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

2006

Department of the Treasury
Internal Revenue Service

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

For calendar year 2006, 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 foundation CAPDEVILLA / GILLESPIE FOUNDATION Number and street (or P O box number if mail is not delivered to street address) Room/suite 720 GOLDEN PARK AVENUE City or town, state, and ZIP code SAN DIEGO, CA 92106	A Employer identification number 33-0795195 B Telephone number (619) 225-0401
H 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		C If exemption application is pending, check here <input type="checkbox"/> D 1 Foreign organizations, check here <input type="checkbox"/> 2 Foreign organizations meeting the 85% test, check here and attach computation <input type="checkbox"/>
I Fair market value of all assets at end of year (from Part II, col (c), line 16) ▶ \$ 690,065. (Part I, column (d) must be on cash basis)		E If private foundation status was terminated under section 507(b)(1)(A), check here <input type="checkbox"/> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here <input type="checkbox"/>
J Accounting method <input checked="" type="checkbox"/> Cash <input type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____		

Part I Analysis of Revenue and Expenses <small>(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a))</small>	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received	500,000.		N/A	
2 Check <input checked="" type="checkbox"/> if the foundation is not required to attach Sch B				
3 Interest on savings and temporary cash investments				
4 Dividends and interest from securities	12,680.	10,805.		STATEMENT 1
5a Gross rents				
b Net rental income or (loss)				
6a Net gain or (loss) from sale of assets not on line 10	28,554.			
b Gross sales price for all assets on line 6a 82,375.				
7 Capital gain net income (from Part IV, line 2)		28,554.		
8 Net short-term capital gain				
9 Income modifications				
10a Gross sales less returns and allowances				
b Less Cost of goods sold				
c Gross profit or (loss)				
11 Other income				
12 Total Add lines 1 through 11	541,234.	39,359.		
13 Compensation of officers, directors, trustees, etc	0.	0.		0.
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16a Legal fees				
b Accounting fees STMT 2	1,700.	0.		1,700.
c Other professional fees				
17 Interest				
18 Taxes STMT 3	548.	443.		105.
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and publications				
23 Other expenses				
24 Total operating and administrative expenses Add lines 13 through 23	2,248.	443.		1,805.
25 Contributions, gifts, grants paid	539,700.			539,700.
26 Total expenses and disbursements Add lines 24 and 25	541,948.	443.		541,505.
27 Subtract line 26 from line 12				
a Excess of revenue over expenses and disbursements	-714.			
b Net investment income (if negative, enter -0-)		38,916.		
c Adjusted net income (if negative, enter -0-)			N/A	

LHA For Privacy Act and Paperwork Reduction Act Notice, see the instructions.

Form **990-PF** (2006)

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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	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	36,521.	87,628.	87,628.
	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	674,671.	620,850.	602,437.
14 Land, buildings, and equipment basis ▶				
Less accumulated depreciation ▶				
15 Other assets (describe ▶)				
16 Total assets (to be completed by all filers)		711,192.	708,478.	690,065.
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	Foundations 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			
	Foundations 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		711,192.	708,478.	
30 Total net assets or fund balances		711,192.	708,478.	
31 Total liabilities and net assets/fund balances		711,192.	708,478.	

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	711,192.
2 Enter amount from Part I, line 27a	2	-714.
3 Other increases not included in line 2 (itemize) ▶	3	0.
4 Add lines 1, 2, and 3	4	710,478.
5 Decreases not included in line 2 (itemize) ▶ PRIOR PERIOD BASIS ADJUSTMENT	5	2,000.
6 Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	708,478.

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 100 SH. CONOCOPHILLIPS CORP	P	02/23/99	04/24/06
b 500 SH. JACK IN THE BOX	P	12/31/01	10/02/06
c 3000 SH. NATURAL ALTERNATIVES	P	04/01/99	10/02/06
d 200 SH. PEPSICO	P	04/06/98	10/02/06
e 300 SH. SAFEWAY INC	P	12/28/00	10/02/06

(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 6,991.		1,951.	5,040.
b 26,454.		13,770.	12,684.
c 26,921.		14,745.	12,176.
d 12,872.		4,924.	7,948.
e 9,137.		18,431.	-9,294.

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) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a			5,040.
b			12,684.
c			12,176.
d			7,948.
e			-9,294.

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	28,554.
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 foundation liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the foundation 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))
2005	537,615.	950,154.	.565819
2004	35,517.	724,189.	.049044
2003	29,107.	579,381.	.050238
2002	22,000.	540,672.	.040690
2001	16,000.	537,079.	.029791

2 Total of line 1, column (d)	2	.735582
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	.147116
4 Enter the net value of noncharitable-use assets for 2006 from Part X, line 5	4	726,121.
5 Multiply line 4 by line 3	5	106,824.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	389.
7 Add lines 5 and 6	7	107,213.
8 Enter qualifying distributions from Part XII, line 4	8	541,505.

