

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

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

Department of the Treasury Internal Revenue Service

A For the 2004 calendar year, or tax year beginning Jul 1, 2004, and ending Jun 30, 2005

- 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.
Number and street (or P O box if mail is not delivered to street addr) Room/suite: 3550 GENERAL ATOMICS COURT
City, town or country: SAN DIEGO State: CA ZIP code + 4: 92121-1122

D Employer identification number: 33-0319501
E Telephone number: (858) 455-3803
F Accounting method: [] Cash [X] 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 [X] No
H (b) If 'Yes,' enter number of affiliates
H (c) Are all affiliates included? [] Yes [] No
H (d) Is this a separate return filed by an organization covered by a group ruling? [] Yes [X] No

G Web site: WWW.TPIMS.ORG

J Organization type (check only one) [X] 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.

I Group Exemption Number
M Check [] if the organization is not required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12: 6, 812, 355.

Part III Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

Table with 21 rows and 4 columns: Description, Sub-description, Amount, Total. Includes rows for Contributions, Program service revenue, Membership dues, Interest on savings, Dividends, Gross rents, Other investment income, Special events, Gross sales of inventory, Total revenue, Program services, Management and general, Fundraising, Payments to affiliates, Total expenses, Excess or (deficit), Net assets or fund balances at beginning/end of year.

SCANNED MAR 01 2006

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Part II Statement of Functional Expenses All organizations must complete column (A) Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ 0. non-cash \$ 0.)	22 0.	0.		
23 Specific assistance to individuals (att sch)	23 0.	0.		
24 Benefits paid to or for members (att sch)	24 0.	0.		
25 Compensation of officers, directors, etc	25 486,212.	430,039.	53,446.	2,727.
26 Other salaries and wages	26 2,756,357.	2,620,667.	132,663.	3,027.
27 Pension plan contributions	27 257,033.	232,802.	23,752.	479.
28 Other employee benefits	28 349,022.	358,662.	-10,052.	412.
29 Payroll taxes	29 241,798.	220,764.	20,674.	360.
30 Professional fundraising fees	30 0.	0.	0.	0.
31 Accounting fees	31 59,161.	0.	59,161.	0.
32 Legal fees	32 29,648.	6,026.	23,622.	0.
33 Supplies	33 671,490.	662,626.	8,807.	57.
34 Telephone	34 172,397.	168,483.	3,914.	0.
35 Postage and shipping	35 13,434.	6,002.	5,315.	2,117.
36 Occupancy	36 1,070,417.	1,047,567.	22,850.	0.
37 Equipment rental and maintenance	37 99,786.	96,708.	3,078.	0.
38 Printing and publications	38 8,997.	1,412.	2,604.	4,981.
39 Travel	39 0.	0.	0.	0.
40 Conferences, conventions, and meetings	40 0.	0.	0.	0.
41 Interest	41 36,789.	36,789.	0.	0.
42 Depreciation, depletion, etc (attach schedule)	42 309,984.	304,597.	5,387.	0.
43 Other expenses not covered above (itemize)				
a CONFERENCE & TRAVEL	43a 73,749.	50,870.	18,917.	3,962.
b DUES & SUBSCRIPTIONS	43b 11,489.	8,591.	2,898.	0.
c INSURANCE	43c 40,011.	27,872.	12,139.	0.
d LICENSE & FEES	43d 27,780.	24,294.	3,386.	100.
e See Other Expenses Stmt	43e 253,079.	204,348.	33,092.	15,639.
44 Total functional expenses (add lines 22 - 43) Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44 6,968,633.	6,509,119.	425,653.	33,861.

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? <u>STATEMENT 3</u>	Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts, but optional for others)
a <u>STATEMENT 4</u> (Grants and allocations \$ 0.)	6,509,119.
b (Grants and allocations \$)	
c (Grants and allocations \$)	
d (Grants and allocations \$)	
e Other program services (Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	6,509,119.

Part IV Balance Sheets (See Instructions)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only

