

Form **990**Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

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

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

OMB No 1545-0047

2003Open to Public
Inspection**A For the 2003 calendar year, or tax year beginning , and ending****B** Check if applicable

- ☒ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization**Discovery Institute**

Number and street (or P O box if mail is not delivered to street address)

1511 3rd Avenue

Room/suite

808

City or town, state or country, and ZIP + 4

Seattle**WA 98101****D** Employer ID number**91-1521697****E** Telephone number**206-292-0401****F** Accounting method: ☐ Cash☒ Accrual ☐ Other (specify)

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

G Website: **www.discovery.org****J** Organization type(check only one) ☒ 501(c) (**3**) (insert no) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000

The organization need not file a return with the IRS, but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 **4,254,385**

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates **▶****H(c)** Are all affiliates included? ☐ Yes ☐ No

(If "No," att a list. See instr.)

H(d) Is this a separate return filed by anorganization covered by a group ruling? ☐ Yes ☐ No**I** Group Exemption Number **▶****M** Check ☐ if the organization is not required

to attach Sch. B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See page 18 of the instructions.)

1	Contributions, gifts, grants, and similar amounts received				
a	Direct public support	1a	4,141,679		
b	Indirect public support	1b			
c	Government contributions (grants)	1c			
d	Total (add lines 1a through 1c) (cash \$ 4,084,465 noncash \$ 57,214)	1d	4,141,679		
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	38,056		
3	Membership dues and assessments	3	35,480		
4	Interest on savings and temporary cash investments	4	6,672		
5	Dividends and interest from securities	5			
6a	Gross rents	6a			
b	Less: rental expenses	6b			
c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe ▶)	7			
8a	Gross amount from sales of assets other than inventory	(A) Securities	1,035	8a	
b	Less: cost or other basis and sales expenses	1,022	8b		
c	Gain or (loss) (attach schedule)	13	8c		
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	13		
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>				
a	Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a			
b	Less: direct expenses other than fundraising expenses	9b			
c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c			
10a	Gross sales of inventory, less returns and allowances	10a	30,015		
b	Less: cost of goods sold	10b	19,549		
c	Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c	10,466		
11	Other revenue (from Part VII, line 103)	11	1,448		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	4,233,814		
13	Program services (from line 44, column (B))	13	2,514,460		
14	Management and general (from line 44, column (C))	14	-106,945		
15	Fundraising (from line 44, column (D))	15	91,562		
16	Payments to affiliates (attach schedule)	16			
17	Total expenses (add lines 16 and 44, column (A))	17	2,499,077		
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	1,734,737		
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	1,819,294		
20	Other changes in net assets or fund balances (attach explanation)	20			
21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	3,554,031		

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2003)

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See page 22 of the instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ non-cash \$)	22			
23	Specific assistance to individuals	23			
24	Benefits paid to or for members	24			
25	Compensation of officers, directors, etc	25	338,977	85,567	180,073
26	Other salaries and wages	26	627,285	593,899	18,479
27	Pension plan contributions	27			
28	Other employee benefits	28	88,298	83,599	3,242
29	Payroll taxes	29	112,820	106,816	4,143
30	Professional fundraising fees	30	8,191	8,191	
31	Accounting fees	31	11,288	1,152	10,136
32	Legal fees	32			
33	Supplies	33	31,976	27,876	4,100
34	Telephone	34	25,765	19,138	6,627
35	Postage and shipping	35	18,823	8,583	10,240
36	Occupancy	36	55,870	3,729	52,141
37	Equipment rental and maintenance	37			
38	Printing and publications	38	51,685	29,802	21,883
39	Travel	39	122,809	108,391	14,418
40	Conferences, conventions, and meetings	40			
41	Interest	41	22	8	14
42	Depreciation, depletion, etc (attach schedule)	42	41,447	9,776	31,671
43	Other expenses not covered above (itemize) a	43a			
	b See Statement 3	43b	963,821	1,427,933	-464,112
	c	43c			
	d	43d			
	e	43e			
44	Total functional expenses (add lines 22 - 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	2,499,077	2,514,460	-106,945
					91,562

Joint Costs. Check ☐ if you are following SOP 98-2

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services?

