

Return of Organization Exempt From Income Tax

2004

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

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

A For the 2004 calendar year, or tax year beginning JANUARY 1, 2004, and ending DECEMBER 31, 2005

- B** Check if applicable:
 - Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

51880 **AUTO**SCH 5-DIGIT 95003
 LOTUS OUTREACH
 C/O ED MALLEY
 403 BEACH DR
 APTOS CA 95003-5104

D Employer identification number
80 0013909

E Telephone number
(831) 662.9289

F Accounting method: Cash Accrual
 Other (specify) ▶

trusts must attach a completed Schedule A (Form 990 or 990-EZ).

not applicable to section 527 organizations
Is this a group return for affiliates? Yes No

G Website: ▶ www.lotusoutreach.org

H(b) If "Yes," enter number of affiliates ▶

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

H(c) Are all affiliates included? Yes No
(If "No," attach a list See instructions)

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.

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 122,042

I Group Exemption Number ▶ n/a

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.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	101,337		
	b Indirect public support	1b	0		
	c Government contributions (grants)	1c	0		
	d Total (add lines 1a through 1c) (cash \$ <u>93,087</u> noncash \$ <u>22,250</u>)	1d		101,337	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		0	
	3 Membership dues and assessments	3		0	
	4 Interest on savings and temporary cash investments	4		739	
	5 Dividends and interest from securities	5		0	
	6a Gross rents	6a	0		
	b Less: rental expenses	6b	0		
	c Net rental income or (loss) (subtract line 6b from line 6a)	6c		0	
7 Other investment income (describe ▶ <u>0</u>)	7		0		
8a Gross amount from sales of assets other than inventory	(A) Securities	8a	0		
	(B) Other	8b	0		
	b Less: cost or other basis and sales expenses	8c	0		
	c Gain or (loss) (attach schedule)	8d		0	
d Net gain or (loss) (combine line 8c, columns (A) and (B))					
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ <u>1,072</u> of contributions reported on line 1a)	9a	19,965		
	b Less: direct expenses other than fundraising expenses	9b	3,128		
	c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		16,838	
10a Gross sales of inventory, less returns and allowances	10a	0			
	b Less: cost of goods sold	10b	0		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		0	
11 Other revenue (from Part VII, line 103)	11		0		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		118,914		
Expenses	13 Program services (from line 44, column (B))	13		34,730	
	14 Management and general (from line 44, column (C))	14		4,084	
	15 Fundraising (from line 44, column (D))	15		4,810	
	16 Payments to affiliates (attach schedule)	16		0	
	17 Total expenses (add lines 13 and 14, column (A))	17		43,624	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		75,290	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			
	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		75,290	

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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 \$ <u>30,200</u> noncash \$ <u>0</u>)	30,200	30,200		
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc.				
26	Other salaries and wages				
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees				
32	Legal fees	14		14	
33	Supplies	379		341	38
34	Telephone				
35	Postage and shipping	242		161	81
36	Occupancy				
37	Equipment rental and maintenance				
38	Printing and publications	3,740		1,870	1,870
39	Travel				
40	Conferences, conventions, and meetings				
41	Interest				
42	Depreciation, depletion, etc. (attach schedule)				
43	Other expenses not covered above (itemize): a Insur.	1,577		1,577	
b	Bank charges	1,058	130		928
c	Web & gov't fees	214		122	92
d	Program oversight	4,400	4,400		
e	Returned check	1,800			1,800
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	43,624	34,730	4085	4809

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 \$ n/a; (ii) the amount allocated to Program services \$ n/a; (iii) the amount allocated to Management and general \$ n/a; and (iv) the amount allocated to Fundraising \$ n/a

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

What is the organization's primary exempt purpose? <input type="checkbox"/> SEE STATEMENT 2.a	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others)
a SEE STATEMENT 2.b (Grants and allocations \$)	
b (Grants and allocations \$)	
c (Grants and allocations \$)	
d (Grants and allocations \$)	
e Other program services (attach schedule) (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	34,730

