

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)

2003

Department of the Treasury Internal Revenue Service

Open to Public Inspection

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

A For the 2003 calendar year, or tax year beginning, 2003, and ending, 20

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

C Name of organization: INNERLIGHT BIOLOGICAL RESEARCH
Number and street (or P.O. box if mail is not delivered to street address): 16390 DIA DEL SOL
Room/suite:
City or town, state or country, and ZIP + 4: VALLEY CENTER, CA 92082

D Employer identification number: 31-1816384
E Telephone number: (760) 751-8321
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 [] No [X]
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 [] No []

G Website:

J Organization type (check only one) [X] 501(c)(3) () (insert no) [] 4947(a)(1) or [] 527

K Check here [X] 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.

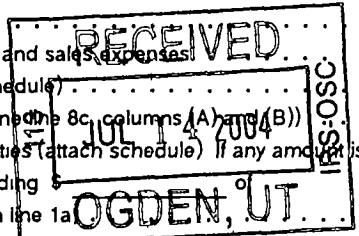
L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 162,937

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

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

Table with 21 rows and 4 columns: Description, Sub-column, Total, and Balance. Includes rows for Contributions, Program service revenue, Dividends, Special events, and Total revenue/expenses.

SCANNED JUL 20 2004



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

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) (cash \$ _____ noncash \$ _____)	22			
23	Specific assistance to individuals (attach schedule)	23			
24	Benefits paid to or for members (attach schedule)	24			
25	Compensation of officers, directors, etc.	25			
26	Other salaries and wages	26	13,150	13,150	
27	Pension plan contributions	27			
28	Other employee benefits	28	1,156	1,156	
29	Payroll taxes	29	1,139	1,139	
30	Professional fundraising fees	30			
31	Accounting fees	31	1,097		1,097
32	Legal fees	32	109		109
33	Supplies	33	5,981	5,981	
34	Telephone	34	4,144	2,072	2,072
35	Postage and shipping	35	3,134	3,134	
36	Occupancy	36			
37	Equipment rental and maintenance	37	11,511		11,511
38	Printing and publications	38	2,271	2,271	
39	Travel	39	4,000	4,000	
40	Conferences, conventions, and meetings	40			
41	Interest	41			
42	Depreciation, depletion, etc. (attach schedule)	42			
43	Other expenses not covered above (itemize): a OTHER EXPENSE	43a	105,424	105,424	
	b AUTO EXPENSE	43b	473	473	
	c BANK CHARGES	43c	411		411
	d MERCHANT FEES	43d	888	888	
	e SECURITY EXPENSE	43e	144		144
44	Total functional expenses (add lines 22 through 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15	44	155,032	139,688	15,344

Joint Costs. Check if you are following SOP 98-2
 Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No
 If "Yes," enter (i) the aggregate amount of these joint costs \$ _____, (ii) the amount allocated to Program services \$ _____,
 (iii) the amount allocated to Management and general \$ _____, and (iv) the amount allocated to Fundraising \$ _____

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

What is the organization's primary exempt purpose? ▶	Program Service Expenses (Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts, but optional for others)
a NUTRITIONAL RESEARCH TO PROVIDE THE GENERAL PUBLIC WITH LITERATURE, BOOKS, AND TAPES ABOUT HEALTH AND TYPE TWO DIABETES. (Grants and allocations \$ _____)	139,688
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) ▶	139,688

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

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.		(A)		(B)	
		Beginning of year		End of year	
45	Cash - non-interest-bearing		45	8,313	
46	Savings and temporary cash investments		46		
47 a	Accounts receivable	47a	12,822		
b	Less: allowance for doubtful accounts	47b		47c	12,822
48 a	Pledges receivable	48a			
b	Less: allowance for doubtful accounts	48b		48c	
49	Grants receivable		49		
50	Receivables from officers, directors, trustees, and key employees (attach schedule)		50		
A	51 a Other notes and loans receivable (attach schedule)	51a			
s	b Less: allowance for doubtful accounts	51b		51c	
s	52 Inventories for sale or use		52		
e	53 Prepaid expenses and deferred charges		53		
t	54 Investments - securities (attach schedule) <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54		
s	55 a Investments - land, buildings, and equipment basis	55a			
	b Less: accumulated depreciation (attach schedule)	55b		55c	
	56 Investments - other (attach schedule)		56		
	57 a Land, buildings, and equipment basis	57a			
	b Less: accumulated depreciation (attach schedule)	57b		57c	
	58 Other assets (describe <input type="checkbox"/>)		58		
	59 Total assets (add lines 45 through 58) (must equal line 74)		59	21,135	
L	60 Accounts payable and accrued expenses		60		
i	61 Grants payable		61		
a	62 Deferred revenue		62		
b	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63		
i	64 a Tax-exempt bond liabilities (attach schedule)		64a		
t	b Mortgages and other notes payable (attach schedule)		64b		
i	65 Other liabilities (describe <input type="checkbox"/>)		65	13,230	
e	66 Total liabilities (add lines 60 through 65)		66	13,230	
	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.				
N	67 Unrestricted		67		
F	68 Temporarily restricted		68		
u	69 Permanently restricted		69		
n	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 70 through 74				
A	70 Capital stock, trust principal, or current funds		70		
s	71 Paid-in or capital surplus, or land, building, and equipment fund		71		
B	72 Retained earnings, endowment, accumulated income, or other funds		72	7,905	
s	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)		73	7,905	
a	74 Total liabilities and net assets / fund balances (add lines 66 and 73)		74	21,135	

