY FUNDS		6,564,416.
TOTAL	\$	<u>8,723,559.</u>

**BALANCE SHEET
INTANGIBLE ASSETS [O]**

DEFERRED FINANCING COSTS, NET	\$	247,879.
PENSION INTANGIBLE ASSET		93,758.
TOTAL	\$	<u>341,637.</u>

**Application for Extension of Time to File an
Exempt Organization Return**

OMB No 1545 1709

Department of the Treasury
Internal Revenue Service

▶ File a separate application for each return

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box. ☒
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form)

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868**Part I Automatic 3-Month Extension of Time** — Only submit original (no copies needed)**Form 990-T corporations** requesting an automatic 6-month extension — check this box and complete Part I only ☐*All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.***Electronic Filing (e-file).** Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6-months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile

TELEPHONE FAX Filing the due date for filing your return. See instructions	Name of Exempt Organization	Employer identification number
	EXCEPTIONAL CHILDREN'S FOUNDATION	95-1690988
	Number, street, and room or suite number. If a P.O. box, see instructions	
	8740 WEST WASHINGTON BLVD	
	City, town or post office. For a foreign address, see instructions	state ZIP code
	CULVER CITY, CA 90232	

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

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

- The books are in the care of ▶ SONHUI ROBILOTTA

Telephone No ▶ 310-845-8025 FAX No ▶ (310) 845-8001

- If the organization does **not** have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the **whole** group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a **Form 990-T corporation**) extension of time until 2/15, 20 06, to file the exempt organization return for the organization named above. The extension is for the organization's return for
- ▶ ☐ calendar year 20__ or
 - ▶ ☒ tax year beginning 7/01, 20 04, and ending 6/30, 20 05

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

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions. \$ _____ 0.

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

c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions. \$ _____ 0.

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

BAA For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev 12-2004)