		(A)		(B)
		Beginning of year		End of year
ASSETS	45 Cash – non-interest-bearing	115,495.	45	85,571.
	46 Savings and temporary cash investments	20,021.	46	16,608.
	47a Accounts receivable	199,215.		
	b Less allowance for doubtful accounts		47c	199,215.
	48a Pledges receivable	1,193,240.		
	b Less allowance for doubtful accounts	324,307.	48c	868,933.
	49 Grants receivable	147,970.	49	394,031.
	50 Receivables from officers, directors, trustees, and key employees (attach schedule) <i>Statement 15</i>		50	150,000.
	51a Other notes & loans receivable (attach sch)			
	b Less allowance for doubtful accounts		51c	
	52 Inventories for sale or use		52	
	53 Prepaid expenses and deferred charges	58,530.	53	46,224.
	54 Investments – securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54	
	55a Investments – land, buildings, & equipment basis			
	b Less accumulated depreciation (attach schedule)		55c	
	56 Investments – other (attach schedule)		56	
	57a Land, buildings, and equipment basis	3,918,813.		
	b Less accumulated depreciation (attach schedule) <i>L-57 Stmt</i>	3,097,781.	57c	821,032.
	58 Other assets (describe <i>See Line 58 Stmt</i>)	857,376.	58	877,993.
59 Total assets (add lines 45 through 58) (must equal line 74)	3,625,825.	59	3,459,607.	
LIABILITIES	60 Accounts payable and accrued expenses	1,048,094.	60	1,213,028.
	61 Grants payable		61	
	62 Deferred revenue	537,173.	62	761,909.
	63 Loans from officers, directors, trustees, and key employees (attach schedule) <i>Statement 6</i>	100,000.	63	100,000.
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule) <i>Statement 5</i>	1,013,056.	64b	614,722.
	65 Other liabilities (describe <i>Statement 5</i>)		65	
	66 Total liabilities (add lines 60 through 65)	2,698,323.	66	2,689,659.
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	-294,315.	67	-101,560.
	68 Temporarily restricted	1,221,817.	68	871,508.
	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)	927,502.	73	769,948.	
74 Total liabilities and net assets/fund balances (add lines 66 and 73)	3,625,825.	74	3,459,607.	

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.

BAA

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

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

a Total revenue, gains, and other support per audited financial statements		a 7,634,727.	a Total expenses and losses per audited financial statements		a 7,189,265.
b Amounts included on line a but not on line 12, Form 990			b Amounts included on line a but not on line 17, Form 990		
(1) Net unrealized gains on investments \$ -448.			(1) Donated services and use of facilities \$		
(2) Donated services and use of facilities \$			(2) Prior year adjustments reported on line 20, Form 990 \$		
(3) Recoveries of prior year grants \$			(3) Losses reported on line 20, Form 990 \$		
(4) Other (specify): STATEMENT 7			(4) Other (specify): STATEMENT 8		
\$ 1,407,042.			\$ 1,116,032.		
Add amounts on lines (1) through (4)	b	1,406,594.	Add amounts on lines (1) through (4)	b	1,116,032.
c Line a minus line b	c	6,228,133.	c Line a minus line b	c	6,073,233.
d Amounts included on line 12, Form 990 but not on line a:			d Amounts included on line 17, Form 990 but not on line a:		
(1) Investment expenses not included on line 6b, Form 990 \$			(1) Investment expenses not included on line 6b, Form 990 \$		
(2) Other (specify): STATEMENT 9			(2) Other (specify): STATEMENT 10		
\$ 584,222.			\$ 895,400.		
Add amounts on lines (1) and (2)	d	584,222.	Add amounts on lines (1) and (2)	d	895,400.
e Total revenue per line 12, Form 990 (line c plus line d)	e	6,812,355.	e Total expenses per line 17, Form 990 (line c plus line d)	e	6,968,633.

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (if not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
RICHARD HOUGHTEN, PhD 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	PRESIDENT 32	185,237.	63,133.	0.
PEGGY TOTZKE 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	COO/CFO 40	204,750.	14,622.	0.
KAREN GARITTA 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	SECRETARY, VP ADMIN 40	96,225.	37,858.	0.
WILLIAM BEERS 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	CHAIR, BOARD OF TRUSTEES 1-2	0.	0.	0.
JAMES BITTLE 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	TRUSTEE 1-2	0.	0.	0.
See List of Officers, Etc Statement		0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations?

Yes No

If 'Yes,' attach schedule - see instructions

Part VI Other Information (See instructions)

		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	X	
78b	If 'Yes,' has it filed a tax return on Form 990-T for this year?	X	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc, to any other exempt or nonexempt organization?	X	
b If 'Yes,' enter the name of the organization <u>STATEMENT 11</u> and check whether it is <input checked="" type="checkbox"/> exempt or <input type="checkbox"/> nonexempt			
81a	Enter direct and indirect political expenditures See line 81 instructions	81a	0.
81b	Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		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	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		84b	
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
89a	501(c)(3) organizations Enter Amount of tax imposed on the organization during the year under section 4911 <u>0.</u> , section 4912 <u>0.</u> , section 4955 <u>0.</u>		
b 501(c)(3) and 501(c)(4) 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.
90a	List the states with which a copy of this return is filed <u>CALIFORNIA</u>		
90b	Number of employees employed in the pay period that includes March 12, 2004 (See instructions)	90b	67
91	The books are in care of <u>PEGGY TOTZKE</u> Telephone number <u>(858) 455-3803</u> Located at <u>3550 GENERAL ATOMICS COURT, SAN DIEGO, CA</u> ZIP + 4 <u>92121-1122</u>		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year	92	

Part VI Analysis of Income-Producing Activities (See instructions)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a RESEARCH GRANTS					330,064.
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts			14	681.	
96 Dividends & 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 pers prop					
99 Other investment income			15	70,433.	
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b VIVARIUM INCOME	541900	117,078.			
c MISCELLANEOUS			01	52,517.	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		117,078.		123,631.	330,064.
105 Total (add line 104, columns (B), (D), and (E))					570,773.

