

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

**2004**

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 2004, or tax year beginning \_\_\_\_\_, 2004, 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>Environmentalist Fund</b> 1111 Any Street Hometown, TX 77777-7777	A Employer identification number <b>77-7777777</b> B Telephone number (see instructions) <b>444-444-4466</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, column (c), line 16) <b>G\$ 20,200,000.</b>	J Accounting method: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other (specify) _____ (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"/> <b>G</b> F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here. <input type="checkbox"/> <b>G</b>
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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) (see instructions).)		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)	
<b>R E V E N U E</b>	1 Contributions, gifts, grants, etc. received (att sch)	1,000,000.				
	2 Ck <b>G</b> <input type="checkbox"/> if the foundn is not req to att Sch B					
	3 Interest on savings and temporary cash investments					
	4 Dividends and interest from securities	380,000.	380,000.			
	5a Gross rents					
	b Net rental income or (loss)					
	6a Net gain/(loss) from sale of assets not on line 10	400,000.				
	b Gross sales price for all assets on line 6a	1,000,000.				
	7 Capital gain net income (from Part IV, line 2)		980,000.			
	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/(loss) (att sch)						
11 Other income (attach schedule)	120,000.	20,000.	20,000.			
<b>See Statement 1</b>						
12 Total. Add lines 1 through 11	1,900,000.	1,380,000.	20,000.			
<b>A D M I N I S T R A T I V E  O P E R A T I N G  A N D  E X P E N S E S</b>	13 Compensation of officers, directors, trustees, etc	80,000.			80,000.	
	14 Other employee salaries and wages	240,000.	20,000.	5,000.	220,000.	
	15 Pension plans, employee benefits	40,000.	2,500.		37,500.	
	16a Legal fees (attach schedule)	20,000.	4,000.	4,000.	16,000.	
	b Accounting fees (attach sch)	20,000.	2,000.	1,000.	18,000.	
	c Other prof fees (attach sch)	80,000.	10,000.		70,000.	
	17 Interest					
	18 Taxes (attach schedule)	10,000.				
	19 Depreciation (attach schedule) and depletion					
	20 Occupancy					
	21 Travel, conferences, and meetings	40,000.	4,000.		36,000.	
	22 Printing and publications	88,000.	2,000.		86,000.	
	23 Other expenses (attach schedule)	82,000.	3,000.		79,000.	
	<b>See Statement 6</b>					
	24 Total operating and administrative expenses. Add lines 13 through 23	700,000.	47,500.	10,000.	642,500.	
25 Contributions, gifts, grants paid Part. XV	1,000,000.			1,100,000.		
26 Total expenses and disbursements. Add lines 24 and 25	1,700,000.	47,500.	10,000.	1,742,500.		
27 Subtract line 26 from line 12:						
a Excess of revenue over expenses and disbursements	200,000.					
b Net investment income (if negative, enter -0-)		1,332,500.				
c Adjusted net income (if negative, enter -0-)			10,000.			

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
A S S E T S	1	Cash * non-interest-bearing				
	2	Savings and temporary cash investments		900,000.	1,000,000.	1,000,000.
	3	Accounts receivable <b>G</b>				
		Less: allowance for doubtful accounts <b>G</b>				
	4	Pledges receivable <b>G</b>				
		Less: allowance for doubtful accounts <b>G</b>				
	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.) <b>G</b>				
		Less: allowance for doubtful accounts <b>G</b>				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments * U.S. and state government obligations (attach schedule)				
	b	Investments * corporate stock (attach schedule) <b>Statement 7</b>		18,300,000.	18,700,000.	18,700,000.
	c	Investments * corporate bonds (attach schedule)				
	11	Investments * land, buildings, and equipment: basis <b>G</b>				
	Less: accumulated depreciation (attach schedule) <b>G</b>					
12	Investments * mortgage loans					
13	Investments * other (attach schedule)					
14	Land, buildings, and equipment: basis <b>G</b>					
	Less: accumulated depreciation (attach schedule) <b>G</b>					
15	Other assets (describe <b>G See Statement 8</b> )		500,000.	500,000.	500,000.	
16	Total assets (to be completed by all filers * see instructions. Also, see page 1, item I)		19,700,000.	20,200,000.	20,200,000.	
L I A B I L I T I E S	17	Accounts payable and accrued expenses		100,000.	100,000.	
	18	Grants payable		200,000.	100,000.	
	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe <b>G</b> )				
	23	Total liabilities (add lines 17 through 22)		300,000.	200,000.	
N E T A S S E T S O R F U N D B A L A N C E S	Organizations that follow SFAS 117, check here <b>G</b> <input checked="" type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted		19,400,000.	20,000,000.	
	25	Temporarily restricted				
	26	Permanently restricted				
	Organizations that do not follow SFAS 117, check here <b>G</b> <input type="checkbox"/> and complete lines 27 through 31.					
	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				
30	Total net assets or fund balances (see instructions)		19,400,000.	20,000,000.		
31	Total liabilities and net assets/fund balances (see instructions)		19,700,000.	20,200,000.		