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

		(A)		(B)	
		Beginning of year		End of year	
Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only					
Assets	45 Cash—non-interest-bearing		10,366	45	12,799
	46 Savings and temporary cash investments		75,022	46	133,876
	47a Accounts receivable	47a	0		
	b Less: allowance for doubtful accounts	47b	0	47c	0
	48a Pledges receivable	48a	0		
	b Less: allowance for doubtful accounts	48b	0	48c	0
	49 Grants receivable		0	49	0
	50 Receivables from officers, directors, trustees, and key employees (attach schedule)		0	50	0
	51a Other notes and loans receivable (attach schedule)	51a	0		
	b Less: allowance for doubtful accounts	51b	0	51c	0
	52 Inventories for sale or use		0	52	0
	53 Prepaid expenses and deferred charges		0	53	0
	54 Investments—securities (attach schedule)	▶ <input type="checkbox"/> Cost <input type="checkbox"/> FMV	0	54	0
	55a Investments—land, buildings, and equipment: basis	55a	0		
	b Less: accumulated depreciation (attach schedule)	55b	0	55c	0
	56 Investments—other (attach schedule)		0	56	0
	57a Land, buildings, and equipment: basis	57a	0		
	b Less: accumulated depreciation (attach schedule)	57b	0	57c	0
	58 Other assets (describe ▶ SOFTWARE)		0	58	14,000
59 Total assets (add lines 45 through 58) (must equal line 74)		85,383	59	160,675	
Liabilities	60 Accounts payable and accrued expenses			60	0
	61 Grants payable		0	61	0
	62 Deferred revenue		0	62	0
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		0	63	0
	64a Tax-exempt bond liabilities (attach schedule)		0	64a	0
	b Mortgages and other notes payable (attach schedule)		0	64b	0
	65 Other liabilities (describe ▶ 0)		0	65	0
66 Total liabilities (add lines 60 through 65)		0	66	0	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
	67 Unrestricted		N/A	67	N/A
	68 Temporarily restricted			68	
	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		85,383	70	160,675
	71 Paid-in or capital surplus, or land, building, and equipment fund		0	71	0
	72 Retained earnings, endowment, accumulated income, or other funds		0	72	0
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)		85,383	73	160,675	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)		85,383	74	160,675	

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.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See page 27 of the instructions.)

a	Total revenue, gains, and other support per audited financial statements ▶	a	N/A
b	Amounts included on line a but not on line 12, Form 990:		
	(1) Net unrealized gains on investments \$ --		
	(2) Donated services and use of facilities \$ --		
	(3) Recoveries of prior year grants \$ --		
	(4) Other (specify):		
 \$ --		
	Add amounts on lines (1) through (4) ▶	b	--
c	Line a minus line b ▶	c	--
d	Amounts included on line 12, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 \$ --		
	(2) Other (specify):		
 \$ --		
	Add amounts on lines (1) and (2) ▶	d	--
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	--