Yes ☐ No ☒

If "Yes," enter (i) the aggregate amount of these joint costs \$, (ii) the amount allocated to Program services \$,

(iii) the amount allocated to Management and general \$, and (iv) the amount allocated to Fundraising \$

Part III Statement of Program Service Accomplishments (See page 25 of the instructions.)

What is the organization's primary exempt purpose?

▶ See Statement 4

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) & (4) orgs. & 4947(a)(1) trusts, but optional for others.)

a See Statement 5

(Grants and allocations \$) 875,285

b See Statement 6

(Grants and allocations \$) 1,172,459

c See Statement 7

(Grants and allocations \$) 327,230

d Production of public service books.

(Grants and allocations \$) 1,676

e Other program services (attach schedule) See Stmt 8 (Grants and allocations \$) 137,810

f Total of Program Service Expenses (should equal line 44, column (B), Program services) ▶ 2,514,460

Part IV Balance Sheets (See page 25 of the instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only		(A) Beginning of year		(B) End of year
45	Cash-non-interest-bearing	627,421	45	1,087,100
46	Savings and temporary cash investments	272,219	46	467,628
47a	Accounts receivable	6,682		
b	Less allowance for doubtful accounts		47c	6,682
48a	Pledges receivable	1,850,000		
b	Less allowance for doubtful accounts		48c	1,850,000
49	Grants receivable		49	
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50	
51a	Other notes and loans receivable (attach schedule)			
b	Less allowance for doubtful accounts		51c	
52	Inventories for sale or use	13,169	52	9,017
53	Prepaid expenses and deferred charges		53	
54	Investments-securities See Stmt 9 <input type="checkbox"/> Cost <input type="checkbox"/> FMV	1,022	54	
55a	Investments-land, buildings, and equipment basis			
b	Less accumulated depreciation (attach schedule)		55c	
56	Investments-other (attach schedule)		56	
57a	Land, buildings, and equipment basis	340,853		
b	Less accumulated depreciation (attach schedule) See Stmt 10			
57b		158,199	57c	182,654
58	Other assets (describe See Stmt 11)	9,999	58	18,917
59	Total assets (add lines 45 through 58) (must equal line 74)	1,851,837	59	3,621,998
60	Accounts payable and accrued expenses	32,543	60	67,967
61	Grants payable		61	
62	Deferred revenue		62	
63	Loans from officers, directors, trustees, and key employees (attach schedule)		63	
64a	Tax-exempt bond liabilities (attach schedule)		64a	
b	Mortgages and other notes payable (attach schedule)		64b	
65	Other liabilities (describe)		65	
66	Total liabilities (add lines 60 through 65)	32,543	66	67,967
Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74				
67	Unrestricted	316,874	67	397,797
68	Temporarily restricted	1,502,420	68	3,156,234
69	Permanently restricted		69	
Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74				
70	Capital stock, trust principal, or current funds		70	
71	Paid-in or capital surplus, or land, building, and equipment fund		71	
72	Retained earnings, endowment, accumulated income, or other funds		72	
73	Total net assets or fund balances (add lines 67 through 69 or lines 70 through 72, column (A) must equal line 19, column (B) must equal line 21)	1,819,294	73	3,554,031
74	Total liabilities and net assets / fund balances (add lines 66 and 73)	1,851,837	74	3,621,998

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Form 990 (2003)

Discovery Institute

91-1521697

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)		Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return	
N/A		N/A	
a Total revenue, gains, and other support per audited financial statements ▶	a	a Total expenses and losses per audited financial statements ▶	a
b Amounts included on line a but not on line 12, Form 990		b Amounts included on line a but not on line 17, Form 990	
(1) Net unrealized gains on investments \$		(1) Donated services and use of facilities \$	
(2) Donated services and use of facilities \$		(2) Prior year adjustments reported on line 20, Form 990 \$	
(3) Recoveries of prior year grants \$		(3) Losses reported on line 20, Form 990 \$	
(4) Other (specify)		(4) Other (specify)	
\$		\$	
Add amounts on lines (1) through (4) ▶	b	Add amounts on lines (1) through (4) ▶	b
c Line a minus line b ▶	c	c Line a minus line b ▶	c
d Amounts included on line 12, Form 990 but not on line a:		d Amounts included on line 17, Form 990 but not on line a:	
(1) Investment expenses not included on line 6b, Form 990 \$		(1) Investment expenses not included on line 6b, Form 990 \$	
(2) Other (specify)		(2) Other (specify)	
\$		\$	
Add amounts on lines (1) and (2) ▶	d	Add amounts on lines (1) and (2) ▶	d
e Total revenue per line 12, Form 990 (line c plus line d) ▶	e	e Total expenses per line 17, Form 990 (line c plus line d) ▶	e