**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	19,400,000.
2	Enter amount from Part I, line 27a	2	200,000.
3	Other increases not included in line 2 (itemize) <b>G See Statement 9</b>	3	400,000.
4	Add lines 1, 2, and 3	4	20,000,000.
5	Decreases not included in line 2 (itemize) <b>G</b>	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) * Part II, column (b), line 30	6	20,000,000.

**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)
1 a <b>10,000 shares Clean Air Industries</b>	<b>D</b>	<b>12/01/99</b>	<b>7/01/04</b>
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>1,000,000.</b>		<b>20,000.</b>	<b>980,000.</b>
b			
c			
d			
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
(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	
a			<b>980,000.</b>
b			
c			
d			
e			

2 Capital gain net income or (net capital loss). <span style="float:right">[ If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 ]</span>	2	<b>980,000.</b>
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) (see instructions). If (loss), enter -0- in Part I, line 8. <span style="float:right">]</span>	3	<b>0.</b>

**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))
2003	1,500,000.	19,000,000.	0.078947
2002	1,000,000.	21,000,000.	0.047619
2001	1,400,000.	25,000,000.	0.056000
2000	1,000,000.	20,000,000.	0.050000
1999	1,000,000.	18,000,000.	0.055556
2 Total of line 1, column (d) . . . . .			2 <b>0.288122</b>
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 <b>0.057624</b>
4 Enter the net value of noncharitable-use assets for 2004 from Part X, line 5 . . . . .			4 <b>20,685,000.</b>
5 Multiply line 4 by line 3 . . . . .			5 <b>1,191,952.</b>
6 Enter 1% of net investment income (1% of Part I, line 27b) . . . . .			6 <b>13,325.</b>
7 Add lines 5 and 6 . . . . .			7 <b>1,205,277.</b>
8 Enter qualifying distributions from Part XII, line 4 . . . . .			8 <b>1,742,500.</b>

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"/> G <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"/> G <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b.	1 13,325.
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 13,325.
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 13,325.
6 Credits/Payments:	
a 2004 estimated tax pmts and 2003 overpayment credited to 2004	6a 10,000.
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 10,000.
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> X if Form 2220 is attached	8 73.
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	G 9 3,398.
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	G 10
11 Enter the amount on line 10 to be: Credited to 2005 estimated tax <input checked="" type="checkbox"/> G Refunded <input type="checkbox"/> G 11	

