

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

2002

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

For calendar year 2002, or tax year beginning _____, and ending _____

G Check all that apply: Initial return Final return Amended return Address change Name change

Use the IRS label Otherwise, print or type See Specific Instructions	Name of organization Howard Charitable Foundation		A Employer identification number 91-1952040
	Number and street (or P O box number if mail is not delivered to street address) One Convention Place, 701 Pike Street	Room/suite 1400	B Telephone number (see page 10 of the instr) 206-268-8662
	City or town, state, and ZIP code Seattle WA 98101-3927		C If exemption application is pending, check here <input type="checkbox"/>

H Check organization: Section 501(c)(3) exempt private foundation
 Section 4947(a)(1) nonexempt charitable trust Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, col (c), line 16) \blacktriangleright \$ 100,816,557

J Accounting method: Cash Accrual
 Other (specify) _____
 (Part I, column (d) must be on cash basis)

D 1 Foreign organizations, check here
 2 Foreign organizations meeting the 85% test, check here
E If private foundation status was terminated under section 507(b)(1)(A), check here
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here

Part I Analysis of Revenue and Expenses
 (The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see page 10 of the instructions))

	(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received Check <input type="checkbox"/> if the foundation is not required to attach Sch. B	30,000			
2 Distributions from split-interest trusts				
3 Interest on savings and temporary cash investments	36,707	36,707	0	
4 Dividends and interest from securities	208,871	2,444,106	0	
5 a Gross rents				
b (Net rental income or (loss) _____)				
6 a Net gain or (loss) from sale of assets not on line 10	102,998,742			
b G S P on assets on 6a 103,028,742				
7 Capital gain net income (from Part IV, line 2)		102,998,742		
8 Net short-term capital gain			0	
9 Income modifications				
10 a Gross sales less returns				
b Less COGS				
c Gross profit or (loss) (attach schedule)				
11 Other income (attach schedule)	829,764	1,676,004		
12 TOTAL Add lines 1 through 11	104,104,084	107,155,559	0	
13 Compensation of officers, directors, trustees, etc.				
14 Other employee salaries and wages				
15 Pension plans, employee benefits				
16 a Legal fees (attach schedule)	17,032	17,032	0	0
b Accounting fees (attach schedule)				
c Other professional fees (attach schedule)	97,227	97,227	0	0
17 Interest				
18 Taxes (attach schedule)	176	176	0	0
19 Depreciation and depletion				
20 Occupancy				
21 Travel, conferences, and meetings				
22 Printing and reproduction				
23 Other expenses (attach schedule)	8,789	8,789	0	0
24 TOTAL OPERATING AND ADMINISTRATIVE EXPENSES Add lines 13 through 23	123,224	123,224	0	0
25 Contributions, gifts, grants paid	3,925,000			3,925,000
26 TOTAL EXPENSES & DISBURSEMENTS Add lines 24 and 25	4,048,224	123,224	0	3,925,000
27 Subtract line 26 from line 12				
a EXCESS OF REVENUE OVER EXPENSES AND DISBURSEMENTS	100,055,860			
b NET INVESTMENT INCOME (if negative enter -0-)		107,032,335		
c ADJUSTED NET INCOME (if negative, enter -0-)			0	

SCANNED MAY 29 2003 Revenue

RECEIVED
MAY 19 2003
CADDEN, UT
IRS-OSC

2

Part II

Balance Sheets Attached schedules and amounts in the description column should be for end-of-year amounts only