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)

Table with 11 rows for excise tax calculation. Includes sub-rows 6a-6d for credits. Total tax due is 389.

Part VII-A Statements Regarding Activities

Table with 10 rows for activity statements. Includes 'Yes/No' columns. Includes handwritten 'N/A' and 'STMT 5'.

Part VII-A Statements Regarding Activities Continued

11a At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)?
11b If "Yes," did the foundation have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in the attachment for line 11a?
12 Did the foundation acquire a direct or indirect interest in any applicable insurance contract?
13 Did the foundation comply with the public inspection requirements for its annual returns and exemption application?
14 The books are in care of MARTIN J. CAPDEVILLA Telephone no 619-225-0401
15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year 15 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.

1a During the year did the foundation (either directly or indirectly)
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?
(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)?
(6) Agree to pay money or property to a government official?
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 page 22 of the instructions)?
c Did the foundation 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 2006?
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))
a At the end of tax year 2006, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2006?
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income?
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here
3a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?
b If "Yes," did it have excess business holdings in 2006 as a result of (1) any purchase by the foundation 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?
4a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?
b Did the foundation 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 2006?

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

5a During the year did the foundation pay or incur any amount to

(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? Yes No

(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? Yes No

(3) Provide a grant to an individual for travel, study, or other similar purposes? Yes 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)? Yes 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? Yes No

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)? Yes No
 Organizations relying on a current notice regarding disaster assistance check here N/A

c If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? Yes No
 If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No

b Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
 If you answered "Yes" to 6a, also file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? Yes No

b If yes, did the foundation receive any proceeds or have any net income attributable to the transaction? Yes No

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 0.00	0.	0.	0.
WENDY GILLESPIE CAPDEVILLA 720 GOLDEN PARK AVENUE SAN DIEGO, CA 92106	CEO/DIRECTOR 0.00	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

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

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	
Total. 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	703,937.
b	Average of monthly cash balances	1b	33,242.
c	Fair market value of all other assets	1c	
d	Total (add lines 1a, b, and c)	1d	737,179.
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	737,179.
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)	4	11,058.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3 Enter here and on Part V, line 4	5	726,121.
6	Minimum investment return. Enter 5% of line 5	6	36,306.

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	36,306.
2a	Tax on investment income for 2006 from Part VI, line 5	2a	389.
b	Income tax for 2006 (This does not include the tax from Part VI)	2b	
c	Add lines 2a and 2b	2c	389.
3	Distributable amount before adjustments Subtract line 2c from line 1	3	35,917.
4	Recoveries of amounts treated as qualifying distributions	4	0.
5	Add lines 3 and 4	5	35,917.
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	35,917.

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	541,505.
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	541,505.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b	5	389.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6	541,116.

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 2005	(c) 2005	(d) 2006
1 Distributable amount for 2006 from Part XI, line 7				35,917.
2 Undistributed income, if any, as of the end of 2005				
a Enter amount for 2005 only			0.	
b Total for prior years		0.		
3 Excess distributions carryover, if any, to 2006				
a From 2001				
b From 2002				
c From 2003	444.			
d From 2004				
e From 2005	490,297.			
f Total of lines 3a through e	490,741.			
4 Qualifying distributions for 2006 from Part XII, line 4 ▶ \$ 541,505.				
a Applied to 2005, but not more than line 2a			0.	
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 2006 distributable amount				35,917.
e Remaining amount distributed out of corpus	505,588.			
5 Excess distributions carryover applied to 2006 (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:	996,329.			
a Corpus Add lines 3f, 4c, and 4e Subtract line 5				
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 2005 Subtract line 4a from line 2a Taxable amount - see instr			0.	
f Undistributed income for 2006 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2007				0.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3)	0.			
8 Excess distributions carryover from 2001 not applied on line 5 or line 7	0.			
9 Excess distributions carryover to 2007. Subtract lines 7 and 8 from line 6a	996,329.			
10 Analysis of line 9				
a Excess from 2002				
b Excess from 2003	444.			
c Excess from 2004				
d Excess from 2005	490,297.			
e Excess from 2006	505,588.			

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 2006, enter the date of the ruling ▶

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

	Tax year				(e) Total
	(a) 2006	(b) 2005	(c) 2004	(d) 2003	
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					
3 Subtract line 2d from line 2c					
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 foundation had \$5,000 or more in assets at any time during the year-see page 28 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 6

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 foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the foundation 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 XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
f _____					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments					
4 Dividends and interest from securities			01	12,680.	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income					
8 Gain or (loss) from sales of assets other than inventory			18	28,554.	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue					
a _____					
b _____					
c _____					
d _____					
e _____					
12 Subtotal. Add columns (b), (d), and (e)		0.		41,234.	0.
13 Total. Add line 12, columns (b), (d), and (e)				13	41,234.

