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

**2002**

Department of the Treasury  
Internal Revenue Service

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

**For calendar year 2002, or tax year beginning , 2002, and ending**

**G** Check all that apply:  Initial return  Final return  Amended return  Address change  Name change

Use the IRS label Otherwise, print or type See Specific Instructions	<b>BLAIR FAMILY FOUNDATION, INC</b> 1645 THE ALAMEDA SAN JOSE, CA 95126	<b>A</b> Employer identification number 94-3301545	<b>B</b> Telephone number (see instructions) (408) 730-5500
<b>H</b> Check type of organization: <input checked="" type="checkbox"/> Section 501(c)(3) exempt private foundation <input type="checkbox"/> Section 4947(a)(1) nonexempt charitable trust <input type="checkbox"/> Other taxable private foundation		<b>C</b> If exemption application is pending, check here <input type="checkbox"/> <b>D 1</b> Foreign organizations, check here <input type="checkbox"/> <b>2</b> Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/> <b>E</b> If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> <b>F</b> If the foundation is in a 60 month termination under section 507(b)(1)(B), check here <input type="checkbox"/>	
<b>I</b> Fair market value of all assets at end of year (from Part II, column c, line 16) ▶ \$ 1,527,649.		<b>J</b> Accounting method: <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (Part I, column d must be on cash basis)	

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>Part I Analysis of Revenue and Expenses</b> (The total of amounts in columns b, c, and d may not necessarily equal the amounts in column a) (see instructions)				
<b>1</b> Contributions, gifts, grants, etc. received (att sch) Clk <input type="checkbox"/> if the found is not req to att Sch B	327,771			
<b>2</b> Distributions from split interest trusts				
<b>3</b> Interest on savings and temporary cash investments				
<b>4</b> Dividends and interest from securities	16,115	16,115		
<b>5a</b> Gross rents				
<b>b</b> (Net rental income or (loss))				
<b>6a</b> Net gain/(loss) from sale of assets not on line 10	-293,608	STATEMENT 1		
<b>b</b> Gross sales prices for all assets on line 6a	1,486,213			
<b>7</b> Capital gain net income (from Part IV, line 2)		0		
<b>8</b> Net short-term capital gain			0.	
<b>9</b> Income modifications				
<b>10a</b> Gross sales less returns and allowances				
<b>b</b> Less Cost of goods sold				
<b>c</b> Gross profit/(loss) (att sch)				
<b>11</b> Other income (attach schedule)				
<b>12 Total</b> Add lines 1 through 11	50,278	16,115	0.	
<b>13</b> Compensation of officers, directors, trustees, etc				
<b>14</b> Other employee salaries and wages				
<b>15</b> Pension plans, employee benefits				
<b>16a</b> Legal fees (attach schedule)				
<b>b</b> Accounting fees (attach sch)				
<b>c</b> Other prof fees (attach sch)				
<b>17</b> Interest				
<b>18</b> Taxes (attach schedule)				
<b>19</b> Depreciation (attach schedule) and depletion				
<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings	624	312		312
<b>22</b> Printing and publications				
<b>23</b> Other expenses (attach schedule)	25,735	21,484		3,755
<b>24 Total operating and administrative expenses.</b> Add lines 13 through 23	26,359	21,796		4,067
<b>25</b> Contributions, gifts, grants paid <b>PART XV</b>	56,500			56,500
<b>26 Total expenses and disbursements.</b> Add lines 24 and 25	82,859	21,796.	0	60,567
<b>27</b> Subtract line 26 from line 12				
<b>a Excess of revenue over expenses and disbursements</b>	-32,581			
<b>b</b> Net investment income (if negative, enter 0)		0.		
<b>c</b> Adjusted net income (if negative, enter -0)			0.	

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ADMINISTRATIVE AND OPERATING EXPENSES

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash – non-interest-bearing				
	2	Savings and temporary cash investments	1,446,823	104,313.	104,313	
	3	Accounts receivable ▶				
		Less allowance for doubtful accounts ▶				
	4	Pledges receivable ▶				
		Less allowance for doubtful accounts ▶				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch) ▶				
		Less allowance for doubtful accounts ▶				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments – US and state government obligations (attach schedule)				
		b Investments – corporate stock (attach schedule) STATEMENT 3	316,442	1,532,211.	1,423,129	
		c Investments – corporate bonds (attach schedule)				
	11	Investments – land, buildings, and equipment basis ▶				
	Less accumulated depreciation (attach schedule) ▶					
12	Investments – mortgage loans					
13	Investments – other (attach schedule)					
14	Land, buildings, and equipment basis ▶					
	Less accumulated depreciation (attach schedule) ▶					
15	Other assets (describe ▶ SEE STATEMENT 4 )	703	207	207		
16	<b>Total assets</b> (to be completed by all filers – see instructions Also, see page 1, item I)	1,763,968	1,636,731.	1,527,649.		
LIABILITIES	17	Accounts payable and accrued expenses				
	18	Grants payable				
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe ▶ )				
	23	<b>Total liabilities</b> (add lines 17 through 22)	0.	0		
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31 <input type="checkbox"/>					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Organizations that do not follow SFAS 117, check here and complete lines 27 through 31 <input checked="" type="checkbox"/>					
	27	Capital stock, trust principal, or current funds				
	28	Paid in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds	1,763,968	1,636,731.		
	30	<b>Total net assets or fund balances</b> (see instructions)	1,763,968	1,636,731.		
31	<b>Total liabilities and net assets/fund balances</b> (see instructions)	1,763,968	1,636,731			