		Beginning of year	End of year		
		(a) Book Value	(b) Book Value	(c) Fair Market Value	
Assets	1	Cash - non-interest-bearing	116,748	286,135	286,135
	2	Savings and temporary cash investments		495,926	495,926
	3	Accounts receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	
	4	Pledges receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	
	5	Grants receivable			
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see page 15 of the instructions)			
	7	Other notes and loans receivable ▶ 0			
		Less allowance for doubtful accounts ▶ 0	0	0	
	8	Inventories for sale or use			
	9	Prepaid expenses and deferred charges			
	10 a	Investments - U S and state government obligations			
	b	Investments - corporate stock (attach schedule)	253,750	14,581,750	14,474,030
	c	Investments - corporate bonds (attach schedule)			
	11	Investments - land buildings and equipment basis ▶ 0			
	Less accumulated depreciation ▶ 0	0	0		
12	Investments - mortgage loans				
13	Investments - other (attach schedule)		84,914,875	85,412,794	
14	Land, buildings, and equipment basis ▶ 0				
	Less accumulated depreciation ▶ 0	0	0		
15	Other assets (describe ▶ Escrow balance)		147,672	147,672	
16	TOTAL ASSETS (to be completed by all filers - see page 16 of the instructions Also, see page 1, item i)	370,498	100,426,358	100,816,557	
Liabilities	17	Accounts payable and accrued expenses			
	18	Grants payable			
	19	Deferred revenue			
	20	Loans from officers, directors, trustees, and other disqualified persons			
	21	Mortgages and other notes payable (attach schedule)			
	22	Other liabilities (describe ▶)			
23	TOTAL LIABILITIES (add lines 17 through 22)	0	0		
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ▶ <input type="checkbox"/> and complete lines 24 through 26 and lines 30 and 31				
	24	Unrestricted			
	25	Temporarily restricted			
	26	Permanently restricted			
	Organizations that do not follow SFAS 117, check here ▶ <input type="checkbox"/>				
	27	Capital stock, trust principal, or current funds			
	28	Paid-in or capital surplus, or land, bldg, and equipment fund			
	29	Retained earnings, accumulated income, endowment or other funds	370,498	100,426,358	
30	TOTAL NET ASSETS OR FUND BALANCES (see page 16 of the instructions)	370,498	100,426,358		
31	TOTAL LIABILITIES AND NET ASSETS/FUND BALANCES (see page 16 of the instructions)	370,498	100,426,358		

Part III

Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year - Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	370,498
2	Enter amount from Part I, line 27a	2	100,055,860
3	Other increases not included in line 2 (itemize) ▶	3	
4	Add lines 1, 2, and 3	4	100,426,358
5	Decreases not included in line 2 (itemize) ▶	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) - Part II, column (b), line 30	6	100,426,358

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P - Purchase D - Donation	(c) Date acquired (mo., day, yr.)	(d) Date sold (mo., day, yr.)
1a 24,000 shares Howard Publications, Inc Class "A" common stock	Donation	1/31/2002	4/1/2002
b UBS US Bond Fund form K-1 and UBS Global Securities Fund K-1	Purchase	5/1/2002	12/12/2002
c			
d			
e			
(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 102,443,629		30,000	102,413,629
b 585,113		0	585,113
c			0
d			0
e			0
Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(i) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
(i) FMV as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a		0	102,413,629
b		0	585,113
c		0	0
d		0	0
e		0	0
2 Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7 }		2	102,998,742
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see pages 12 and 17 of the instructions) If (loss), enter -0- in Part I, line 8 }		3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the organization liable for the section 4942 tax on the distributable amount of any year in the base period? Yes No

If "Yes," the organization does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see page 17 of the instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2001	20,314	338,979	0.0599
2000	20,246	258,160	0.0784
1999			0.0000
1998			0.0000
1997			0.0000
2 TOTAL of line 1, column (d)			2 0.1383
3 Average distribution ratio for the 5-year base period - divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years			3 0.0692
4 Enter the net value of noncharitable-use assets for 2002 from Part X, line 5			4 72,619,767
5 Multiply line 4 by line 3			5 5,025,288
6 Enter 1% of net investment income (1% of Part I, line 27b)			6 1,070,323
7 Add lines 5 and 6			7 6,095,611
8 Enter qualifying distributions from Part XII, line 4 If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions on page 17			8 3,925,000

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 - see page 17 of the instructions)

Table with 11 rows for excise tax calculation. Includes sub-rows 6a-6d for credits and payments. Total amount owed is 2,140,650.