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

Part VII Relationship of Activities to the Accomplishment of Exempt Purposes (See instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93a	STATEMENT 12

Part VIII Information Regarding Taxable Subsidiaries and Disregarded Entities (See 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
TORREY PINES SYNTHETIC SERVICES, INC 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	100.0000 %	SCIENTIFIC CONSULTING & ANALYSIS S	-825.	170,869.

Part IX Information Regarding Transfers Associated with Personal Benefit Contracts (See instructions.)

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

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

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including all schedules and attachments, and that the information therein is true, correct, and complete. Declaration of preparer (other than officer) is based on information furnished by filer.

Signature of officer: *Peggy Totzke*

PEGGY TOTZKE, COO/CFO
Type or print name and title

Paid Preparer's Use Only

Preparer's signature: *Katricia J. Mayer*

Firm's name (or yours if self-employed), address, and ZIP + 4: MOSS ADAMS LLP
9665 GRANITE RIDGE DRIVE,
SAN DIEGO, CA 92123

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

2004

Department of the Treasury
Internal Revenue Service

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

Name of the organization

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 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 and deferred compensation	(e) Expense account and other allowances
ELI SERCARZ ----- 3550 GENERAL ATOMICS CT., SD, CA 92121	MEMBER 40	136,090.	33,275.	0.
VIPIN KUMAR ----- 3550 GENERAL ATOMICS CT., SD, CA 92121	MEMBER 40	127,506.	42,524.	0.
JOHN OSTRESH ----- 3550 GENERAL ATOMICS CT., SD, CA 92121	DIR OF CHEMISTRY 40	96,665.	35,092.	0.
ADEL NEFZI ----- 3550 GENERAL ATOMICS CT., SD, CA 92121	ASSISTANT MEMBER 40	89,744.	34,969.	0.
CLEMENCIA PINILLA ----- 3550 GENERAL ATOMICS CT., SD, CA 92121	ASSOC. MEMBER 20	88,246.	31,584.	0.
Total number of other employees paid over \$50,000 .. ▶	12			

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

(See 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	58,080.

Total number of others receiving over \$50,000 for professional services ▶	None	

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

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

Calendar year (or fiscal year beginning in)	(a) 2003	(b) 2002	(c) 2001	(d) 2000	(e) Total
15 Gifts, grants, and contributions received (Do not include unusual grants. See line 28.)	6,639,378.	7,219,179.	5,421,228.	4,526,072.	23,805,857.
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	379,912.	1,098,097.	72,667.	1,675,958.	3,226,634.
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	183,784.	52,288.	22,368.	207,560.	466,000.
19 Net income from unrelated business activities not included in line 18	227,971.	41,229.	63,271.	64,539.	397,010.
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	7,431,045.	8,410,793.	5,579,534.	6,474,129.	27,895,501.
24 Line 23 minus line 17	7,051,133.	7,312,696.	5,506,867.	4,798,171.	24,668,867.
25 Enter 1% of line 23	74,310.	84,108.	55,795.	64,741.	
26 Organizations described on lines 10 or 11:					
a Enter 2% of amount in column (e), line 24					26a 493,377.
b Prepare a list for your records to show the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 2000 through 2003 exceeded the amount shown in line 26a. Do not file this list with your return. Enter the total of all these excess amounts					26b
c Total support for section 509(a)(1) test. Enter line 24, column (e)					26c 24,668,867.
d Add: Amounts from column (e) for lines	18 466,000.	19 397,010.			26d 863,010.
	22	26b			26e 23,805,857.
e Public support (line 26c minus line 26d total)					26e 23,805,857.
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					26f 96.50 %
27 Organizations described on line 12:					
a For amounts included in lines 15, 16, and 17 that were received from a 'disqualified person,' prepare a list for your records to show the name of, and total amounts received in each year from, each 'disqualified person.' Do not file this list with your return. Enter the sum of such amounts for each year					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
b For any amount included in line 17 that was received from each person (other than 'disqualified persons'), prepare a list for your records to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000 (Include in the list organizations described in lines 5 through 11, as well as individuals.) Do not file this list with your return. After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year					
(2003) _____ (2002) _____ (2001) _____ (2000) _____					
c Add: Amounts from column (e) for lines	15 _____	16 _____			27c _____
	17 _____	20 _____	21 _____		
d Add: Line 27a total _____ and line 27b total _____					27d _____
e Public support (line 27c total minus line 27d total)					27e _____
f Total support for section 509(a)(2) test. Enter amount from line 23, column (e)					27f _____
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27g _____ %
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator))					27h _____ %

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 2000 through 2003, prepare a list for your records to show, for each year, the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not file this list with your return. Do not include these grants in line 15.