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year – Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	1,763,968.
2	Enter amount from Part I, line 27a	2	-32,581.
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	1,731,387
5	Decreases not included in line 2 (itemize) ▶ SEE STATEMENT 5	5	94,656
6	<b>Total net assets or fund balances at end of year</b> (line 4 minus line 5) – Part II, column (b), line 30	6	1,636,731

**Part IV Capital Gains and Losses for Tax on Investment Income**

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shares MLC Company)

(b) How acquired  
P - Purchase  
D - Donation

(c) Date acquired  
(month, day, year)

(d) Date sold  
(month, day, year)

1a	SEE STATEMENT 6			
b				
c				
d				
e				

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a			
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than 0-) or Losses (from column (h))
a			
b			
c			
d			
e			

2	Capital gain net income or (net capital loss)	$\left[ \begin{array}{l} \text{If gain, also enter in Part I, line 7} \\ \text{If (loss), enter 0- in Part I, line 7} \end{array} \right]$	2	-293,608
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6)	$\left[ \begin{array}{l} \text{If gain, also enter in Part I, line 8, column (c) (see instructions)} \\ \text{If (loss), enter 0 in Part I, line 8} \end{array} \right]$	3	-341,159.

**Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income**

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period?  Yes  No  
 If 'Yes,' the organization does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2001	70,530	1,668,570.	0.042270
2000	53,597	1,252,573	0.042790
1999	14,982	596,746	0.025106
1998	656	336,231	0.001951
1997			

2	Total of line 1, column (d)	2	0.112117
3	Average distribution ratio for the 5 year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.028029
4	Enter the net value of noncharitable-use assets for 2002 from Part X, line 5	4	1,851,959
5	Multiply line 4 by line 3	5	51,909
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	
7	Add lines 5 and 6	7	51,909
8	Enter qualifying distributions from Part XII, line 4	8	60,567

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions.

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

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1 Date of ruling letter _____ (attach copy of ruling letter if necessary - see instructions)			
b Domestic organizations that meet the section 4940(e) requirements in Part V, check here <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b.		1	0
c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b).			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0
3 Add lines 1 and 2		3	0
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter 0		5	0
6 Credits/Payments			
a 2002 estimated tax pmts and 2001 overpayment credited to 2002	6a	3,140	
b Exempt foreign organizations - tax withheld at source	6b		
c Tax paid with application for extension of time to file (Form 8868)	6c		
d Backup withholding erroneously withheld	6d		
7 Total credits and payments. Add lines 6a through 6d	7	3,140.	
8 Enter any penalty for underpayment of estimated tax. Check here <input type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9		
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	3,140	
11 Enter the amount on line 10 to be Credited to 2003 estimated tax	11	3,140	Refunded

**Part VII-A Statements Regarding Activities**

	Yes	No
1 a During the tax year, did the organization attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the organization in connection with the activities</i>		X
c Did the organization file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization $\$$ 0 (2) On organization managers $\$$ 0.		
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers $\$$ 0		
2 Has the organization engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities</i>		X
3 Has the organization made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?		N/A
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?		X
7 Did the organization have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <u>CALIFORNIA</u>		
b If the answer is 'Yes' to line 7, has the organization furnished a copy of Form 990 PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the organization claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2002 or the taxable year beginning in 2002 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address $\rightarrow$ N/A	X	
12 The books are in care of $\rightarrow$ MCFARLANE, CAZALE & ASSOCIATES Telephone no $\rightarrow$ 408-265-2950 Located at $\rightarrow$ 1631 WILLOW ST., SUITE 200, SAN JOSE, CA ZIP + 4 $\rightarrow$ 95125		
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 PF in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax exempt interest received or accrued during the year $\rightarrow$ N/A		N/A

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

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

		Yes	No
<b>1a</b> During the year did the organization (either directly or indirectly)			
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6) Agree to pay money or property to a government official? (Exception Check 'No' if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If any answer is 'Yes' to 1a(1) (6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>	<b>1b</b>	N/A
<b>c</b> Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2002?		<b>1c</b>	X
<b>2</b> Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
<b>a</b> At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? If 'Yes,' list the years	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 20__ , 20__ , 19__ , 19__		
<b>b</b> Are there any years listed in 2a for which the organization is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.)		<b>2b</b>	N/A
<b>c</b> If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here	20__ , 20__ , 19__ , 19__		
<b>3a</b> Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If 'Yes,' did it have excess business holdings in 2002 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5 year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20 year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2002.)		<b>3b</b>	N/A
<b>4a</b> Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes?		<b>4a</b>	X
<b>b</b> Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2002?		<b>4b</b>	X
<b>5a</b> During the year did the organization pay or incur any amount to			
(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3) Provide a grant to an individual for travel, study, or other similar purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4) Provide a grant to an organization other than a charitable, etc. organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> If any answer is 'Yes' to 5a(1) (5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)? Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>	<b>5b</b>	N/A
<b>c</b> If the answer is 'Yes' to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? If 'Yes,' attach the statement required by Regulations section 53.4945-5(d)	N/A <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>6a</b> Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>b</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? If you answered 'Yes' to 6b, also file 8870		<b>6b</b>	X

**Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**

**1 List all officers, directors, trustees, foundation managers and their compensation (see instructions)**

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
SEE STATEMENT 7		0.	0	0

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

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

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

**3 Five highest-paid independent contractors for professional services — (see instructions) If none, enter 'None '**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
NONE		

Total number of others receiving over \$50,000 for professional services ▶

**Part IX-A Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc

	Expenses
1 NONE	
2	
3	
4	

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

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

**Part X Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes		
a Average monthly fair market value of securities	1a	1,341,843.
b Average of monthly cash balances	1b	538,318.
c Fair market value of all other assets (see instructions).	1c	
d Total (add lines 1a, b and c)	1d	1,880,161.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	1,880,161
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	28,202
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	1,851,959
6 Minimum investment return. Enter 5% of line 5	6	92,598

**Part XI Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here  and do not complete this part.)

1 Minimum investment return from Part X, line 6	1	92,598
2a Tax on investment income for 2002 from Part VI, line 5	2a	
b Income tax for 2002 (This does not include the tax from Part VI)	2b	
c Add lines 2a and 2b	2c	
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	92,598
4a Recoveries of amounts treated as qualifying distributions	4a	
b Income distributions from section 4947(a)(2) trusts	4b	
c Add lines 4a and 4b	4c	
5 Add lines 3 and 4c	5	92,598
6 Deduction from distributable amount (see instructions)	6	
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	92,598.

**Part XII Qualifying Distributions** (see instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes		
a Expenses, contributions, gifts, etc. - total from Part I, column (d), line 26	1a	60,567.
b Program related investments - Total from Part IX B	1b	
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	60,567
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5	
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	60,567.

**Note:** The amount on line 6 will be used in Part V, column (b) in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years.



**Part XIII Undistributed Income** (see instructions)

	(a) Corpus	(b) Years prior to 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				92,598
2 Undistributed income, if any, as of the end of 2001				
a Enter amount for 2001 only			33,380.	
b Total for prior years 20 __, 19 __, 19 __		0		
3 Excess distributions carryover, if any, to 2002				
a From 1997				
b From 1998				
c From 1999				
d From 2000				
e From 2001				
f Total of lines 3a through e	0			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ 60,567				
a Applied to 2001, but not more than line 2a			33,380.	
b Applied to undistributed income of prior years (Election required – see instructions)		0		
c Treated as distributions out of corpus (Election required – see instructions)	0			
d Applied to 2002 distributable amount				27,187
e Remaining amount distributed out of corpus	0			
5 Excess distributions carryover applied to 2002 (If an amount appears in column (d), the same amount must be shown in column (a))	0			0
6 Enter the net total of each column as indicated below				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	0			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b Taxable amount – see instructions		0		
e Undistributed income for 2001 Subtract line 4a from line 2a Taxable amount – see instructions			0	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				65,411
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see instructions)	0			
8 Excess distributions carryover from 1997 not applied on line 5 or line 7 (see instructions)	0			
9 Excess distributions carryover to 2003 Subtract lines 7 and 8 from line 6a	0			
10 Analysis of line 9				
a Excess from 1998				
b Excess from 1999				
c Excess from 2000				
d Excess from 2001				
e Excess from 2002				

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

N/A

**1 a** If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2002, enter the date of the ruling

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

**2 a** Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

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

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

**1 Information Regarding Foundation Managers:**

**a** List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2) )

NONE

**b** List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

NONE

**2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc, Programs:**

Check here  if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc, (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

**a** The name, address, and telephone number of the person to whom applications should be addressed

JAMES R. BLAIR, 1645 THE ALAMEDA, SAN JOSE, CA 95126

**b** The form in which applications should be submitted and information and materials they should include

N/A

**c** Any submission deadlines

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

**Part XV** Supplementary Information (continued)

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

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundaton status of recipient	Purpose of grant or contribution	Amount
a Paid during the year SEE STATEMENT 8				
<b>Total</b>			▶ 3a	56,500
b Approved for future payment				
<b>Total</b>			▶ 3b	





Schedule B  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

Schedule of Contributors  
Supplementary information for  
line 1 of Form 990, 990-EZ and 990-PF (see instructions)

OMB No 1545-0047

2002

Name of organization

BLAIR FAMILY FOUNDATION, INC

Employer identification number

94-3301545

Organization type (check one)

Filers of:

Form 990 or 990 EZ

Section:

- 501(c)(\_\_\_\_) (enter number) organization  
 4947(a)(1) nonexempt charitable trust not treated as a private foundation  
 527 political organization

Form 990 PF

- 501(c)(3) exempt private foundation  
 4947(a)(1) nonexempt charitable trust treated as a private foundation  
 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule** (Note: Only a section 501(c)(7), (8), or (10) organization can check box(es) for both the General Rule and a Special Rule – see instructions )

**General Rule –**

- For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor (Complete Parts I and II)

**Special Rules –**

- For a section 501(c)(3) organization filing Form 990, or Form 990 EZ, that met the 33-1/3% support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of \$5,000 or 2% of the amount on line 1 of these forms (Complete Parts I and II )
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990 EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals (Complete Parts I, II, and III )
- For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc, purposes, but these contributions did not aggregate to more than \$1,000 (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc, purpose. Do not complete any of the Parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc, contributions of \$5,000 or more during the year ). ▶ \$ \_\_\_\_\_

**Caution** Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990 PF) but *must* check the box in the heading of their Form 990, Form 990-EZ, or on line 1 of their Form 990 PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990 EZ, or 990 PF)

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2002)

Name of organization

Employer identification number

BLAIR FAMILY FOUNDATION, INC.

