Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2005

Open to Public Inspection

A For the 2005 calendar year, or tax year beginning 7/01 **, 2005, and ending** 6/30 , 2006

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.

EXCEPTIONAL 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 chooses to file a return, be sure to file a complete return **Some states require a complete return.**

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ► 21,181,788.

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)

REVENUE	1	Contributions, gifts, grants, and similar amounts received			
	a	Direct public support	1a	1,606,061.	
	b	Indirect public support	1b		
	c	Government contributions (grants)	1c	8,668,771.	
	d	**Total** (add lines 1a through 1c) (cash $ 10,274,832. noncash $)			1d 10,274,832.
	2	Program service revenue including government fees and contracts (from Part VII, line 93)			2 2,476,094.
	3	Membership dues and assessments			3
	4	Interest on savings and temporary cash investments			4
	5	Dividends and interest from securities			5 305,692.
	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

		(A) Securities		(B) Other	
8a	Gross amount from sales of assets other than inventory	8,038,618.	8a		
b	Less cost or other basis and sales expenses	7,485,245.	8b		
c	Gain or (loss) (attach schedule) STATEMENT 1	553,373.	8c		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))				8d 553,373.
9	Special events and activities (attach schedule) If any amount is from **gaming,** check here ► ☐				
a	Gross revenue (not including $ 109,540. of contributions reported on line 1a)		9a	15,943.	
b	Less direct expenses other than fundraising expenses		9b	15,943.	
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 28,099.
12	**Total revenue** (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)				12 13,680,600.
EXPENSES	13	Program services (from line 44, column (B))			13 10,675,851.
	14	Management and general (from line 44, column (C))			14 1,480,770.
	15	Fundraising (from line 44, column (D))			15 218,748.
	16	Payments to affiliates (attach schedule)			16
	17	**Total expenses** (add lines 16 and 44, column (A))			17 12,375,369.
NET ASSETS	18	Excess or (deficit) for the year (subtract line 17 from line 12)			18 1,305,231.
	19	Net assets or fund balances at beginning of year (from line 73, column (A))			19 12,575,698.
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 3			20 231,816.
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21 14,112,745.

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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 $ _____) If this amount includes foreign grants, check here ► ☐	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	380,293.	167,345.	147,028.	65,920.
26 Other salaries and wages	26	5,571,619.	4,918,234.	592,306.	61,079.
27 Pension plan contributions	27				
28 Other employee benefits	28	1,148,708.	1,036,792.	99,810.	12,106.
29 Payroll taxes	29	538,275.	466,777.	60,717.	10,781.
30 Professional fundraising fees	30				
31 Accounting fees	31				
32 Legal fees	32				
33 Supplies	33				
34 Telephone	34	116,744.	100,914.	13,546.	2,284.
35 Postage and shipping	35				
36 Occupancy	36	264,667.	264,631.	13.	23.
37 Equipment rental and maintenance	37	53,803.	41,632.	10,450.	1,721.
38 Printing and publications	38				
39 Travel	39				
40 Conferences, conventions, and meetings	40				
41 Interest	41	346,905.	272,175.	71,921.	2,809.
42 Depreciation, depletion, etc (attach schedule)	42	372,894.	296,187.	73,106.	3,601.
43 Other expenses not covered above (itemize)					
a SEE STATEMENT 4	43a	3,581,461.	3,111,164.	411,873.	58,424.
b	43b				
c	43c				
d	43d				
e	43e				
f	43f				
g	43g				
44 **Total functional expenses** Add lines 22 through 43 (Organizations completing columns (B) - (D), carry these totals to lines 13 - 15)	44	12,375,369.	10,675,851.	1,480,770.	218,748.

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

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

What 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) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and 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 $) If this amount includes foreign grants, check here ► ☐	10,675,851.
b (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
c (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
d (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
e Other program services (Grants and allocations $) If this amount includes foreign grants, check here ► ☐	
f Total of Program Service Expenses (should equal line 44, column (B), Program services) ►	10,675,851.