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated, see page 27 of the instructions)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contrib to employee benefit plans & deferred compensation	(E) Expense account and other allowances
Douglas Bilderback Seattle WA	Treasurer 40	23,397	1,638	432
Steven Buri Newcastle WA	Executive Di 40	72,621	5,083	2,250
Bruce Chapman Seattle WA	President 40	131,696	9,219	880
Eric Garcia Seattle WA	Treasurer 40	16,430	1,150	216
Jay Richards Bellevue WA	Vice Preside 40	56,750	3,973	648
Marshall Sana Seattle WA	Secretary 40	38,083	2,666	540
Directors-See attached list	Directors	0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?
If "Yes," attach schedule-see page 28 of the instructions

▶ ☐ Yes ☒ No

Part VI Other Information (See page 28 of the instructions.)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b	If "Yes," has it filed a tax return on Form 990-T for this year?		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) See Stmt 12	82b	57,214
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	N/A	84b
85	501(c)(4), (5), or (6) organizations: a Were substantially all dues nondeductible by members?	N/A	85a
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	N/A	85b
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	N/A	85g
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	N/A	85h
86	501(c)(7) orgs: Enter a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs: Enter a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations: Enter Amount of tax imposed on the organization during the year under section 4911 0 , section 4912 0 , section 4955 0		
b	501(c)(3) and 501(c)(4) orgs: Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958		0
d	Enter Amount of tax on line 89c, above, reimbursed by the organization		0
90a	List the states with which a copy of this return is filed None		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90b	23
91	The books are in care of Eric Garcia Located at 1511 Third Avenue, Suite 808 Seattle, WA	Telephone no	206-292-0401
		ZIP + 4	98101
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here and enter the amount of tax-exempt interest received or accrued during the tax year	92	<input type="checkbox"/>

Part VII Analysis of Income-Producing Activities (See page 33 of the instructions.)

Note: Enter gross amounts unless otherwise indicated

93 Program service revenue

a **Program Service Revenue**

b

c

d

e

f Medicare/Medicaid payments

g Fees and contracts from government agencies

94 Membership dues and assessments

95 Interest on savings and temporary cash investments

96 Dividends and interest from securities

97 Net rental income or (loss) from real estate

a debt-financed property

b not debt-financed property

98 Net rental income or (loss) from personal property

99 Other investment income

100 Gain or (loss) from sales of assets other than inventory

101 Net income or (loss) from special events

102 Gross profit or (loss) from sales of inventory

103 Other revenue a

b **Miscellaneous Income**

c

d

e

104 Subtotal (add columns (B), (D), and (E))

105 Total (add line 104, columns (B), (D), and (E))

Unrelated business income		Excluded by sec 512, 513, or 514		(E) Related or exempt function income
(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
				38,056
				35,480
		14	6,672	
		18	13	
				10,466
				1,448
		0	6,685	85,450
				92,135

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See page 34 of the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	TO PROMOTE THOUGHTFUL ANALYSIS AND EFFECTIVE ACTION ON LOCAL, REGIONAL, NATIONAL, AND INTERNATIONAL ISSUES.
94	SAME AS ABOVE
103	SAME AS ABOVE

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 34 of the instructions.)

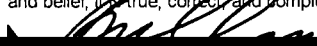
(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See page 34 of the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions)

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please  11/11/04

Date

President

SCHEDULE A
(Form 990 or 990-EZ)**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information-(See separate instructions.)**

OMB No 1545-0047

2003Department of the Treasury
Internal Revenue Service▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization

Employer identification number

Discovery Institute**91-1521697****Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees**

(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee ben plans & deferred compensation	(e) Expense account and other allowances
Bruce Agnew	40	92,500	6,475	200
Steven Meyer	40	90,000	6,300	400
John Drescher	40	75,000	5,250	0
Teresa Gonzales	40	55,000	3,850	1,104
Total number of other employees paid over \$50,000 ▶	4			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See page 2 of the instructions. List each one (whether individuals or firms) If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$ 50,000	(b) Type of service	(c) Compensation
NONE		
Total number of others receiving over \$50,000 for professional services ▶		

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

Schedule A (Form 990 or 990-EZ) 2003

Part III Statements About Activities (See page 2 of the instructions.)