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	1 a
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see instructions for definition)?		X	1 b
<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>			
c Did the organization file Form 1120-POL for this year?		X	1 c
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the organization <input checked="" type="checkbox"/> G \$ 0. (2) On organization managers <input checked="" type="checkbox"/> G \$ 0.			
e Enter the reimbursement (if any) paid by the organization during the year for political expenditure tax imposed on organization managers <input checked="" type="checkbox"/> G \$ 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	2
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	3
4 a Did the organization have unrelated business gross income of \$1,000 or more during the year?	X		4 a
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	X		4 b
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	5
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		6
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		7
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) <input checked="" type="checkbox"/> G <u>Texas</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		8 b
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 2004 or the taxable year beginning in 2004 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV.</i>		X	9
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses.</i>		X	10
11 Did the organization comply with the public inspection requirements for its annual returns and exemption application? Web site address <input checked="" type="checkbox"/> G <u>www.environmentalistfund.org</u>	X		11
12 The books are in care of <input checked="" type="checkbox"/> G <u>Mary Goodbooks</u> Telephone no. <input checked="" type="checkbox"/> G <u>444-444-4444</u> Located at <input checked="" type="checkbox"/> G <u>1011 Main Street, Hometown, TX</u> ZIP + 4 <input checked="" type="checkbox"/> G <u>77777</u>			
13 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here <input type="checkbox"/> N/A <input checked="" type="checkbox"/> G <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the year <input checked="" type="checkbox"/> G 13 <input type="checkbox"/> 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
1a 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 checked="" type="checkbox"/> Yes <input 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 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> G <input type="checkbox"/>	1b	X
c 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 2004? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c	X
2 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)):		
a At the end of tax year 2004, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2004? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If 'Yes,' list the years <b>G</b> 20__ , 20__ , 20__ , 20__ .		
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.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	N/A
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here. <b>G</b> 20__ , 20__ , 20__ , 20__ .		
3a 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 If 'Yes,' did it have excess business holdings in 2004 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 2004.) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	N/A
4a Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4a	X
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 2004? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4b	X
5a 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 checked="" type="checkbox"/> Yes <input 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 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)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> G <input type="checkbox"/>	5b	X
c 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? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If 'Yes,' attach the statement required by Regulations section 53.4945-5(d). <b>See Statement 10</b>		
6a 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 Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If you answered 'Yes' to 6b, also file Form 8870.	6b	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 11		80,000.	12,000.	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 ..... G

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 ..... G

**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 See Statement 12	524,000.
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 <u>N/A</u>	
2	
All other program-related investments. See instructions.	
3	
<b>Total. Add lines 1 through 3.</b>	<b>G 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	1 a	20,000,000.
b Average of monthly cash balances	1 b	1,000,000.
c Fair market value of all other assets (see instructions)	1 c	
d Total (add lines 1a, b and c)	1 d	21,000,000.
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e	0.
2 Acquisition indebtedness applicable to line 1 assets	2	0.
3 Subtract line 2 from line 1d	3	21,000,000.
4 Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4	315,000.
5 Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4.	5	20,685,000.
6 Minimum investment return. Enter 5% of line 5	6	1,034,250.

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

1 Minimum investment return from Part X, line 6	1	1,034,250.
2a Tax on investment income for 2004 from Part VI, line 5	2 a	13,325.
b Income tax for 2004. (This does not include the tax from Part VI.)	2 b	
c Add lines 2a and 2b	2 c	13,325.
3 Distributable amount before adjustments. Subtract line 2c from line 1	3	1,020,925.
4 Recoveries of amounts treated as qualifying distributions	4	
5 Add lines 3 and 4	5	1,020,925.
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	1,020,925.

**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	1 a	1,742,500.
b Program-related investments ' total from Part IX-B	1 b	
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)	3 a	
b Cash distribution test (attach the required schedule)	3 b	
4 Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4	1,742,500.
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	13,325.
6 Adjusted qualifying distributions. Subtract line 5 from line 4	6	1,729,175.

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 2003	(c) 2003	(d) 2004
1 Distributable amount for 2004 from Part XI, line 7.....				1,020,925.
2 Undistributed income, if any, as of the end of 2003:				
a Enter amount for 2003 only.....			200,000.	
b Total for prior years: 20____, 20____, 20____		0.		
3 Excess distributions carryover, if any, to 2004:				
a From 1999.....	200,000.			
b From 2000.....				
c From 2001.....	400,000.			
d From 2002.....	100,000.			
e From 2003.....				
f Total of lines 3a through e.....	700,000.			
4 Qualifying distributions for 2004 from Part XII, line 4: <b>G</b> \$ <u>1,742,500.</u>				
a Applied to 2003, but not more than line 2a....			200,000.	
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 2004 distributable amount.....				1,020,925.
e Remaining amount distributed out of corpus....	521,575.			
5 Excess distributions carryover applied to 2004..... (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.....	1,221,575.			
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 2003. Subtract line 4a from line 2a. Taxable amount * see instructions.....			0.	
f Undistributed income for 2004. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2005.....				0.
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 1999 not applied on line 5 or line 7 (see instructions)...	200,000.			
9 Excess distributions carryover to 2005. Subtract lines 7 and 8 from line 6a.....	1,021,575.			
10 Analysis of line 9:				
a Excess from 2000.....				
b Excess from 2001.....	400,000.			
c Excess from 2002.....	100,000.			
d Excess from 2003.....				
e Excess from 2004.....	521,575.			