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

N/A

		Yes	No
29	Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
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)		

32	Does the organization maintain the following.		
a	Records indicating the racial composition of the student body, faculty, and administrative staff?		
b	Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?		
c	Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?		
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)			

33	Does the organization discriminate by race in any way with respect to		
a	Students' rights or privileges?		
b	Admissions policies?		
c	Employment of faculty or administrative staff?		
d	Scholarships or other financial assistance?		
e	Educational policies?		
f	Use of facilities?		
g	Athletic programs?		
h	Other extracurricular activities?		
If you answered 'Yes' to any of the above, please explain (If you need more space, attach a separate statement)			

34a	Does the organization receive any financial aid or assistance from a governmental agency?		
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			
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		

Part VI-A Lobbying Expenditures by Electing Public Charities (See instructions)
 (To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check **a** if the organization belongs to an affiliated group Check **b** if you checked 'a' and 'limited control' provisions apply.

Limits on Lobbying Expenditures

(The term 'expenditures' means amounts paid or incurred)

	(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36 Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37 Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38 Total lobbying expenditures (add lines 36 and 37)	38	
39 Other exempt purpose expenditures	39	
40 Total exempt purpose expenditures (add lines 38 and 39)	40	
41 Lobbying nontaxable amount Enter the amount from the following table –		
If the amount on line 40 is –		
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)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4 -Year Averaging Period				
	(a) 2004	(b) 2003	(c) 2002	(d) 2001	(e) Total
45 Lobbying nontaxable amount					
46 Lobbying ceiling amount (150% of line 45(e))					
47 Total lobbying expenditures					
48 Grassroots non-taxable 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 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
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	
	X	

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

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

Form 990, Page 2, Part II, Line 43

Other Expenses Stmt

	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
Other expenses not covered above (itemize):				
MISCELLANEOUS	106,610.	103,806.	-12,450.	15,254.
OUTSIDE SERVICES	27,563.	22,398.	4,780.	385.
EMPLOYEE BENEFITS	6,194.	6,194.	0.	0.
RECRUITING	5,391.	4,746.	645.	0.
WASTE REMOVAL	18,249.	18,249.	0.	0.
AMORTIZATION	29,438.	29,438.	0.	0.
INCOME TAX-UBI	39,142.	0.	39,142.	0.
CONSULTING	20,392.	19,417.	975.	0.
EMPLOYEE TRAINING	100.	100.	0.	0.
Total	<u>253,079.</u>	<u>204,348.</u>	<u>33,092.</u>	<u>15,639.</u>

Form 990, Page 3, Part IV, Lines 57a & 57b

Land, Buildings and Equipment Statement

	(a) Cost/Other Basis	(b) Accumulated Depreciation	(c) Book Value
MACHINERY AND EQUIPMENT	3,242,937.	2,564,492.	678,445.
FURNITURE AND FIXTURES	107,950.	107,950.	0.
LEASEHOLD IMPROVEMENTS	567,926.	425,339.	142,587.
Total	<u>3,918,813.</u>	<u>3,097,781.</u>	<u>821,032.</u>

Form 990, Page 3, Part IV, Line 58

Other Assets Statement

Line 58 - Other Assets:	Beginning of Year	End of Year
SECURITY DEPOSITS	118,942.	123,083.
PATENTS	480,221.	526,639.
PHANTOM STOCK PLAN	1,502.	0.
INVESTMENTS IN SUBSIDIARY	171,694.	170,869.
LICENSE/ROYALTY FEES RECEIVABLE	10,000.	10,000.
OTHER CURRENT ASSETS	75,017.	47,402.
Total	<u>857,376.</u>	<u>877,993.</u>

Form 990, Page 4, Part V

List of Officers, Etc. Statement

(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 and other allowances
GARLAND MARSHALL 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	TRUSTEE 1-2 HRS/WK	0.	0.	0.
N. JEFF OMAN 3550 GENERAL ATOMICS COURT SAN DIEGO, CA 92121	TRUSTEE 1-2 HRS/WK	0.	0.	0.

Total

0. 0. 0.