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ _____ (Must equal amounts on line 38, Part VI-A, or line i of Part VI-B)	1	X
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes" must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any substantial contributors, trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary? (If the answer to any question is "Yes," attach a detailed statement explaining the transactions)		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	X
e Transfer of any part of its income or assets?	2e	X
3a Do you make grants for scholarships, fellowships, student loans, etc.? (If "Yes," attach an explanation of how you determine that recipients qualify to receive payments)	3a	X
3b Do you have a section 403(b) annuity plan for your employees?	3b	X
4 Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4	X

Part IV Reason for Non-Private Foundation Status (See pages 3 through 6 of the instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i)
- 6** ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V.)
- 7** ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state **►**
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
- 11a** ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 11b** ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
- 12** ☐ An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions-subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in (1) lines 5 through 12 above, or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 6 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note. You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in)	(a) 2002	(b) 2001	(c) 2000	(d) 1999	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	2,083,948	2,633,263	1,357,531	1,609,291	7,684,033
16 Membership fees received	34,017	45,621	51,880		131,518
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to the organization's charitable, etc., purpose	115,631	190,914	110,301	112,122	528,968
18 Gross income from interest, dividends, amounts received from payment on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	13,611	31,341	19,205	10,098	74,255
19 Net income from unrelated business activities not included in line 18					0
20 Tax revenues levied for the organization's benefits and either paid to it or expended on its behalf					0
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge.					0
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets.					0
23 Total of lines 15 through 22	2,247,207	2,901,139	1,538,917	1,731,511	8,418,774
24 Line 23 minus line 17	2,131,576	2,710,225	1,428,616	1,619,389	7,889,806
25 Enter 1% of line 23	22,472	29,011	15,389	17,315	

26 Organizations described on lines 10 or 11:	a	Enter 2% of amount in column (e), line 24	26a	157,796
b	Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1999 through 2002 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts		26b	4,613,847
c	Total support for section 509(a)(1) test. Enter line 24, column (e)		26c	7,889,806
d	Add: Amounts from column (e) for lines 18 <u>74,255</u> 19 <u> </u> 22 <u> </u>	19 <u> </u> 26b <u>4,613,847</u>	26d	4,688,102
e	Public support (line 26c minus line 26d total)		26e	3,201,704
f	Public support percentage (line 26e (numerator) divided by line 26c (denominator))		26f	40.5803 %

27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," prepare a list for your records to show the name of, and total amounts received in each year from, each "disqualified person "

Do not file this list with your return. Enter the sum of such amounts for each year

(2002) (2001) (2000) (1999)

N/A

b For any amount included in line 17 that was received from each person (other than "disqualified persons"), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year

(2002) (2001) (2000) (1999)

N/A

c Add Amounts from column (e) for lines 15 16 17 20 21

27c

d Add Line 27a total and line 27b total

27d

e Public support (line 27c total minus line 27d total)

27e

f Total support for section 509(a)(2) test Enter amount on line 23, column (e) 27f

g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) 27g %

h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) 27h %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1999 through 2002, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

Part V Private School Questionnaire (See page 7 of the instructions)**(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

	N/A	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe, if "No," please explain (If you need more space, attach a separate statement)	31		
32 Does the organization maintain the following			
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a		
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b		
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c		
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d		
If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)			
33 Does the organization discriminate by race in any way with respect to			
a Students' rights or privileges?	33a		
b Admissions policies?	33b		
c Employment of faculty or administrative staff?	33c		
d Scholarships or other financial assistance?	33d		
e Educational policies?	33e		
f Use of facilities?	33f		
g Athletic programs?	33g		
h Other extracurricular activities?	33h		
If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)			
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a		
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either 34a or b, please explain using an attached statement	34b		
35 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 C B 587, covering racial nondiscrimination? If "No," attach an explanation	35		

Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions.)(To be completed **ONLY** by an eligible organization that filed Form 5768) **N/A**Check ☐ **a** if the organization belongs to an affiliated group Check ☐ **b** if you checked "a" and "limited control" provisions apply**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36		
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37		
38 Total lobbying expenditures (add lines 36 and 37)	38		
39 Other exempt purpose expenditures	39		
40 Total exempt purpose expenditures (add lines 38 and 39)	40		
41 Lobbying nontaxable amount Enter the amount from the following table-			
If the amount on line 40 is-	The lobbying nontaxable amount is-		
Not over \$500,000	20% of the amount on line 40		
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000		
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	41	
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000		
Over \$17,000,000	\$1,000,000		
42 Grassroots nontaxable amount (enter 25% of line 41)	42		
43 Subtract line 42 from line 36 Enter -0- if line 42 is more than line 36	43		
44 Subtract line 41 from line 38 Enter -0- if line 41 is more than line 38	44		

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720**4-Year Averaging Period Under Section 501(h)**

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below)

See the instructions for lines 45 through 50 on page 11 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots nontaxable amount					
49 Grassroots ceiling amount (150% of line 48(e))					
50 Grassroots lobbying expenditures					

Part VI-B Lobbying Activity by Nonelecting Public Charities(For reporting only by organizations that did not complete Part VI-A) (See page 12 of the instructions.) **N/A**

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (Add lines c through h.)

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities

Yes	No	Amount

Part VII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations (See page 12 of the instructions.)

51 Did the reporting organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?

a Transfers from the reporting organization to a noncharitable exempt organization of

(i) Cash

(ii) Other assets

b Other transactions

(i) Sales or exchanges of assets with a noncharitable exempt organization

(ii) Purchases of assets from a noncharitable exempt organization.

(iii) Rental of facilities, equipment, or other assets

(iv) Reimbursement arrangements

(v) Loans or loan guarantees

(vi) Performance of services or membership or fundraising solicitations

c Sharing of facilities, equipment, mailing lists, other assets, or paid employees

d. If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.

	Yes	No
51a(i)		X
a(ii)		X
b(i)		X
b(ii)		X
b(iii)		X
b(iv)		X
b(v)		X
b(vi)		X
c		X

[illegible]

52a Is the organization directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527?

► ☐ Yes ☒ No

b If "Yes," complete the following schedule

[illegible]

Depreciation and Amortization

OMB No 1545-0172

Form **4562**

(Including Information on Listed Property)

2003Department of the Treasury
Internal Revenue Service

▶ See separate instructions.

▶ Attach to your tax return.

Attachment
Sequence No **67**

Name(s) shown on return

Discovery Institute

Identifying number

91-1521697

Business or activity to which this form relates

Indirect Depreciation**Part I Election To Expense Certain Property Under Section 179****Note:** If you have any listed property, complete Part V before you complete Part I

1	Maximum amount. See page 2 of the instructions for a higher limit for certain businesses	1	100,000
2	Total cost of section 179 property placed in service (see page 2 of the instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	400,000
4	Reduction in limitation Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	

(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6		
7	Listed property. Enter the amount from line 29	7
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8
9	Tentative deduction. Enter the smaller of line 5 or line 8	9
10	Carryover of disallowed deduction from line 13 of your 2002 Form 4562	10
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12
13	Carryover of disallowed deduction to 2004. Add lines 9 and 10, less line 12	13

Note: Do not use Part II or Part III below for listed property. Instead, use Part V**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)**

14	Special depreciation allowance for qualified prop. (other than listed prop.) placed in service during the tax year (see pg. 3 of the instr.)	14	
15	Property subject to section 168(f)(1) election (see page 4 of the instructions)	15	
16	Other depreciation (including ACRS) (see page 4 of the instructions)	16	41,446

Part III MACRS Depreciation (Do not include listed property.) (See page 4 of the instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2003	17	0
18	If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B-Assets Placed in Service During 2003 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only-see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C-Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part IV Summary (see page 6 of the instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations-see instr.	22	41,446
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

Form **4562** (2003)

DAA

There are no amounts for Page 2

Discovery Institute

91-1521697

Form 4562 (2003)

Page 2

Part V Listed Property (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only

24a-24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A-Depreciation and Other Information (Caution: See page 7 of the instructions for limits for passenger automobiles.)