**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 2004, enter the date of the ruling. ....		<b>G</b>		
b Check box to indicate whether the organization is a private operating foundation described in section 4942(j)(3) or 4942(j)(5)	<input type="checkbox"/>	<input type="checkbox"/>	N/A	
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		
	(a) 2004	(b) 2003	(c) 2002	(d) 2001
b 85% of line 2a. ....				(e) Total
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. 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 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).)

**See Statement 13**

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:

**Mary Goodbooks, 1011 Main Street, Hometown, TX 77777**

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

**Description of programs with budgets (<6 pages); Form 990 and audit (if available) of most recent year and board list.**

c Any submission deadlines:

**March 1st and September 1st**

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

**The Fund supports innovative programs to enhance protection of the environment. See www.environmentalistfund.org for more information.**

**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 14</b>				
Total ..... <b>G 3a</b>				<b>1, 100, 000.</b>
<i>b Approved for future payment</i> Hometown Cpgn Clean Up America 1111 Any Street Hometown TX 77777	N/A	509a1	General support	100, 000.
Total ..... <b>G 3b</b>				<b>100, 000.</b>





Schedule of Contributors

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

2004

Name of organization

**Environmentalist Fund**

Employer identification number

**77-7777777**

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 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.) ..... G\$ \_\_\_\_\_

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).

BAA 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) (2004)

Name of organization

Employer identification number

**Environmental ist Fund**

**77-7777777**

**Part I** Contributors (See Specific Instructions.)

(a) Number	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	Jane & John Environmental ist ----- 333 First Street ----- Hometown, TX 77777 -----	\$ 1,000,000.	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" 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.)
-----	----- ----- -----	\$ -----	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

**Environmentalist Fund**

**77-7777777**

**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	Gift of 10,000 shares of Clean Air Industries NYSE	\$ 1,000,000.	4/01/04
		\$	
		\$	
		\$	
		\$	
		\$	

Name of organization

Employer identification number

**Environmentalist Fund**

77-7777777

**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.) ..... G\$ 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

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

Department of the Treasury  
Internal Revenue Service

G See separate instructions.  
G Attach to the corporation's tax return.

**2004**

Name <b>Environmentalist Fund</b>	Employer identification number <b>77-7777777</b>
--------------------------------------	---

Note: *In most cases, the corporation is not required to file Form 2220 (see Part I below for exceptions) because the IRS will figure any penalty owed and bill the corporation. Even if Form 2220 is not required, the corporation may still use it to figure the penalty. In such a case, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but do not attach Form 2220.*

**Part I** Reasons for Filing ' Check the boxes below that apply. If any boxes are checked, and line 6, below, is \$500 or more, the corporation must file Form 2220, even if it does not owe a penalty.

- 1  The corporation is using the adjusted seasonal installment method.
- 2  The corporation is using the annualized income installment method.
- 3  The corporation is a 'large corporation' figuring its first required installment based on the prior year's tax.

**Part II** Figuring the Underpayment

4 Total tax (see instructions) .....		<b>4</b>	<b>13,325.</b>
5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4 .....	5 a		
b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method .....	5 b		
c Credit for Federal tax paid on fuels (see instructions) .....	5 c		
d Total. Add lines 5a through 5c. ....		<b>5 d</b>	
6 Subtract line 5d from line 4. If the result is less than \$500, do not complete or file this form. The corporation does not owe the penalty .....		<b>6</b>	<b>13,325.</b>
7 Enter the tax shown on the corporation's 2003 income tax return (see instructions). Caution: <i>If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 6 on line 8.</i> .....		<b>7</b>	
8 Enter the smaller of line 6 or line 7. If the corporation is required to skip line 7, enter the amount from line 6 .....		<b>8</b>	<b>13,325.</b>