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements ▶	a	N/A
b	Amounts included on line a but not on line 17, Form 990:		
	(1) Donated services and use of facilities \$ --		
	(2) Prior year adjustments reported on line 20, Form 990 \$ --		
	(3) Losses reported on line 20, Form 990 \$ --		
	(4) Other (specify):		
 \$ --		
	Add amounts on lines (1) through (4) ▶	b	--
c	Line a minus line b ▶	c	--
d	Amounts included on line 17, Form 990 but not on line a:		
	(1) Investment expenses not included on line 6b, Form 990 \$ --		
	(2) Other (specify):		
 \$ --		
	Add amounts on lines (1) and (2) ▶	d	--
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) Contributors to employee benefit plans & deferred compensation	(E) Expense account and other allowances
DZONGSAR J. KHYENTSE RINPOCHE BIR KANGRA DISTRICT, JIMACHAL PRADESH, INDIA	CHAIR, ALL NECESSAR	0	0	0
YIN-WAH MA 2640 GREEN ST. SAN FRANCISCO, CA 94123	PRESIDENT. ALL NEC	0	0	0
ANNE MEEHAN 135 SKYWARD DRIVE, APTOS, CA 95003	TREASURER. ALL NEC	0	0	0
ED MALLEY 403 BEACH DRIVE, APTOS, CA 95003	TREASURER. ALL NEC	0	0	0
KATHRYN MEESKE 3400 SAN MARINO ST, LOS ANGELES, CA 90006	SECRETARY. ALL NEC	0	0	0
THEOW TOW 128 CENTRAL PARK SOUTH, 9A, NY, NY 10019	DIRECTOR. ALL NEC	0	0	0
PENELOPE TREE 36 HOLMBUSH ROAD	DIRECTOR. ALL NEC	0	0	0
HARRY LEE 59 HOLLAND PARK, LONDON, UK, SW11, 3SJ	DIRECTOR, ALL NEC	0	0	0
CINDY YU 2680 BROADWAY, SAN FRANCISCO, CA 94123	DIRECTOR, ALL NEC	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? Yes No
If "Yes," attach schedule—see page 28 of the instructions.

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.		<input checked="" type="checkbox"/>
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.		<input checked="" type="checkbox"/>
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		<input checked="" type="checkbox"/>
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		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
b	If "Yes," enter the name of the organization ▶ _____ _____ 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?		<input checked="" type="checkbox"/>
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?		<input checked="" type="checkbox"/>
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.) 82b		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	<input checked="" type="checkbox"/>	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	<input checked="" type="checkbox"/>	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		<input checked="" type="checkbox"/>
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?		
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.		
c	Dues, assessments, and similar amounts from members. 85c		N/A
d	Section 162(e) lobbying and political expenditures. 85d		N/A
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices. 85e		N/A
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f		N/A
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?		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?		85h
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12. 86a		N/A
b	Gross receipts, included on line 12, for public use of club facilities 86b		N/A
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders 87a		N/A
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b		N/A
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		<input checked="" type="checkbox"/>
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ <u>0</u> ; section 4912 ▶ <u>0</u> ; section 4955 ▶ <u>0</u>		
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		<input checked="" type="checkbox"/>
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ <u>0</u>		<u>0</u>
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization ▶ <u>0</u>		<u>0</u>
90a	List the states with which a copy of this return is filed ▶ <u>CALIFORNIA</u>		
b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions.) 90b		<u>0</u>
91	The books are in care of ▶ <u>ED MALLEY</u> Telephone no. ▶ (<u>831</u>) <u>662.9289</u> Located at ▶ <u>403 BEACH DRIVE, APTOS, CA</u> ZIP + 4 ▶ <u>95003</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here. ▶ <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year ▶ <u>92</u> 92		N/A

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

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a _____					
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					739
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					16,838
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		0		0	17,577
105 Total (add line 104, columns (B), (D), and (E))					17,577

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).
101	IN ADDITION TO RAISING SIGNIFICANT FUNDS FOR PROGRAM SERVICES, THIS EVENT CREATED A PRESENCE IN THE SOUTHERN CALIFORNIA CHARITY ARENA FOR LOTUS OUTREACH, INTRODUCED IMPORTANT DONORS TO THE CAUSE, AND DREW THE INTEREST OF IMPORTANT LOCAL FIGURES.

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, from 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 the taxpayer) is based on information and documents furnished to the preparer by the taxpayer. Declaration of preparer (other than the taxpayer) is based on information and documents furnished to the preparer by the taxpayer.