24a Do you have evidence to support the business/investment use claimed?				Yes	No	24b If "Yes," is the evidence written?				Yes	No
(a) Type of prop (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost			
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see page 6 of the instructions)									25		
26 Property used more than 50% in a qualified business use (see page 6 of the instructions)											
		%									
		%									
27 Property used 50% or less in a qualified business use (see page 6 of the instructions)											
		%				S/L-					
		%				S/L-					
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1									28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1									29		

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles-see page 2 of the instructions)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C-Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see page 8 of the instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 8 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See page 9 of the instructions) Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2003 tax year (see page 9 of the instructions)					
43 Amortization of costs that began before your 2003 tax year					43
44 Total. Add amounts in column (f). See page 9 of the instructions for where to report					44

DAA

Federal Statements

11/9/2004 5:12 PM

Statement 1 - Form 990, Part I, Line 8c - Sale of Assets Other Than Inventory - Securities

Desc		How Rec'd	Whom Sold	Date Acquired	Date Sold	Sale Price	Cost & Expense	Deprec	Gain/ -Loss
Publicly Traded Securities						\$ 1,035	\$ 1,022	\$	13
Total						\$ 1,035	\$ 1,022	\$ 0	\$ 13

Federal Statements**Statement 2 - Form 990, Line 10c - Sales of Inventory**

<u>Description</u>	<u>Gross Sales</u>	<u>COGS</u>	<u>Gross Profit</u>
Book Sales	\$ 30,015	\$ 19,549	\$ 10,466
Total	\$ 30,015	\$ 19,549	\$ 10,466

Federal Statements**Statement 3 - Form 990, Part II, Line 43 - Other Functional Expenses**

Description	Total Expenses	Program Service	Mgt & General	Fund- Raising
	\$	\$	\$	\$
Expenses				
Advertising & Promotion	425	425		
Advertising & Promotion	6	6		
Bank Charges	158	158		
Bank Charges	195	195		
Bank Charges	1,489	24	1,465	
Bank Charges	35	35		
Bank Charges	350	350		
Computer Expenses	11,905	11,905		
Computer Expenses	1,373	1,373		
Computer Expenses	3,944		3,944	
Consultants	132,544	132,544		
Consultants	102,743	102,743		
Consultants	94,588	85,588	9,000	
Dues & Subscriptions	868	868		
Dues & Subscriptions	4,356	4,356		
Dues & Subscriptions	2,238	2,238		
Dues & Subscriptions	3,182		3,182	
Events & Programs	69,124	69,124		
Events & Programs	231	231		
Events & Programs	4,713	711	4,002	
Events & Programs	-1,052	-1,052		
Fellowship / Research	9,009	9,009		
Fellowship / Research	274,750	274,750		
Fellowship / Research	20,000	21,000	-1,000	
Fellowship / Research	118,000	118,000		
Meals & Entertainment	4,530	4,530		
Meals & Entertainment	3,002	3,002		
Meals & Entertainment	4,993	33	4,960	
Meals & Entertainment	1,978	1,978		
Office Expense	2,440	2,440		
Office Expense	4,591	4,591		
Office Expense	10,518	69	10,449	
Office Expense	95	95		
Office Relocation	11,000	11,000		
Office Relocation	1,298		1,298	
Miscellaneous	9	9		
Miscellaneous	4,627		4,627	
Miscellaneous	50	50		
Miscellaneous	1,307	1,307		
Overhead Expense	176,364	176,364		
Overhead Expense	230,000	230,000		
Overhead Expense	-481,739	24,300	-506,039	
Overhead Expense	75,375	75,375		
Program Development	58,121	58,121		
Program Development	88	88		
Total	\$ 963,821	\$ 1,427,933	\$ -464,112	\$ 0

Federal Statements**Statement 4 - Form 990, Part III - Organization's Primary Exempt Purpose**

To promote thoughtful analysis and effective action on local, regional, national, and international issues.

Statement 5 - Form 990, Part III, Line a - Statement of Program Service Accomplishments

Development of a balanced, seamless, and expanded transportation system between Washington, Oregon, and British Columbia through public private partnerships and innovative financing.