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 1

Part I, Line 1b

Indirect Public Support

AMOUNTS REPORTED AS INDIRECT PUBLIC SUPPORT INCLUDE FUNDS RECEIVED FROM A 501 (c)(3)
CORPORATION AND ARE REPORTED NET OF EXPENSES INCURRED BY THE 501 (c)(3) CORPORATION

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 2

Part 1, Line 20

Other changes in net assets or fund balances

DESCRIPTION

AMOUNT

NET LOSS FROM FOR-PROFIT SUBSIDIARY INCLUDED IN BOOK FUND BALANCE

\$ (825)

UNREALIZED LOSS ON INVESTMENTS

(448)

ROUNDING

(3)

TOTAL

\$ (1,276)

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 3

Part III

Organization's primary exempt purpose

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

STATEMENT 4
2004 Form 990, Part III

Statement of Program Service Accomplishments

a. **MULTIPLE SCLEROSIS:** The Multiple Sclerosis National Research Institute (the “MS Institute”) is a division of TPIMS devoted to studying the causes, diagnosis, and possible treatments for MS, with the ultimate goal of finding a cure. Our world-renowned scientists conduct the research needed to understand and treat this disease, so that all MS patients may return to living healthy and disease-free lives. Ongoing research includes studies to understand the causes of MS, the development of treatments for MS, and the design of novel strategies for the development of vaccines against MS.

Understanding MS

Why does the immune system attack and destroy the myelin sheath? Under a grant previously funded by the National MS Society, Dr. Eli Sercarz, a world-renowned MS researcher, discovered that EAE, an MS disease model used in the laboratory, can be induced by a specific group of immune cells, or T cells, that “drive” the disease. Here at the MS Institute, the laboratory of Dr. Sercarz is now investigating these “driver” immune cells in more detail, hoping to determine why and how these specific “driver” cells induce inflammation, causing such detrimental effects on the brain and spinal cord.

The MS Institute also supports the work of another world-renowned researcher, Dr. Vipin Kumar. Dr. Kumar’s team is exploring the mechanisms that the immune system uses to turn off the immune attack. There exists a natural immune response that can cause spontaneous recovery from EAE (the laboratory model for MS). By understanding this process of spontaneous recovery, Dr. Kumar hopes to arrive at information required to design strategies to reeducate the immune system to recognize the myelin sheath tissue as “self”, rather than as foreign tissue.

Treating MS

The most common form of MS, called relapsing-remitting MS (“RR-MS”), affects approximately 85% of patients. There are currently five FDA-approved treatments for RR-MS, one of which is Copaxone®. Copaxone® is at least as efficacious as the other treatments, but sometimes with significant side effects. At the MS Institute, Drs. Richard Houghten and Clemencia Pinilla began this project by accessing the MS Institute’s “combinatorial libraries” – millions to trillions of compounds organized in a mixture format. Next, they used the MS Institute’s patented methods for screening these libraries. Using the resulting data, they designed a “custom library”. Within this custom library they discovered new potential drug candidates which are as effective as Copaxone® in laboratory studies using the EAE model for MS. In collaboration with Dr. Roland Martin at the National Institutes of Health, Pinilla and Houghten are guiding these new drug candidates as they move towards further testing in early stage clinical trials.

Curing MS

Vaccines may hold the promise of a cure for MS. Scientists at the MS Institute are testing a variety of strategies for designing a vaccine against MS.

Dr. Eli Sercarz’ work, described earlier, is focused on understanding MS by studying the “driver” T cells which he discovered to be responsible for inducing inflammation in EAE. Using a strategy that is similar to that used to develop vaccines against viruses, Dr. Sercarz’s group is testing the possibility that immunization of models that are susceptible to EAE with the “driver” clones might stimulate immune cells that will prevent the action of the “driver” cells. This approach could result in a new vaccine strategy for MS.

Dr. Vipin Kumar has a similar dual goal. He hopes to advance the understanding of MS by discovering how a natural immune response to EAE allows spontaneous recovery from EAE. By investigating the specifics of this mechanism, and uncovering a way to stimulate the production of the body’s own regulatory cells, he hopes to find answers which are instrumental in designing more effective vaccines against MS.

Another approach to find vaccines begins with the use of the MS Institute's "combinatorial libraries" – similar to those used to identify the "Copaxone®-mimic" described earlier. Using the MS Institute's patented libraries and screening methods, Dr. Darcy Wilson is systematically searching the libraries for peptide compounds which show a wide range of biological activity against a T cell clone known to cause EAE. The important finding thus far is that some of these library-defined peptides activate the T cell clone to cause disease, while others are very effective at blocking this disease-causing activity. By identifying active compounds that prevent the development of disease, or that modify ongoing disease, Wilson hopes to use these compounds for the development of vaccines to down-regulate the underlying autoimmune process in MS.

