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

**2003**

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 2003, or tax year beginning \_\_\_\_\_, 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.	Name of organization <b>CAPDEVILLA / GILLESPIE FOUNDATION</b> Number and street (or P.O. box number if mail is not delivered to street address) Room/suite <b>720 GOLDEN PARK AVENUE</b> City or town, state, and ZIP code <b>SAN DIEGO, CA 92106</b>	<b>A</b> Employer identification number <b>33-0795195</b>  <b>B</b> Telephone number <b>(619) 225-0401</b>
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**H** Check type of organization:  Section 501(c)(3) exempt private foundation  
 Section 4947(a)(1) nonexempt charitable trust  Other taxable private foundation

**I** Fair market value of all assets at end of year (from Part II, col. (c), line 16) **\$ 657,177.** (Part I, column (d) must be on cash basis)

**J** Accounting method:  Cash  Accrual  
 Other (specify) \_\_\_\_\_

**C** If exemption application is pending, check here

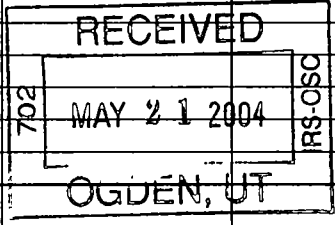
**D** 1. Foreign organizations, check here   
 2. Foreign organizations meeting the 85% test, check here and attach computation

**E** If private foundation status was terminated under section 507(b)(1)(A), check here

**F** If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a).)	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
<b>1</b> Contributions, gifts, grants, etc., received Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch. B			N/A	
<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	7,312.	7,312.		STATEMENT 1
<b>5a</b> Gross rents				
<b>b</b> (Net rental income or (loss))				
<b>6a</b> Net gain or (loss) from sale of assets not on line 10	8,106.			
<b>b</b> Gross sales price for all assets on line 6a <b>93,605.</b>				
<b>7</b> Capital gain net income (from Part IV, line 2)		8,106.		
<b>8</b> Net short-term capital gain				
<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 or (loss)				
<b>11</b> Other income				
<b>12</b> Total. Add lines 1 through 11	15,418.	15,418.		
<b>13</b> Compensation of officers, directors, trustees, etc	0.	0.		0.
<b>14</b> Other employee salaries and wages				
<b>15</b> Pension plans, employee benefits				
<b>16a</b> Legal fees				
<b>b</b> Accounting fees <b>STMT 2</b>	1,250.	0.		1,250.
<b>c</b> Other professional fees				
<b>17</b> Interest				
<b>18</b> Taxes <b>STMT 3</b>	147.	137.		10.
<b>19</b> Depreciation and depletion				
<b>20</b> Occupancy				
<b>21</b> Travel, conferences, and meetings				
<b>22</b> Printing and publications				
<b>23</b> Other expenses				
<b>24</b> Total operating and administrative expenses. Add lines 13 through 23	1,397.	137.		1,260.
<b>25</b> Contributions, gifts, grants paid	28,000.			28,000.
<b>26</b> Total expenses and disbursements Add lines 24 and 25	29,397.	137.		29,260.
<b>27</b> Subtract line 26 from line 12:				
<b>a</b> Excess of revenue over expenses and disbursements	<13,979.>			
<b>b</b> Net investment income (if negative, enter -0-)		15,281.		
<b>c</b> Adjusted net income (if negative, enter -0-)			N/A	