		(a)	(b)	(c)	(d)	(e)
9 Installment due dates. Enter in columns (a) through (d) the 15th day of the 4th (Form 990 ' PF filers: Use 5th month), 6th, 9th, and 12th months of the corporation's tax year. ....	<b>9</b>	<b>5/15/04</b>	<b>6/15/04</b>	<b>9/15/04</b>	<b>10/01/04</b>	<b>12/15/04</b>
Exception. If one of your installment due dates is September 15, 2004, see the instructions.						
10 Required installments. If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 38. If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 8 above in each column. ....	<b>10</b>	<b>3,331.</b>	<b>3,331.</b>	<b>2,665.</b>	<b>666.</b>	<b>3,332.</b>
11 Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15. ....	<b>11</b>	<b>10,000.</b>				
<i>Complete lines 12 through 18 of one column before going to the next column.</i>						
12 Enter amount, if any, from line 18 of the preceding column .....	<b>12</b>		<b>6,669.</b>	<b>3,338.</b>	<b>673.</b>	<b>7.</b>
13 Add lines 11 and 12 .....	<b>13</b>		<b>6,669.</b>	<b>3,338.</b>	<b>673.</b>	<b>7.</b>
14 Add amounts on lines 16 and 17 of the preceding column .....	<b>14</b>					
15 Subtract line 14 from line 13. If zero or less, enter -0- .....	<b>15</b>	<b>10,000.</b>	<b>6,669.</b>	<b>3,338.</b>	<b>673.</b>	<b>7.</b>
16 If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0- .....	<b>16</b>		<b>0.</b>	<b>0.</b>	<b>0.</b>	
17 Underpayment. If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18 .....	<b>17</b>					<b>3,325.</b>
18 Overpayment. If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column. ....	<b>18</b>	<b>6,669.</b>	<b>3,338.</b>	<b>673.</b>	<b>7.</b>	

Go to Part III on page 2 to figure the penalty. Do not go to Part III if there are no entries on line 17' no penalty is owed.

**Part III** Figuring the Penalty

	(a)	(b)	(c)	(d)	(e)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). (Form 990-PF and Form 990-T filers: Use 5th month instead of 3rd month.)	19				5/15/05
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				151
21 Number of days on line 20 after 4/15/2004 and before 7/1/2004	21				
22 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 21}}{366} \times 5\%$	22				
23 Number of days on line 20 after 6/30/2004 and before 10/1/2004	23				
24 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 23}}{366} \times 4\%$	24				
25 Number of days on line 20 after 9/30/2004 and before 1/1/2005	25				16
26 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 25}}{366} \times 5\%$	26				7.27
27 Number of days on line 20 after 12/31/2004 and before 4/1/2005	27				90
28 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 27}}{365} \times 5\%$	28				40.99
29 Number of days on line 20 after 3/31/2005 and before 7/1/2005	29				45
30 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 29}}{365} \times 6\%$	30				24.60
31 Number of days on line 20 after 6/30/2005 and before 10/1/2005	31				
32 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 31}}{365} \times \text{ } \%$	32				
33 Number of days on line 20 after 9/30/2005 and before 1/1/2006	33				
34 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 33}}{365} \times \text{ } \%$	34				
35 Number of days on line 20 after 12/31/2005 and before 2/16/2006	35				
36 Underpayment on line 17 <input checked="" type="checkbox"/> $\frac{\text{Number of days on line 35}}{365} \times \text{ } \%$	36				
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37				72.86
38 Penalty. Add columns (a) through (e) of line 37. Enter the total here and on Form 1120, line 33; Form 1120-A, line 29; or the comparable line for other income tax returns	38				73.

\*For underpayments paid after March 31, 2005: For lines 30, 32, 34, and 36, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at [www.irs.gov](http://www.irs.gov). You can also call 1-800-829-1040 to get interest rate information.

## Environmental Fund

77-777777

Statement 1  
Form 990-PF, Part I, Line 11  
Other Income

MNO Corp. (Sub. S distrib.) .....	\$	100,000.
Program-related interest .....		20,000.
Total	\$	<u>120,000.</u>

Statement 2  
Form 990-PF, Part I, Line 16a  
Legal Fees

	(a) Expenses Per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Fees-contracts, loans, corporate matters	\$ 20,000.	\$ 4,000.	\$ 4,000.	\$ 16,000.
Total	<u>\$ 20,000.</u>	<u>\$ 4,000.</u>	<u>\$ 4,000.</u>	<u>\$ 16,000.</u>

Statement 3  
Form 990-PF, Part I, Line 16b  
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Tax Compliance/auditing .....	\$ 20,000.	\$ 2,000.	\$ 1,000.	\$ 18,000.
Total	<u>\$ 20,000.</u>	<u>\$ 2,000.</u>	<u>\$ 1,000.</u>	<u>\$ 18,000.</u>