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			425,902.	45	2,283,712.
	46 Savings and temporary cash investments				46	
	47a Accounts receivable	47a	1,063,643.			
	b Less allowance for doubtful accounts	47b	3,545.	1,021,967.	47c	1,060,098.
	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			173,950.	52	131,424.
	53 Prepaid expenses and deferred charges			247,506.	53	259,039.
	54 Investments – securities (attach schedule) SEE ST 7 ► ☐ Cost ☒ FMV			8,723,559.	54	7,585,619.
	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	16,871,083.			
	b Less accumulated depreciation (attach schedule) STATEMENT 8	57b	7,754,960.	8,548,562.	57c	9,116,123.
	58 Other assets (describe ► SEE STATEMENT 9)			607,380.	58	617,383.
	59 **Total assets** (must equal line 74) Add lines 45 through 58			19,748,826.	59	21,053,398.
LIABILITIES	60 Accounts payable and accrued expenses			1,516,699.	60	1,728,378.
	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) SEE STATEMENT 10			4,067,784.	64b	3,160,946.
	65 Other liabilities (describe ► SEE STATEMENT 11)			1,588,645.	65	2,051,329.
	66 **Total liabilities.** Add lines 60 through 65			7,173,128.	66	6,940,653.
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			12,344,439.	67	12,849,844.
	68 Temporarily restricted			231,259.	68	1,262,901.
	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)			12,575,698.	73	14,112,745.
	74 **Total liabilities and net assets/fund balances.** Add lines 66 and 73			19,748,826.	74	21,053,398.

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

a	Total revenue, gains, and other support per audited financial statements			**a**	13,608,232.
b	Amounts included on line **a** but not on Part I, line 12				
	1 Net unrealized gains on investments	**b1**	-72,368.		
	2 Donated services and use of facilities	**b2**			
	3 Recoveries of prior year grants	**b3**			
	4 Other (specify)	**b4**			
	Add lines **b1** through **b4**			**b**	-72,368.
c	Subtract line **b** from line **a**			**c**	13,680,600.
d	Amounts included on Part I, line 12, but not on line **a:**				
	1 Investment expenses not included on Part I, line 6b	**d1**			
	2 Other (specify)	**d2**			
	Add lines **d1** and **d2**			**d**	
e	**Total revenue** (Part I, line 12) Add lines **c** and **d**		►	**e**	13,680,600.

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

a	Total expenses and losses per audited financial statements			**a**	12,375,369.
b	Amounts included on line **a** but not on Part I, line 17				
	1 Donated services and use of facilities	**b1**			
	2 Prior year adjustments reported on Part I, line 20	**b2**			
	3 Losses reported on Part I, line 20	**b3**			
	4 Other (specify)	**b4**			
	Add lines **b1** through **b4**			**b**	
c	Subtract line **b** from line **a**			**c**	12,375,369.
d	Amounts included on Part I, line 17, but not on line **a:**				
	1 Investment expenses not included on Part I, line 6b	**d1**			
	2 Other (specify)	**d2**			
	Add lines **d1** and **d2**			**d**	
e	**Total expenses** (Part I, line 17) Add lines **c** and **d**		►	**e**	12,375,369.

Part V-A Current Officers, Directors, Trustees, and Key Employees (List each person who was an officer, director, trustee, or key employee at any time during the year even if they were not compensated.) *(See the instructions.)*

(A) Name and address	**(B)** Title and average hours per week devoted to position	**(C)** Compensation **(if not paid, enter -0-)**	**(D)** Contributions to employee benefit plans and deferred compensation plans	**(E)** Expense account and other allowances
SEE STATEMENT 12		380,293.	13,525.	0.

Part V-A Current Officers, Directors, Trustees, and Key Employees *(continued)*

		Yes	No
75 a Enter the total number of officers, directors, and trustees permitted to vote on organization business as board meetings ► 18			
b Are any officers, directors, trustees, or key employees listed in Form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, related to each other through family or business relationships? If 'Yes,' attach a statement that identifies the individuals and explains the relationship(s)	**75b**		X
c Do any officers, directors, trustees, or key employees listed in form 990, Part V-A, or highest compensated employees listed in Schedule A, Part I, or highest compensated professional and other independent contractors listed in Schedule A, Part II-A or II-B, receive compensation from any other organizations, whether tax exempt or taxable, that are related to this organization through common supervision or common control?	**75c**		X
Note. Related organizations include section 509(a)(3) supporting organizations If 'Yes,' attach a statement that identifies the individuals, explains the relationship between this organization and the other organization(s), and describes the compensation arrangements, including amounts paid to each individual by each related organization			
d Does the organization have a written conflict of interest policy?	**75d**	X	