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Part II Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only		
		Beginning of year (a) Book Value	End of year (b) Book Value (c) Fair Market Value	
Assets	1 Cash - non-interest-bearing			
	2 Savings and temporary cash investments	3,709.	62,316.	62,316.
	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			
	7 Other notes and loans receivable ▶			
	Less: allowance for doubtful accounts ▶			
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments - U.S. and state government obligations			
	b Investments - corporate stock			
	c Investments - corporate bonds			
11 Investments - land, buildings, and equipment basis ▶				
Less: accumulated depreciation ▶				
12 Investments - mortgage loans				
13 Investments - other	STMT 4	749,343.	760,251.	594,861.
14 Land, buildings, and equipment: basis ▶				
Less: accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		753,052.	822,567.	657,177.
Liabilities	17 Accounts payable and accrued expenses			
	18 Grants payable			
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable			
	22 Other liabilities (describe ▶)			
	23 Total liabilities (add lines 17 through 22)		0.	0.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/>			
	and complete lines 24 through 26 and lines 30 and 31.			
	24 Unrestricted			
	25 Temporarily restricted			
	26 Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input checked="" type="checkbox"/>			
	and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds		0.	0.
28 Paid-in or capital surplus, or land, bldg., and equipment fund		0.	0.	
29 Retained earnings, accumulated income, endowment, or other funds		753,052.	822,567.	
30 Total net assets or fund balances		753,052.	822,567.	
31 Total liabilities and net assets/fund balances		753,052.	822,567.	

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	753,052.
2 Enter amount from Part I, line 27a	2	<13,979.>
3 Other increases not included in line 2 (itemize) ▶ PRIOR PERIOD BASIS ADJUSTMENT	3	83,494.
4 Add lines 1, 2, and 3	4	822,567.
5 Decreases not included in line 2 (itemize) ▶	5	0.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	822,567.

**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 shs. MLC Co.)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a 60 SHS ZIMMER	D	12/15/00	02/26/03
b 1125 SHS BIOMET	D	12/31/01	03/27/03
c 500 SHS AMAZON	D	12/31/99	12/05/03
d 5,000 SHS NATL ALT	D	02/23/99	12/05/03
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 2,559.			2,559.
b 34,480.		34,763.	<283.>
c 27,217.		21,456.	5,761.
d 29,349.		29,280.	69.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col. (h) gain minus col. (k), but not less than -0-) or Losses (from col. (h))
(i) F.M.V. as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col. (i) over col. (j), if any	
a			2,559.
b			<283.>
c			5,761.
d			69.
e			

2 Capital gain net income or (net capital loss). { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }	2	8,106.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6): If gain, also enter in Part I, line 8, column (c). If (loss), enter -0- in Part I, line 8	3	N/A

**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 (col. (b) divided by col. (c))
2002	22,000.	540,672.	.0406901
2001	16,000.	537,079.	.0297908
2000	31,250.	647,517.	.0482613
1999	26,000.	499,934.	.0520069
1998	15,673.	245,984.	.0637155

2 Total of line 1, column (d)	2	.2344646
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	.0468929
4 Enter the net value of noncharitable-use assets for 2003 from Part X, line 5	4	579,381.
5 Multiply line 4 by line 3	5	27,169.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	153.
7 Add lines 5 and 6	7	27,322.
8 Enter qualifying distributions from Part XII, line 4	8	29,260.

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)**

1a 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	153.
c All other domestic organizations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, col. (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	153.
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	153.
6 Credits/Payments:			
a 2003 estimated tax payments and 2002 overpayment credited to 2003	6a	364.	
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	364.	
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	211.	
11 Enter the amount of line 10 to be: Credited to 2004 estimated tax <input type="checkbox"/> 211. Refunded <input checked="" type="checkbox"/>	11	0.	

**Part VII-A Statements Regarding Activities**

	Yes	No
1a 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
4a 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, col (c), and Part XV</i>	X	
8a Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ <b>CALIFORNIA</b>		
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 2003 or the taxable year beginning in 2003 (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 ▶ <b>N/A</b>	X	
12 The books are in care of ▶ <b>MARTIN J. CAPDEVILLA</b> Telephone no. ▶ <b>619-225-0401</b> Located at ▶ <b>720 GOLDEN PARK AVE., SAN DIEGO, CA</b> ZIP+4 ▶ <b>92106</b>		
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 ▶		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.

Table with columns for question descriptions, Yes/No checkboxes, and a grid for Yes/No responses. Includes questions 1a through 6b regarding disqualifying activities, taxes, and business holdings.