(See worksheet in line 13 instructions to verify calculations.)

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

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 foundation'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
1	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?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash		X
	(2) Other assets		X
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
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X
d	If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting foundation. If the foundation 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 foundation 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: 5/14/07 Title: TRUSTEE

Paid Preparer's Use Only
 Preparer's signature: Rosemary R. Date: 5/10/07 Check if self-employed: Preparer's SSN or PTIN: _____
 Firm's name (or yours if self-employed): RSM MCGLADREY, INC.
 address and ZIP code: 3880 LEMON STREET, SUITE 400 RIVERSIDE, CA 92501-3354 EIN: _____
 Phone no: 951-248-1805

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

2006

Name of organization

CAPDEVILLA / GILLESPIE FOUNDATION

Employer identification number

33-0795195

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

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 boxes 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 they must check the box in the heading of their Form 990, Form 990-EZ, or on line 2 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).

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

Schedule B (Form 990, 990-EZ, or 990-PF) (2006)

Name of organization

Employer identification number

CAPDEVILLA / GILLESPIE FOUNDATION

33-0795195

Part I Contributors (See Specific Instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	DAVID & MARY RUYLE 1338 VIRGINIA WAY LA JOLLA, CA 92037	\$ 150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)
2	RON MCMAHON 380 STEVENS AVE #313 SOLANA BEACH, CA 92075	\$ 350,000.	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)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution)

FORM 990-PF	DIVIDENDS AND INTEREST FROM SECURITIES		STATEMENT	1
SOURCE	GROSS AMOUNT	CAPITAL GAINS DIVIDENDS	COLUMN (A) AMOUNT	
CHARLES SCHWAB	12,680.	0.	12,680.	
TOTAL TO FM 990-PF, PART I, LN 4	12,680.	0.	12,680.	

FORM 990-PF	ACCOUNTING FEES			STATEMENT	2
DESCRIPTION	(A) EXPENSES PER BOOKS	(B) NET INVEST- MENT INCOME	(C) ADJUSTED NET INCOME	(D) CHARITABLE PURPOSES	
RSM MCGLADREY	1,700.	0.		1,700.	
TO FORM 990-PF, PG 1, LN 16B	1,700.	0.		1,700.	

FORM 990-PF	TAXES			STATEMENT	3
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	348.	348.		0.	
ATTORNEY GENERAL OF CALIFORNIA	75.	0.		75.	
FEDERAL EXCISE TAX	95.	95.		0.	
LICENSE & PERMIT	20.	0.		20.	
TO FORM 990-PF, PG 1, LN 18	548.	443.		105.	

FORM 990-PF	OTHER INVESTMENTS	STATEMENT	4
DESCRIPTION	BOOK VALUE	FAIR MARKET VALUE	
BRISTOL-MYERS SQUIBB CO	32,178.	15,792.	
ANHEUSER BUSCH CO, INC.	27,937.	39,360.	
EMC CORP	49,564.	39,600.	
INTEL CORP	50,589.	30,375.	
CONOCOPHILLIPS	5,854.	21,585.	
NATURAL ALTERNATIVES	0.	0.	
AT & T INC	23,798.	2,753.	
FORD MOTOR COMPANY	17,061.	3,755.	
BANK OF AMERICA CORP	19,112.	42,712.	
ALTRIA GROUP INC	30,280.	68,656.	
LILLY ELI & COMPANY	36,375.	26,050.	
AMAZON.COM INC.	42,916.	19,730.	
ERICSSON TEL	70,069.	64,609.	
NOKIA CORP	94,234.	60,960.	
SAVIENT PHARMACEUTICALS	13,707.	16,815.	
BED BATH & BEYOND	67,800.	76,200.	
SAFEWAY INC.	0.	0.	
MCDATA CORPORATION	983.	305.	
COMCAST CORP	3,774.	6,815.	
JACK IN THE BOX	3,520.	30,520.	
JDS UNIPHASE CORP	11,995.	12,495.	
PEPSICO INC	11,964.	12,510.	
SUN MICROSYSTEMS INC	7,140.	10,840.	
TOTAL TO FORM 990-PF, PART II, LINE 13	620,850.	602,437.	