During FY05, our research and related program services were supported by very generous donations from hundreds of thousands of individuals via workplace campaigns, such as the Combined Federal Campaign, United Way and Neighbor to Nation. Our work is also supported by ongoing grants from the National Institutes of Health. During the past three years, we received grant support from the National Multiple Sclerosis Society, who also recently honored the scientific achievements of Dr. Eli Sercarz.

Program Expense: Multiple Sclerosis **\$ 1,385,155**

b. CANCER and AGING. 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. A new project for this past year is for lung cancer. Other areas of aging-related research include cachexia, Alzheimer's disease, and influenza in the aging population. Our researchers are quite well-known, and we have established cooperative research partnerships with scientists at other institutions from around the world. We are funded by grants received from the National Institutes of Health, Department of Defense, and Alzheimer's and Aging Research Center, as well as by contracts with biotechnology companies and generous donations from the public.

Program Expense: Cancer and Aging **\$1,295,780**

c. DIABETES: According to the National Institutes of Health, diabetes affects more than 16,000,000 Americans every year. We conduct research to understand the causes, diagnosis, treatment and prevention of type 1 and type 2 diabetes. We conduct research focused on the many health complications that arise from 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. It is possible 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 1 diabetes, how type 1 diabetes can cause cachexia, how to prevent rejection of transplanted islet cells, and how to help with the neuropathic pain suffered by many type 1 patients. Our research is supported by grants from the National Institutes of Health, Diabetes National Research Group, Juvenile Diabetes Research Foundation, and by donations made by individuals and corporations.

Program Expense: Diabetes **\$ 408,601**

d. CHEMISTRY. When Torrey Pines Institute for Molecular Studies first opened its laboratories sixteen years ago, our main research focus 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. As a result 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. This group is supported by the National Institutes of Health, National Science Foundation, various corporate research contracts, and generous donations from the public.

Program Expense: Chemistry

\$ 499,605

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. One scientist is studying “virus-like particles” as a platform for an HIV vaccine. These particles are synthetic; they look and act like HIV, but are non-infectious. Another scientist focuses on the many opportunistic infections that invade immunocompromised individuals, hoping to arrive at methods for treating those patients when they become attacked by viruses that their immune system can not fight.

Additional programs include studying Leishmania, a parasite that causes “black fever” in 3^d-world countries. A new program started during this fiscal year is a very large cooperative project, being carried out in conjunction with several other research institutes. It involves the underlying mechanisms of small-pox virus infections, and how these mechanisms can translate to vaccines for other viruses.

Funding for these research programs was provided by grants from the National Institutes of Health and from AIDS & Infectious Disease Science Center, various corporate contracts and donations from the public.

Program Expense: Infectious Diseases

\$2,034,904

f. **TRANSPLANTATION, TRAUMA-INDUCED SHOCK, AND GENETICS:** These researchers study areas of application ranging from radiation trauma and trauma-induced shock, to bone marrow transplant therapy, to the genetic analysis of the immune system. 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 group 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 is supported by the National Institutes Health and Diabetes National Research Group.

Program Expense: Transplantation, Shock & Genetics:

\$ 338,509

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 involved in the study of "complement proteins", which defend the body against infection. The goal of our research is to obtain molecular pictures of the series of interactions that occur among complement proteins during recognition and killing of foreign cells. Uncontrolled complement activation contributes to many chronic inflammatory conditions, such as heart attack, heart disease and rejection of non-human transplanted tissue. We are working on a diagnostic procedure for use in emergency rooms, for the immediate determination of stroke vs. myocardial infarction. The studies were funded by grants from the National Institutes of Health and from Alzheimer's and Aging Research Center.

Program Expense: Heart Disease

\$ 237,213

h. **CHRONIC PAIN**: 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, Alzheimer's and Aging Research Center, corporate contracts, and donations.

Program Expense: Chronic Pain

\$ 50,171

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 Expense: Osteoporosis & Breast Cancer

\$ 40,501

j. **OTHER PROGRAM ACTIVITIES**: The mission at "TPIMS" is not only to conduct scientific research, but also to ensure that our research discoveries make a difference to humans. We accomplish this by supporting our scientists in their endeavors to publish, to travel worldwide in order to give lectures and other presentations, to establish and maintain collaborations with other scientists, and to act as mentors to students and young scientists just beginning in their careers. Over the past year, TPIMS scientists traveled throughout the United States and worldwide to share research results, to learn of others' research, and maintain important collaborative efforts. TPIMS launched a newly designed website containing information of interest not only to researchers and medical professionals, but also to individuals interesting in learning about the variety of disease areas being studied at TPIMS. We designed and launched a new website

containing information of interest not only to researchers and medical professionals, but also to individuals interesting in learning about the variety of disease areas being studied at TPIMS. We purchased shared laboratory equipment, repaired and maintained older shared equipment, and made renovations in laboratories when needed. At TPIMS, we strive to provide an environment for our scientists which is collegial and supportive. We recognize the necessity of maintaining facilities with well-functioning equipment, and, when possible, state-of-the-art new equipment. This type of environment allows the research investigators to apply their time and creative energy on asking new questions, testing ideas, and ultimately, on improving the lives of humans throughout the world.

