

Form **990**

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)

OMB No 1545-0047

2002

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 2002 calendar year, or tax year period beginning **JUL 1, 2002** and ending **JUN 30, 2003**

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

C Name of organization: **TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.**

D Employer identification number: **33-0319501**

Number and street (or P O box if mail is not delivered to street address): **3550 GENERAL ATOMICS COURT**

Room/suite: _____

E Telephone number: **(858) 455-3803**

City or town, state or country, and ZIP + 4: **SAN DIEGO, CA 92121**

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).

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? N/A Yes No (if "No," attach a list)

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

I Enter 4-digit GEN: _____

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Web site: **WWW.TPIMS.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 **7,747,241.**

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

Revenue	1	Contributions, gifts, grants, and similar amounts received:				
	a	Direct public support	1a			
	b	Indirect public support	1b	1,141,296.		
	c	Government contributions (grants)	1c	5,848,264.		
	d	Total (add lines 1a through 1c) (cash \$ 6,989,560. noncash \$ _____)	1d		6,989,560.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2		578,219.	
	3	Membership dues and assessments	3			
	4	Interest on savings and temporary cash investments	4		2,288.	
	5	Dividends and interest from securities	5			
	6a	Gross rents	6a			
	b	Less: rental expenses	6b			
	6c	Net rental income or (loss) (subtract line 6b from line 6a)	6c			
7	Other investment income (describe: LICENSE AND ROYALTY INCOME)	7		50,000.		
8a	Gross amount from sale of assets other than inventory	(A) Securities		(B) Other		
		8a				
		8b				
b	Less: cost or other basis and sales expenses	8b				
c	Gain or (loss) (attach schedule)	8c				
d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d				
9	Special events and activities (attach schedule)					
9a	Gross revenue (not including contributions reported on line 1a) of contributions	9a				
		9b				
9c	Net income or (loss) from special events (subtract line 9b from line 9a)	9c				
10a	Gross sales of inventory, less returns and allowances	10a				
		10b				
		10c				
11	Other revenue (from Part VII, line 103)	11		127,174.		
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		7,747,241.		
Expenses	13	Program services (from line 44, column (B))	13		8,313,556.	
	14	Management and general (from line 44, column (C))	14		67,673.	
	15	Fundraising (from line 44, column (D))	15		111,732.	
	16	Payments to affiliates (attach schedule)	16			
	17	Total expenses (add lines 16 and 44, column (A))	17		8,492,961.	
18	Excess or (deficit) for the year (subtract line 17 from line 12)	18		-745,720.		
Net Assets	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19		1,807,580.	
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 1	20		34,358.	
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		1,096,218.	

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TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

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			
<i>Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.</i>		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule)				
	cash \$ _____ noncash \$ _____				
23	Specific assistance to individuals (attach schedule)				
24	Benefits paid to or for members (attach schedule)				
25	Compensation of officers, directors, etc	264,627.	114,500.	150,127.	0.
26	Other salaries and wages	3,683,907.	2,980,322.	703,585.	
27	Pension plan contributions	308,303.	246,046.	62,257.	
28	Other employee benefits	424,139.	328,352.	95,787.	
29	Payroll taxes	290,365.	227,478.	62,887.	
30	Professional fundraising fees				
31	Accounting fees	56,576.		56,576.	
32	Legal fees				
33	Supplies	919,455.	828,518.	90,937.	
34	Telephone	186,132.	170,197.	15,935.	
35	Postage and shipping	9,326.	3,601.	5,725.	
36	Occupancy	775,021.	690,401.	84,620.	
37	Equipment rental and maintenance	117,595.	83,618.	33,977.	
38	Printing and publications	51,049.	767.		50,282.
39	Travel				
40	Conferences, conventions, and meetings				
41	Interest	31,293.	31,293.		
42	Depreciation, depletion, etc STMT 13	462,300.	445,558.	16,742.	
43	Other expenses not covered above (itemize)				
a	_____				
b	_____				
c	_____				
d	_____				
e	SEE STATEMENT 2	912,873.	2,162,905.	-1,311,482.	61,450.
44	<small>Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15</small>	8,492,961.	8,313,556.	67,673.	111,732.

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

What is the organization's primary exempt purpose? **SEE STATEMENT 3**

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) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)

a	SEE STATEMENT 14				
		(Grants and allocations \$ _____)			8,313,556.
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)				8,313,556.