Part VII A Statements Regarding Activities

Table with 13 rows for activity statements. Includes questions about political campaigns, unrelated business income, and state registration. Includes a sub-table for state registration with 'Yes' and 'No' columns.

Part VII-B

Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the "Yes" column, unless an exception applies

		Yes	No
1 a During the year did the organization (either directly or indirectly)			
(1)	Engage in the sale or exchange, or leasing of property with a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Furnish goods, services, or facilities to (or accept them from) a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Pay compensation to, or pay or reimburse the expenses of, a disqualified person? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(6)	Agree to pay money or property to a government official? (EXCEPTION Check "No" if the organization agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 1a(1)-(6), did ANY of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see page 19 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A	1b	N/A
c	Did the organization engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	1c	X
2 Taxes on failure to distribute income (section 4942) (does not apply for years the organization was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2002, did the organization have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," list the years <input type="checkbox"/>		
b	Are there any years listed in 2a for which the organization is NOT applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to ALL years listed, answer "No" and attach statement - see page 19 of the instructions) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2b	X
c	If the provisions of section 4942(a)(2) are being applied to ANY of the years listed in 2a, list the years here <input type="checkbox"/>		
3 a Did the organization hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
b	If "Yes," did it have excess business holdings in 2002 as a result of (1) any purchase by the organization or disqualified persons after May 26, 1969, (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the organization had excess business holdings in 2002) <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	3b	X
4 a	Did the organization invest during the year any amount in a manner that would jeopardize its charitable purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4a	X
b	Did the organization make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2002? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	4b	X
5 a During the year did the organization pay or incur any amount to			
(1)	Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(2)	Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(3)	Provide a grant to an individual for travel, study, or other similar purposes? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(4)	Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
(5)	Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
b	If any answer is "Yes" to 5a(1)-(5), did ANY of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see page 20 of the instructions)? Organizations relying on a current notice regarding disaster assistance check here <input type="checkbox"/> N/A	5b	N/A
c	If the answer is "Yes" to question 5a(4), does the organization claim exemption from the tax because it maintained expenditure responsibility for the grant? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes," attach the statement required by Regulations section 53.4945-5(d) N/A		
6 a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
b	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If you answered "Yes" to 6b, also file Form 8870	6b	X

Part VIII

Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see page 20 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) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
Robert S Howard 2525 Pio Pico, Carlsbad CA	President Variable	-0-	-0-	-0-
Richard D Newell 2525 Pio Pico, Carlsbad CA	Secretary-Treasurer Variable	-0-	-0-	-0-

2 Compensation of five highest-paid employees (other than those included on line 1 - see page 20 of the instructions) If none, enter "NONE "

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
-NONE-				

TOTAL number of other employees paid over \$50,000 ▶ none

3 Five highest-paid independent contractors for professional services - (see page 20 of the instructions) If none, enter "NONE "

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
UBS Global Asset Management One North Wacker Drive, Chicago, IL 60606	Investment management	97,227

TOTAL number of others receiving over \$50,000 for professional services ▶ none

Part IX-A

Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 Charitable grant program	
	3,925,000
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see page 21 of the instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
3 All other program-related investments See page 21 of the instructions	
TOTAL Add lines 1 through 3	0

Part X Minimum Investment Return (All domestic foundations must complete this part Foreign foundations, see page 21 of the instructions)

1 Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes		
a Average monthly fair market value of securities	1a	63,740,667
b Average of monthly cash balances	1b	9,984,985
c Fair market value of all other assets (see page 22 of the instructions)	1c	
d TOTAL (add lines 1a, b, and c)	1d	73,725,652
e Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e	
2 Acquisition indebtedness applicable to line 1 assets	2	
3 Subtract line 2 from line 1d	3	73,725,652
4 Cash deemed held for charitable activities Enter 11/2% of line 3 (for greater amount, see page 22 of the instructions)	4	1,105,885
5 NET VALUE OF NONCHARITABLE-USE ASSETS Subtract line 4 from line 3 Enter here and on Part V, line 4	5	72,619,767
6 MINIMUM INVESTMENT RETURN Enter 5% of line 5	6	3,630,988