Program Expense: Other

\$ 218,680

TOTAL TO FORM 990, PART III

\$6,509,119

STATEMENT 5

Part IV, Line 64b, Column (B)

Mortgages and other notes payable

LENDER'S NAME
FIRST REPUBLIC BANK

TERMS OF REPAYMENT
\$33,194 44/MO PLUS INTEREST

DATE OF NOTE MATURITY DATE
8/15/2003 8/20/2006

ORIGINAL LOAN AMOUNT INTEREST RATE
\$ 1,195,000 6 75%

SECURITY PROVIDED BY BORROWER
EQUIPMENT

PURPOSE OF LOAN
EQUIPMENT PURCHASE

RELATIONSHIP TO LENDER
NONE

BALANCE DUE
\$ 464,722

LENDER'S NAME
FIRST REPUBLIC BANK

TERMS OF REPAYMENT
INTEREST ONLY-PAYABLE MONTHLY

DATE OF NOTE MATURITY DATE
8/15/2003 3/31/2006

ORIGINAL LOAN AMOUNT INTEREST RATE
\$ 150,000 6 75%

SECURITY PROVIDED BY BORROWER
EQUIPMENT

PURPOSE OF LOAN
LINE OF CREDIT

RELATIONSHIP TO LENDER
NONE

BALANCE DUE
\$ 150,000

TOTAL

\$ 614,722

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 6

Part IV, Line 63, Column (B)

Loans from officers, directors, trustees, and key employees

LENDER'S NAME

RICHARD HOUGHTEN

TERMS OF REPAYMENT

PAYMENT IN FULL AT MATURITY DATE

DATE OF NOTE

11/13/2003

MATURITY DATE

6/30/2006

ORIGINAL LOAN AMOUNT

\$ 100,000

INTEREST RATE

0.00%

SECURITY PROVIDED BY BORROWER

PURPOSE OF LOAN

SHORT TERM LOAN

RELATIONSHIP TO LENDER

LENDER IS PRESIDENT/CEO OF ORGANIZATION

BALANCE DUE

\$ 100,000

Loan from Officer

On November 13, 2003, the Institute borrowed \$100,000 from its president through a non-interest bearing loan, due in one lump sum payment in June 2006

TOTAL

\$ 100,000

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 7

Part IV-A, Line b(4)

Other revenue not included on Form 990

DESCRIPTION

AMOUNT

REVENUE FROM TAX-EXEMPT SUBSIDIARIES INCLUDED IN AUDITED
FINANCIAL STATEMENTS

\$ 1,407,042

TOTAL

\$ 1,407,042

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 8

Part IV-B, Line b(4)

Other expenses not included on Form 990

<u>DESCRIPTION</u>	<u>AMOUNT</u>
EXPENSES FROM FOR-PROFIT SUBSIDIARY INCLUDED IN AUDITED FINANCIAL STATEMENTS	\$ 825
EXPENSES FROM TAX-EXEMPT SUBSIDIARIES INCLUDED IN AUDITED FINANCIAL STATEMENTS	1,115,207
TOTAL	<u>\$ 1,116,032</u>

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 9

Part IV-A, Line d(2)

Other revenue included on Form 990

<u>DESCRIPTION</u>	<u>AMOUNT</u>
ELIMINATING ENTRY INCLUDED IN AUDITED FINANCIAL STATEMENTS	\$ 584,222
TOTAL	<u>\$ 584,222</u>

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 10

Part IV-B, Line d(2)

Other expenses included on Form 990

<u>DESCRIPTION</u>	<u>AMOUNT</u>
ELIMINATING ENTRY INCLUDED IN AUDITED FINANCIAL STATEMENTS	\$ 895,400
Total	<u>\$ 895,400</u>

STATEMENT 11**Part VI, Line 80b****Related organizations**

<u>NAME OF ORGANIZATION</u>	<u>EXEMPT</u>	<u>NONEXEMPT</u>
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	

STATEMENT 12**Part VII****Relationship of activities to the accomplishment of exempt purposes**LINE 93a EXPLANATION OF RELEATIONSHIP 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

STATEMENT 13

Form 990, Schedule A, Part III, Line 2

Activities with directors, trustees, principal officers, or creators

THE FOLLOWING TRANSACTIONS WERE WITH AN ORGANIZATION IN WHICH AN OFFICER OF TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC. WAS ALSO AN OWNER OF MIXTURE SCIENCES, INC.