Part IV Balance Sheets

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
Assets	45 Cash - non-interest-bearing	107,349.	45 6,751.
	46 Savings and temporary cash investments	413,974.	46 35,034.
	47 a Accounts receivable	47a 85,908.	
	b Less allowance for doubtful accounts	47b	47c 85,908.
	48 a Pledges receivable	48a 1,109,614.	
	b Less allowance for doubtful accounts	48b 180,200.	48c 929,414.
	49 Grants receivable	269,079.	49 63,794.
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use		52
	53 Prepaid expenses and deferred charges	92,818.	53 53,166.
	54 Investments - securities		54
	55 a Investments - land, buildings, and equipment basis	55a	
	b Less accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment basis	STMT 13 57a 3,623,329.		
b Less accumulated depreciation	STMT 13 57b 2,357,781.	57c 1,265,548.	
58 Other assets (describe SEE STATEMENT 4)	757,133.	58 878,873.	
59 Total assets (add lines 45 through 58) (must equal line 74)	3,520,869.	59 3,318,488.	
Liabilities	60 Accounts payable and accrued expenses	1,216,931.	60 1,545,275.
	61 Grants payable		61
	62 Deferred revenue	107,761.	62 378,398.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable	STMT 5 388,597.	64b 298,597.
65 Other liabilities (describe)		65	
66 Total liabilities (add lines 60 through 65)	1,713,289.	66 2,222,270.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74		
	67 Unrestricted	-702,094.	67 186,300.
	68 Temporarily restricted	2,509,674.	68 909,918.
	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)	1,807,580.	73 1,096,218.	
74 Total liabilities and net assets / fund balances (add lines 66 and 73)	3,520,869.	74 3,318,488.	

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.

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Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return

a	Total revenue, gains, and other support per audited financial statements	a	9,306,932.
b	Amounts included on line a but not on line 12, Form 990		
(1)	Net unrealized gains on investments \$ 317.		
(2)	Donated services and use of facilities \$		
(3)	Recoveries of prior year grants \$		
(4)	Other (specify) STMT 6 \$ 1,930,867.		
	Add amounts on lines (1) through (4)	b	1,931,184.
c	Line a minus line b	c	7,375,748.
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) STMT 8 \$ 371,493.		
	Add amounts on lines (1) and (2)	d	371,493.
e	Total revenue per line 12, Form 990 (line c plus line d)	e	7,747,241.

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

a	Total expenses and losses per audited financial statements	a	8,590,531.
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) STMT 7 \$ 469,063.		
	Add amounts on lines (1) through (4)	b	469,063.
c	Line a minus line b	c	8,121,468.
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) STMT 9 \$ 371,493.		
	Add amounts on lines (1) and (2)	d	371,493.
e	Total expenses per line 17, Form 990 (line c plus line d)	e	8,492,961.

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated)

(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 & deferred compensation	(E) Expense account and other allowances
WILLIAM H. BEERS, PH.D. 3550 GENERAL ATOMICS CT. SAN DIEGO, CALIFORNIA 92121	CHAIRMAN 20	75,000.	5,273.	0.
JAMES L. BITTLE, D.V.M. 3550 GENERAL ATOMICS CT. SAN DIEGO, CALIFORNIA 92121	TRUSTEE 1 - 2 HOURS	0.	0.	0.
PHILLIP W. CATRON, M.D. 3550 GENERAL ATOMICS CT. SAN DIEGO, CALIFORNIA 92121	TRUSTEE 1 - 2 HOURS	0.	0.	0.
RICHARD A. HOUGHTEN, PH.D. 3550 GENERAL ATOMICS CT. SAN DIEGO, CALIFORNIA 92121	TRUSTEE 18	98,792.	33,515.	0.
HOWARD SILBERMAN 3550 GENERAL ATOMICS CT. SAN DIEGO, CALIFORNIA 92121	TRUSTEE 1 - 2 HOURS	0.	0.	0.
PEGGY TOTZKE 3550 GENERAL ATOMICS CT. SAN DIEGO, CALIFORNIA 92121	SEC & CFO 40	90,835.	30,664.	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 Yes No Form 990 (2002)

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Part VI Other Information

		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	76	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	77	X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a	X
b	If "Yes," has it filed a tax return on Form 990-T for this year?	78b	X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	X
80 a	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?	80a	X
b	If "Yes," enter the name of the organization SEE STATEMENT 10 and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt	81a	0.
81 a	Enter direct or indirect political expenditures. See line 81 instructions	81a	0.
b	Did the organization file Form 1120-POL for this year?	81b	X
82 a	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)	82b	N/A
83 a	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
84 a	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?	84b	N/A
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A
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	85b	N/A
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	N/A
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	N/A
86	501(c)(7) organizations. 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) organizations. 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	88	X
89 a	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) organizations. 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.
90 a	List the states with which a copy of this return is filed CALIFORNIA	90b	64
b	Number of employees employed in the pay period that includes March 12, 2002		
91	The books are in care of PEGGY TOTZKE Telephone no (858) 455-3803		