Part XI Distributable Amount (see page 23 of the instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here and do not complete this part)

1 Minimum investment return from Part X, line 6		1	3,630,988
2 a Tax on investment income for 2002 from Part VI, line 5	2a	2,140,647	
b Income tax for 2002 (This does not include the tax from Part VI)	2b		
c Add lines 2a and 2b	2c		2,140,647
3 Distributable amount before adjustments Subtract line 2c from line 1	3		1,490,341
4 a Recoveries of amounts treated as qualifying distributions	4a		
b Income distributions from section 4947(a)(2) trusts	4b		
c Add lines 4a and 4b	4c		0
5 Add lines 3 and 4c	5		1,490,341
6 Deduction from distributable amount (see page 23 of the instructions)	6		
7 DISTRIBUTABLE AMOUNT as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7		1,490,341

Part XII Qualifying Distributions (see page 23 of the instructions)

1 Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a Expenses, contributions, gifts, etc -total from Part I, column (d), line 26	1a	3,925,000
b Program-related investments - Total from Part IX-B	1b	0
2 Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3 Amounts set aside for specific charitable projects that satisfy the		
a Suitability test (prior IRS approval required)	3a	
b Cash distribution test (attach the required schedule)	3b	
4 QUALIFYING DISTRIBUTIONS Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	3,925,000
5 Organizations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see page 24 of the instructions)	5	0
6 ADJUSTED QUALIFYING DISTRIBUTIONS Subtract line 5 from line 4	6	3,925,000

Note The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years



Undistributed Income (see page 24 of the instructions)

	(a) Corpus	(b) Years prior to 2001	(c) 2001	(d) 2002
1 Distributable amount for 2002 from Part XI, line 7				1,490,341
2 Undistributed income, if any, as of the end of 2001				
a Enter amount for 2001 only				
b Total for prior years				
3 Excess distributions carryover, if any, to 2002				
a From 1997				
b From 1998				
c From 1999	8,983			
d From 2000	7,516			
e From 2001	3,506			
f TOTAL of lines 3a through e	20,005			
4 Qualifying distributions for 2002 from Part XII, line 4 ▶ \$ 3,925,000				
a Applied to 2001, but not more than line 2a				
b Applied to undistributed income of prior years (Election required - see page 24 of the instructions)				
c Treated as distributions out of corpus (Election required - see page 24 of the instructions)				
d Applied to 2002 distributable amount				1,578,816
e Remaining amount distributed out of corpus	2,346,184			
5 Excess distributions carryover applied to 2002 (if an amount appears in column (d), the same amount must be shown in column (a))	0			
6 Enter the net total of each column as indicated below				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	2,366,189			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed				
d Subtract line 6c from line 6b Taxable amount - see page 24 of the instructions		0		
e Undistributed income for 2001 Subtract line 4a from line 2a Taxable amount - see page 24 of the instructions			0	
f Undistributed income for 2002 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2003				-88,475
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(E) or 4942(g)(3) (see page 24 of the instructions)				
8 Excess distributions carryover from 1997 not applied on line 5 or line 7 (see page 25 of the instructions)				
9 Excess distributions carryover to 2003. Subtract lines 7 and 8 from line 6a	2,366,189			
10 Analysis of line 9				
a Excess from 1998				
b Excess from 1999	8,983			
c Excess from 2000	7,516			
d Excess from 2001	3,506			
e Excess from 2002	2,346,184			

Part XIV Private Operating Foundations (see page 25 of the instructions and Part VII-A, question 9) N/A

1 a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2002, enter the date of the ruling