94-3301545

**Part I** Contributors (See Instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	JAMES & DONNA BLAIR ----- 1645 THE ALAMEDA ----- SAN JOSE, CA 95126 -----	\$ 5,904	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/>  (Complete Part II if there is a noncash contribution)
2	JAMES & DONNA BLAIR ----- 1645 THE ALAMEDA ----- SAN JOSE, CA 95126 -----	\$ 28,600	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/>  (Complete Part II if there is a noncash contribution)
3	JAMES & DONNA BLAIR ----- 1645 THE ALAMEDA ----- SAN JOSE, CA 95126 -----	\$ 14,475	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/>  (Complete Part II if there is a noncash contribution)
4	JAMES & DONNA BLAIR ----- 1645 THE ALAMEDA ----- SAN JOSE, CA 95126 -----	\$ 52,390	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/>  (Complete Part II if there is a noncash contribution)
5	JAMES & DONNA BLAIR ----- 1645 THE ALAMEDA ----- SAN JOSE, CA 95126 -----	\$ 37,244	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/>  (Complete Part II if there is a noncash contribution)
6	JAMES & DONNA BLAIR ----- 1645 THE ALAMEDA ----- SAN JOSE, CA 95126 -----	\$ 26,078	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/>  (Complete Part II if there is a noncash contribution)

Name of organization

Employer identification number

BLAIR FAMILY FOUNDATION, INC

94-3301545

**Part I Contributors** (See Instructions)

(a) Number	(b) Name, address and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	JAMES & DONNA BLAIR 1645 THE ALAMEDA SAN JOSE, CA 95126	\$ 27,044.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
8	JAMES & DONNA BLAIR 1645 THE ALAMEDA SAN JOSE, CA 95126	\$ 36,036.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution)
9	JAMES & DONNA BLAIR 1645 THE ALAMEDA SAN JOSE, CA 95126	\$ 100,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
			Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)



Name of organization

Employer identification number

BLAIR FAMILY FOUNDATION, INC

94-3301545

**Part II** Noncash Property (See Specific Instructions)

(a) No from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	600 SHS CYTEC CORP ----- ----- -----	\$ 5,904.	12/02/02
2	2000 SHS DAKTRONICS ----- ----- -----	\$ 28,600	12/02/02
3	1000 SHS DIGITAL RIVER ----- ----- -----	\$ 14,475.	12/02/02
4	2000 SHS TICKETMASTER ----- ----- -----	\$ 52,390.	12/02/02
5	800 SHS WELLS FARGO BANK ----- ----- -----	\$ 37,244	12/02/02
6	400 SHS ZEBRA TECHNOLOGIES ----- ----- -----	\$ 26,078.	12/02/02

BAA

Schedule B (Form 990, 990-EZ, or 990-PF) (2002)

Name of organization

Employer identification number

BLAIR FAMILY FOUNDATION, INC

94-3301545

**Part II** Noncash Property (See Specific Instructions )

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
7	400 SHS FNMA ----- ----- -----	\$ 27,044	12/21/02
8	600 SHS FEDERAL HOME LOAN ----- ----- -----	\$ 36,036	12/21/02
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----
-----	----- ----- -----	\$ -----	-----

Name of organization

Employer identification number

BLAIR FAMILY FOUNDATION, INC.

94-3301545

**Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations aggregating more than \$1,000 for the year** (Complete cols (a) through (e) and the following line entry)

For organizations completing Part III, enter total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year (Enter this information once – see instructions) ▶ \$ N/A

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
	N/A		
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
-----		-----	
-----		-----	

BLAIR FAMILY FOUNDATION, INC.

94-3301545

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

PUBLICLY TRADED SECURITIES

GROSS SALES PRICE 1,486,213  
 COST OR OTHER BASIS 1,779,821

TOTAL GAIN (LOSS) PUBLICLY TRADED SECURITIES \$ -293,608

TOTAL NET GAIN (LOSS) FROM NONINVENTORY SALES \$ -293,608

**STATEMENT 2**  
**FORM 990-PF, PART I, LINE 23**  
**OTHER EXPENSES**

	(A) EXPENSES PER BOOKS	(B) NET INVESTMENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
AMORTIZATION	\$ 496			N/A
FILING FEE	55	\$ 55.		
FOREIGN TAX PAID	267	267.		
LEGAL & ACCOUNTING MANAGEMENT FEES	7,386 17,407.	3,693. 17,407		\$ 3,693.
SUPPLIES	124	62		62.
<b>TOTAL</b>	<b>\$ 25,735</b>	<b>\$ 21,484</b>	<b>\$ 0</b>	<b>\$ 3,755.</b>