Part V-B Former Officers, Directors, Trustees, and Key Employees That Received Compensation or Other Benefits

(If any former officer, director, trustee, or key employee received compensation or other benefits (described below) during the year, list that person below and enter the amount of compensation or other benefits in the appropriate column See the instructions)

(A) Name and address	**(B)** Loans and Advances	**(C)** Compensation	**(D)** Contributions to employee benefit plans and deferred compensation plans	**(E)** Expense account and other allowances

Part VI Other Information *(See the 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	**76**		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	**77**		X
78 a Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	**78a**		X
b If 'Yes,' has it filed a tax return on **Form 990-T** for this year?	**78b**	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement	**79**		X
80 a 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?	**80a**	X	
b If 'Yes,' enter the name of the organization ► VALVERDE, INC. and check whether it is [X] exempt **or** [ ] nonexempt			
81 a Enter direct and indirect political expenditures (See line 81 instructions) **81a** 0.			
b Did the organization file **Form 1120-POL** for this year?	**81b**		X

Part VI Other Information *(continued)*

			Yes	No
82 a	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	
b	If 'Yes,' you may indicate the value of these items here Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III) 82b			
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	*501(c)(4), (5), or (6) organizations* **a** Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of $2,000 or less?	85b	N/A	
	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			
c	Dues, assessments, and similar amounts from members 85c N/A			
d	Section 162(e) lobbying and political expenditures 85d N/A			
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A			
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A			
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A	
h	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	
86	*501(c)(7) organizations* Enter **a** Initiation fees and capital contributions included on line 12 86a N/A			
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A			
87	*501(c)(12) organizations* Enter: **a** Gross income from members or shareholders 87a N/A			
b	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
89 a	*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.			
b	*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.			

90 a List the states with which a copy of this return is filed ► NONE

b Number of employees employed in the pay period that includes March 12, 2005 (See instructions) **90b** 576

91 a The books are in care of ► SONHUI ROBILOTTA Telephone number ► 310-845-8025

Located at ► 8740 W WASHINGTON BLVD, CULVER CITY, CA, ZIP + 4 ► 90232

			Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	91b		X
	If 'Yes,' enter the name of the foreign country ►			
	See the instructions for exceptions and filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Statements			
c	At any time during the calendar year, did the organization maintain an office outside of the United States?	91c		X
	If 'Yes,' enter the name of the foreign country ►			

92 *Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of* ***Form 1041*** – Check here ► ☐ N/A

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 the instructions)*

Note: *Enter gross amounts unless otherwise indicated*

	Unrelated business income		Excluded by section 512, 513, or 514		
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	(E) Related or exempt function income
93 Program service revenue					
a CONTRACT REVENUE					1,657,984.
b RENT - DISABLED CLIEN					82,468.
c SALES FROM SHELTERED					27,300.
d					
e					
f Medicare/Medicaid payments					708,342.
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts					
96 Dividends & interest from securities			14	305,692.	
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	553,373.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue **a**					
b MISC INCOME			1	28,099.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))				929,674.	2,476,094.
105 Total (add line 104, columns (B), (D), and (E))				►	3,405,768.

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 the 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)
	SEE STATEMENT 13

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities *(See the 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 the 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

► X _____ Date X 1/29/07
Signature of officer

► X Scott D. Bowling, CEO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ► _____ Date 1/25/07 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 ► RBZ, LLP
11755 WILSHIRE BLVD. SUITE 900
LOS ANGELES, CA 90025-1506

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 4947(a)(1) Nonexempt Charitable Trust

Supplementary Information — (See separate instructions.)

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

OMB No 1545-0047

2005

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
SEE STATEMENT 14		394,827.	19,080.	0.
Total number of other employees paid over $50,000 ►	11			

Part II – A 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	104,269.
IRWIN LEHRHOFF, PHD 15165 VENTURA BLVD, STE 240 SHERMAN OAKS, CA 91403	THERAPY	239,998.
JANICE H. CARTER-LOURENSZ, MD 3136 STANFORD AVE MARINA DEL REY, CA 90292-5529	THERAPY	53,969.
STEVE POWERS 25918 COLERIDGE PLACE STEVENSON RANCH, CA 91381	THERAPY	63,680.
Total number of others receiving over $50,000 for professional services ►	0	