Located at **TPIMS, 3550 GENERAL ATOMICS CT, SAN DIEGO, CA** ZIP + 4 **92121-0000**

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** **N/A**

Part VII Analysis of Income-Producing Activities (See page 31 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) Exclu- sion code	(D) Amount	
93 Program service revenue					
a RESEARCH GRANTS					578,219.
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			14	2,288.	
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			15	50,000.	
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 VIVARIUM INCOME	541900	87,678.			
b MISCELLANEOUS			01	39,496.	
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		87,678.		91,784.	578,219.
105 Total (add line 104, columns (B), (D), and (E))					757,681.

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 32 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)
▼	SEE STATEMENT 12

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See page 32 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
SEE STATEMENT 11	%			
	%			
	%			
	%			

Part X Information Regarding Transfers Associated with

- (a) Did the organization, during the year, receive any funds, directly or indirectly, from any individual who is a substantial contributor to the organization?
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on behalf of any individual who is a substantial contributor to the organization?
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here

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 furnished to me.

Signature of officer: *[Signature]* Date: 2-

Preparer's Use Only

Preparer's signature: *[Signature]*

Firm's name (or yours if self-employed), address, and ZIP + 4: DELOITTE & TOUCHE LLP, 701 "B" STREET, SUITE 1, SAN DIEGO, CA 92101-819

223161 01-22-03

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

OMB No 1545-0047

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

2002

Department of the Treasury
Internal Revenue Service

Supplementary Information-(See separate instructions.)

▶ **MUST be completed by the above organizations and attached to their Form 990 or 990-EZ**

Name of the organization **TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.** Employer identification number **33 0319501**

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
ELI SERCARZ ----- 3550 GENERAL ATOMICS CT, SD, CA 9212140	MEMBER ----- 40	158,625.	37,148.	0.
JOHN OSTRESH ----- 3550 GENERAL ATOMICS CT, SD, CA 9212140	DIR OF CHEM ----- 40	101,695.	34,567.	0.
RON OGATA ----- 3550 GENERAL ATOMICS CT, SD, CA 9212140	MEMBER ----- 40	93,326.	37,001.	0.
ROY RIBLET ----- 3550 GENERAL ATOMICS CT, SD, CA 9212140	MEMBER ----- 40	84,500.	28,758.	0.
DARCY WILSON ----- 3550 GENERAL ATOMICS CT, SD, CA 9212140	MEMBER ----- 40	85,441.	25,042.	0.
Total number of other employees paid over \$50,000 ▶	0			

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
DELOITTE & TOUCHE LLP ----- 701 "B" STREET, SUITE 1900, SAN DIEGO, CA 92101	ACCOUNTING	63,244.
----- ----- ----- ----- ----- ----- ----- ----- -----		
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		X
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? STMT 15	X	
b	Lending of money or other extension of credit? STMT 15		X
c	Furnishing of goods, services, or facilities?	X	
d	Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE PART V, FORM 990	X	
e	Transfer of any part of its income or assets?		X
3	Does the organization make grants for scholarships, fellowships, student loans, etc? (See Note below)		X
4	Do you have a section 403(b) annuity plan for your employees?	X	

Note: Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs "qualify" to receive payments.

Part IV Reason for Non-Private Foundation Status (See pages 3 through 5 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)

TORREY PINES INSTITUTE FOR MOLECULAR

Schedule A (Form 990 or 990-EZ) 2002 STUDIES, INC.