**STATEMENT 3**  
**FORM 990-PF, PART II, LINE 10B**  
**INVESTMENTS - CORPORATE STOCKS**

<u>CORPORATE STOCKS</u>	<u>VALUATION METHOD</u>	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
250 AOL	COST	\$ 16,902	\$ 3,275
70 IBM	COST	6,698	5,425
140 MICROSOFT	COST	9,233	7,238
340 NEXTEL	COST	21,130	3,927
130 CITIGROUP	COST	6,899	4,575
1510 JDS UNIPHASE	COST	20,002	3,730
465 BEA SYSTEMS	COST	12,032.	5,334.
135 COCA COLA	COST	6,480.	5,918.
200 INTEL	COST	6,962.	3,114.
1305 SUN MICROSYSTEMS	COST	10,511.	4,059.
85 AMER INTL GROUP	COST	5,400.	4,917.
185 BAKER HUGHES	COST	5,015.	5,955
105 COLGATE PALMOLIVE	COST	5,586	5,505.
145 COUNTRYWIDE FINANCIAL	COST	6,763	7,489
210 DELL COMPUTER	COST	5,959	5,615
200 DOW CHEMICAL	COST	5,830.	5,940
75 FANNIE MAE	COST	5,774.	4,825
100 FIFTH THIRD BANCORP	COST	5,770.	5,855.
75 FOREST LABS	COST	5,707	7,367
175 GENENTECH	COST	6,155.	5,803

BLAIR FAMILY FOUNDATION, INC.

94-3301545

STATEMENT 3 (CONTINUED)  
FORM 990-PF, PART II, LINE 10B  
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
110 GRAINGER WW INC	COST	\$ 5,744	\$ 5,671
130 HCA INC	COST	5,853.	5,395
80 KOHLS CORP	COST	5,807	4,476.
195 LAUDER ESTEE	COST	5,748	5,148
175 NABORS INDUSTRIES	COST	5,743	6,172
330 NOKIA	COST	7,590	5,115.
160 NOVARTIS	COST	6,731	5,877
170 PFIZER	COST	7,120	5,197
65 PROCTOR & GAMBLE	COST	5,872	5,586.
280 TJX COS	COST	5,893	5,466
105 UNILEVER NV NY	COST	6,062.	6,480.
145 VIACOM INC	COST	5,378.	5,917.
120 WALMART	COST	7,100	6,061.
180 WALGREEN	COST	6,606	5,254.
210 WASH MUTUAL	COST	7,213	7,251.
115 WELLS FARGO	COST	5,249	5,390.
55 3M CO	COST	6,734	6,782.
750 ALCOA	COST	14,994	17,085.
450 ALLSTATE CORP	COST	16,873	16,646.
350 ALLTEL CORP	COST	16,907	17,850
200 SHS AMERICAN INERNATIONAL GROUP	COST	11,156	11,570
350 ANADARKO PETROLEUM	COST	15,816	16,765
400 SHS ASTRAZENECA	COST	12,186	14,036
225 AVENTIS	COST	11,821.	12,193
950 AXA-SPONS	COST	10,857	12,778
350 BASF AG SPON	COST	14,120.	13,377
475 BT GROUP PLC	COST	13,910.	14,882
625 BAKER HUGHES	COST	16,659	20,119
3975 BANCO SANTANDER	COST	26,328	28,024.
475 BARCLAYS	COST	13,227	11,733.
475 BAXTER	COST	14,908	13,300.
900 BILLSOUTH	COST	20,031	23,283.
125 CIGNA	COST	9,694	5,140.
400 CATERPILLAR	COST	17,160	18,288.
150 COMERICA	COST	8,603	6,486
475 CONOCOPHILLIPS	COST	23,798.	22,985
525 COSTCO	COST	17,491.	14,732
900 CREDIT SUISSE	COST	18,811	19,152
575 DELL COMPUTER	COST	15,195	15,376
1300 DELPHI	COST	12,456	10,465
975 WALT DISNEY	COST	14,794	15,902
475 DUKE ENERGY	COST	12,828	9,282
1650 EMC CORP	COST	10,954	10,131
225 E. ON AG-SPONSORED ADR	COST	11,101	9,205.
400 ELECTRONIC DATA SYSTEMS	COST	16,402	7,372.
425 ENEL SPA	COST	11,575	10,901.
525 FEDEX CORP	COST	26,117	28,466
475 FIRST DATA CORP	COST	16,198	16,820.
600 FUJI PHOTO	COST	19,505	19,242.
375 GENERAL ELECTRIC	COST	10,771.	9,131.
400 GLAXOSMITHKLINE	COST	15,464	14,984.
250 HSBC HOLDINGS	COST	14,213	13,745.
375 HITACHI	COST	19,106	13,969.
225 ILLINOIS TOOL WORKS	COST	13,269	14,594.
550 ING GROEP NV	COST	10,389	9,262.

BLAIR FAMILY FOUNDATION, INC.