Statement 6 - Form 990, Part III, Line b - Statement of Program Service Accomplishments

Production of public service reports, legislative testimony, articles, public conferences and debates, plus media coverage and the Institutes own publications in the field of Science and Culture.

Statement 7 - Form 990, Part III, Line c - Statement of Program Service Accomplishments

Production of public service reports, legislative testimony, articles, public conferences and debates, plus media coverage and the Institutes own publications in the field of Technology.

Statement 8 - Form 990, Part III, Line e - Other Program Services

Production of public service reports, legislative testimony, articles, public conferences and debates, plus media coverage and the Institutes own publications in the field of the Defense, Religion Liberty & Civic Life, Law & Justice and the Enviroment.

Federal Statements**Statement 9 - Form 990, Part IV, Line 54 - Investments in Securities**

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>	<u>Basis of Valuation</u>
Corporate Stock			
AOL Time Warner	1,022		
	<u>1,022</u>		

Statement 10 - Form 990, Part IV, Line 57 - Land, Buildings, and Equipment

<u>Description</u>	<u>Beginning of Year</u>	<u>Accum Deprec</u>	<u>End of Year</u>	<u>Accum Deprec</u>
Equipment	\$ 266,605	\$ 116,752	\$ 340,853	\$ 158,199
Total	<u>\$ 266,605</u>	<u>\$ 116,752</u>	<u>\$ 340,853</u>	<u>\$ 158,199</u>

Statement 11 - Form 990, Part IV, Line 58 - Other Assets

<u>Description</u>	<u>Beginning of Year</u>	<u>End of Year</u>
Prepaid Expenses	\$ 9,999	\$ 7,194
Deposits		11,723
Total	<u>\$ 9,999</u>	<u>\$ 18,917</u>

Federal Statements

Statement 12 - Form 990, Part VI, Line 82b - Donated Services

Description	Amount
Argosy Cruises	\$ 44,693
Consulting	12,000
Supplies	521
Total	<u>\$ 57,214</u>

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Form 8868 (12-2000)

Page 2

• If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only Part II and check this box ☒

Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.

• If you are filing for an **Automatic 3-Month Extension**, complete only Part I (on page 1)

Part II Additional (not automatic) 3-Month Extension of Time-Must File Original and One Copy.

Type or print File by the extended due date for the return. See instructions.	Name of Exempt Organization		Employer identification number
	Discovery Institute		91-1521697
	Number, street, and room or suite no. If a P.O. box, see instructions. 1402 3rd Ave 400		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instr. Seattle WA 98101		

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

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

STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

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

4 I request an additional 3-month extension of time until 11/15/04.

5 For calendar year 2003, or other tax year beginning _____ and ending _____.

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

7 State in detail why you need the extension
Additional time is requested to gather information to prepare a complete and accurate return.

8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ _____

b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ _____

c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ _____

Signature and Verification

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

Signature Sarah Mumford Title CPA Date 8/10/04

Notice to Applicant-To Be Completed by the IRS

- ☐ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other _____

Director _____ By: _____ Date _____

Alternate Mailing Address - Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name
	Shannon & Associates, LLP
	Number and street (Include suite, room, or apt no.) Or a P.O. box number 1851 Central Place South, Suite 225
	City or town, province or state, and country (Including postal or ZIP code) Kent WA 98030-7507

Form **8868**

(December 2000)

Department of the Treasury

Internal Revenue Service

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

▶ File a separate application for each return.

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

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

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

Note: Form 990-T corporations requesting an automatic 6-month extension-check this box and complete Part I only ☐
All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns. Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print File by the due date for filing your return. See instructions.	Name of Exempt Organization Discovery Institute	Employer identification number 91-1521697
	Number, street, and room or suite no. If a P.O. box, see instructions. 1402 3rd Ave 400	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Seattle WA 98101	

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

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

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

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until 8/16/04 to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ▶ ☒ calendar year 2003 or
- ▶ ☐ tax year beginning _____, and ending _____

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

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

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

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

Signature and Verification

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

Signature



Title

▶ CPA

Date

▶ 4/22/04

For Paperwork Reduction Act Notice, see Instruction

Form **8868** (12-2000)