**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:**

(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
MARTIN J. CAPDEVILLA 720 GOLDEN PARK AVENUE SAN DIEGO, CA 92106	CFO/SECRETARY AS NEEDED	0.	0.	0.
WENDY GILLESPIE CAPDEVILLA 720 GOLDEN PARK AVENUE SAN DIEGO, CA 92106	CEO/DIRECTOR AS NEEDED	0.	0.	0.

**2 Compensation of five highest-paid employees (other than those included on line 1). 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 ▶ 0

**3 Five highest-paid independent contractors for professional services. If none, enter "NONE."**

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
N/A		

Total number of others receiving over \$50,000 for professional services ▶ 0

**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 N/A	
2	
3	
4	

**Part IX-B Summary of Program-Related Investments**

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2.	Amount
1 NONE	
2	
All other program-related investments. See instructions.	
3 NONE	
<b>Total.</b> Add lines 1 through 3	<b>0.</b>

**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	569,511.
b Average of monthly cash balances	1b	18,693.
c Fair market value of all other assets	1c	
d Total (add lines 1a, b, and c)	1d	588,204.
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	588,204.
4 Cash deemed held for charitable activities. Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	8,823.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5	579,381.
6 Minimum investment return Enter 5% of line 5	6	28,969.

**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	28,969.
2a Tax on investment income for 2003 from Part VI, line 5	2a	153.
b Income tax for 2003. (This does not include the tax from Part VI.)	2b	
c Add lines 2a and 2b	2c	153.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	28,816.
4a Recoveries of amounts treated as qualifying distributions	4a	0.
b Income distributions from section 4947(a)(2) trusts	4b	0.
c Add lines 4a and 4b	4c	0.
5 Add lines 3 and 4c	5	28,816.
6 Deduction from distributable amount (see instructions)	6	0.
7 Distributable amount as adjusted. Subtract line 6 from line 5. Enter here and on Part XIII, line 1	7	28,816.

**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	29,260.
b Program-related investments - Total from Part IX-B	1b	0.
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	29,260.
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	5	153.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	29,107.

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 2002	(c) 2002	(d) 2003
<b>1</b> Distributable amount for 2003 from Part XI, line 7				28,816.
<b>2</b> Undistributed income, if any, as of the end of 2002				
<b>a</b> Enter amount for 2002 only			0.	
<b>b</b> Total for prior years:		0.		
<b>3</b> Excess distributions carryover, if any, to 2003:				
<b>a</b> From 1998				
<b>b</b> From 1999				
<b>c</b> From 2000	668.			
<b>d</b> From 2001				
<b>e</b> From 2002				
<b>f</b> Total of lines 3a through e	668.			
<b>4</b> Qualifying distributions for 2003 from Part XII, line 4: ▶ \$ 29,260.				
<b>a</b> Applied to 2002, but not more than line 2a			0.	
<b>b</b> Applied to undistributed income of prior years (Election required - see instructions)		0.		
<b>c</b> Treated as distributions out of corpus (Election required - see instructions)	0.			
<b>d</b> Applied to 2003 distributable amount				28,816.
<b>e</b> Remaining amount distributed out of corpus	444.			
<b>5</b> Excess distributions carryover applied to 2003 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
<b>6</b> Enter the net total of each column as indicated below:				
<b>a</b> Corpus Add lines 3f, 4c, and 4e Subtract line 5	1,112.			
<b>b</b> Prior years' undistributed income. Subtract line 4b from line 2b		0.		
<b>c</b> 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.		
<b>d</b> Subtract line 6c from line 6b. Taxable amount - see instructions		0.		
<b>e</b> Undistributed income for 2002. Subtract line 4a from line 2a. Taxable amount - see instr.			0.	
<b>f</b> Undistributed income for 2003. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2004				0.
<b>7</b> Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
<b>8</b> Excess distributions carryover from 1998 not applied on line 5 or line 7	0.			
<b>9</b> Excess distributions carryover to 2004 Subtract lines 7 and 8 from line 6a	1,112.			
<b>10</b> Analysis of line 9:				
<b>a</b> Excess from 1999				
<b>b</b> Excess from 2000	668.			
<b>c</b> Excess from 2001				
<b>d</b> Excess from 2002				
<b>e</b> Excess from 2003	444.			