4942(j)(3) or 4942(j)(5)

b Check box to indicate whether the organization is a private operating foundation described in section

4942(j)(3) or 4942(j)(5)

2 a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed

Tax Year	Prior 3 years			(e) TOTAL
(a) 2002	(b) 2001	(c) 2000	(d) 1999	
0				0

b 85% of line 2a

0	0	0	0	0
---	---	---	---	---

c Qualifying distributions from Part XII, line 4 for each year listed

0				0
---	--	--	--	---

d Amounts included in line 2c not used directly for active conduct of exempt activities

				0
--	--	--	--	---

e Qualifying distributions made directly for active conduct of exempt activities
Subtract line 2d from line 2c

0	0	0	0	0
---	---	---	---	---

3 Complete 3a, b, or c for the alternative test relied upon

a "Assets" alternative test - enter

(1) Value of all assets

				0
--	--	--	--	---

(2) Value of assets qualifying under section 4942(j)(3)(B)(i)

				0
--	--	--	--	---

b "Endowment" alternative test - Enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed

0				0
---	--	--	--	---

c "Support" alternative test - enter

(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)

				0
--	--	--	--	---

(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii)

				0
--	--	--	--	---

(3) Largest amount of support from an exempt organization

				0
--	--	--	--	---

(4) Gross investment income

				0
--	--	--	--	---

Part XV Supplementary Information (Complete this part only if the organization had \$5,000 or more in assets at any time during the year - see page 25 of the instructions.)

1 Information Regarding Foundation Managers

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than \$5,000) (See section 507(d)(2))

Robert S Howard

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest.

Robert S Howard

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs

Check here if the organization only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds. If the organization makes gifts, grants, etc (see page 25 of the instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number of the person to whom applications should be addressed

Richard D Newell, Howard Charitable Foundation, One Conventon Place, Suite 1400, 701 Pike St., Seattle WA 98101-3927

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

Forms supplied upon written request Grant applicant must be a qualified 501(c)(3) organization, application must include IRS qualif

c Any submission deadlines

-None-

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

Health Care, Educational, Domestic Humanitarian Charities

Part XV **Supplementary Information** (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
Name and address (home or business)				
a Paid during the year				
Rancho Sante Fe Senior Center		501(c)(3)	Building Fund	500,000
The Salvation Army		501(c)(3)	Unrestricted	25,000
Scripps Hospital Foundation		501(c)(3)	Unrestricted	825,000
United Way Gem Society (Montana)		501(c)(3)	Unrestricted	25,000
The Salvation Army		501(c)(3)	unrestricted	50,000
Mercerburg Academy		501(c)(3)	Unrestricted	500,000
Groton School		501(c)(3)	Unrestricted	500,000
Lawrenceville School		501(c)(3)	Unrestricted	500,000
Womens Resource Center		501(c)(3)	Unrestricted	20,000
Brother Benno's Foundation		501(c)(3)	Unrestricted	25,000
North County Solutions for Change		501(c)(3)	Unrestricted	40,000
Palomar Family YMCA		501(c)(3)	Unrestricted	50,000
Boys and Girls Club of Oceanside		501(c)(3)	Restricted to P/R ta	65,000
Womens Crisis Center		501(c)(3)	Unrestricted	5,000
Mason County Museum		501(c)(3)	Unrestricted	5,000
Court Appointed Special Advocates		501(c)(3)	Unrestricted	5,000
Limestone Economic Development Council		501(c)(3)	Unrestricted	15,000
The Merry Go Round Childrens Theater		501(c)(3)	Unrestricted	15,000
Cayuga Community College Foundation		501(c)(3)	Unrestricted	25,000
Business Advisory Council Foundation		501(c)(3)	Unrestricted	5,000
Child Development Center for Natrona County		501(c)(3)	Unrestricted	30,000
Blue Earth Health Fund		501(c)(3)	Unrestricted	35,000
Freeport Downtown Development Foundation		501(c)(3)	Unrestricted	40,000
Downtown Orangeburg Revitalization Association		501(c)(3)	Unrestricted	5,000
Clafin University		501(c)(3)	Unrestricted	10,000
South Carolina State University Education Foundatio		501(c)(3)	Unrestricted	10,000
Regional Medical Center Foundation		501(c)(3)	Unrestricted	10,000
Orangeburg Calhoun Technical Center Foundation		501(c)(3)	Unrestricted	15,000
The Woolworth Theater Project Foundation		501(c)(3)	Unrestricted	20,000
Family YMCA of Glens Falls		501(c)(3)	Unrestricted	50,000
Wartburg College		501(c)(3)	Unrestricted	40,000
University of Northern Iowa Foundation		501(c)(3)	Unrestricted	40,000
From attached schedule				420,000
Total			3a	3,925,000
b Approved for future payment				
Total			3b	0