Statement 4  
Form 990-PF, Part I, Line 16c  
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Editorial consultants .....	\$ 70,000.			\$ 70,000.
Investment managers .....	10,000.	\$ 10,000.		
Total	<u>\$ 80,000.</u>	<u>\$ 10,000.</u>	<u>\$ 0.</u>	<u>\$ 70,000.</u>

## Environmental Fund

77-7777777

Statement 5  
Form 990-PF, Part I, Line 18  
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise tax on investment income....	\$ 10,000.			
Total	<u>\$ 10,000.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

Statement 6  
Form 990-PF, Part I, Line 23  
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Insurance.....	\$ 6,000.	\$ 1,000.		\$ 5,000.
Memberships.....	6,000.			6,000.
Office Supplies and expenses.....	20,000.	2,000.		18,000.
Research programs/fees.....	40,000.			40,000.
Website design/upkeep.....	10,000.			10,000.
Total	<u>\$ 82,000.</u>	<u>\$ 3,000.</u>	<u>\$ 0.</u>	<u>\$ 79,000.</u>

Statement 7  
Form 990-PF, Part II, Line 10b  
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
ABC Securities, 20,000 shs	Cost	\$ 700,000.	\$ 700,000.
DEF Incorporated, 15,000 shs	Cost	150,000.	150,000.
GHI Company, 5,000 shs	Cost	250,000.	250,000.
JKL, Inc., 12,000 shs	Cost	600,000.	600,000.
MNO Enterprises (Sub-S)	Cost	1,000,000.	1,000,000.
Clean Air Industries, 160,000 shs	Cost	16,000,000.	16,000,000.
Total		<u>\$ 18,700,000.</u>	<u>\$ 18,700,000.</u>

Statement 8  
Form 990-PF, Part II, Line 15  
Other Assets

	Book Value	Fair Market Value
Program-related loan-New Energy Solution to conduct research.....	\$ 500,000.	\$ 500,000.
Total	<u>\$ 500,000.</u>	<u>\$ 500,000.</u>

## Environmental Fund

77-777777

Statement 9  
Form 990-PF, Part III, Line 3  
Other Increases

Unrealized gain in security value.....	\$	400,000.
Total	\$	<u>400,000.</u>

Statement 10  
Form 990-PF, Part VII-B, Line 5c  
Exemption from Tax on Taxable Expenditures

Expenditure Responsibility Statement  
For the year 2004

Pursuant to IRC Regulation §53.4945-5(d)(2), the ENVIRONMENTALIST FUND provides the following information:

(i) Grantee: Save the Bay Project  
3 Shoreline Drive  
Beachville TX 77733

(ii) Amount of Grant: December 28, 2004 \$ 100,000

(iii) Purpose of grants: The Save the Bay Project (SBP) is a new nonprofit corporation dedicated to saving marine life. SBP was created by Gulf Coast citizens unrelated to the fund's disqualified persons. This grant was for development of educational materials and creation of a web-site. SBP sought recognition of its tax-exempt status in October 2004, but had not yet received IRS recognition when the Fund made this grant.

(iv) & (vi) Reports: The SBP is obligated to submit a full and complete report of its expenditures pursuant to the grant by May 1, 2005.

(v) Diversions: To the knowledge of the grantor, no funds have been diverted to any activity other than the activity for which the grant was originally made.

(vii) Verification: Reports not yet due.

Statement 11  
Form 990-PF, Part VIII, Line 1  
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compensation</u>	<u>Contribution to EBP &amp; DC</u>	<u>Expense Account/Other</u>
Jane Environmentalist 1111 Any Street Hometown, TX 77777	President 2 hours/week	\$ 0.	\$ 0.	\$ 0.
John J. Environmentalist 1111 Any Street Hometown, TX 77777	Vice President 2 hours/week	0.	0.	0.

## Environmental Fund

77-777777

Statement 11 (continued)  
Form 990-PF, Part VIII, Line 1  
List of Officers, Directors, Trustees, and Key Employees

<u>Name and Address</u>	<u>Title and Average Hours Per Week Devoted</u>	<u>Compensation</u>	<u>Contribution to EBP &amp; DC</u>	<u>Expense Account/Other</u>
John J, Environmentalist, Jr. 1111 Any Street Hometown, TX 77777	Secretary/Treas 1 hour/week	\$ 0.	\$ 0.	\$ 0.
Joanne Liberal minded 1111 Any Street Hometown, TX 77777-7777	Executive Direc 40+ hours/week	80,000.	12,000.	0.
Total		<u>\$ 80,000.</u>	<u>\$ 12,000.</u>	<u>\$ 0.</u>

Statement 12  
Form 990-PF, Part IX-A, Line 1  
Summary of Direct Charitable Activities

<u>Direct Charitable Activities</u>	<u>Expenses</u>
Collected and published statistics on water usage in state. Distributed publication to 52 municipalities, 250 school districts, and media within a 20-county area most affected by declining water table. Sponsored public meetings at which scientists performing study explained methodology and results.	\$ 524,000.