**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 2003, 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  
 b 85% of line 2a  
 c Qualifying distributions from Part XII, line 4 for each year listed  
 d Amounts included in line 2c not used directly for active conduct of exempt activities  
 e Qualifying distributions made directly for active conduct of exempt activities.

	Tax year				(e) Total
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	
3 Complete 3a, b, or c for the alternative test relied upon:					
a "Assets" alternative test - enter:					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed					
c "Support" alternative test - enter:					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)					
(3) Largest amount of support from an exempt organization					
(4) 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-see page 25 of the instructions.)**

**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).)

**SEE STATEMENT 5**

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:

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

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	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a Paid during the year</i>				
<b>SEE STATEMENT 6</b>				
<b>Total</b>			▶ <b>3a</b>	<b>28,000.</b>
<i>b Approved for future payment</i>				
<b>NONE</b>				
<b>Total</b>			▶ <b>3b</b>	<b>0.</b>

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

Table with 5 main columns: (a) Business code, (b) Amount, (c) Exclusion code, (d) Amount, (e) Related or exempt function income. Rows include: 1 Program service revenue (a-f), 2 Membership dues and assessments, 3 Interest on savings and temporary cash investments, 4 Dividends and interest from securities, 5 Net rental income or (loss) from real estate (a-b), 6 Net rental income or (loss) from personal property, 7 Other investment income, 8 Gain or (loss) from sales of assets other than inventory, 9 Net income or (loss) from special events, 10 Gross profit or (loss) from sales of inventory, 11 Other revenue (a-e), 12 Subtotal, 13 Total.

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Table with 2 columns: Line No., Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

**Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations**

		Yes	No
<b>1</b>	Did the 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?		
<b>a</b>	Transfers from the reporting organization to a noncharitable exempt organization of:		
	(1) Cash		X
	(2) Other assets		X
<b>b</b>	Other transactions:		
	(1) Sales of assets to a noncharitable exempt organization		X
	(2) Purchases of assets from a noncharitable exempt organization		X
	(3) Rental of facilities, equipment, or other assets		X
	(4) Reimbursement arrangements		X
	(5) Loans or loan guarantees		X
	(6) Performance of services or membership or fundraising solicitations		X
<b>c</b>	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X
<b>d</b>	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	

**2a** 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		

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 taxpayer or fiduciary) is based on all information of which preparer has any knowledge.

**Sign Here**  
 Signature of officer or trustee: *Martin J. Capdevilla* | Date: *5/14/04* | Title: *TRUSTEE*

Paid Preparer's Use Only	Preparer's signature: <i>Matt Reed</i>	Date: <i>5-14-04</i>	Check if self-employed: <input type="checkbox"/>	Preparer's SSN or PTIN: <i>572-79-0910</i>
	Firm's name (or yours if self-employed), address, and ZIP code: <i>RSM MCGLADREY, INC. 3111 CAMINO DEL RIO NORTH #1150 SAN DIEGO, CA 92108-5700</i>	EIN: <i>41-1944416</i>	Phone no.: <i>619-281-7764</i>	

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FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES	STATEMENT	1
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SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT
CHARLES SCHWAB	7,312.	0.	7,312.
TOTAL TO FM 990-PF, PART I, LN 4	7,312.	0.	7,312.

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FORM 990-PF	ACCOUNTING FEES	STATEMENT	2
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
RSM MCGLADREY	1,250.	0.		1,250.
TO FORM 990-PF, PG 1, LN 16B	1,250.	0.		1,250.

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FORM 990-PF	TAXES	STATEMENT	3
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DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES
CALIFORNIA FRANCHISE TAX BOARD	10.	0.		10.
FOREIGN TAXES	137.	137.		0.
TO FORM 990-PF, PG 1, LN 18	147.	137.		10.