Part XVI-A

Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See page 26 of the instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	36,707	
4 Dividends and interest from securities			14	2,444,106	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	1,676,004	
8 Gain or (loss) from sales of assets other than inventory			18	102,998,742	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		107,155,559	0
13 TOTAL Add line 12, columns (b), (d), and (e)				13	107,155,559

(See worksheet in line 13 instructions on page 26 to verify calculations)

Part XVI-B

Relationship of Activities to the Accomplishment of Exempt Purposes

Line No ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes) (See page 26 of the instructions)
	NOT APPLICABLE

Part VII

Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

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

	Yes	No
a Transfers from the reporting organization to a noncharitable exempt organization of		
(1) Cash		X
(2) Other assets		X
b Other Transactions		
(1) Sales of assets to a noncharitable exempt organization		X
(2) Purchases of assets from a noncharitable exempt organization		X
(3) Rental of facilities, equipment, or other assets		X
(4) Reimbursement arrangements		X
(5) Loans or loan guarantees		X
(6) Performance of services or membership or fundraising solicitations		X
c Sharing of facilities, equipment, mailing lists, other assets, or paid employees		X
d If the answer to any of the above is "Yes," complete the following schedule. Column (b) should always show the fair market value of the goods, other assets, or services given by the reporting organization. If the organization received less than fair market value in any transaction or sharing arrangement, show in column (d) the value of the goods, other assets, or services received.		

(a) Line no	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2 a 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. *N/A*

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer).

Sign Here
 Signature of officer or trustee: *Richard D. Newell* Date: *1/2*

Paid Preparer's Use Only
 Preparer's signature: _____ Date: _____
 Firm's name (or yours if self-employed), address, and ZIP code: _____

HCF Part XV, Page 10, Item 3 a			Total:	420,000
1			1	
2	Trade Winds Rehabilitation Center Foundation	501(c)(3) Unrestricted Grant	2	40,000
3	Boys and Girls Club of Northwest Indiana	501(c)(3) Unrestricted Grant	3	30,000
4	United Way of Porter County	501(c)(3) Unrestricted Grant	4	20,000
5	Second Harvest of Northwest Indiana	501(c)(3) Unrestricted Grant	5	40,000
6	Lake Area United Way	501(c)(3) Unrestricted Grant	6	20,000
7	College of Southern Idaho Foundation	501(c)(3) Unrestricted Grant	7	30,000
8	Twin Falls Centennial Foundation	501(c)(3) Unrestricted Grant	8	30,000
9	Columbia Theater for the Performing Arts	501(c)(3) Unrestricted Grant	9	10,000
10	Lower Columbia College Foundation	501(c)(3) Unrestricted Grant	10	30,000
11	St Johns Medical Center Foundation	501(c)(3) Unrestricted Grant	11	20,000
12	Charelston Area Churches' Food Pantry	501(c)(3) Unrestricted Grant	12	10,000
13	Five Mile House Foundation	501(c)(3) Unrestricted Grant	13	15,000
14	Camp New Hope	501(c)(3) Unrestricted Grant	14	10,000
15	Mattoon Area PADS Committee Organization	501(c)(3) Unrestricted Grant	15	13,000
16	Coles County Historical Society	501(c)(3) Unrestricted Grant	16	17,000
17	Painted Post Food Pantry	501(c)(3) Unrestricted Grant	17	1,000
18	Corning Community Food Pantry	501(c)(3) Unrestricted Grant	18	1,000
19	Turning Point Catholic Charities	501(c)(3) Unrestricted Grant	19	2,000
20	Pro Action Senior Dinner Club	501(c)(3) Unrestricted Grant	20	2,000
21	Corning Family Service Society	501(c)(3) Unrestricted Grant	21	2,000
22	Corning Salvation Army Food Pantry	501(c)(3) Unrestricted Grant	22	2,000
23	Corning Family YMCA	501(c)(3) Unrestricted Grant	23	10,000
24	United Way of the Southern Tier	501(c)(3) Unrestricted Grant	24	20,000
25	Carlisle Performing Arts Center	501(c)(3) Unrestricted Grant	25	15,000
26	J Herman Bosler Memorial Library	501(c)(3) Unrestricted Grant	26	30,000
27			27	
28			28	
29			29	
30			30	
31			31	
32			32	
33			33	