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

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

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	162,937
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments . . \$ _____		
(2)	Donated services and use of facilities . \$ _____		
(3)	Recoveries of prior year grants \$ _____		
(4)	Other (specify) _____ \$ _____		
	Add amounts on lines (1) through (4) . ▶	b	
c	Line a minus line b ▶	c	162,937
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$ _____		
(2)	Other (specify) _____ \$ _____		
	Add amounts on lines (1) and (2) . . . ▶	d	
e	Total revenue per line 12, Form 990 (line c plus line d) ▶	e	162,937

a	Total expenses and losses per audited financial statements ▶	a	155,032
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities . \$ _____		
(2)	Prior year adjustments reported on line 20, Form 990 \$ _____		
(3)	Losses reported on line 20, Form 990 . . \$ _____		
(4)	Other (specify) _____ \$ _____		
	Add amounts on lines (1) through (4) . ▶	b	
c	Line a minus line b ▶	c	155,032
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990 \$ _____		
(2)	Other (specify) _____ \$ _____		
	Add amounts on lines (1) and (2) . . . ▶	d	
e	Total expenses per line 17, Form 990 (line c plus line d) ▶	e	155,032

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

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-.)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
ROBERT O YOUNG 16390 DIA DEL SOL	PRESIDENT 40	0	0	0
SHELLEY YOUNG 16390 DIA DEL SOL	VICE PRESIDEN 25	0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ▶ Yes No
If "Yes," attach schedule - see page 28 of the instructions

Part VI Other Information (See page 28 of the instructions)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	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
78a	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	
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79	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?	80a	X
b	If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt		
81a	Enter direct and indirect political expenditures. See line 81 instructions	81a	
b	Did the organization file Form 1120-POL for this year?	81b	X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II (See instructions in Part III)	82b	
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year	85b	
c	Dues, assessments, and similar amounts from members	85c	
d	Section 162(e) lobbying and political expenditures	85d	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	
86	501(c)(7) orgs. Enter: a Initiation fees and capital contributions included on line 12	86a	
b	Gross receipts, included on line 12, for public use of club facilities	86b	
87	501(c)(12) orgs. Enter: a Gross income from members or shareholders	87a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X
89a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> ; section 4955 <input type="checkbox"/>		
b	501(c)(3) and 501(c)(4) orgs. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b	X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 <input type="checkbox"/>		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization <input type="checkbox"/>		
90a	List the states with which a copy of this return is filed <input type="checkbox"/>		
b	Number of employees employed in the pay period that includes March 12, 2003 (See instructions)	90b	
91	The books are in care of <input type="checkbox"/> Telephone no <input type="checkbox"/> Located at <input type="checkbox"/> ZIP + 4 <input type="checkbox"/>		
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 <input type="checkbox"/>	92	

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

	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 <u>NUTRITIONAL RESEARCH</u>		162,932			
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue. a _____					
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))		162,932			
105 Total (add line 104, columns (B), (D), and (E))					162,932

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

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

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	PROVIDED THE GENERAL PUBLIC WITH AWARENESS OF HEALTH ISSUES AND TYPE TWO DIABETES. ALSO, PROVIDED FREE CONSULTATION AND PRODUCTS AT NUTRITIONAL RETREATS.

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

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

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


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

(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No

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

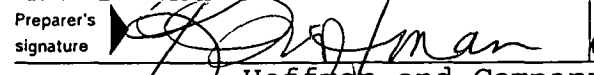
Under penalties of perjury, I declare that I have examined this return, including attachments, and believe it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has knowledge.

Please Sign Here

Signature of officer 

Type or print name and title _____

Paid Preparer's Use Only

Preparer's signature 

Firm's name (or yours if self-employed) Hoffman and Company

address, and ZIP + 4 210 N Orem Blvd
Orem UT

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

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

Supplementary Information -- (See separate instructions.)

OMB No 1545-0047

2003

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: **INNERLIGHT BIOLOGICAL RESEARCH** Employer identification number: **31-1816384**

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
None				
Total number of other employees paid over \$50,000 ▶				

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

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

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

Name as shown on Return

INNERLIGHT BIOLOGICAL RESEARCH

Employer identification number

31-1816384

-----CASH ACCOUNTS-----

Description	Amount
WELLS FARGO	6,261
CENTRIX	2,052
Total	8,313

-----ACCOUNTS RECEIVABLE-----

Description	Amount
RANCH AVORADO	3,922
PH MIRACLE RETREATS	3,300
INNERLIGHT MOTION	5,600
Total	12,822

-----OTHER LIABILITIES-----

Description	Amount
RANCHO DEL SOL MANAGEMENT	9,050
HIKARI HOLDINGS	4,180
Total	13,230

-OTHER EXPENSES PROGRAM SERVICES---

Description	Amount
UTILITIES	4,445
COST OF PROGRAM SERVICES	76,789
SUBCONTRACTORS	12,962
FOOD	11,062
MISC EXPENSE	166
Total	105,424

Application for Extension of Time to File an Exempt Organization Return

Department of the Treasury Internal Revenue Service

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

Table with 3 columns: Type or print, Name of Exempt Organization, Employer identification number. Includes address: INNERLIGHT BIOLOGICAL RESEARCH, 16390 DIA DEL SOL, VALLEY CENTER, CA 92082

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

- Form 990, Form 990-BL, Form 990-EZ, Form 990-PF, Form 990-T (corporation), Form 990-T (sec. 401(a) or 408(a) trust), Form 990-T (trust other than above), Form 1041-A, Form 4720, Form 5227, Form 6069, 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 08-15, 2004, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
calendar year 20 or
tax year beginning 01-01, 2003, and ending 12-31, 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 \$

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 [Signature] Title accountant Date 5/14/04
For Paperwork Reduction Act Notice, see instruction EEA Form 8868 (12-2000)