Statement 13  
Form 990-PF, Part XV, Line 1a  
Foundation Managers - 2% or More Contributors

Jane Environmentalist  
John J. Environmentalist

Statement 14  
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>
Hometown Cpgn to Clean Up Ame 1111 Any Street Hometown TX 77777	N/A	509a1	General Support	\$ 600,000.
Natl Cpgn to Clean Up America 2525 Capital Street Capital City, D.C. 01010	N/A	509a1	General Support	100,000.

## Environmental Fund

77-777777

Statement 14 (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>
Smart Growth Institute 404 Fourth Street Hometown TX 77777	N/A	509a2	Research and dissemination of educational materials regarding liveable communities.	\$ 200,000.
Save the Bay Project 3 Shoreline Drive Beachville, TX 77777	N/A	pendin	Educational materials & website	100,000.
Hometown Public Schools 303 Academic Row Hometown, TX 77777	N/A	509a1	To develop teacher curriculum and support field trips focused on environmental issues.	100,000.
Total				<u>\$ 1,100,000.</u>

**Exempt Organization Business  
Income Tax Return** (and proxy tax under Section 6033(e))  
For calendar year 2004 or other tax year beginning \_\_\_\_\_ 2004,  
and ending \_\_\_\_\_, \_\_\_\_\_

**2004**

Department of the Treasury  
Internal Revenue Service

G See separate instructions.

<b>A</b> <input type="checkbox"/> Check box if address changed  <b>B</b> Exempt under Section <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Please Print or Type  <b>Environmentalist Fund</b> <b>1111 Any Street</b> <b>Hometown, TX 77777-7777</b>	( <input type="checkbox"/> check box if name changed and see instructions)	<b>D</b> Employer identification number (Employees' trust, see instructions for Block D.) <b>77-7777777</b>  <b>E</b> New unrelated business activity codes (See instructions for Block E.) <b>900003</b>
<b>C</b> Book value of all assets at end of year <b>20,200,000.</b>	<b>F</b> Group exemption number (see instructions for Block F) . <b>G</b> <b>G</b> Check organization type . . . . <b>G</b> <input checked="" type="checkbox"/> 501(c) corporation <input type="checkbox"/> 501(c) trust <input type="checkbox"/> 401(a) trust <input type="checkbox"/> Other trust		

**H** Describe the organization's primary unrelated business activity.

**G Sub-S Corporation Distribution**

**I** During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . **G**  Yes  No  
If 'Yes,' enter the name and identifying number of the parent corporation. . . . **G**

**J** The books are in care of **G Mary Goodbooks** Telephone number **G 444-444-4444**

Part I Unrelated Trade or Business Income	(A) Income	(B) Expenses	(C) Net
1 a Gross receipts or sales . . . . .			
b Less returns and allowances . . . . . c Balance <b>G</b>	1c		
2 Cost of goods sold (Schedule A, line 7) . . . . .	2		
3 Gross profit (subtract line 2 from line 1c) . . . . .	3		
4 a Capital gain net income (attach Schedule D) . . . . .	4a		
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797) . . . . .	4b		
c Capital loss deduction for trusts . . . . .	4c		
5 Income (loss) from partnerships and S corporations (attach statement) . . . . . <b>St 1</b>	5	100,000.	100,000.
6 Rent income (Schedule C) . . . . .	6		
7 Unrelated debt-financed income (Schedule E) . . . . .	7		
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F) . . . . .	8		
9 Investment income of a section 501(c)(7), (9), or (17) organization (Sch G) . . . . .	9		
10 Exploited exempt activity income (Schedule I) . . . . .	10		
11 Advertising income (Schedule J) . . . . .	11		
12 Other income (see instructions ' attach schedule)	12		
13 Total (combine lines 3 through 12) . . . . .	13	100,000.	0.