Please Sign Here

Signature of officer
ED MALLEY, TREASURER

Type or print name and title

Paid Preparer's Use Only

Preparer's signature

Firm's name (or yours if self-employed), address, and ZIP + 4

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

2004

Department 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

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 benefit plans & deferred compensation	(e) Expense account and other allowances
N/A				
Total number of other employees paid over \$50,000 ▶				

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

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) 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	✓
b Lending of money or other extension of credit?	2b	✓
c Furnishing of goods, services, or facilities?	2c	✓
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	2d	✓
e Transfer of any part of its income or assets?	2e	✓
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	✓
b Do you have a section 403(b) annuity plan for your employees?	3b	✓
4a Did you maintain any separate account for participating donors where donors have the right to provide advice on the use or distribution of funds?	4a	✓
b Do you provide credit counseling, debt management, credit repair, or debt negotiation services?	4b	✓

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 5 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) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	54,821	67,001			121,822
16 Membership fees received					
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					
18 Gross income from interest, dividends, amounts received from payments 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	435	87			522
19 Net income from unrelated business activities not included in line 18.					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
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.					
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	55,256	67,088			122,344
24 Line 23 minus line 17	55,256	67,088			122,344
25 Enter 1% of line 23	533	671			

26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24 ▶	26a	N/A
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 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts ▶	26b	
c Total support for section 509(a)(1) test: Enter line 24, column (e) ▶	26c	
d Add: Amounts from column (e) for lines: 18 _____ 19 _____ 22 _____ 26b _____ ▶	26d	
e Public support (line 26c minus line 26d total) ▶	26e	
f Public support percentage (line 26e (numerator) divided by line 26c (denominator)) ▶	26f	%

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:

(2003) 0 (2002) 0 (2001) 0 (2000) 0

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:

(2003) 0 (2002) 0 (2001) 0 (2000) 0

c Add: Amounts from column (e) for lines: 15 <u>121,822</u> 16 <u>0</u> 17 <u>0</u> 20 <u>0</u> 21 <u>0</u> ▶	27c	121,822
d Add: Line 27a total. <u>0</u> and line 27b total. <u>0</u> ▶	27d	0
e Public support (line 27c total minus line 27d total) ▶	27e	121,822
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e) ▶	27f	121,344
g Public support percentage (line 27e (numerator) divided by line 27f (denominator)) ▶	27g	99.6 %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) ▶	27h	0.4 %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, 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)

	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)

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		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
(The term "expenditures" means amounts paid or incurred.)			
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	N/A	N/A
37	Total lobbying expenditures to influence a legislative body (direct lobbying)		
38	Total lobbying expenditures (add lines 36 and 37)		
39	Other exempt purpose expenditures		
40	Total exempt purpose expenditures (add lines 38 and 39)		
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		
	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)		
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36.		
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38.		

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) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount	N/A	N/A	N/A	N/A	N/A
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 11 of the instructions.)

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:	Yes	No	Amount
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.)			0

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

FORM 990 PART II: STATEMENT OF FUNCTIONAL EXPENSES STATEMENT 1

LINE 22. GRANTS AND ALLOCATIONS:

(1). CLASS: GRANT.

NAME: CHILD WATCH INDIA (CWI)

ADDRESS: ATTN: EDWARD DANIELS, DIRECTOR CWI, BIR, UTTAR PRADESH, INDIA

PROGRAM SERVICE EXPENSES: \$3550

(2). CLASS: GRANT.

NAME: TARAYANA FOUNDATION

ADDRESS: ATTN: TSHERING YANGZOM, EXECUTIVE DIRECTOR

PO BOX 2003, 147 ZOMLHA COMPLEX, THIMPHU, BHUTAN

PROGRAM SERVICE EXPENSES: \$10,250

(3). CLASS: GRANT.

NAME: WHITE LOTUS CHARITABLE TRUST

ADDRESS: ATTN: G.W. FAWCETT

EA-21 INDEPURI, NEW DELHI 110023, INDIA

PROGRAM SERVICE EXPENSES: \$10,400

(4). CLASS: GRANT

NAME: WHITE LOTUS CHARITABLE TRUST

ADDRESS: ATTN: G.W. FAWCETT

EA-21 INDEPURI, NEW DELHI 110023, INDIA

PROGRAM SERVICE EXPENSES: \$6,000

TOTAL \$30,200

FORM 990 PART III: STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS.