TORREY PINES INSTITUTE WAS REIMBURSED FOR OTHER MISCELLANEOUS ITEMS PURCHASED AT FAIR MARKET VALUE FOR MIXTURE SCIENCES, INC. THE TOTAL AMOUNT OF REIMBURSEMENTS RECEIVED WAS \$242,588, WHICH INCLUDES THE FOLLOWING \$150,183 FOR RENT, \$49,188 FOR RESEARCH CONTRACT EXPENSES, ANDE \$43,217 FOR OTHER SERVICES AND MISCELLANEOUS REIMBURSEMENTS

TORREY PINES PAID MIXTURE SCIENCES, INC \$8,458 OF REIMBURSEMENTS FOR THE YEAR ENDED JUNE 30, 2005.

TORREY PINES INSTITUTE WAS REIMBURSED FOR OTHER MISCELLANEOUS ITEMS PURCHASED AT FAIR MARKET VALUE FROM AMERICAN PEPTIDE SOCIETY AND SYMPOSIUM. THE TOTAL AMOUNT OF REIMBURSEMENT RECEIVED WAS \$1,101. THERE ARE OVERLAPPING DIRECTORS.

STATEMENT 14

Part II, Line 42

Depreciation, depletion, etc

<u>DESCRIPTION</u>	6/30/2004 BALANCE	CURRENT ADDITIONS	CURRENT DISPOSALS	6/30/2005 BALANCE
MACHINERY AND EQUIPMENT	3,277,193	73,466	(107,722)	3,242,937
FURNITURE AND FIXTURES	107,950	-	-	107,950
LEASEHOLD IMPROVEMENTS	<u>568,462</u>	<u>1,367</u>	<u>(1,903)</u>	<u>567,926</u>
TOTAL COST	3,953,605	74,833	(109,625)	3,918,813
ACCUMULATED DEPRECIATION	<u>(2,804,372)</u>	<u>(398,029)</u>	<u>104,620</u>	<u>(3,097,781)</u>
NET FIXED ASSETS	<u><u>1,149,233</u></u>	<u><u>(323,196)</u></u>	<u><u>(5,005)</u></u>	<u><u>821,032</u></u>

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 15

Part IV, Line 50, Column (B)

Receivables from officers, directors, trustees, and key employees

BORROWER'S NAME

MARY E. TOTZKE

TERMS OF REPAYMENT

ANNUAL PAYMENTS OF ACCRUED INTEREST

PAYMENT OF ORIGINAL LOAN AMOUNT DUE AT MATURITY DATE

DATE OF NOTE

7/7/2004

MATURITY DATE

7/7/2014

ORIGINAL LOAN AMOUNT

\$ 150,000

INTEREST RATE

5.34%

SECURITY PROVIDED BY BORROWER

2ND DEED OF TRUST

PURPOSE OF LOAN

FOR PURCHASE OF PRIMARY RESIDENCE

RELATIONSHIP TO LENDER

BORROWER IS COO/CFO OF ORGANIZATION

BALANCE DUE

\$ 150,000

Loan to Officer

On July 7, 2004, the Institute entered into a secured promissory note ("note") for \$150,000 with an officer of the Institute. The note bears interest at 5.34 percent and is secured by a second priority deed of trust. Interest payments are due annually, beginning July 2005, with the principal due in July 2014 or six months after termination of employment, whichever is earlier.

TOTAL

\$ 150,000

FORM 990

TORREY PINES INSTITUTE FOR MOLECULAR STUDIES, INC.

33-0319501

STATEMENT 16

Part II, Line 44, Column (D)

Total functional expenses - Fundraising

THIS ORGANIZATION RECEIVES THE MAJORITY OF ITS FUNDING THROUGH GOVERNMENT CONTRIBUTIONS (GRANTS), THUS FUNDRAISING EXPENSE INCURRED IS NOT MATERIAL.

Application for Extension of Time To File an Exempt Organization Return

▶ 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)
- 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)

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.

Electronic Filing (e-file). Form 8868 can be filed electronically if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for corporate Form 990-T filers). However, you cannot file it electronically if you want the additional (not automatic) 3-month extension, instead you must submit the fully completed signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile.

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 |

- The books are in the care of ▶ PEGGY TOTZKE
 Telephone No. ▶ (858) 455-3811 FAX No. ▶ _____
- 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-months for a **Form 990-T corporation**) extension of time until FEBRUARY 15, 2006 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, 2004, and ending JUN 30, 2005
- 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

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.