33-0319501 Page 3

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) 2001	(b) 2000	(c) 1999	(d) 1998	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	5,421,228.	4,526,072.	4,812,747.	4,631,958.	19,392,005.
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	72,667.	1,675,958.	-51,773.	-11,245.	1,685,607.
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	22,368.	207,560.	351,071.	316,807.	897,806.
19 Net income from unrelated business activities not included in line 18	63,271.	64,539.	34,896.	26,866.	189,572.
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	5,579,534.	6,474,129.	5,146,941.	4,964,386.	22,164,990.
24 Line 23 minus line 17	5,506,867.	4,798,171.	5,198,714.	4,975,631.	20,479,383.
25 Enter 1% of line 23	55,795.	64,741.	51,469.	49,644.	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 409,588.
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 1998 through 2001 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the sum of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 20,479,383.
d Add: Amounts from column (e) for lines 18 <u>897,806.</u> 19 <u>189,572.</u> 22 _____ 26b _____					26d 1,087,378.
e Public support (line 26c minus line 26d total)					26e 19,392,005.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 94.6904%
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	N/A				
(2001) (2000) (1999) (1998)					
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	N/A				
(2001) (2000) (1999) (1998)					
c Add: Amounts from column (e) for lines 15 _____ 16 _____ 17 _____ 20 _____ 21 _____					27c N/A
d Add: Line 27a total _____ and line 27b total _____					27d N/A
e Public support (line 27c total minus line 27d total)					27e N/A
f Total support for section 509(a)(2) test. Enter amount on line 23, column (e)	27f N/A				
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g N/A %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h N/A %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1998 through 2001, 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

223121 01-22-03

NONE

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TORREY PINES INSTITUTE FOR MOLECULAR

Part V Private School Questionnaire (See page 7 of the instructions)

N/A

(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?		
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?		
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)		
<hr/>			
<hr/>			
<hr/>			
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? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement)	32d	
<hr/>			
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? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement)	33h	
<hr/>			
<hr/>			
34 a	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	

TORREY PINES INSTITUTE FOR MOLECULAR

Schedule A (Form 990 or 990-EZ) 2002 STUDIES, INC.

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Part VI-A Lobbying Expenditures by Electing Public Charities (See page 9 of the instructions)

N/A

(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)		N/A	
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 -		
	Not over \$500,000		
	Over \$500,000 but not over \$1,000,000		
	Over \$1,000,000 but not over \$1,500,000		
	Over \$1,500,000 but not over \$17,000,000		
	Over \$17,000,000		
	The lobbying nontaxable amount is -		
	• 20% of the amount on line 40		
	• \$100,000 plus 15% of the excess over \$500,000		
	• \$175,000 plus 10% of the excess over \$1,000,000		
	• \$225,000 plus 5% of the excess over \$1,500,000		
	• \$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				N/A
	(a) 2002	(b) 2001	(c) 2000	(d) 1999	
45	Lobbying nontaxable amount				(e) Total
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		X	
b Paid staff or management (Include compensation in expenses reported on lines c through h.)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public		X	
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body		X	
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
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	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	1
DESCRIPTION		AMOUNT	
NET LOSS FROM FOR-PROFIT SUBSIDIARY INCLUDED IN BOOK FUND BALANCE		-2,493.	
UNREALIZED GAIN ON INVESTMENTS		317.	
PRIOR PERIOD ADJUSTMENT		36,534.	
TOTAL TO FORM 990, PART I, LINE 20		34,358.	

FORM 990	OTHER EXPENSES			STATEMENT	2
DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING	
CONFERENCE & TRAVEL CONSORTIUM	59,356.	34,491.	24,865.		
EDUCATIONAL ASSISTANCE	483,223.	483,223.			
EMPLOYEE TRAINING	1,805.	1,805.			
INSURANCE	16,486.	13,628.	2,858.		
LICENSE & FEES	45,025.		45,025.		
MISCELLANEOUS	7,061.	6,908.	153.		
OUTSIDE SERVICES	49,118.	41,832.	7,286.		
PROFESSIONAL FEES	118,245.	81,407.	26,711.	10,127.	
RECRUITING	41,691.	16,476.	25,215.		
WASTE REMOVAL	13,540.	11,763.	1,777.		
INDIRECT COSTS - PROGRAM SERVICES	32,237.	32,237.			
CONSULTING	0.	1,417,558.	-1,467,966.	50,408.	
INCOME TAX - UBI	13,014.	11,964.	1,050.		
DUES & SUBSCRIPTIONS	21,544.	9,613.	21,544.		915.
TOTAL TO FM 990, LN 43	10,528.	2,162,905.	-1,311,482.	61,450.	

FORM 990 STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III STATEMENT 3

EXPLANATION

THE INSTITUTE'S PRIMARY EXEMPT PURPOSE IS TO CONDUCT FUNDAMENTAL BIOMEDICAL RESEARCH AND TO MAKE THE RESULTS OF SUCH RESEARCH AVAILABLE TO THE PUBLIC.