94-3301545

STATEMENT 3 (CONTINUED)  
FORM 990-PF, PART II, LINE 10B  
INVESTMENTS - CORPORATE STOCKS

CORPORATE STOCKS	VALUATION METHOD	BOOK VALUE	FAIR MARKET VALUE
1400 INTEL CORP	COST	\$ 23,293	\$ 21,798
450 INTERNATIONAL PAPER CO	COST	16,927	15,737
275 JOHNSON & JOHNSON	COST	14,683.	14,770
775 KLA-TENCOR	COST	24,588.	27,412
500 KIMBERLY CLARK	COST	26,196	23,735
825 KROGER CO	COST	11,946	12,746
375 LEHMAN BROTHERS	COST	20,107	19,984
225 LOCKHEED MARTIN	COST	14,903	12,994
375 LOWES COS	COST	15,934	14,063
375 MARSH & MCLENNAN	COST	16,918	17,329
1200 MATSUSHITA ELEC	COST	14,038	11,520
325 MERCK & CO	COST	17,313	18,398
275 MICROSOFT	COST	12,571	14,218
1775 MICRON TECHNOLOGY	COST	26,882	17,289
2200 MITSUBISHI TOKYO	COST	14,421	11,770
100 NATIONAL AUSTRALIA	COST	9,897	8,975
300 NATIONAL CITY CORP	COST	8,585	8,196
975 NEWS CORP	COST	23,069	25,594
1150 NISSAN MOTOR	COST	17,141	17,687
725 NOKIA	COST	10,246	11,238
225 NOVARTIS	COST	8,357	8,264
1650 ORACLE SYSTEMS CORP	COST	12,990	17,820
125 PROCTOR & GAMBLE	COST	11,205	10,743
400 RIO TINTO PLC	COST	29,587	31,812
350 ROHM & HAAS	COST	11,020	11,368
300 ROYAL DUTCH PETRO	COST	12,615	13,206
950 SANPAOLO IMI SPA	COST	12,498	12,208
1050 SARA LEE	COST	20,914	23,636
275 SEARS ROEBUCK & CO	COST	12,210	6,586
2725 SIEBEL SYSTEMS	COST	21,765.	20,383
500 SIEMENS	COST	20,830.	21,065
550 SONY CORP	COST	23,975	22,721
175 SUNTRUST BANKS	COST	11,642.	9,961
225 TELECOM ITALIA	COST	17,083	17,096
350 TELEFONICA	COST	9,166.	9,300
225 TOTAL FINA ELF	COST	14,347.	16,088.
275 UNILEVER	COST	16,147.	16,970
225 UNITED TECHNOLOGIES	COST	12,955.	13,937.
575 WASHINGTON MUTUAL	COST	21,737.	19,855.
700 DAIMLERCHRYSLER	COST	25,373.	21,455
225 UBS AG REGISTERED	COST	9,199	10,827
TOTAL		\$ 1,532,211.	\$ 1,423,129

BLAIR FAMILY FOUNDATION, INC.

94-3301545

STATEMENT 4  
FORM 990-PF, PART II, LINE 15  
OTHER ASSETS

	<u>BOOK VALUE</u>	<u>FAIR MARKET VALUE</u>
NET INTANGIBLE ASSETS	\$ 207	\$ 207
TOTAL	<u>\$ 207</u>	<u>\$ 207.</u>

STATEMENT 5  
FORM 990-PF, PART III, LINE 5  
OTHER DECREASES

BASIS ADJUSTMENT ON SALE OF DONATED STK	\$ 91,056
FEDERAL TAXES PAID	3,600
TOTAL	<u>\$ 94,656</u>

STATEMENT 6  
FORM 990-PF, PART IV, LINE 1  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

<u>ITEM</u>	<u>(A) DESCRIPTION</u>	<u>(B) HOW ACQUIRED</u>	<u>(C) DATE ACQUIRED</u>	<u>(D) DATE SOLD</u>
1	195 SHS ALCOA	PURCHASED	11/20/2001	5/01/2002
2	125 SHS ADP	PURCHASED	11/01/2001	2/05/2002
3	100 SHS AVENTIS	PURCHASED	2/04/2002	10/08/2002
4	100 SHS CHECK POINT	PURCHASED	7/24/2001	2/07/2002
5	190 SHS CREDIT SUISSE	PURCHASED	2/05/2002	7/10/2002
6	195 SHS DOW CHEMICAL	PURCHASED	11/20/2001	2/04/2002
7	70 SHS ENI SPA	PURCHASED	7/10/2002	11/20/2002
8	215 SHS FLEETBOSTON	PURCHASED	5/03/2001	3/08/2002
9	200 SHS HANSON PLC	PURCHASED	3/11/2002	11/04/2002
10	100 SHS HERSHEY FOODS	PURCHASED	10/30/2001	2/05/2002
11	85 SHS ITT INDUSTRIES	PURCHASED	8/20/2002	9/10/2002
12	140 SHS MEDTRONIC	PURCHASED	2/05/2002	11/04/2002
13	30 70 SHS MONSANTO CO	PURCHASED	2/07/2002	8/14/2002
14	190 SHS NOVELLUS SYSTEMS	PURCHASED	12/04/2001	11/06/2002
15	140 SHS PEPSICO	PURCHASED	2/14/2002	10/08/2002
16	180 SHS PHARMACIA CORP	PURCHASED	2/07/2002	8/20/2002
17	130 SHS QUEST	PURCHASED	2/07/2001	2/05/2002
18	190 SHS SBC COMMUNICATIONS	PURCHASED	2/06/2002	8/20/2002
19	300 SHS SCIENTIFIC ATLANTA	PURCHASED	VARIOUS	2/07/2002
20	954 SHS UNTD MICROELECTRONICS	PURCHASED	5/03/2001	2/06/2002
21	385 SHS VODAFONE	PURCHASED	8/23/2001	5/01/2002
22	200 SHS WALGREEN	PURCHASED	5/03/2001	2/04/2002
23	140 SHS WFB	PURCHASED	4/03/2002	8/20/2002
24	220 SHS ADOBE SYSTEMS	PURCHASED	10/30/2001	11/18/2002
25	130 SHS AT&T CORP	PURCHASED	9/08/2000	1/11/2002
26	170 SHS BANK OF NY	PURCHASED	VARIOUS	2/05/2002
27	280 SHS BED BATH & BEYOND	PURCHASED	1/21/2000	8/20/2002
28	97 SHS CHECK POINT	PURCHASED	10/31/2000	2/07/2002
29	400 SHS CISCO	PURCHASED	VARIOUS	11/25/2002
30	85 SHS CLEAR CHANNEL	PURCHASED	11/05/1999	7/10/2002
31	260 SHS DELL COMPUTER	PURCHASED	12/20/2000	2/06/2002
32	105 SHS EL PASO CORP	PURCHASED	6/29/2000	7/10/2002