WHAT IS THE ORGANIZATION'S PRIMARY EXEMPT PURPOSE? STATEMENT 2.a

EXPLANATION

LOTUS OUTREACH WAS FOUNDED TO HELP CHILDREN AND FAMILIES IN SOME OF THE POOREST COMMUNITIES IN THE WORLD BY PROVIDING ACCESS TO EDUCATION, VOCATIONAL TRAINING, HEALTH CARE, AND FUNDING FOR COMMUNITY BUILDING INITIATIVES.

EXEMPT PURPOSE ACHIEVEMENTS

STATEMENT 2.b

PROGRAM PURPOSE ACCOMPLISHMENTS:

- a. EDUCATION ASSISTANCE: SPONSORSHIP OF SUBSIDIES TO APPROXIMATELY 100 IMPOVERISHED FAMILIES PER YEAR TO SEND THEIR CHILDREN TO SCHOOL. AMOUNT:\$4650.
- b. NON-FORMAL EDUCATION CENTERS: MOBILE VANS HOLDING CLASSES AT FOUR CONTACT POINTS AND THREE RESIDENSES FOR SLUM AND STREET BOYS AND GIRLS NUMBERING ~ 178. AMOUNT: \$3,000.
- c. CHILD WATCH INDIA COMPUTER CENTERS: FAMILIARIZATION, LITERACY AND VOCATIONAL CLASSES ASSISTING 35 STUDENTS PER MONTH. AMOUNT: \$2750.
- d. CHILD WATCH INDIA PROJECT MANAGER: OVER SEE CWI PROGRAMS COVERING COMPUTER LITERACY & VOCATION, MOBILE VANS. AMOUNT: \$1,600.
- e. CAMBODIA LAUNCH OF LOTUS OUTREACH INCURSION INTO RESCUE, COUNSELING AND EDUCATION OF SEX TRAFFICKED YOUTH. TARGET BENEFIT HUNDREDS OF YOUNG WOMEN. AMOUNT: \$6,000.
- f. 24-HOUR BOYS' NIGHT SHELTER BENEFITTING 50 CHILDREN FROM THE MOST DEPRIVED AREAS. PROVIDE SHELTER, FOOD, MEDICAL CARE, COUNSELING, NON-FORMAL EDUCATION. AMOUNT: \$4,250
- g. FUNDED NON-FORMAL EDUCATION CLASSES AS PREPARATION FOR FORMAL SCHOOL ENROLMENT TO A TOTAL OF 74 GIRLS AND 86 BOYS. AMOUNT:\$2595.
- h. ENROLLED / TUITION FOR 20 CHILDREN IN FORMAL SCHOOLS THROUGH BRIDGING SCHOOL CENTERS. AMOUNT: \$900.
- i. FUNDED HEALTH CAMP FOR 350 MEMBERS OF AN EXTREMELY POOR COMMUNITY AT SPIRIT IN LIFE SCHOOL, INCLUDING MEDICINES AND FIRST AID EQUIPMENT TO SERVE THE CHILDREN THERE. AMOUNT: \$2750.
- j. FUNDED WARM CLOTHING, MEDICAL SUPPLIES AND LIBRARY BOOKS FO A SMALL TIBETAN SCHOOL OF 100 CHILDREN AMOUNT: \$145.
- k. PROVIDED SALARY TO A CRECHE NANNY LOOKING AFTER 30 TIBETAN CHILDREN OF WORKING PARENTS. AMOUNT: \$350.
- l. FUNDED NOODLE MANUFACTURING MACHINE TO PROVIDE EMPLOYMENT FOR A TIBETAN REFUGEE SETTLEMENT COMMUNITY. AMOUNT: \$1260
- m. BANK FEES FOR WIRING FUNDS FROM USA TO INDIA: AMOUNT: \$130.
- n. IN-COUNTRY PROGRAM OVERSITE. AMOUNT: \$4,400.