FORM 990

OTHER ASSETS

STATEMENT 4

DESCRIPTIONAMOUNT

SECURITY DEPOSITS	114,947.
PATENTS	497,945.
PHANTOM STOCK PLAN	3,669.
INVESTMENT IN SUBSIDIARY	172,614.
LICENSE/ROYALTY FEES RECEIVABLE	10,000.
OTHER CURRENT ASSETS	79,698.
TOTAL TO FORM 990, PART IV, LINE 58, COLUMN B	878,873.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 5

LENDER'S NAME		TERMS OF REPAYMENT	
FIRST NATIONAL BANK		\$2,500/MO PRINCIPAL + INTEREST	

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
06/07/01	06/07/06	150,000.	1% + PRIME

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
EQUIPMENT	EQUIPMENT PURCHASE

RELATIONSHIP OF LENDER

NONE

BALANCE DUE

90,000.

LENDER'S NAME		TERMS OF REPAYMENT	
FIRST NATIONAL BANK		\$5,000/MO PRINCIPAL + INTEREST	

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
06/07/02	06/07/07	271,597.	1% + PRIME

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
EQUIPMENT	EQUIPMENT PURCHASE

RELATIONSHIP OF LENDER

NONE

BALANCE DUE

208,597.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B

298,597.

FORM 990 OTHER REVENUE NOT INCLUDED ON FORM 990 STATEMENT 6

DESCRIPTION	AMOUNT
REVENUE FROM TAX-EXEMPT SUBSIDIARIES INCLUDED IN AUDITED FINANCIAL STTMS.	331,111.
DECREASE IN TEMPORARILY RESTRICTED ASSETS	1,599,756.
TOTAL TO FORM 990, PART IV-A	1,930,867.

FORM 990 OTHER EXPENSES NOT INCLUDED ON FORM 990 STATEMENT 7

DESCRIPTION	AMOUNT
EXPENSES FROM FOR-PROFIT SUBSIDIARY INCLUDED IN AUDITED FINANCILA STATEMENTS	2,493.
EXPENSES FROM TAX-EXEMPT SUBSIDIARIES INCLUDED IN AUDITED FINANCIAL STMTS.	466,570.
TOTAL TO FORM 990, PART IV-B	469,063.

FORM 990 OTHER REVENUE INCLUDED ON FORM 990 STATEMENT 8

DESCRIPTION	AMOUNT
ELIMINATING ENTRY INCLUDED IN AUDITED FINANCIAL STATEMENTS	371,493.
TOTAL TO FORM 990, PART IV-A	371,493.

FORM 990 OTHER EXPENSES INCLUDED ON FORM 990 STATEMENT 9

DESCRIPTION	AMOUNT
ELIMINATING ENTRY INCLUDED IN AUDITED FINANCIAL STATEMENTS.	371,493.
TOTAL TO FORM 990, PART IV-B	371,493.

FORM 990 IDENTIFICATION OF RELATED ORGANIZATIONS STATEMENT 10
PART VI, LINE 80B

NAME OF ORGANIZATION	EXEMPT	NONEXEMPT
ALZHEIMER'S AND AGING RESEARCH CENTER	X	
PAIN MANAGEMENT RESEARCH INSTITUTE OF AMERICA	X	
DIABETES NATIONAL RESEARCH GROUP	X	
INFECTIOUS DISEASE SCIENCE CENTER	X	
OSTEOPOROSIS AND BREAST CANCER RESEARCH CENTER	X	

FORM 990 PART IX INFORMATION REGARDING TAXABLE SUBSIDIARIES STATEMENT 11

NAME, ADDRESS & ID NUMBER OF CORP OR PARTNERSHIP	PCT OWN	NATURE OF BUSINESS	TOTAL INCOME	END-OF-YEAR ASSETS
TORREY PINES SYNTHETIC SER., INC., 3550 GENERAL ATOMICS CT., SD, CA	100.00%	SCIENTIFIC CONSULTING & ANALYSIS SER	-2,493.	172,614.

FORM 990 PART VIII - RELATIONSHIP OF ACTIVITIES TO ACCOMPLISHMENT OF EXEMPT PURPOSES STATEMENT 12

LINE 93A EXPLANATION OF RELATIONSHIP OF ACTIVITIES

Our exempt purpose is to conduct biomedical research directed towards the improvement of human health, and to make the results available to other scientists and the general public. During the past year, scientists at Torrey Pines Institute for Molecular Studies authored over fifty (50) publications which appeared in scientific journals distributed worldwide, made over thirty (30) oral presentations of their research results at scientific meetings all over the world, and delivered over twenty (20) poster presentations at these same meetings. The scientific conferences at which we present our research results typically attract anywhere from hundreds to thousands of scientists, medical professionals, medical students, postdoctoral research fellows in training, graduate and undergraduate science students. Still thousands more have access to the publications which originate from our Institute, and thousands more access our websites for information relating to the various diseases we study. We also have hundreds of ongoing collaborations with scientists throughout the world.