Part II – B Compensation of the Five Highest Paid Independent Contractors for Other Services

(List each contractor who performed services other than professional services, whether individuals or firms If there are none, enter 'None ' See instructions)

(a) Name and address of each independent contractor paid more than $50,000	(b) Type of service	(c) Compensation
NONE		
Total number of other contractors receiving over $50,000 for other 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)*			
a Sale, exchange, or leasing of property?	2a		X
b Lending of money or other extension of credit?	2b		X
c Furnishing of goods, services, or facilities? SEE FORM 990, PART V	2c		X
d Payment of compensation (or payment or reimbursement of expenses if more than $1,000)?	2d	X	
e Transfer of any part of its income or assets?	2e		X
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)	3a		X
b Do you have a section 403(b) annuity plan for your employees?	3b	X	
c During the year, did the organization receive a contribution of qualified real property interest under section 170(h)?	3c		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) Check the box that describes the type of supporting organization ► ☐ Type 1 ☐ Type 2 ☐ Type 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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants See line 28)	9,113,084.	9,606,255.	9,658,342.	11,548,914.	39,926,595.
16 Membership fees received					0.
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	2,347,796.	2,838,892.	2,787,901.	481,788.	8,456,377.
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	187,178.	148,893.	266,797.	295,060.	897,928.
19 Net income from unrelated business activities not included in line 18					0.
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					0.
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					0.
22 Other income Attach a schedule Do not include gain or (loss) from sale of capital assets SEE STMT 15	128,466.	119,311.	77,796.	94,744.	420,317.
23 Total of lines 15 through 22	11,776,524.	12,713,351.	12,790,836.	12,420,506.	49,701,217.
24 Line 23 minus line 17	9,428,728.	9,874,459.	10,002,935.	11,938,718.	41,244,840.
25 Enter 1% of line 23	117,765.	127,134.	127,908.	124,205.	

26 Organizations described on lines 10 or 11: **a** Enter 2% of amount in column (e), line 24 ► **26a** 824,897.

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 2001 through 2004 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** 41,244,840.

d Add Amounts from column (e) for lines **18** 897,928. **19** _____ **22** 420,317. **26b** _____ **26d** 1,318,245.

e Public support (line 26c minus line 26d total) ► **26e** 39,926,595.

f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ► **26f** 96.80 %

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

(2004) _____ (2003) _____ (2002) _____ (2001) _____

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 11b, 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

(2004) _____ (2003) _____ (2002) _____ (2001) _____

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 2001 through 2004, 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?	**29**		
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?	**30**		
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?	**31**		
	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?	**32a**		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	**32b**		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	**32c**		
d	Copies of all material used by the organization or on its behalf to solicit contributions?	**32d**		
	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?	**33a**		
b	Admissions policies?	**33b**		
c	Employment of faculty or administrative staff?	**33c**		
d	Scholarships or other financial assistance?	**33d**		
e	Educational policies?	**33e**		
f	Use of facilities?	**33f**		
g	Athletic programs?	**33g**		
h	Other extracurricular activities?	**33h**		
	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?	**34a**		
b	Has the organization's right to such aid ever been revoked or suspended?	**34b**		
	If you answered 'Yes' to either 34a or b, please explain using an attached statement			
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 — / **The lobbying nontaxable amount is —**			
Not over $500,000 — 20% of the amount on line 40			
Over $500,000 but not over $1,000,000 — $100,000 plus 15% of the excess over $500,000			
Over $1,000,000 but not over $1,500,000 — $175,000 plus 10% of the excess over $1,000,000	**41**		
Over $1,500,000 but not over $17,000,000 — $225,000 plus 5% of the excess over $1,500,000			
Over $17,000,000 — $1,000,000			
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)

	Lobbying Expenditures During 4 -Year Averaging Period				
Calendar year (or fiscal year beginning in) ►	**(a)** 2005	**(b)** 2004	**(c)** 2003	**(d)** 2002	**(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	Yes	No	Amount
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

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?

		Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of			
(i) Cash	51 a (i)		X
(ii) Other assets	a (ii)		X
b Other transactions			
(i) Sales or exchanges of assets with a noncharitable exempt organization	b (i)		X
(ii) Purchases of assets from a noncharitable exempt organization	b (ii)		X
(iii) Rental of facilities, equipment, or other assets	b (iii)		X
(iv) Reimbursement arrangements	b (iv)		X
(v) Loans or loan guarantees	b (v)		X
(vi) Performance of services or membership or fundraising solicitations	b (vi)		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees	c		X

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

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements
N/A			

52 a 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

(a) Name of organization	(b) Type of organization	(c) Description of relationship
N/A		

EXCEPTIONAL CHILDREN'S FOUNDATION 95-1690988

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

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE:	8,038,618.
COST OR OTHER BASIS:	7,485,245.
TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES	$ 553,373.
TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES	$ 553,373.

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

SPECIAL EVENTS	GROSS RECEIPTS	LESS CONTRI-BUTIONS	GROSS REVENUE	LESS DIRECT EXPENSES	NET INCOME (LOSS)
	125,483.	109,540.	15,943.	15,943.	0.
TOTAL	$ 125,483.	$ 109,540.	$ 15,943.	$ 15,943.	$ 0.

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

PENSION LIABILITY ADJUSTMENT	$ 304,184.
UNREALIZED LOSSES ON INVESTMENTS	-72,368.
TOTAL	$ 231,816.

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

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
AGENCY/ASSOCIATION DUES	14,760.	2,350.	11,997.	413.
BAD DEBT EXPENSE	40,771.	40,771.		
CLIENT/TRAINEE PAYROLL	664,982.	664,982.		
CONSULTING FEES - THERAPY	937,778.	937,778.		
EVENTS AND PUBLICATIONS	45,239.	933.	16,745.	27,561.
FACILITY MAINTENANCE	337,272.	318,710.	16,399.	2,163.
INSURANCE	184,663.	34,612.	149,340.	711.
MISCELLANEOUS EXPENSES	50,087.	2,441.	44,024.	3,622.
OFFICE SUPPLIES	65,904.	45,037.	17,712.	3,155.
OTHER PRODUCTION COSTS	216,695.	216,695.		
PRODUCTION RELATED EXPENSES	359,053.	359,053.		
PROFESSIONAL FEES	124,040.	19,998.	86,068.	17,974.
PROGRAM SUPPLIES	134,400.	134,400.		
STAFF MILEAGE	86,578.	84,020.	1,882.	676.

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

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
STAFF SUPPORT	47,991.	7,658.	40,308.	25.
STAFF TRAINING & DEVELOPMENT	16,474.	7,174.	8,541.	759.
TAXES AND LICENSES	44,873.	37,210.	7,482.	181.
UTILITIES	198,011.	185,452.	11,375.	1,184.
VEHICLE EXPENSES	11,890.	11,890.		
TOTAL	$ 3,581,461.	$ 3,111,164.	$ 411,873.	$ 58,424.

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

EXCEPTIONAL CHILDREN'S FOUNDATION (ECF) IS ONE OF THE OLDEST AND LARGEST CHARITIES IN CALIFORNIA, SERVING CHILDREN AND ADULTS WITH DEVELOPMENTAL DISABILITIES AND ACQUIRED BRAIN INJURIES. SINCE 1946, ECF HAS OFFERED A CONTINUUM OF PROGRAM SERVICES AND CURRENTLY OFFERS EARLY START, DEVELOPMENTAL ACTIVITY, RESIDENTIAL SERVICES, WORK TRAINING, SUPPORTED EMPLOYMENT AND RECREATION TO NEARLY 2,000 INDIVIDUALS AND THEIR FAMILIES EACH YEAR.

THE MISSION OF ECF IS TO CREATE AND PROVIDE HIGH QUALITY, PROGRESSIVE AND INTEGRATED COMMUNITY SERVICES FOR CHILDREN AND ADULTS WITH DEVELOPMENTAL AND OTHER DISABILITIES TO ENABLE THEM TO ACHIEVE THEIR GREATEST POTENTIAL.