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FORM 990-PF	OTHER INVESTMENTS	STATEMENT	4
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DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE
BRSTL MYR	32,178.	17,160.
ANHBUSH	27,937.	42,144.
QKROATS	9,853.	0.
EMC CORP	49,564.	38,760.
INTEL	50,589.	48,300.
CONOCOPHILLIPS	15,610.	26,228.
NAT ALT	58,125.	32,050.

AT&T	23,820.	2,030.
FORD	17,061.	8,000.
BNK AMERICA	19,112.	32,172.
ALTRIA GROUP INC	30,280.	43,536.
LILLY	36,375.	35,165.
AMAZON	42,916.	26,320.
ERICSSON	70,069.	28,426.
NOKIA	94,234.	51,000.
SAVIENT PHARMA	13,707.	6,915.
BED BATH	67,800.	86,700.
FOODMAKER	27,540.	0.
BIOMET	0.	0.
SAFEWAY	18,431.	6,573.
ATT WIRELESS	2,990.	1,278.
ZIMMER	0.	0.
MCDATA	983.	524.
COMCAST	3,774.	5,292.
JACK IN THE BOX	17,290.	21,360.
JDS UNIPHASE CORP	5,985.	7,300.
PEPSICO INC	16,888.	18,648.
SUN MICROSYSTEMS INC	7,140.	8,980.
TOTAL TO FORM 990-PF, PART II, LINE 13	760,251.	594,861.

FORM 990-PF	PART XV - LINE 1A	STATEMENT	5
LIST OF FOUNDATION MANAGERS			

## NAME OF MANAGER

MARTIN J. CAPDEVILLA  
WENDY GILLESPIE CAPDEVILLA

FORM 990-PF	GRANTS AND CONTRIBUTIONS PAID DURING THE YEAR	STATEMENT	6
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RECIPIENT NAME AND ADDRESS	RECIPIENT STATUS	PURPOSE OF GRANT	RECIPIENT RELATIONSHIP	AMOUNT
ARCS FOUNDATION, INC. BOX 8394 RANCHO SANTA FE, CA 92067	PUBLIC	SCHLRSH. TO POST GRADUATE SCIENCE EDUCATION	NONE	1,000.
JUNIOR ACHEIVEMENT 123 CAMINO DE LA REINA, #200W, SAN DIEGO, CA 92108	EDUCATIONA INSTITUTI N	PREPARE KIDS FOR CAREERS IN BUSINESS	NONE	10,000.

SAN DIEGO HIGH SCHOOL ACADEMY OF FINANCE 1405 PARK BLVD. SAN DIEGO, CA	EDUCATIONA INSTITUTI N	PREPARE KIDS FOR CAREERS IN BUSINESS	NONE	1,000.
SAN DIEGO WOMENS FOUNDATION 1420 KETTNER BLVD., SUITE 500 SAN DIEGO, CA 9210	EXEMPT ORGANIZATI N	FOR HEALTH AND HUMAN SERVICES ORGANIZATIONS	NONE	2,000.
THE AMERICAS FOUNDATION 898 SECOND AVENUE CHULA VISTA, CA 91911	EDUCATIONA INSTITUTI N	SCHOOL FOR UNDERPRIVILEGED CHILDREN	NONE	5,000.
WORLD TRADE INSTITUTE 1250 6TH AVENUE SAN DIEGO, CA 92101	EXEMPT ORGANIZATI N	SUPPORT GLOBAL BUSINESS PROGRAM	NONE	3,000.
THE SAN DIEGO FOUNDATION 1420 KETTNER BLVD SUITE 500 SAN DIEGO, CA	EXEMPT ORGANIZATI N	TO EFFECT POSITIVE SOCIAL CHANGE IN SAN DIEGO COUNTY	NONE	5,000.
THE SMILE TRAIN 245 FIFTH AVENUE SUITE 2201 NEW YORK, NY 10016	EXEMPT ORGANIZATI N	GIVES 2ND CHANCE TO CHILDREN WITH CLEFT LIPS	NONE	1,000.
TOTAL TO FORM 990-PF, PART XV, LINE 3A				28,000.