**TORREY PINES INSTITUTE FOR MOLECULAR STUDIES
FORM 990, PART II, LINE 42**

**33-0319501
STATEMENT 13**

DEPRECIATION

<u>DESCRIPTION</u>	<u>06/30/02 BALANCE</u>	<u>CURRENT ADDITIONS</u>	<u>CURRENT DISPOSALS</u>	<u>06/30/03 BALANCE</u>
MACHINERY AND EQUIPMENT	2,182,606	843,294	3,062	3,022,838
FURNITURE AND FIXTURES	108,382	-	432	107,950
LEASEHOLD IMPROVEMENTS	199,607	292,935	-	492,542
TOTAL COST	2,490,595	1,136,229	3,494	3,623,330
ACCUMULATED DEPRECIATION	<u>(1,898,975)</u>	<u>(462,300)</u>	<u>(3,494)</u>	<u>(2,357,781)</u>
NET FIXED ASSETS	591,620	673,929	-	1,265,549

Statement of Program Service Accomplishments

a. **MULTIPLE SCLEROSIS**: This division of our Institute, known as Multiple Sclerosis National Research Institute (the "MS Institute), is devoted to studying the causes, diagnosis, possible treatments for MS, with the ultimate goal of finding a cure. The MS Institute researchers have had an extremely exciting and productive year in their search for finding new treatments, and even vaccines, to fight this crippling disease. Due to the overwhelming support of individual and corporate donations, staff at the MS Institute has doubled in the past year. With this increase in staff came new research support from the National Multiple Sclerosis Society. Ongoing research at the MS Institute includes the study of Copaxone®, a commercial drug used for the treatment of patients with Multiple Sclerosis (MS). It is not completely known how the drug works, but with the help of the National Institute of Neurological Disorders and Stroke at the National Institutes of Health, we are evaluating the drug and trying to identify new compounds that are just as good or better. Our collaborative partners work directly with patients with MS, and we hope that our work will lead to clinical trials. Other research at the MS Institute focuses on repairing the damage to the central nervous system caused by MS, stroke or trauma. By identifying genes that regulate the development of certain types of cells into all neural cell types, we hope to identify mechanisms controlled by these genes to reveal potential targets for therapeutic intervention. The next step in the study is the screening of small molecules for drug candidates that will direct cell differentiation towards particular mature cell types needed for tissue restoration. Several new areas of research include the detailed analysis of T cell behavior, and how certain types of T cells can help to protect from MS, as well as how certain T cells can "recruit" and activate other T cells which control MS.

Collaborative efforts with other scientists, as well as presentations of our research results, have occurred throughout the United States and throughout the world, including The Bahamas, Canada, Denmark, France, Germany, Scotland and Switzerland. States include Alaska, Alabama, California, Colorado, Connecticut, Florida, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Jersey, New York, North Carolina, Ohio, Pennsylvania and Vermont, as well as the District of Columbia. This work has been supported by the very generous donations from individuals via workplace campaigns, such as the Combined Federal Campaign, United Way and Neighbor to Nation (formerly Share America). We are also supported by grants from the National Multiple Sclerosis Society and National Institutes of Health.

Program Service Expenses:

\$2,189,388

b. **CANCER and CANCER VACCINES**: Instead of the standard treatments for cancer (surgery, chemotherapy and radiation), scientists at our Institute believe that with the identification of new compounds, they can use the power of the body's immune system to combat cancer. One scientist works on inducing immunity in T cell lymphomas; another induces the immune system to destroy certain carcinomas which contain a specific type of carbohydrate.

Another scientist, working specifically with prostate cancer, is studying how to convert a certain "microenvironment" into a "killing environment" against prostate tumor cells. Our scientists work with various forms of cancer cells, including breast cancer, prostate cancer and melanoma. Our cancer researchers are quite well-known, and we have established cooperative research partnerships with scientists at other institutions from all over the world. We are funded by grants received from the National Institutes of Health, the Department of Defense, and the Alzheimer's and Aging Research Center, as well as by contracts with biotechnology companies and generous donations from the public.