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. INCLUDES FOREIGN GRANTS: NO		3,199,355.
PRODUCTION AND REHABILITATION (PAR) SERVICES:		

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

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
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 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.		2,114,131.
INCLUDES FOREIGN GRANTS: NO		
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. THIS FACILITY IS LICENSED BY THE DEPARTMENT OF HEALTH SERVICES, FOR FEDERAL FUNDING 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.		2,066,218.
INCLUDES FOREIGN GRANTS: NO		
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.		1,461,266.
INCLUDES FOREIGN GRANTS: NO		
DEVELOPMENTAL ACTIVITIES CENTERS:		
DEVELOPMENTAL ACTIVITIES CENTERS IN CULVER CITY AND LOS ANGELES OFFER ADULTS WITH MODERATE TO PROFOUND MENTAL RETARDATION AND OTHER DEVELOPMENTAL DISABILTIES 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,		

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

DESCRIPTION	GRANTS AND ALLOCATIONS	PROGRAM SERVICE EXPENSES
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 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 DISABILTIES 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.		1,098,077.
INCLUDES FOREIGN GRANTS: NO		
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.		736,804.
INCLUDES FOREIGN GRANTS: NO		
	$ 0.	$ 10675851.

STATEMENT 7
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

CORPORATE STOCKS	VALUATION METHOD	AMOUNT
COMMON STOCK	MARKET VALUE	$ 2,099,444.
	TOTAL	$ 2,099,444.

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	AMOUNT
MUTUAL FUNDS	MARKET VALUE	4,800,042.
	TOTAL	$ 4,800,042.

STATEMENT 7 (CONTINUED)
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

U.S. GOVERNMENT OBLIGATIONS	VALUATION METHOD	AMOUNT
GOVERNMENT OBLIGATIONS	MARKET VALUE	$ 686,133.
US GOV'T OBLIGATIONS	MARKET VALUE	0.
	TOTAL	$ 686,133.

TOTAL INVESTMENTS - SECURITIES $ 7,585,619.

STATEMENT 8
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
AUTOMOBILES / TRANSPORTATION EQUIPMENT	$ 132,318.	$ 132,318.	$ 0.
FURNITURE AND FIXTURES	2,118,776.	1,991,110.	127,666.
MACHINERY AND EQUIPMENT	453,450.	337,691.	115,759.
BUILDINGS	9,758,471.	5,186,587.	4,571,884.
IMPROVEMENTS	216,729.	107,254.	109,475.
LAND	4,191,339.		4,191,339.
TOTAL	$ 16,871,083.	$ 7,754,960.	$ 9,116,123.

STATEMENT 9
FORM 990, PART IV, LINE 58
OTHER ASSETS

BOND RESERVES	$ 135,509.
DUE FROM RELATED PARTY	65,669.
NET INTANGIBLE ASSETS	226,530.
REPLACEMENT RESERVES	136,803.
RESIDUAL RECEIPTS RESERVES	45,138.
TENANT SECURITY DEPOSITS	7,734.
TOTAL	$ 617,383.

STATEMENT 10
FORM 990, PART IV, LINE 64B
MORTGAGES AND OTHER NOTES PAYABLE

MORTGAGES PAYABLE	BALANCE DUE
CAL HEALTH FACILITIES FINANC'G	$ 1,936,197.
US DEPT OF HUD	597,017.
US DEPT OF HUD	627,732.
TOTAL	$ 3,160,946.

STATEMENT 11
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

LINE OF CREDIT	$ 1,536,000.
MINIMUM PENSION LIABILITY	515,329.
TOTAL	$ 2,051,329.

STATEMENT 12
FORM 990, PART V-A
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPENSATION	CONTRIBUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
SCOTT D. BOWLING, PSY.D. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	PRESIDENT & CEO 40	$ 133,164.	$ 2,975.	$ 0.
SONHUI ROBILOTTA 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	VP OF FINANCE 40	82,313.	0.	0.
KAREN KATO 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	VP- ADMIN OPER. 40	82,416.	7,575.	0.
SANDY WOLFF 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	VP-DEVELOPMENT 40	82,400.	2,975.	0.
KEVIN D. DEBRE, ESQ 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD TREASURER 2	0.	0.	0.
ALAN R. POLSKY, ESQ 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD SECRETARY 2	0.	0.	0.
FRED ALAVI 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	B2ND VICE CHAIR 2	0.	0.	0.
GENE SICILIANO, B.S., CPA 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD CHAIR 3	0.	0.	0.
MARILYN MANN LINDQUIST, MSN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
JOSEPH N. TILEM, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.