Howard Charitable Foundation
 Form 990PF Calendar Year 2002
 FEIN 91-1952040

	Column (a) Revenue and Expense per books	Column (b) Net Investment Income
--	--	--

Page 1, Line 4, Dividends & interest

Form 1099 DIV SGP/UBS	\$ 208,871	\$ 208,871
UBS Global Securities Fund K-1, interest		302,150
UBS U.S. Bond Fund K-1, interest		1,721,832
UBS Global Securities Fund K-1, dividends		211,253
Total, line 4, Div & int income	\$ 208,871	\$ 2,444,106

Page 1, Line 11, Other income, partnerships

Other portfolio income UBS Global Sec. FD	\$ 829,764	\$ -0-
Other income from hedges/straddles UBS K-1		1,142,075
		533,929
Total, line 11, Other income	\$ 829,764	\$ 1,676,004

Underpayment of Estimated Tax by Corporations

Department of the Treasury
Internal Revenue Service

See separate instructions.

2002

Attach to the corporation's tax return

Name: **Howard Charitable Foundation** Employer identification number: **91-1952040**

Note In most cases, the corporation DOES NOT need to file Form 2220 (See Part I below for exceptions) The IRS will figure any penalty owed and bill the corporation If the corporation does not need to file Form 2220, it may still use it to figure the penalty Enter the amount from line 34 on the estimated tax penalty line of the corporation's income tax return, but DO NOT attach Form 2220

Part I Reasons for Filing - Check the boxes below that apply to the corporation If any boxes are checked, the corporation must file Form 2220, even if it does not owe the penalty If the box on line 1 or line 2 applies, the corporation may be able to lower or eliminate the penalty

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

Part II Figuring the Underpayment

4 Total tax (see instructions)		2,140,647
5a Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 4	0	
5b Look-back interest included on line 4 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method		
5c Credit for Federal tax paid on fuels (see instructions)	0	
5d TOTAL Add lines 5a through 5c		0
6 Subtract line 5d from line 4 If the result is less than \$500, DO NOT complete or file this form The corporation does not owe the penalty		2,140,647
7 Enter the tax shown on the corporation's 2001 income tax return (see instructions) CAUTION IF ZERO OR THE TAX YEAR WAS FOR LESS THAN 12 MONTHS, SKIP THIS LINE AND ENTER THE AMOUNT FROM LINE 6 ON LINE 8		141
8 Enter the SMALLER of line 6 or line 7 If the corporation is required to skip line 7, enter the amount from line 7		141