Program Service Expenses: \$1,764,567

c. DIABETES: According to the National Institutes of Health, diabetes affects more than 16,000,000 Americans every year. We conduct research to help find treatments and vaccines for Types I and II diabetes. "Free fatty acids" are molecules in our bodies that interact with proteins, membranes and cells of the immune system. We study the many ways that these molecules behave, including methods of measuring them in human blood. Besides diabetes, a number of diseases such as cancer, sepsis and ischemia, can result in changes in the levels of free fatty acid molecules in the blood. We believe that early detection of free fatty acid molecule levels in the blood can result in earlier detection of diabetes and other diseases. Our scientists also study various types of T cells to determine how certain types fight against Type I diabetes. Our research is supported by grants from the National Institutes of Health, Diabetes National Research Group, and Juvenile Diabetes Research Foundation, and by donations made by individuals and corporations.

Program Service Expenses: \$819,340

d. CHEMISTRY: When Torrey Pines Institute for Molecular Studies first opened its laboratories fifteen years ago, the main focus of our research was in the area of chemistry. Our research resulted in a new method of drug discovery called, "combinatorial chemistry", which is now being used by researchers worldwide to help find new drugs and diagnostics for diseases. This group also supports all of the other research being conducted at our Institute by providing the "chemical libraries" needed for those groups in their search for vaccines, therapeutics, and diagnostic compounds. Because of the methods invented and developed in our chemistry laboratories, we have been able to make significant progress in all of our research groups. Research results have been presented to the public in hundreds of scientific journal articles and in scientific presentations worldwide. We have trained many scientists in these methods not only in San Diego, but also across the United States and around the world. We are supported in part by the National Institutes of Health, various corporate research contracts, and generous donations from the public.

Program Service Expenses: \$371,195

e. INFECTIOUS DISEASE: Antibiotic resistance has become overwhelmingly commonplace as more bacterial and viral strains adapt to current treatments and are becoming more difficult to cure. Our research is focused on finding new compounds to fight bacteria, viruses, parasites and fungi. Several compounds we have developed thus far are being

investigated by a pharmaceutical company for further development. Our hope is that eventually these compounds will play a major role in treatments for bacterial and fungal infections.

Despite the efforts of thousands of researchers around the world, there is still no known cure for AIDS. The most popular treatment for AIDS patients today is providing medication that helps prevent the virus that causes AIDS, HIV-1, from replicating itself inside the body. We are screening different compounds to develop drugs to combat HIV-1 and possibly develop a vaccine.

Through the study of "Langerhans cells" (cells that participate in an immune response in the skin and migrate to the lymph nodes), we are learning the process of how the body sends signals to other cells in the body following trauma. When other cells in the lymph nodes read the signal, antigens (substances capable of inducing an immune response) are produced. By studying this response, we hope to develop new methods for providing vaccines to people in underdeveloped countries.

By researching the various types of T cells and how they interact with not only each other, but with an infectious agent, we hope to help develop vaccines that will help the body to better protect itself against these infectious agents. Funding for our research programs in infectious disease was provided by grants from the National Institutes of Health and Infectious Disease Science Center, as well as from various corporate contracts and generous donations from the public.

Program Service Expenses: \$500,966

f. TRANSPLANTATION, IMMUNE SYSTEM and GENETICS: This group of researchers study areas of application ranging from radiation trauma to bone marrow transplant therapy to immunology. One group is studying how DNA repairs itself following trauma such as radiation exposure. By understanding genes that control the numbers of specialized cells in bone marrow, our scientists believe that they can improve the methods of today's bone marrow transplant therapy. Another scientist studies details of the immune system in order to prevent transplantation rejection. We are also collaborating with scientists from other institutions in the study to determine the genes in antibodies. Our research in genetics is supported by the National Institutes Health.

Program Service Expenses: \$653,903

g. HEART DISEASE: Our research on treatments for heart disease includes detailed studies of compounds called enzymes and free-fatty acids. The administration of one of these enzymes (t-PA) is currently the standard treatment of acute myocardial infarction, a major killer of both American men and women. We are looking for new compounds which affect these enzymes, with the hope of eventually discovering new therapeutic treatments for heart disease. We are also studying these enzymes as a therapeutic tool for the prevention of restenosis (the renarrowing of a previously treated artery), a condition that occurs after a vascular procedure such as angioplasty. We are also involved in the study of "complement proteins", proteins that defend the body against infection. The goal of our research is to obtain molecular pictures of the series of interactions that occur among compliment proteins during recognition and killing of foreign cells. Uncontrolled

compliment activation contributes to many chronic inflammatory conditions, such as heart attack, heart disease and rejection of non-human transplanted tissue. We are also working on a diagnostic procedure for use in emergency rooms, for the immediate determination of stroke vs. myocardial infarction. This diagnostic has already been tested in a series of human trials, and is currently being further developed, with the likelihood of very promising results. The studies were funded by the National Institutes of Health.