FORM 990-PF	LIST OF SUBSTANTIAL CONTRIBUTORS PART VII-A, LINE 10	STATEMENT	5
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NAME OF CONTRIBUTOR	ADDRESS
RON MCMAHON	380 STEVENS AVE #313, SOLANA BEACH, CA 92075
DAVID & MARY RUYLE	1338 VIRGINIA WAY, LA JOLLA, CA 92037

FORM 990-PF

PART XV - LINE 1A
LIST OF FOUNDATION MANAGERS

STATEMENT 6

NAME OF MANAGER

MARTIN J. CAPDEVILLA
WENDY GILLESPIE CAPDEVILLA

FORM 990-PF

GRANTS AND CONTRIBUTIONS
PAID DURING THE YEAR

STATEMENT 7

RECIPIENT NAME AND ADDRESS	RECIPIENT RELATIONSHIP AND PURPOSE OF GRANT	RECIPIENT STATUS	AMOUNT
ARCS FOUNDATION, INC. BOX 8394, RANCHO SANTA FE, CA 92067	NONE SCHLRSH. TO POST GRADUATE EDUCATION	PUBLIC SCIENCE	
BIG BROTHERS & BIG SISTERS OF SAN DIEGO COUNTY 17150 VIA DEL CAMPO, SUITE 101, SAN DIEGO, CA 92127	YOUTH MENTORING ORGANIZATION	EXEMPT ORGANIZ.	
JUNIOR ACHEIVEMENT 123 CAMINO DE LA REINA, #200W, SAN DIEGO, CA 92108	NONE PREPARE KIDS FOR CAREERS IN BUSINESS	EDUCATIONAL INSTITUTION	500,000.
PROJECT CONCERN 5151 CANYON RD., SUITE 320, SAN DIEGO, CA 92123	NONE SUPPORT OF IMPOVERISHED	EXEMPT ORGANIZ. ORPHANS	10,000.
SAN DIEGO HIGH SCHOOL ACADEMY OF FINANCE 1405 PARK BLVD., SAN DIEGO, CA 92101	NONE PREPARE KIDS FOR CAREERS IN BUSINESS	EDUCATIONAL INSTITUTION	
SAN DIEGO WOMENS FOUNDATION 1420 KETTNER BLVD., SUITE 500, SAN DIEGO, CA 92101	NONE FOR HEALTH AND HUMAN SERVICES ORGANIZATIONS	EXEMPT ORGANIZ.	

THE AMERICAS FOUNDATION 898 SECOND AVENUE, CHULA VISTA, CA 91911	NONE SCHOOL FOR UNDERPRIVILEGED CHILDREN	EDUCATIONAL INSTITUTION	14,700.
THE SAN DIEGO FOUNDATION 1420 KETTNER BLVD SUITE 500, SAN DIEGO, CA 92101	NONE TO EFFECT POSITIVE SOCIAL CHANGE IN SAN DIEGO COUNTY	EXEMPT ORGANIZ.	
THE SMILE TRAIN 245 FIFTH AVENUE SUITE 2201, NEW YORK, NY 10016	NONE GIVES 2ND CHANCE TO CHILDREN WITH CLEFT LIPS	EXEMPT ORGANIZ.	1,000.
TIDES FOUNDATION PRESIDIO BUILDING 1014, SAN FRANCISCO, CA 94129	NONE ACEH AID	EXEMPT ORGANIZ.	
WORLD TRADE INSTITUTE 1250 6TH AVENUE, SAN DIEGO, CA 92101	NONE SUPPORT GLOBAL BUSINESS PROGRAM	EXEMPT ORGANIZ.	
MINGEI INTERNATIONAL MUSEUM 1439 EL PRADO, SAN DIEGO, CA 92101	NONE SUPPORT CULTURAL DIVERSITY AND AWARENESS	EXEMPT ORGANIZ.	1,000.
VOICES FOR CHILDREN 2851 MEADOW LARK DRIVE, SAN DIEGO, CA 92123	NONE TO SUPPORT THE ADVOCACY FOR FOSTER CHILDREN OF SAN DIEGO COUNTY	EXEMPT ORGANIZ.	11,000.
UNIVERSITY OF SAN DIEGO SCHOOL OF LEADERSHIP & EDUCATIONAL SCIENCES 5998 ALCALA PARK, SAN DIEGO, CA 92110	NONE TO FUND FACULTY RESEARCH AND STUDENT SCHOLARSHIPS	EDUCATIONAL INSTITUTION	1,000.
FOUNDATION FOR THE CHILDREN OF THE CALIFORNIAS 12265 EL CAMINO REAL, SUITE 160, SAN DIEGO, CA 92130-4098	NONE TO FUND STRABISMUS SURGERIES FOR PEDIATRIC PATIENTS	EXEMPT ORGANIZ.	1,000.

TOTAL TO FORM 990-PF, PART XV, LINE 3A

539,700.