BLAIR FAMILY FOUNDATION, INC.

94-3301545

STATEMENT 6 (CONTINUED)  
FORM 990-PF, PART IV, LINE 1  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(A) DESCRIPTION	(B) HOW ACQUIRED	(C) DATE ACQUIRED	(D) DATE SOLD
33	125 SHS FIFTH THIRD BANCORP	PURCHASED	10/31/2000	8/20/2002
34	120 SHS HARTFORD FINANCIAL	PURCHASED	10/04/2000	10/30/2002
35	180 SHS HOME DEPOT	PURCHASED	6/03/1999	5/01/2002
36	325 SHS LAFARGE	PURCHASED	11/20/2001	12/02/2002
37	539 SHS TAIWAN SEMICONDUCTOR	PURCHASED	5/03/2001	8/20/2002
38	150 SHS TMP WORLDWIDE	PURCHASED	10/31/2000	2/14/2002
39	17.16 SHS TRAVELERS	PURCHASED	10/03/2000	VARIOUS
40	275 SHS WALT DISNEY	PURCHASED	11/10/1999	8/20/2002
41	3675 SHS NASDAQ	PURCHASED	5/15/2002	8/28/2002
42	900 SHS SPDR	PURCHASED	5/15/2002	9/03/2002
43	4800 SHS NASDAQ	PURCHASED	5/15/2002	9/05/2002
44	2300 SHS SPDR TRUST SR 1	PURCHASED	5/15/2002	VARIOUS
45	575 SHS SPDR TRUST SR 2	PURCHASED	5/16/2002	9/12/2002
46	2900 SHS ISHARES TR MSCI	PURCHASED	5/16/2002	VARIOUS
47	1075 SHS SPDR TRUST	PURCHASED	5/17/2002	9/24/2002
48	625 SHS SPDR TRUST	PURCHASED	5/16/2002	9/24/2002
49	900 SHS ISHARES	PURCHASED	5/16/2002	9/24/2002
50	350 SHS TENET HEALTHCARE CORP	PURCHASED	9/17/2002	11/14/2002
51	600 SHS CYTEC	DONATED	4/01/1999	12/09/2002
52	2000 SHS DAKTRONICS	DONATED	3/24/2000	12/09/2002
53	1000 SHS DIGITAL RIVER	DONATED	7/24/2000	12/09/2002
54	2000 SHS TICKETMASTERS	DONATED	VARIOUS	12/09/2002
55	800 SHS WFB	DONATED	VARIOUS	12/09/2002
56	400 SHS ZEBRA CORP	DONATED	3/17/2000	12/09/2002
57	400 SHS FNMA	DONATED	1/04/2000	12/30/2002
58	600 SHS FEDERAL HOME LOAN	DONATED	3/08/2000	12/30/2002

ITEM	(E) GROSS SALES	(F) DEPREC ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ BAS. 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
1	6,536		7,400	-864				\$ -864
2	6,730		6,519.	211.				211.
3	5,370		6,820.	-1,450.				-1,450.
4	3,231.		3,850.	-619				-619.
5	5,461.		6,842.	-1,381				-1,381.
6	5,815.		7,387.	-1,572				-1,572.
7	4,961		5,600	-639				-639.
8	7,729		8,432	-703				-703
9	4,437		7,461	-3,024				-3,024
10	6,978		6,395.	583				583
11	5,781		5,821	-40				-40
12	6,454		6,909.	-455				-455
13	529		415.	114				114.
14	6,210		7,559.	-1,349.				-1,349
15	5,754		6,959.	-1,205.				-1,205
16	7,994.		6,386	1,608.				1,608
17	8,921.		7,365	1,556.				1,556
18	5,329.		6,574	-1,245				-1,245
19	6,840.		11,979	-5,139				-5,139
20	7,985.		8,586	-601				-601
21	6,182		7,200	-1,018				-1,018
22	7,362.		8,466	-1,104				-1,104
23	7,231		6,755	476				476
24	6,243		6,445	-202				-202
25	2,476		3,916	-1,440				-1,440