STATEMENT 12 (CONTINUED)
FORM 990, PART V-A
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
LESLIE B. ABELL, ESQ 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOD PAST CHAIR 2	$ 0.	$ 0.	$ 0.
TEVIS BARNES 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
MARC L. BENEZRA, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
GERALD R. CHERNIN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
SHIRLEY D. DEUTSCH, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
SCOTT COOPER 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
KLINT JAMES MCKAY, ESQ. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	1ST VICE CHAIR 2	0.	0.	0.
ARTHUR D. NADDOUR 8740 W.WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
DR. NANAZ M. PIRNIA, PH.D. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
CHARLES M. GRACE 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
KEITH E. WEAVER 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
LARRY HAGMAN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	0.	0.	0.

STATEMENT 12 (CONTINUED)
FORM 990, PART V-A
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
JERRY MOSS 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	$ 0.	$ 0.	$ 0.
ROBERT D. SHUSHAN, ED.D. 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	PRES EMERITUS 1	0.	0.	0.
PHILIP G. MILLER 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	DIRECTOR 1	0.	0.	0.
PATRICIA BOSLEY 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	0.	0.	0.
RAFER JOHNSON 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	0.	0.	0.
MONTE MARKHAM 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	0.	0.	0.
CARL TERZIAN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	0.	0.	0.
HONORABLE DICKRAN TEVRIZIAN 8740 W. WASHINGTON BLVD CULVER CITY, CA 90232	BOARD OF GOV. 1	0.	0.	0.
	TOTAL	$ 380,293.	$ 13,525.	$ 0.

STATEMENT 13
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.

STATEMENT 13 (CONTINUED)
FORM 990, PART VIII
RELATIONSHIP OF ACTIVITIES TO THE ACCOMPLISHMENT OF EXEMPT PURPOSES

LINE #	EXPLANATION OF ACTIVITIES
93F	MEDI-CAL PAID TUITION AND FEES FOR SERVICES PROVIDED TO DEVELOPMENTALLY DISABLED CONSUMERS.

STATEMENT 14
SCHEDULE A, PART I
COMPENSATION OF FIVE HIGHEST PAID EMPLOYEES

NAME AND ADDRESS	TITLE & AVERAGE HOURS WORKED	COMPEN-SATION	CONTRIBUTIO EBP & DC	EXPENSE ACCOUNT
LILIANA CELIS 8740 WASHINGTON BLVD CULVER CITY, CA 90232	THERAPIST 40	89,550.	2,975.	0.
MARIA D. DEL MUNDO 8740 WASHINGTON BLVD CULVER CITY, CA 90232	THERAPIST 40	87,186.	2,975.	0.
MIREYA ALONSO 8740 WASHINGTON BLVD CULVER CITY, CA 90232	SLV PROGRAM MGR 40	74,681.	2,975.	0.
LESLIE TORRUCO 8740 WASHINGTON BLVD CULVER CITY, CA 90232	DIR REHAB SERV 40	72,678.	2,975.	0.
SHIRLEY BIANCA 8740 WASHINGTON BLVD CULVER CITY, CA 90232	THERAPIST 40	70,732.	7,180.	0.
	TOTAL	$ 394,827.	$ 19,080.	$ 0.

STATEMENT 15
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 2004	(B) 2003	(C) 2002	(D) 2001	(E) TOTAL
MISCELLANEOUS	$ 85,956.	$ 76,801.	$ 35,286.	$ 36,287.	$ 234,330.
RENTAL INCOME	42,510.	42,510.	42,510.	58,457.	185,987.
TOTAL	$ 128,466.	$ 119,311.	$ 77,796.	$ 94,744.	$ 420,317.

EXCEPTIONAL CHILDREN'S FOUNDATION 95-1690988

BALANCE SHEET
INTANGIBLE ASSETS [O]

DEFERRED FINANCING COSTS, NET	$	247,879.
PENSION INTANGIBLE ASSET		74,626.
TOTAL	$	322,505.

Form **8868**
(Rev December 2004)

Department of the Treasury
Internal Revenue Service

Application for Extension of Time to File an Exempt Organization Return

► File a separate application for each return

OMB No 1545-1709

- If you are filing for an **Automatic 3-Month Extension, complete only Part I** and check this box ► [X]
- 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*

Type or print File by 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)·

[X] 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 07, to file the exempt organization return for the organization named above The extension is for the organization's return for
► [ ] calendar year 20___ or
► [X] tax year beginning 7/01, 20 05, and ending 6/30, 20 06

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