Program Service Expenses: **\$1,212,447**

h. ARTHRITIS AND PAIN MANAGEMENT: The goals of this research are to better understand the causes of chronic pain, especially as it relates to the conditions of arthritis and of cancer, as well as to find alternatives to current medications used for the management of pain, such as morphine. A common treatment in the use of pain, morphine has many deleterious side effects associated with its use. We have found several compounds that are being investigated by a pharmaceutical partner, with the hope of making chemical compounds into drugs that are effective pain relievers. Our research is supported by the National Institutes on Drug Abuse, Arthritis and Cancer Pain Research Institute, corporate contracts, and donations.

Program Service Expenses: **\$404,798**

i. OSTEOPOROSIS AND BREAST CANCER: A study that is currently being done at our Institute will determine if breast cancer, by altering normal levels of free fatty acids (FFA), prevents the body's immune system from destroying the tumor. If our hypothesis is supported by the results of this study, a new approach to treating breast cancer would be available. By testing the levels of FFA needed to block the body's immune system and measuring FFA levels from human breast cancer tissue, we will determine if this fluid is actually preventing the body of killing cancer cells. In other studies, we are combining the technologies of T-cell immunobiology and synthetic peptide chemistry to identify antigens that can be used for therapeutic vaccines for metastatic breast and ovarian cancers. This research is funded by grants from the Department of Defense, National Cancer Institute, Osteoporosis and Breast Cancer Research Center, and donations from individuals.

Program Service Expenses: **\$396,952**

TOTAL TO FORM 990, PART III **\$8,313,556**

**ACTIVITIES WITH DIRECTORS, TRUSTEES, PRINCIPAL
OFFICERS, OR CREATORS**

THE FOLLOWING TRANSACTIONS WERE WITH AN ORGANIZATION IN WHICH A DIRECTOR OF TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC. WAS ALSO AN OFFICER OR DIRECTOR:

TORREY PINES INSTITUTE WAS REIMBURSED FOR OTHER MISCELLANEOUS ITEMS PURCHASED AT FAIR MARKET VALUE FOR MIXTURE SCIENCES, INC. (FORMERLY MULTIPLE PEPTIDE SYSTEMS). THE TOTAL AMOUNT OF REIMBURSEMENTS RECEIVED WAS \$385,257, WHICH INCLUDES THE FOLLOWING: \$202,230 FOR RENT, AND \$183,026 FOR OTHER SERVICES AND MISCELLANEOUS REIMBURSEMENTS.

MIXTURE SCIENCES, INC. (FORMERLY MULTIPLE PEPTIDE SYSTEMS) PAID TORREY PINES INSTITUTE \$551,596 FOR A RESEARCH CONTRACT DURING THE YEAR ENDED JUNE 30, 2003 THE RESEARCH CONTRACT WAS NEGOTIATED AT ARMS LENGTH BASED ON REVIEWS OF COMPARABLE AGREEMENTS.

TORREY PINES PAID MIXTURE SCIENCES, INC. \$20,247 OF REIMBURSEMENTS, FOR THE YEAR ENDED JUNE 30, 2003.

TORREY PINES INSTITUTE WAS REIMBURSED FOR OTHER MISCELLANEOUS ITEMS PURCHASED AT FAIR MARKET VALUE FROM AMERICAN PEPTIDE SOCIETY AND SYMPOSIUM. THE TOTAL AMOUNT OF REIMBURSEMENTS RECEIVED WAS \$2,174.

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	Name of Exempt Organization TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.	Employer identification number 33-0319501
File by the due date for filing your return See instructions	Number, street, and room or suite no. If a P.O. box, see instructions. 3550 GENERAL ATOMICS COURT	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. SAN DIEGO, CA 92121	

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 **FEBRUARY 17, 2004** to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning **JUL 1, 2002**, and ending **JUN 30, 2003**.

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 \$ N/A

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 ▶ *Teresa T. Young* Title ▶ CPA Date ▶ 11/13/03
 LHA For Paperwork Reduction Act Notice, see instruction **DELLOITTE & TOUCHE LLP** 13-3691517 Form 8868 (12-2000)
701 "B" STREET, SUITE 1900 SAN DIEGO, CA 92101