## BLAIR FAMILY FOUNDATION, INC.

94-3301545

STATEMENT 6 (CONTINUED)  
FORM 990-PF, PART IV, LINE 1  
CAPITAL GAINS AND LOSSES FOR TAX ON INVESTMENT INCOME

ITEM	(E) GROSS SALES	(F) DEPREC. ALLOWED	(G) COST BASIS	(H) GAIN (LOSS)	(I) FMV 12/31/69	(J) ADJ. BAS 12/31/69	(K) EXCESS (I) - (J)	(L) GAIN (LOSS)
26	6,409		6,602	-193				\$ -193.
27	9,514		3,973	5,541				5,541.
28	3,134		9,815.	-6,681				-6,681
29	5,969		12,879	-6,910				-6,910
30	2,598		6,481	-3,883				-3,883
31	6,980		4,420	2,560				2,560.
32	1,990		5,394	-3,404				-3,404
33	8,353		6,336	2,017				2,017
34	4,815		9,195	-4,380				-4,380
35	8,220		7,005	1,215				1,215
36	6,292		7,526	-1,234				-1,234
37	5,158		8,400	-3,242				-3,242
38	5,319		9,834	-4,515				-4,515.
39	245		469	-224				-224.
40	4,502		6,583	-2,081				-2,081.
41	86,808		121,150	-34,342				-34,342.
42	80,295		98,782	-18,487				-18,487.
43	105,772.		158,237	-52,465.				-52,465.
44	206,779		252,442	-45,663				-45,663.
45	51,625		63,256	-11,631				-11,631
46	286,797		359,187	-72,390				-72,390
47	88,775		118,936	-30,161.				-30,161
48	51,645		68,757	-17,112.				-17,112
49	82,963		111,472	-28,509.				-28,509.
50	5,394		17,933	-12,539.				-12,539
51	5,888		1,395	4,493.				4,493
52	25,276		9,655	15,621.				15,621
53	12,004		7,905	4,099.				4,099
54	45,999		27,211	18,788				18,788
55	36,829		28,406	8,423.				8,423
56	24,160		16,614	7,546.				7,546
57	25,835		26,118	-283.				-283.
58	35,332		19,412	15,920.				15,920.
								TOTAL \$ -293,608.

STATEMENT 7  
FORM 990-PF, PART VIII, LINE 1  
LIST OF OFFICERS, DIRECTORS, TRUSTEES, AND KEY EMPLOYEES

NAME AND ADDRESS	TITLE AND AVERAGE HOURS PER WEEK DEVOTED	COMPEN- SATION	CONTRI- BUTION TO EBP & DC	EXPENSE ACCOUNT/ OTHER
JAMES R BLAIR 1645 THE ALAMEDA SAN JOSE, CA 95126	PRESIDENT NONE	\$ 0.	\$ 0.	0
RONALD J BLAIR 2364 RUPERT DR. SAN JOSE, CA 95124	VICE PRESIDENT NONE	0	0.	0.
DONNA R BLAIR	SECRETARY	0	0.	0



BLAIR FAMILY FOUNDATION, INC.

94-3301545

STATEMENT 8 (CONTINUED)  
FORM 990-PF, PART XV, LINE 3A  
RECIPIENT PAID DURING THE YEAR

<u>NAME AND ADDRESS</u>	<u>DONEE RELATIONSHIP</u>	<u>FOUND- ATION STATUS</u>	<u>PURPOSE OF GRANT</u>	<u>AMOUNT</u>
SAN JOSE REPERTORY 101 PASEO DE SAN ANTONIO SAN JOSE, CA 95113	NONE	N/A	DONATION	\$ 5,000.
			TOTAL	\$ <u>56,500.</u>

BLAIR FAMILY FOUNDATION, INC.

94-3301545

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS PCT.	CUR 179/ BONUS	SPECIAL DEPR ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 990/990 PF																
AMORTIZATION																
1	ORGANIZATION COSTS	6/01/98		2,482							2,482	1,778	S/L	5		496
	TOTAL AMORTIZATION			2,482		0	0	0	0	0	2,482	1,778				496
	TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0
	GRAND TOTAL AMORTIZATION			2,482		0	0	0	0	0	2,482	1,778				496
	GRAND TOTAL DEPRECIATION			0		0	0	0	0	0	0	0				0

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury  
Internal Revenue Service

File a separate application for each return

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

Note. Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time - Only submit original (no copies needed)

Note. Form 990-T corporations requesting an automatic 6-month extension - check this box and complete Part I only

All other corporations (including Form 990 C filers) must use Form 7004 to request an extension of time to file income tax returns Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041

Type or print File by the due date for filing your return See instructions	Name of Exempt Organization <b>BLAIR FAMILY FOUNDATION, INC.</b>	Employer identification number <b>94-3301545</b>
	Number, street, and room or suite number If a P O box, see instructions <b>1645 THE ALAMEDA</b>	
	City, town or post office For a foreign address, see instructions <b>SAN JOSE, CA 95126</b>	

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

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

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

1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 8/15, 20 03, to file the exempt organization return for the organization named above. The extension is for the organization's return for

- calendar year 20 02 or
- tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_

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

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

b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made Include any prior year overpayment allowed as a credit \$ 3,140

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

Signature and Verification

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

Signature Robert Legale Title CPA Date 5/13/03

BAA For Paperwork Reduction Act Notice, see Instructions.