	(a)	(b)	(c)	(d)
9 INSTALLMENT DUE DATES Enter in columns (a) through (d) the 15th day of the 4th (FORM 990-PF FILERS Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	5/15/2002	6/15/2002	9/15/2002	12/15/2002
10 REQUIRED INSTALLMENTS If the box on line 1 and/or line 2 above is checked, enter the amounts from Schedule A, line 40 If the box on line 3 (but not 1 or 2) is checked, see instructions for the amounts to enter If none of these boxes are checked, enter 25% of line 8 above in each column	35	35	35	35
11 Estimated tax paid or credited for each period (see instructions) For column (a) only, enter the amount from line 11 on line 15 <i>Complete lines 12 through 18 of one column before going to the next column</i>				
12 Enter amount, if any, from line 18 of the preceding column		0	0	0
13 Add lines 11 and 12		0	0	0
14 Add amounts on lines 16 and 17 of the preceding column		35	70	105
15 Subtract line 14 from line 13 If zero or less, enter -0-	0	0	0	0
16 If the amount on line 15 is zero, subtract line 13 from line 14 Otherwise, enter -0-		35	70	
17 UNDERPAYMENT If line 15 is less than or equal to line 10, subtract line 15 from line 10 Then go to line 12 of the next column Otherwise, go to line 18	35	35	35	35
18 OVERPAYMENT If line 10 is less than line 15, subtract line 10 from line 15 Then go to line 12 of the next column	0	0	0	

Complete Part III on page 2 to figure the penalty. If there are no entries on line 17, no penalty is owed.

Part III Figuring the Penalty

	(a)	(b)	(c)	(d)	
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions) (FORM 990-PF AND FORM 990-T FILERS Use 5th month instead of 3rd month)	19	5/15/2003	5/15/2003	5/15/2003	5/15/2003
20 Number of days from due date of installment on line 9 to the date shown on line 19	20	365	334	242	151
21 Number of days on line 20 after 4/15/2002 and before 1/1/2003	21	231	200	108	17
22 Underpayment x $\frac{\text{Number of days on line 21}}{365}$ x 6% on line 17	22	\$ 1	\$ 1	\$ 1	\$ 0
23 Number of days on line 20 after 12/31/2002 and before 4/1/2003	23	90	90	90	90
24 Underpayment x $\frac{\text{Number of days on line 23}}{365}$ x 5% on line 17	24	\$ 0	\$ 0	\$ 0	\$ 0
25 Number of days on line 20 after 3/31/2003 and before 7/1/2003	25	44	44	44	44
26 Underpayment x $\frac{\text{Number of days on line 25}}{365}$ x 0% on line 17	26	\$ 0	\$ 0	\$ 0	\$ 0
27 Number of days on line 20 after 6/30/2003 and before 10/1/2003	27	0	0	0	0
28 Underpayment x $\frac{\text{Number of days on line 27}}{365}$ x 0% on line 17	28	\$ 0	\$ 0	\$ 0	\$ 0
29 Number of days on line 20 after 9/30/2003 and before 1/1/2004	29	0	0	0	0
30 Underpayment x $\frac{\text{Number of days on line 29}}{365}$ x 0% on line 17	30	\$ 0	\$ 0	\$ 0	\$ 0
31 Number of days on line 20 after 12/31/2003 and before 2/16/2004	31	0	0	0	0
32 Underpayment x $\frac{\text{Number of days on line 31}}{365}$ x 0% on line 17	32	\$ 0	\$ 0	\$ 0	\$ 0
33 Add lines 22, 24, 26, 28, 30, and 32	33	\$ 1	\$ 1	\$ 1	\$ 0
34 PENALTY Add columns (a) through (d), of line 33 Enter the total here and on Form 1120, line 33, Form 1120-A, line 29, or the comparable line for other income tax returns	34			\$	3

* FOR UNDERPAYMENTS PAID AFTER MARCH 31, 2003 For lines 26, 28, 30, and 32, use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS Web Site at www.irs.gov. You can also call 1-800-829-1040 to get interest rate information.