**Part II Deductions Not Taken Elsewhere** (See instructions for limitations on deductions.)  
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K) . . . . .	14	
15 Salaries and wages . . . . .	15	
16 Repairs and maintenance . . . . .	16	
17 Bad debts . . . . .	17	
18 Interest (attach schedule) . . . . .	18	
19 Taxes and licenses . . . . .	19	
20 Charitable contributions (see instructions for limitation rules) . . . . .	20	9,840.
21 Depreciation (attach Form 4562) . . . . .	21	
22 Less depreciation claimed on Schedule A and elsewhere on return . . . . .	22a	22b
23 Depletion . . . . .	23	
24 Contributions to deferred compensation plans . . . . .	24	
25 Employee benefit programs . . . . .	25	
26 Excess exempt expenses (Schedule I) . . . . .	26	
27 Excess readership costs (Schedule J) . . . . .	27	
28 Other deductions (attach schedule) . . . . . <b>See Statement 2</b>	28	600.
29 Total deductions (add lines 14 through 28) . . . . .	29	10,440.
30 Unrelated business taxable income before net operating loss deduction (subtract line 29 from line 13) . . . . .	30	89,560.
31 Net operating loss deduction . . . . .	31	
32 Unrelated business taxable income before specific deduction (subtract line 31 from line 30) . . . . .	32	89,560.
33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions) . . . . .	33	1,000.
34 Unrelated business taxable income (subtract line 33 from line 32). If line 33 is greater than line 32, enter the smaller of zero or line 32 . . . . .	34	88,560.



**Schedule C ' Rent Income (From Real Property and Personal Property Leased with Real Property) (see instructions)**

1 Description of property		3 Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(1)		
(2)		
(3)		
(4)		
Total		Total
Total income (Add totals of columns 2(a) and 2(b). Enter here and on line 6, column (A), Part I, page 1.)		Total deductions. Enter here and on line 6, column (B), Part I, page 1

**Schedule E ' Unrelated Debt-Financed Income (see instructions)**

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property		
		(a) Straight line depreciation (attach sch)	(b) Other deductions (attach schedule)	
(1)				
(2)				
(3)				
(4)				
4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
Totals		Enter here and on line 7, column (A), Part I, page 1		Enter here and on line 7, column (B), Part I, page 1
Total dividends-received deductions included in column 8				

**Schedule F ' Interest, Annuities, Royalties, and Rents from Controlled Organizations (see instructions)**

1 Name of Controlled Organization	2 Employer Identification Number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10. Enter here and on line 8, column (A), Part I, page 1.	Add columns 6 and 11. Enter here and on line 8, column (B), Part I, page 1.	
Totals					

**Schedule G ' Investment Income of a Section 501(c)(7), (9), or (17) Organization (See instructions.)**

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				
Totals .....	Enter here and on line 9, column (A), Part I, page 1.			Enter here and on line 9, column (B), Part I, page 1.

**Schedule I ' Exploited Exempt Activity Income, Other Than Advertising Income (See instructions.)**

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals .....	Enter here and on line 10, column (A), Part I, page 1.	Enter here and on line 10, column (B), Part I, page 1.				Enter here and on line 26, Part II, page 1.

**Schedule J ' Advertising Income (See instructions.)**

**Part I Income From Periodicals Reported on a Consolidated Basis**

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (column 2 minus column 3). If a gain, compute columns 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) .....						

**Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)**

(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I .....						
Totals, Part II (lines 1-5) .....	Enter here and on line 11, column (A), Part I, page 1.	Enter here and on line 11, column (B), Part I, page 1.				Enter here and on line 27, Part II, page 1.

**Schedule K ' Compensation of Officers, Directors, and Trustees (See instructions.)**

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total ' Enter here and on line 14, Part II, page 1 .....			G

Statement 1  
Form 990-T, Part I, Line 5  
Income (Loss) from Partnerships and S Corporations

<u>Name</u>	<u>Gross Income</u>	<u>Deductions</u>	<u>Income (Loss)</u>
Sub-S MNO corporation	\$ 100,000.	\$ 0.	\$ 100,000.
		Total	<u>\$ 100,000.</u>

Statement 2  
Form 990-T, Part II, Line 28  
Other Deductions

Tax compliance/return preparation.....	\$ 600.
	Total <u>\$ 600.</u>